



House of Commons
Committee of Public Accounts

**Transforming
rehabilitation**

Seventeenth Report of Session 2016–17

*Report, together with formal minutes relating
to the report*

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The Committee of Public Accounts

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Summary

In 2014, we reported on the significant changes then underway to probation services in England and Wales and outlined several risks and challenges. The Ministry of Justice is now more than two years into these ambitious reforms, intended to reduce reoffending, but they are far from complete. There is still no clear picture of how the new system is performing in important areas of the reforms. The failure to deal with ICT problems and serious uncertainty over the impact on providers of lower than expected business volumes have also undermined the pace of change. Both pose a threat to achieving the required performance levels and outcomes by the end of 2017 as planned.

We are very conscious of the scale of the challenges facing the Ministry of Justice in the next few years, in particular the ambitious reforms of the courts and prisons systems, which must be met with increasingly constrained resources. But it is crucial that the Ministry completes the “rehabilitation revolution” it has started and makes good on its promise to reduce the huge economic and human cost of reoffending.

Introduction

Probation is the means through which offenders are supervised and their rehabilitation is pursued. In 2012, the Ministry of Justice announced it would deliver a 'rehabilitation revolution' by reforming probation services. In June 2014, it split 35 probation trusts into a public sector National Probation Service (NPS) and 21 new community rehabilitation companies (CRCs). The NPS now advises courts on sentencing all offenders and manages those offenders presenting higher risks of serious harm or with prior history of domestic violence and sexual offences. CRCs supervise offenders presenting low- and medium-risk of harm. CRCs were in public ownership until February 2015 when, following an extensive procurement, they transferred to eight, mainly private sector, providers working under contract to the National Offender Management Service. The reforms also extended probation supervision to offenders released from prison sentences of under 12 months, a group with particularly high reoffending rates; and the prison system was reorganised to provide offenders in custody with enhanced resettlement services in preparation for release. Through these reforms the Ministry of Justice and the National Offender Management Service hope to secure economic benefits to society from reduced reoffending that are estimated to be worth more than £12 billion over seven years.

Conclusions and recommendations

1. **The Ministry of Justice has yet to bring about the ‘rehabilitation revolution’ it promised and must do so at the same time as implementing other far reaching new reforms, all with increasingly constrained resources.** Two years into the Transforming Rehabilitation reforms there is still an incomplete picture of performance. The Ministry of Justice (the Ministry) intends the performance of the National Probation Service (NPS) and community rehabilitation companies (CRCs) to reach the required levels by April 2017 but it will have to remedy important gaps in its data if it is to know whether this has been achieved. Whether the reforms have met the ultimate test of reducing reoffending will not be known until late 2017. The procurement phase of Transforming Rehabilitation alone required a huge effort in the Ministry and the National Offender Management Service (NOMS) and diverted attention and resources from other areas. Now, as well as seeing through the reform of probation services, the Ministry is also pursuing extensive and ambitious change in Courts and Prisons, whilst at the same time trying to reduce its administrative budgets by 50%. It is crucial that the Ministry has the capability to manage these multiple, interconnected reforms, whilst also managing ongoing risks such as crowding, violence and substance abuse in the prison estate. The recommendations we set out below are intended to support the Ministry in retaining a strong focus on tackling the huge economic and human cost of reoffending.

Recommendation: *We expect the Ministry to update the Committee on progress by the end of 2017 to provide confidence that performance data on rehabilitation services is reliable and complete and show whether the overarching aim of reducing reoffending is being met.*

2. **Two years into the reforms, it is unclear whether the extension of supervision to offenders sentenced for less than 12 months is having the desired impact.** Nearly 60% of people who receive short prison sentences of less than 12 months reoffend within a year. The Ministry extended supervision to this group to address this unacceptable and long-standing situation. Some offenders breach the terms of their release into the community and are recalled to prison. But a rapid cycle of short sentence, release and recall is a poor outcome for offenders, the prison service and society. The Ministry regards the rate of additional recalls as within its expectations but it is not evident to us that the Ministry and NOMS yet understand how this critical group of offenders is responding to supervision.

Recommendation: *While lack of data is an issue the Ministry itself acknowledges, there are issues with supervision of short-term prisoners. The Ministry should identify these issues and set out clearly how it will tackle these prior to re-offending data being made available in late 2017.*

3. **There is wide variation in the quality of arrangements to provide continuity between rehabilitation within prison and the community.** Since May 2015, CRCs have delivered “Through the Gate” services in which they assess the initial needs of all offenders in custody, provide them with resettlement services in preparation for release and, where appropriate, meet them on release and work with them in the community. Mobilising this new service did not go as well as the Ministry and NOMS had wanted. There is still wide variation across England and Wales in the

quality of these services and NOMS expected to see better progress, which has led it to review current arrangements. One of the biggest challenges in delivering a service that works for offenders is accessing services outside the direct control of NOMS and the CRCs, such as housing, education and employment. CRCs will need to work with and influence local and health authorities, police forces and other crucial providers.

Recommendation: *The Ministry should identify and disseminate examples of what works; both in terms of managing offenders through the transition from prison into the community and in influencing partners to address needs such as housing for offenders.*

4. **The ability of CRCs to transform their businesses is being undermined by delays in resolving commercial negotiations.** The new owners of the CRCs were selected on the basis that they would invest in and transform these businesses. Promised innovations included new “one-stop” service centres and using ICT to free up probation staff time to interact more effectively with offenders. But this transformation has been slower than expected due to difficulties connecting the CRCs to ICT systems within NOMS and significantly lower volumes of business than originally estimated. Witnesses told us they were not complacent but negotiations to address the uncertainty of the volume reductions were ongoing at the time of the NAO report in April 2016 and were still not resolved at the time of our evidence session in July 2016.

Recommendation: *The Ministry should urgently complete commercial negotiations with CRCs to provide the certainty necessary to support the planned transformation. It should update us on the result of negotiations, and the financial consequences, as soon as they are completed.*

5. **There are significant barriers to encouraging the promised innovative practice in rehabilitating offenders.** The Ministry was deliberately unrestrictive about how CRCs would deliver services to different groups. This allows space for innovation but can pose risks to maintaining services, in particular for specific minority groups such as female offenders. We also received testimony on negative effects of the new commercial arrangements such as excessive caseloads and bias towards group activities rather than services focused on individuals. Though well-established rehabilitation programmes attract specific funding, CRCs are expected to fund innovative programmes through their general resources. It is not clear to us how far this is actually happening. The Ministry is reviewing the contracts with CRCs and considering what it should do to ensure that they create the right incentives for service delivery now, rather than relying just on a payment-by-results outcome in a few years’ time. Under the reforms, the CRCs have no direct rights of access to the Courts and it is NPS staff who advise the judiciary on sentencing and rehabilitating offenders. The NPS has more to do to ensure that sentencers are aware of innovative as well as established options available from CRCs.

Recommendations:

- *The Ministry should review and adapt the payment mechanism to create stronger incentives for CRCs to provide innovative services that meet the needs of all groups and reduce reoffending.*
- *The National Probation Service should develop a coherent plan to better guide court staff on the rehabilitation services available from CRCs.*

6. **We are concerned that the full potential of the third sector is not being realised.** The reforms had a specific objective to open up the probation sector to a diverse range of rehabilitation providers, including mutuals. The Ministry claimed to have learned from earlier pilots that the voluntary sector had less capacity than private sector bidders to accept commercial risk but it is not evident to us that this learning was well applied to the CRC procurement. All but one of the 21 CRCs are now controlled by private sector owners but the Ministry pointed to a broader supply chain of participants from relevant sectors such as community health, skills and education and employment support. It is vital that the Ministry and NOMS sustain a healthy and diverse supply chain. NOMS acknowledges that smaller, local voluntary organisations can feel squeezed out by national players and claimed to give opportunities for third sector suppliers to raise concerns with how they are treated. In other sectors, the Committee has repeatedly seen a narrowing of the private contractors bidding for, and running, services over time. Despite the Ministry's professed intention to avoid this we are concerned about the trajectory which appears to mirror other sectors where smaller expert providers are squeezed out. We also received submissions raising concerns about how voluntary groups are being managed by CRCs and the lack of transparency about work opportunities.

Recommendation: *The Ministry and NOMS must deliver on their commitment to sustain a diverse market of suppliers. They should assess the health of the voluntary sector's relationships with CRCs and the NPS and use this insight to identify and address gaps in provision and enable smaller providers to contribute more effectively.*

7. **ICT systems in probation are inefficient, unreliable and hard to use.** In a service that relies on successful joint working between multiple partners, it is essential that ICT supports, rather than frustrates, effective and efficient collaboration. This is far from the case for probation. Systems are still fragile and precarious, not least the ICT infrastructure and NOMS' nDelius case management system, which puts added pressure on already hard pressed staff. The nDelius case management system had to be stripped back so it could be operated nationwide and improvements to its usability were deferred. There have also been delays in providing CRCs with a gateway into NOMS ICT systems. The Ministry has paid £23 million compensation to CRCs as a result. It is crucial that nDelius, the gateway and wider ICT systems are fully functional as soon as possible otherwise NOMS risk further demoralising essential staff and delaying planned service transformation.

Recommendation: *NOMS should, without delay, meet its commitments to improve the usability of nDelius and to implement a fully functional and reliable link between NOMS and CRC systems by the end of 2016.*

1 The impact of Transforming Rehabilitation

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Ministry of Justice (the Ministry), the National Offender Management Service (NOMS, which is an executive agency of the Ministry), and the National Probation Service (NPS).¹ We also received written submissions from a range of organisations involved with probation services.

2. Probation is the means through which offenders are supervised and their rehabilitation is pursued, primarily in the community. The Ministry oversees the supervision of some 243,000 offenders and has also been responsible for implementing a wide range of reforms to probation services, through the Transforming Rehabilitation Programme.² In 2012, the Ministry announced it would deliver a ‘rehabilitation revolution’.³ In June 2014, it split the 35 probation trusts into a public sector National Probation Service (NPS) and 21 Community Rehabilitation Companies (CRCs). Since February 2015, following an extensive procurement exercise, the 21 CRCs have been run by eight, mainly private sector, providers working under contract to NOMS. Running the NPS and paying and overseeing the CRCs cost the Ministry an estimated £889 million in 2015–16.⁴ The Ministry has also extended probation supervision to offenders released from prison sentences of under 12 months, a group with particularly high reoffending rates of nearly 60% within a year of release, and reorganised the prison system to provide offenders in custody with enhanced resettlement services prior to release.⁵

3. NOMS publishes online various NPS and CRC performance information statistics on a quarterly basis and, in July 2016, also published a larger annual set of performance data. The Ministry also carries out operational assurance audits to assess the quality of work in all CRCs, including those which NOMS has placed on remedial action plans to address poor performance. However, at the time of our evidence session, there was still an incomplete picture of performance despite the new probation system having been in place for two years.⁶ The Ministry told us that it intends the performance of NPS and CRCs to reach the required levels by April 2017 but there are currently various gaps in the available performance data.⁷ The Ministry attributed some of these gaps to performance data that require a length of time before it can start reporting on them but other data is of insufficient quality to use.⁸ The ultimate success of these reforms, however, depends on achieving economic benefits to society from reduced reoffending, estimated to be worth more than £12 billion over the next seven years.⁹ The Ministry told us that good quality reoffending data for the reformed system is not expected until late 2017.¹⁰

1 C&AG’s Report, [Transforming Rehabilitation](#), Session 2015–16 HC 951 28 April 2016

2 [C&AG’s report](#), para 1.3

3 Ministry of Justice, [Transforming Rehabilitation: A revolution in the way we manage offenders, Consultation Paper CP1/2013](#), January 2013

4 [C&AG’s Report](#), para 1.2

5 [Q 34](#)

6 [Q 24–26](#)

7 [Qq 3–4](#); [C&AG’s Report](#), para 7

8 [Qq 3](#); [Q26](#); [C&AG’s Report](#) para 7

9 [C&AG’s Report](#), paras 4 and 1.2

10 [Q 1](#)

Offenders with short prison sentences

4. A crucial element of the ‘rehabilitation revolution’ was the extension of statutory rehabilitation in the community to an estimated extra 45,000 offenders sentenced for less than 12 months.¹¹ For too long this group has had worryingly high reoffending levels, currently at nearly 60%, with the Ministry finding it extremely difficult to stop the constant “revolving door” of short-sentence prisoners.¹² The extension of supervision has created extra strain across the criminal justice system through a significant increase in offenders being recalled to prison from the community for breaching their licence. Quarterly data from the Ministry shows the number of recalls increased by around 28% between 2014 and 2015.¹³ Some increase in recalls is to be expected from extending supervision and the Ministry regards the rate as within its expectations. But it is not clear to us that the Ministry and NOMS understands the full significance of the increased recalls or, more importantly, how this critical group of short-sentence offenders is responding to supervision, a concern expressed in the NAO’s report and other testimony we received.¹⁴

5. The extension of supervision has also put additional workload onto staff already under pressure in prisons and probation and has created further friction between NPS and CRC staff. Indeed, as the Howard League for Penal Reform emphasises, the increase in the number of people recalled to custody is “pushing additional pressure and costs onto the already overstretched and under resourced prison service”.¹⁵ The decision whether an offender is recalled to custody is taken by the NPS; however, where the offender is supervised by a CRC, CRCs will provide the NPS with the evidence that offenders have breached their terms of supervision. The NPS may reject the CRCs notifications and, in some cases, this is happening for minor reasons such as spelling and grammatical errors in the notification.¹⁶ The Ministry has not provided us with the number of CRC recall requests that have been rejected by the NPS but claims that the level would be negligible.¹⁷ We received evidence that some CRC staff were discouraged from recommending enforcement action through the courts because it attracted financial penalties under the contracts. If widespread, this would produce fewer recalls than would otherwise be the case.¹⁸

Continuity of rehabilitation beyond prison

6. Since May 2015, the 21 CRCs have delivered “Through the Gate” services in which they assess the initial needs of all offenders in custody, provide them with resettlement services in preparation for release and, where appropriate, meet them on release and work with them in the community. The Ministry acknowledged that the mobilisation of this resettlement work in prison has not developed as quickly and as well as it would have wanted.¹⁹ It is over a year since “Through the Gate” services were introduced yet it is a concern that there is still wide variation in the quality of resettlement services provided

11 [C&AG’s Report](#), para 1.1

12 [Q 34](#)

13 Howard League for Penal Reform ([TRR0007](#)); Prison Reform Trust ([TRR0005](#)); Ministry of Justice, [Offender Management Statistics Quarterly: October to December 2015](#), April 2016

14 [Q 29](#); [Q 34](#); [C&AG’s Report](#), para 4.14; Prison Reform Trust ([TRR0005](#)); Howard League for Penal Reform ([TRR0007](#))

15 Howard League for Penal Reform ([TRR0007](#))

16 HM Inspectorate of Probation ([TRR0004](#)); [C&AG’s report](#), para 3.2

17 Mr Michael Spurr, National Offender Management Service ([TRR0008](#))

18 HM Inspectorate of Probation, ([TRR0004](#)) paragraph 8

19 [Q 7](#)

to offenders by CRCs in prisons across England and Wales.²⁰ Given that the provision of “Through the Gate” services was an important part of the changes introduced under Transforming Rehabilitation, it is significant that over two-thirds of offenders released from prison have not received enough help pre-release in relation to accommodation, employment or finances.²¹ The extent of variation and service quality issues have led the Ministry to review its current arrangements, including the contracts in place with CRCs.²²

7. One of the biggest challenges in delivering successful probation and resettlement services in custody and the community is giving offenders access to services beyond the direct control of the justice system. Accessing services such as housing, education and employment requires the NPS and CRCs to work with, and influence, local and health authorities, police forces and other crucial providers. For example, the NPS finds it can be acutely challenging to find housing for sex offenders near their families, as local communities would rather they were placed elsewhere in the country.²³ While the CRCs’ contracts incentivise them to find accommodation for offenders, we heard that the offender housing problem is deteriorating, with 42% of service users participating in research carried out for the NAO feeling that help with housing has got worse since the probation reforms.²⁴

20 [Q 27](#)

21 HM Inspectorate of Probation ([TRR0004](#))

22 [Q 3](#); [Q 7](#); [Q 27](#)

23 [Qq 38–39](#)

24 [Q 51](#); [C&AG’s Report](#), figure 12

2 Barriers to achieving the “rehabilitation revolution”

Reduced business for Community Rehabilitation Companies

8. The case volumes of Community Rehabilitation Companies (CRCs) are much lower, by between 6% and 36%, than the Ministry of Justice (the Ministry) had predicted when letting the contracts. The National Offender Management Service (NOMS) attributed this, in part, to the changing nature of the offender caseload and the mix of cases that have come to be managed by both the National Probation Service (NPS) and by the CRCs.²⁵ They also noted more pronounced change in rural than urban areas.²⁶ Despite lower than expected case volumes leading to reduced income, CRCs have begun to introduce some innovative practices, such as equipping staff with new technology, new “one-stop” service centres and working with cohorts of individuals in very different ways.²⁷ The extent of this innovation has, however, been slowed by unresolved negotiations between the CRCs and the Ministry to address the impact of the volume reductions on CRCs’ income. These negotiations were ongoing at the time of the NAO report in April 2016 and were still not resolved at the time of our evidence session in July 2016.²⁸

9. The changing offender caseload has also added significant pressure to the NPS staff who are having to manage higher than expected numbers of more violent and sexual offenders.²⁹ When combined with flawed ICT systems and pressure on NPS managers to deliver support services, this puts staff under increased pressure and negatively impacts morale.³⁰ NOMS commended probation staff and those working in the NPS and CRCs for keeping services running over a period of sustained change.³¹

Incentives to innovate

10. The Ministry intended that the probation reforms would incentivise CRCs to deliver innovative approaches to delivering offender supervision and support services.³² It was deliberately un-prescriptive about how CRCs would deliver services to different groups of offenders as it wanted to give CRCs freedom to develop their own approaches to how to help and support someone to change.³³ This stance allows space for innovation but can pose risks to maintaining services, in particular for specific minority groups, such as women offenders.

11. Voluntary organisations raised the quality of services delivered to female offenders as a particular concern, as women have different needs in respect of the services that will support them to stop reoffending. There is a statutory responsibility on CRCs to provide services for women but services are inconsistent across England and Wales as

25 [Qq 4–5; C&AG’s Report](#), para 4.3

26 [Q 47](#)

27 [Qq 5–6; Q8; C&AG’s Report](#) para 4.2

28 [Q 17; C&AG’s Report](#) para 4.7

29 [Q 5](#)

30 [C&AG’s Report](#), paras 3.5 and 3.18

31 [Q 4](#)

32 [Qq 2–5; C&AG’s Report](#), appendix 3

33 [Q 8](#)

the statutory responsibility is not supported by more detailed specification.³⁴ We received evidence highlighting concerns about the decline in CRC funding for women's services, as well as perverse incentives to focus on contract performance rather than service quality.³⁵ The Ministry emphasised that the closure of HMP Holloway, announced in November 2015, provides an opportunity to rethink the shape and size of the female prison estate. It expects that the closure will result in a different way of accommodating women prisoners and fewer women in prison.³⁶ The Committee will follow closely developments in the women's prison estate and the impact this has on probation services.

12. The Ministry told us that its payment-by-results pilots in Doncaster and Peterborough prisons had established that organisations were not prepared to be paid solely based on a payment-by-results basis for reducing reoffending.³⁷ Under the Transforming Rehabilitation Programme, CRCs are primarily paid for delivering specified services with only a small element, around 10%, of payments expected to be paid on the basis of reduced reoffending.³⁸ The pilots also helped the Ministry to refine the payment-by-results mechanism to take into account the frequency of re-offending.³⁹ We have, however, received persuasive testimony on risks posed by the payment mechanism and by arrangements in CRCs' supply chains.⁴⁰ For example, the payment mechanism can reduce the incentive to adopt innovative practices. Established approaches to reducing reoffending, such as group-based accredited programmes, and more innovative approaches, such as the Care Farm Model in Warwickshire and West Mercia, are both important methods.⁴¹ Where a court orders an accredited programme this will attract specific funding. But if the CRC has its own innovative interventions and the court consents to this through a general Rehabilitation Activity Requirement, these must be funded from the CRC's general resources.⁴² Submissions to us cited a "race to the bottom" on service quality, with specialised, individual-focused services being decommissioned in favour of generic group activities.⁴³ This, combined with NPS court staff lacking understanding on the range of services now available, means that some innovative approaches are not being used or funded.

13. The NPS recognises that it has more to do to provide the appropriate advice to sentencers and the judiciary on exactly what rehabilitation services are now available from CRCs,⁴⁴ whose staff are not normally present in court proceedings. The NPS also cited examples where it is trying to deliver innovation, as part of its Efficiency, Effectiveness and Excellence (E3) programme, in areas such as the accreditation of its approved premises and its training of probation officers.⁴⁵

34 [Q 65](#); [Womens' Breakout \(TRR0003\)](#)

35 [Howard League for Penal Reform \(TRR007\)](#); [Prison Reform Trust \(TRR0005\)](#)

36 [Qq 65–67](#)

37 [Qq 9–10](#)

38 [C&AG's Report](#), para 1.14

39 [Q 11](#)

40 [The Prison Reform Trust \(TRR0005\)](#)

41 [Q 20](#); [C&AG's Report](#), para 1.20

42 [Q 20](#)

43 [Howard League for Penal Reform \(TRR0007\)](#)

44 [Q 22](#)

45 [Q 23](#); [C&AG's Report](#), para 4.13

Third sector involvement

14. The reforms had a specific objective to open up probation to a wide range of rehabilitation providers, including mutuals and the third sector, to provide further innovation in supervising offender. To understand the market's appetite to sign up to contracts where payment is based on reducing reoffending, in May 2012, the Ministry tendered contracts for a pilot offender rehabilitation programme at Leeds prison. The Ministry closed the competition after bidders decided not to compete. It claimed to have learned from this pilot that the voluntary sector, who are often smaller organisations, had less capacity than private sector bidders to accept financial and commercial risk.⁴⁶ It is not evident to us that this learning was applied to the CRC procurement with all but one of the 21 CRCs now controlled by private sector owners. Voluntary organisations felt that the Ministry had sought to transfer more risk than charities, or their trustees, could accept.⁴⁷

15. The Ministry pointed to a wider supply chain supporting CRC owners, including organisations from the community health, skills and education and employment support sectors.⁴⁸ However, evidence submissions to us raised concerns about how voluntary sector organisations are being treated by the CRCs and the NPS. Research into the sector has found that the pace of change has been slow, reducing investment by CRCs in voluntary suppliers' work, that the reforms have not succeeded in creating a diverse supply chain, and that poor quality communication with the voluntary sector is damaging relations and impeding service improvement.⁴⁹ The research also highlighted that while some services remain unchanged, very few voluntary sector organisations are seeing an improvement in probation services. In many cases, these organisations are reporting negative experiences and outcomes for services users. We also received further evidence that organisations involved were not clear about the commitments in the contracts including performance indicators, financial penalties and incentives.

Enabling joint working

16. Successful probation services depend on effective joint-working across various partners, supported by well-functioning ICT systems. Probation ICT systems have long been unfit for purpose, which hinders collaboration and frustrates staff who already work under pressure. We were told that the nDelius case management system used by NOMS had to be stripped back so it could be operated by CRCs and NPS regions nationwide as a single system. As a result, this reduced the useability of nDelius and NPS staff regularly raise ICT issues with senior leaders in NOMS.⁵⁰ Improving nDelius is a priority for NOMS and is particularly important for the NPS who will continue to use the system for the foreseeable future.⁵¹

17. Most CRCs are installing their own case management systems and ICT infrastructure to increase efficiency and productivity. For this to happen, CRCs needed the Ministry to provide a "strategic partner gateway" to link NOMS and CRC systems.⁵² The Ministry

46 [Qq 9–12](#); [C&AG's Report](#), paras 1.6, 1.15

47 [C&AG's Report](#), paras 1.6–1.7 and figure 1.6

48 [Qq 13–15](#)

49 Clinks, The National Council for Voluntary Organisations, and the Third Sector Research Centre ([TRR0002](#)); Clinks, NCVO and TSRC, *Change & Challenge: the voluntary sector's role in Transforming Rehabilitation*, May 2016.

50 [Q 4](#); [Qq 48–49](#); [Q 53](#); [C&AG's Report](#), paras 3.10–3.11

51 [C&AG's Report](#), para 3.12

52 [Q 50](#)

initially planned to deliver this gateway in the summer of 2015 but this was delayed by other priorities and subsequently by increased scope.⁵³ Though the gateway is now in place, the delay has impacted some CRCs' ability to transform their ICT systems at the pace they had planned. As a result, the Ministry has had to pay a total of £23.1 million to 17 CRCs.⁵⁴

18. The probation reforms broke long-established working relationships, which many staff have found difficult to adjust to. The Ministry recognises the importance of getting the NPS and CRCs working together more effectively. It has put in place various governance structures, including 'service integration groups' to bring CRCs, NPS and NOMS together to work through operational challenges.⁵⁵ The Ministry has also sought to identify and share good joint working practices, such as those existing in Wales, that it feels can be learned from and adapted to the different circumstances across England.⁵⁶

19. The NPS told us it is currently trying to deliver a more consistent service to offenders across its seven regions within England and Wales. It wants to ensure best practice in offender supervision is shared across England and Wales, rather than have a standardised 'one size fits all' approach.⁵⁷ However, the NPS is struggling with a high workload and difficulties accessing services outside its direct control, such as housing, education and work.⁵⁸ HM Inspectorate of Probation advised us that staff morale, training, workloads and line management are all variable and will need to improve if Transforming Rehabilitation is to be fully effective.⁵⁹ NPS managers are also finding it extremely challenging to take on the additional responsibility of providing support services to their staff. The NPS told us that it was right for managers to take responsibility for their staff, but it also recognised that it had not appreciated the significance of, and the investment required in, providing support through a shared service centre.⁶⁰

Wider pressures on the Ministry

20. The Ministry now has to see through the intended improvements in probation services alongside multiple changes in areas such as the prisons and courts systems.⁶¹ The Ministry accepted that the Transforming Rehabilitation procurement process had probably diverted attention away from other areas. It wants to make sure that in future "business as usual" activities or second order change programmes receive the same amount of attention. It is conscious of current pressures in the prisons estate: the increase in violence and self-harm, new psychoactive substances and the attendant security risks.⁶² However, the Ministry is also facing significant resource pressures, having to deliver savings to its administrative

53 [C&AG's Report](#), para 3.13

54 [Q 50](#); Ministry of Justice, [Annual Report and Accounts, 2015–16](#), p.70

55 [Q 36](#)

56 [Q 37](#); [C&AG's Report](#), para 3.4

57 [Q 39](#)

58 [Q 38](#)

59 [Q 36](#); HM Inspectorate of Probation ([TRR0004](#)); [C&AG's Report](#), para 3.3

60 [Q 40](#); [C&AG's Report](#), para 15

61 [Q 64](#)

62 [Qq 62–64](#)

budget of 50% by 2019–20 and overall resource savings of 15% by 2019–20.⁶³ The Ministry has plans to make these savings, which include reviewing the way it carries out contract management and replacing specialist contractors with more affordable civil servants.⁶⁴

21. The Ministry has committed to provide prison governors with greater autonomy to decide the services delivered in their prisons, and it is unclear what impact this would have on CRCs already providing “Through the Gate” services. The extent to which these plans will continue will be determined by new Ministers following the reshuffle in July 2016.⁶⁵

63 [“Ministry of Justice’s settlement at the Spending Review”](#), Ministry of Justice and HM Treasury press release, 25 November 2015

64 [Q 69](#)

65 [Q 56](#)

Formal Minutes

Monday 12 September 2016

Members present:

Meg Hillier, in the Chair

Mr Richard Bacon	Nigel Mills
Caroline Flint	Stephen Phillips
Kevin Foster	Karin Smyth

Draft Report (*Transforming Rehabilitation*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 21 read and agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Resolved, That the Report be the Seventeenth of the Committee to the House.

Ordered, That the Chair 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 till Wednesday 14 September 2016 at 2.00pm]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 4 July 2016

Question number

Colin Allars, Head, National Probation Service, **Richard Heaton**, Accounting Officer, Ministry of Justice, **Ian Porée**, Director, Commissioning and Contract Management—Rehabilitation Services, National Offender Management Service Agency, and **Michael Spurr**, Chief Executive, National Offender Management Service Agency

[Q1-72](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

TRR numbers are generated by the evidence processing system and so may not be complete.

- 1 Clinks, the National Council for Voluntary Organisations and the Third Sector Research Centre ([TRR0002](#))
- 2 HM Inspectorate of Probation ([TRR0004](#))
- 3 National Offender Management Service ([TRR0008](#))
- 4 Prison Reform Trust ([TRR0005](#))
- 5 The Howard League ([TRR0007](#))
- 6 UNISON ([TRR0006](#))
- 7 Women's Breakout ([TRR0003](#))

List of Reports from the Committee during the current session

All publications from the Committee are available on the publications page of the Committee's website.

Session 2016–17

First Report	Efficiency in the criminal justice system	HC 72
Second Report	Personal budgets in social care	HC 74
Third Report	Training new teachers	HC 73
Fourth Report	Entitlement to free early education and childcare	HC 224
Fifth Report	Capital investment in science projects	HC 126
Sixth Report	Cities and local growth	HC 296
Seventh Report	Confiscations orders: progress review	HC 124
Eighth Report	BBC critical projects	HC 75
Ninth Report	Service Family Accommodation	HC 77
Tenth Report	NHS specialised services	HC 387
Eleventh Report	Household energy efficiency measures	HC 125
Twelfth Report	Discharging older people from acute hospitals	HC 76
Thirteenth Report	Quality of service to personal taxpayers and replacing the Aspire contract	HC 78
Fourteenth Report	Progress with preparations for High Speed 2	HC 486
Fifteenth Report	BBC World Service	HC 298
Sixteenth Report	Improving access to mental health services	HC 80

Public Accounts Committee

Oral evidence: Transforming Rehabilitation, HC 484

Monday 4 July 2016, HMP Hatfield

Ordered by the House of Commons to be published on 4 July 2016.

Audio recording not yet available

Members present: Meg Hillier (Chair); Chris Evans; Caroline Flint; John Pugh.

Sir Amyas Morse, Comptroller and Auditor General, Adrian Jenner, Director of Parliamentary Relations, Oliver Lodge, Director of Justice Value for Money, National Audit Office, and Marius Gallaher, Alternate Officer of Accounts, HM Treasury, were in attendance.

Questions 1-72

Witnesses

I: Colin Allars, Head, National Probation Service, Richard Heaton, Accounting Officer, Ministry of Justice, Ian Porée, Director, Commissioning and Contract Management—Rehabilitation Services, National Offender Management Service Agency, and Michael Spurr, Chief Executive, National Offender Management Service Agency.



Report by the Comptroller and Auditor General

Transforming Rehabilitation (HC 951)

Examination of witnesses

Witnesses: Colin Allars, Richard Heaton, Ian Porée and Michael Spurr.

Q1 **Chair:** I should say welcome to everybody, but I am not really the one who should be welcoming you. It is very much the prison governor, her staff and the inmates who are welcoming us today, but welcome to the Public Accounts Committee on 4 July 2016 here at HMP Hatfield. Just so that Members and others are aware, there will not be a video recording of us today but we are being audio recorded by *Hansard*, and I thank them for being here with us. If speakers are making any references or any gesticulations, I might nudge you to express it in words so that it is clear for the record.

We are here today to discuss the National Audit Office Report on the transforming rehabilitation programme. This is one of a number of reports which we will be looking at over the next four years about what is going on in the Ministry of Justice. It will be a huge reform programme.

We will talk about this Report in a moment, but I want to welcome our witnesses. We have Ian Porée, the director for rehabilitation services from NOMS, the National Offender Management Service. Welcome, Mr Porée. We have Richard Heaton, the permanent secretary at the Ministry of Justice. Welcome back, Mr Heaton. We have Michael Spurr, the chief executive of the National Offender Management Service, and Colin Allars, the director of probation at the National Offender Management Service. I am not sure how NOMS is running today with you all here, but I am sure that you are doing great things. *[Int.]* We are getting a bit of feedback on the mic. If everyone could put their phones to aeroplane mode, that would be helpful. Perhaps I could urge Members to do that, and it might solve the problem.

As I say, we are here to look at this important Report on transforming rehabilitation, which is one of the major projects that you are dealing with at the Ministry of Justice, Mr Heaton. You and others at the MOJ have promised that there will be a rehabilitation revolution, and this is a major part of that. The NAO gives you credit for getting this programme up and running without the whole system falling over. It has been done very fast and to budget, so we can say that that is a success but, obviously, there is a really big challenge as things go ahead. That is what we want to focus on today; what risks there are, even now, within the system and what the challenges are for the future.

We have also had some very good written evidence, which I commend to everybody. There is particularly compelling evidence from the Howard



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League for Penal Reform on women in prison, looking at some potentially perverse incentives for some of the contractors, so we will be touching on that as well. Beginning with that, Mr Heaton, when will you know whether the reforms that you have put in place through this programme of contracting out to community rehabilitation companies have actually delivered what they were intended to deliver? When will you be able to measure success?

Richard Heaton: Thank you, Chair. Before I start, perhaps I can also welcome you on behalf of the Ministry of Justice and the National Offender Management Service to HMP Hatfield. Thank you to Paul Foweather, who is the DDC—deputy director of custody—at Yorkshire, and to the acting governor here, Julia Spence. A big thank you to both of you for laying on this visit. As you say, Chair, this was a very large exercise of procurement, contracting and change for the Department. I know we do not want to focus on the fact that it went well, but I am very proud that this project has been successfully delivered, and a very difficult contracting landscape has been successfully achieved. That is no mean achievement. It has won not only civil service awards but awards from professional bodies, as well.

The short answer to your question is, on the key measure of whether these contracts improve reoffending, we will see good-quality data on that during 2017 and not before. There are all sorts of measures about early successes and compliance and so on, but on the key thing we are all interested in, 2017 is the date to look for.

Q2 **Chair:** What would you say is the key thing? What would be the key objectives of this from your point of view?

Richard Heaton: The key objectives would be a demonstrable downturn in reoffending rates compared with the baseline before we instituted these reforms, essentially. Cost comes into it as well and innovation, but it is quality of outcomes, which is essentially a reduction in reoffending as against a like cohort.

Q3 **Chair:** I mentioned that there are still potentially big concerns, because it is a big change that has happened very fast. Although it did not all fall over—and I recognise what you say about that bit of success—the true proof will be in 2017, the date you are giving. I will also bring in Colin Allars or one of the other people from NOMS, but what are you personally still concerned about at this point?

Richard Heaton: The NAO covered most of the areas that I am concerned about. Michael Spurr reports to me and the things that I would hold him to account for would be the relationship between the National Probation Service and the CRCs; elimination of perverse incentives; computers and IT that work successfully for staff who use them; high-quality data; reduction in cost; and, the key one, the reoffending rate. Those are the basic things on which I would hold Michael to account. Just because this is not one of the key reform priorities of this Parliament, I am not remotely complacent about this. Bedding this down is a huge task for us.



Q4 **Chair:** Mr Spurr, would you like to comment?

Michael Spurr: As Mr Heaton said, this has been a huge transformation. What the NAO brings out very well in its Report is that that amount of change—*[Interruption.]*

Chair: Sorry, Mr Spurr. Could colleagues turn their phones off? Apparently that might make a difference. It would be a shame and a nuisance for *Hansard* if we don't have a clear recording of this. I am sure the Ministry of Justice and NOMS will manage without your contact for an hour and a half. Otherwise, it will be too distracting so forgive us while we pause and sort this out, hopefully. Who would have thought it would be so complicated? Sorry, Mr Spurr, if you would like to continue.

Michael Spurr: As I was saying, as the NAO brings out, it was a huge transformation, and done at rapid pace. That inevitably means that whole structures that are in place are still very fragile, new and developing. There are issues about how we maintain and improve stability across the system. It is not where we would want it to be yet, as people come to terms with the new way of doing things.

That is a huge issue, just to focus on how people do the job. It is good that at the minute it is working, but it is not working in the way that we would all want it to, to maximise performance. We are on a trajectory to improve performance, but we are not there yet. Again, our aim is to have people delivering against that service requirement all up to target by April 2017. So there is that on basic delivery measures.

The other issue has inevitably been, as we have done all of that change, that the offender caseload and mix of cases that have come to be managed by both the NPS and by the community rehabilitation companies have changed. That has impacted on volumes being managed by the CRC and by the NPS and we are having to adjust to that.

That has added additional pressure to how we have been changing the service provision. Again, although we have managed that, it has put additional pressure on staff, who have done a fantastic job over the past two years, I have to say, to keep services running. While issues have rightly been brought up in the NAO Report and by the chief inspector, I want to pay tribute to the probation staff and those working in the NPS and CRCs, who are very motivated, vocational individuals who have kept the services running. We are working with them in both sectors as we deal with the changed population and case mix. Being able to address that properly over the next year or so is probably the biggest thing that concerns me at the moment.

Q5 **Chair:** You may not have seen the evidence submitted to us, but what is quite clear from some of that and from the NAO's Report is that, because there has been such change, business as usual is still a challenge to get right, as you have both highlighted, but there is a danger that innovation does not happen, because of all the upheaval that has taken place. How are you going to help the community rehabilitation companies push to



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innovate, to get whole different approaches to ensure that they give ex-offenders and current prisoners the support they need?

Michael Spurr: If I may start—Mr Porée might want to say a word, because he has been more directly involved in the CRCs—I think that is a fair challenge. It has been particularly the case for CRCs where volumes are lower than has been anticipated—that has been a change in case mix. There are more violent and sexual offenders being managed by the NPS, and fewer what we would call medium or lower-risk offenders in the system. That means volumes are lower than anticipated and that has impacted on cash flow for the CRCs, but they have begun to put some innovative practice in place.

Q6 **Chair:** Have you got an example?

Michael Spurr: Mr Porée will be able to give more, but there are some basic things that they have been doing straightaway, which are about changing the way they operate on basic IT to free up more time for their offender managers and supervisors to work. They are operating with different approaches to supervision—one of the big issues that have been raised about caseloads and work volumes.

There is a danger, when you look at the new system, to look at how it used to be done when we had probation trusts and what CRCs are now trying to do. So more group work; not that group work has not been done before, but when you supervise lower-risk offenders how much one-to-one time and how much group work are you giving them? They have varied that quite a lot.

There has been comment on whether it is right to use biometric checking posts. Some of the CRCs are using that—but not on its own—in order to free up more time for their staff to be able to engage differently.

Q7 **Chair:** Just to be clear: that is to check that people have attended courses?

Michael Spurr: Yes, it does not mean that they do not see people. It is about how you maintain a contact and use technology in a different way, how you maintain contact with people these days: texting and ensuring people have a link, which is used much more commonly in society today than it used to be. CRCs are developing those types of approaches.

It is true, as has been highlighted by the NAO Report and the chief inspector and as we see in our own monitoring, that the through the gate work that has gone on in prison to support resettlement out into the community has not developed as quickly and as well as we would have wanted. We have a review of our contracts at the moment and what we might need to do to ensure that we have the right incentives for service delivery now, rather than relying just on a payment-by-results outcome in a few years' time. Whether we have the balance between what we expect to pay for as a service deliverer and what we expect to incentivise through a payment-by-results mechanism has been one of the challenges for all these contracts.



Q8 **Chair:** Mr Porée, would you like to expand on that?

Ian Porée: As Michael has already explained, in all the examples the providers intended to equip their staff with tools and enabling technology to work much more flexibly. One of their objectives is that staff have more time to spend supervising the people in their care as opposed to spending time recording case notes and behind their computers.

A lot of the innovation is in enabling tools to help staff do their jobs and that has clearly been affected by the change of income in the first year. People have been looking at the pace with which they roll out some of those tools. We are starting to see those tools being deployed and staff are working in different ways.

Some other examples: some of the CRCs have been very specific about cohorts of individuals and have worked with them in a very different way, that is, tiering them by the level of individual need. Individuals who have high needs get much more intensive support than those who do not. They have all paid particular attention to women offenders or specific groups of offenders within their cohort. They are delivering the services in different ways, so part of the design of these reforms is for the Ministry of Justice to be un-prescriptive in terms of how services are delivered. Because organisations have taken the outcome risk, financially, on reoffending performance, they have been given the freedom to develop their own approach to how to help and support someone to change. So while we have full transparency of what they are doing, we have left them free to determine what the rehabilitative offer is for each individual.

Chair: We will come back on some of that, but Mr Evans wants to come in.

Q9 **Chris Evans:** Paragraph 1.15 of the report says that, “the Ministry tendered contracts for a pilot offender rehabilitation programme at Leeds prison, but closed the competition after bidders decided not to compete. Bidders claimed that they could not manage such a level of financial risk”. Will you talk us through the plans for that programme, why it never got off the ground and how much it cost?

Michael Spurr: This was not part of the transforming rehabilitation programme; it was a precursor to that when we were looking at different approaches to payment by results. We got pilots running in Peterborough and Doncaster and we got a public sector pilot running at Leeds Prison, where the governor had developed a good number of partnerships with local voluntary sector bodies and providers. We went out there to ask, if we were to transfer some of the risk and responsibility would bidders take that on, on the basis of some of their funding being at risk through payment by results. The reality was that they did not want to take that risk. It taught us something about the level of resource that you need to be able to take such a financial risk. The bodies were very good and we did not stop using them, but there was an issue around how realistic the



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option is, in terms of how our relatively small organisations can operate and what level of risk they can put in place.

We were also looking, at that point, at a public sector model, but if it is a payment-by-results model, which was part of the policy—it was what Government at the time wanted us to take forward—it became clear that you can't really run a payment by results model in the public sector, because you don't put public money at risk in that sense. Part of the rationale for the transforming rehabilitation reform was to try to incentivise different approaches, innovation to reduce reoffending, by giving a financial incentive to get it right and also to not pay if it does not work. We tried that in Peterborough and Doncaster. Peterborough was effectively a social enterprise, not-for-profit organisation, which did show some evidence that reoffending was reduced as a result of that approach. Focusing particularly on reducing reoffending, there were some similar positive outcomes from Doncaster.

Going to scale across the country, it became clear that we needed organisations to come together that could take a degree of financial risk. That is why we encouraged voluntary sector providers to come together to be able to deal with the financial risks involved.

Q10 Chris Evans: How much did the abandoned Leeds programme cost?

Michael Spurr: I don't have that figure. I am sure we can find it and write to you. You say, "abandoned", but we were looking at different approaches to payment by results—the point was that it was a pilot opportunity and we took learning from the pilot. It was not quite abandoned: we sought to see whether anybody was prepared to run that project on a payment-by-results basis and we got an outcome from that, which was that they were not. That taught us something. Do you want to add anything, Mr Porée?

Q11 Chair: Briefly, Mr Porée.

Ian Porée: One of the important learnings we got from those pilots is that when trying to implement a payment by results model in our business—in other words, to reduce reoffending—you need to consider both the absolute desistance, whether someone reoffends at all over a period of time, and the frequency with which someone reoffends, because it is a measure of crime at a local level. We need to make sure there is no disincentive, no reason, once someone has reoffended once, to park them and ignore them: we need to have the combination of approach. The pilots were very helpful because they got us rethinking the model for payment by results, so the thing that is included in these contracts is both absolute desistance and the frequency of reoffending: that learning from the pilots was very valuable.

Q12 Chris Evans: Paragraph 1.16 of the report says that: "Private sector bidders tended to show more appetite for risk than voluntary or mutual bidders". Following the Leeds programme, what understanding has been developed about involving the third sector in bidding on these contracts?



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Ian Porée: I'm not sure that it was only in Leeds. As Mr Spurr said, we had examples in Peterborough and Doncaster. We also ran some other local justice reinvestment pilots, where we were working with local areas on their ability to reduce demand on the criminal justice system. I think that some of the learning that the voluntary sector communicated to me, through their process of engagement around the pilot, is that they weren't ordinarily set up to be able to take financial risks of this scale. Most of their trustees would not have put their resources at risk for these sorts of activities. Most of them engage with the social investment sector, not only with social impact bonds but also with the various other organisations making social finance available.

In the end, these contracts are a combination of service contracts—delivering the orders of the court—and rehabilitation activities. The learning from that is that actually the funding for delivering the day-to-day services could not be at risk, because essentially that is a big part of the job. The contracts had to be a combination of paid-for services in a traditional service contract, as well as some of the money at risk. So the voluntary sector were communicating that they would need sufficient funding. This did not apply only to voluntary sector providers; for any provider, the basic day-to-day services are statutory services which need to be delivered. So the amount at risk should be proportionate to the rehabilitation activities.

Q13 **Chair:** Figure 5—that's on page 22 of the Report—shows quite clearly that actually the fee for service is the lion's share. So that is really what you got from those pilots, Mr Porée. You realised that if you didn't pitch it at the right level, you just weren't going to get people bidding for it. That said, there were only 19 bidders for the 21 CRC contracts. Given that the Ministry of Justice has decided that you want the market to work in this area, are you confident that there is a market out there for providing community rehabilitation?

Ian Porée: We were very pleased that the scale of the market engagement produced a much more diverse market than historically we have had in justice services. In this end of the criminal justice system, traditionally there have only been a handful of main providers who are outside the public sector, so to get this many providers bidding to deliver offender services felt like a significant increase in our market. Those organisations come from quite a broad range of what I would describe as the social justice sector: from community health, skills and education, and employment support. Those are the sectors which we think are relevant to helping to rehabilitate an individual. They joined our market and participated in various consortia. I think that this represented a significant increase in the diversity of our market, in terms of both the numbers and also the sectors from which they were drawn, both for profit and not for profit.

Q14 **Chair:** If some of those people then subcontract to very specific third-sector contractors in particular, to charities which are very experienced with certain groups of prisoners, when you evaluate do you talk to those subcontractors? Will you be doing so as well as talking to the prime



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contractor?

Ian Porée: Both in the evaluation during the bid stage but also day to day, our teams work with all layers of the supply chain so that we have assurance of how delivery is happening on the ground.

Q15 **Chair:** Do you do that directly with them, or do you do it via the prime contractor?

Ian Porée: It's both. We ensure that we do so with the lead organisations, many of which are themselves mixed consortia—so one of them is actually itself a not-for-profit organisation—and we then engage all the way through the supply chain. We have people who would visit on-site services so that we see the service's frontline, both the people receiving the service, the offenders, as well as the voluntary providers—

Q16 **Chair:** I don't doubt what you are saying, Mr Porée, and I don't doubt that you mean it. But I have been a Minister and I know that sometimes what happens with the civil service is that someone goes along and people have been handpicked, and they know that they have to say the right thing to the man from the Ministry, as it is today, or maybe to the woman from the Ministry—it would be good to see some of them too. How can you be sure that people are not afraid and not worried that they are going to lose business through this? I mean business in the widest sense of the word—they might be worried that they will lose their opportunity to help people rehabilitate because they have said something which will not make their prime contractor happy. How can you be really sure that you are going to get that information?

Ian Porée: I don't underestimate the challenge of making sure that we have multiple sources of information to gain assurance. Some of them are independent, so there are a number of independent organisations, including the inspectorate; and, as the NAO report showed, they went and did a survey getting service users themselves to say this is what their experience has been. So we do use a number of sources of information to triangulate the information, and of course we have all of our own performance information. Our basic rationale is to say we would like to see what it is like to receive the service, what it is like to be a member of staff, to deliver it, and what it is like to be one of the partners in the supply chain, so that we get a whole picture of how delivery is happening on the ground.

Q17 **Chair:** I am just going to bring in the Comptroller and Auditor General.

Sir Amyas Morse: I just wanted to ask something about the bidding process. Am I right in understanding that you must have given an indication of the likely volumes of people that the bidders could expect to have coming through the service? Am I not right that in fact the volumes are much lower than the bottom of the range you indicated? That is not their fault, is it? It is all right saying they should innovate, and find new ways of doing things, and that is great and I fully approve of that; but there are limits to that. So is it just their problem, or are you proposing to do something to help them with that?



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Ian Porée: It is clearly not just their problem. These services are core services of the Ministry of Justice. They are always our problem and we have statutory responsibility for ensuring the provision, as I do not think it can ever just be their problem. We were very transparent with providers about the historical data around the number of cases, the mix of offenders that come through the system. That has materially changed. It has changed in ways that have surprised us.

We do have a contract that was designed to cope with variation in volumes, but of course, as you rightly say, there is a limit to where the relationship between your fixed and variable costs actually still works, once you are outside the range you were expecting. You would expect us, as we did, to test providers during the bidding as to ranges of changes of volume, so we could assure ourselves that they could cope with that, but we are outside those ranges, so we gave ourselves the contractual provision that if it was that far out, we would have the opportunity to reset some of those volumes based on the reality of what is happening.

We are in the process of doing that with the organisations now. It was something we had planned to do a year into the contracts, and that has begun. So it is the case that we are in a territory that was not easily anticipated by either themselves or us; but we have a duty to behave in a way that is reasonable, and in good faith, and that is what we are doing. I reiterate, these are core services to us. They may have been outsourced, but this is still our business; and therefore we should manage that reasonably, in a good way.

Q18 **Chair:** I think you will get some more concerns about this. Just to go back, though; earlier, you were talking about innovation. When I asked about innovation you talked a lot about work practices—about using modern technology, and so on, Mr Spurr and Mr Porée; but one of the things, as the question from the Comptroller and Auditor General has highlighted, is the issue of innovative approaches for actually delivering for offenders. There is an example in the Report about schemes that you can do; you get paid for ones that are accredited, but not for an innovation that is not yet accredited. You go through a lengthy process for that. How convinced are you that there is going to be innovation in work practices, especially given what you were just answering about the money going into the CRCs?

Ian Porée: One of the questions that you have just raised is that some of the very specific interventions that have proper accreditation are quite expensive to deliver, and therefore, at a time when your income is constrained, it is feasible that organisations will be careful not to put a lot of people on an expensive intervention. These are available for the court to order, so if the court orders them, they will be paid for; so that has been left in the system.

Q19 **Chair:** Sorry, just to be clear: it can be not accredited formally, but if the court says—



Ian Porée: There is a formal requirement and legislation where the court can order an accredited programme to be delivered, and if they do that would be paid for, and the providers would deliver it. The innovation is that they can come up with their own interventions, which are designed to help someone change, but of course in that case they would fund that out of the general funding that we provide for rehabilitation activity.

I think it is right that they have been careful in this first year and a bit of operation, around their investment and some of this new innovation; but most of them have got a lot of the way through their transformation already. They are working in new ways. Some of them have brigaded all the services in one facility so that the offenders come there and have access to employment, accommodation and substance misuse support. We are starting to see some of those new delivery models happen.

- Q20 **Chair:** Okay. Can I refer you to page 24 in part 1 of the Report? Figure 6 looks like a great example of what, in this case, Warwickshire and West Mercia rehabilitation companies try to do. They have the established approach of running programmes in a classroom with a facilitator, for which they have funding. Their alternative approach—the “vocational Care Farm model”—looks as if it is providing some really good things: “workplace-based; does not require basic levels of numeracy and literacy”, for instance, so it is really helping a certain cohort. That is because it is not accredited, not funded, and they are saying that is difficult to deliver.

Michael Spurr: Both models are important. It is worth going through what we did when we set up the contracts. Accredited programmes, which are largely ones that have been through an international panel that has said that they have an evidence-based approach, were in existence before we went into the new contracts. We had a choice about whether or not we retained them for the court to order or whether we simply said it was for a provider to determine whether or not to give them.

We decided in the end that there were particular programmes that we should have available for the courts to direct. Sex-offender treatment programmes are the most obvious ones. You can actually say that you want that course to be undertaken. We have retained that as a service provision. Similarly, other cognitive-based programmes are classed as accredited programmes. They are subject to an assessment and a court can determine they can be done.

Separately we changed the way that offending—rehabilitation—programmes generally were directed by the court by creating the rehabilitation activity requirement. That is effectively an open intervention, so when the court directs an offender to a rehabilitation activity requirement, it is for the providers to determine completely what to deliver. It is not that that is not funded; it is funded as part of the general provision that would hopefully help them to reduce reoffending. The type of work farm approach that West Mercia has been piloting for some time is exactly the type of thing that you would expect the providers to be looking at doing differently to reduce reoffending.



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On the accredited programme, we are now looking at what point that should be determined. Should it be determined prior to a court sentence or should more flexibility be given to the providers post-sentence? Whether it should be part of the service provision is absolutely something we are discussing at the moment, but they are two different things.

Q21 **Chair:** It is great talking about courts doing it. How do you know that courts will know what they can refer to? That is almost like another whole strand of change to educate courts to make sure that sentencing takes this into account.

Michael Spurr: Except that the philosophy is that effectively it is the providers who determine the right thing to do to reduce reoffending. We have moved on the rehabilitation activity requirement for a court not to direct what is required, but to direct an open order that allows providers to be innovative. The one exception we made to that was where a particular need for offenders was identified prior to sentence, where there was a recommendation for a specific accredited programme.

Q22 **Chair:** So drugs, drink, sex?

Michael Spurr: It is possible they could ask for a specific drug programme, but drugs affect so many offenders that that would generally be part of a general rehabilitation requirement. It tends to be the cognitive-based thinking skills programmes, sexual offender programmes, and sometimes accredited domestic violence programmes, and so on, that could be directed specifically.

Richard Heaton: I just want to add that skill probation officers assist in the court—national probation service officers. Mr Allars might like to add on the service providers to the court so the court can direct that information.

Colin Allars: It is a point I was going to come in on. My staff provide advice to sentencers, so pre-sentence reports, and advice on options. One of our responsibilities is to ensure that the court's sentencers know what it means when they sentence somebody to a particular sentence. What does a rehabilitation activity requirement mean in practice? Only last week I sat with a group of sentencers talking through the need to up our game in that area. How do we get advice to sentencers throughout the country and get it cascaded down through the judiciary so that everybody knows what is in place? In front of me at the time I had a whole load of glossy booklets produced by the CRCs that set out the sort of things they do. Funnily enough, the particular one we have in here, which you referred to, was among that pack. We are trying to make sure they are aware and confident that, when sentencing people, these are the range of things that would be followed through on.

Q23 **Chair:** I do not want to prolong this too long, but when we looked at the issue around court reform a few weeks ago—and we have had subsequent discussions in the House of Commons about this—one of the things that has been raised particularly by colleagues who sit as judges is the amount of information that comes through sentencing guidelines. Are



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you looking across the piece about the avalanche of information that reaches the sentencers, so that they are actually aware of these things and are not going to get lost in the middle of the other many changes that seem to be—

Colin Allars: That was exactly the discussion we were having last week with a view to how we target that better and in a more digestible form for sentencers throughout the country.

We talked a lot about CRCs and innovation. To me, throughout the whole of the TR programme, I have seen this as a fresh start. We are starting something quite different and innovation does not start and stop with the CRCs. It also applies to the NPS. We have tried very hard, in terms of the way we have put the NPS together, to look also at how we might do some things better.

Two or three things just occurred to me as others were talking: we have made a decision, for example, that will look for external accreditation of our approved premises. They will all become enabling environments, recognising that many of the offenders there have mental health issues and so on. That is quite a significant step for us against what was in place in trusts before. We are part of the way down the track on that.

We have taken and introduced a new approach to the training of probation officers, which makes it a much more accessible training opportunity for people. It is modular, it recognises prior learning and will open the field for people who have previously been excluded. Those are the sort of things we are also doing on our side. Our attempt to make sure there is innovation is not exclusive to the CRCs.

Q24 **Chair:** You pre-empted an area I was going to ask about, so thank you for that. Before I pass quickly to Chris Evans to discuss the national probation service, I want to ask about how you are getting CRCs to benchmark against each other. The Howard League wrote to us and highlighted a particular example about how, apparently, trade union representatives reported that following poor performance, there was a review by the Ministry of Justice into South Yorkshire CRC—rather appropriately as we are here in South Yorkshire—and a remedial action plan had been developed. It goes on to say that copies of the review and subsequent plan have been requested by members of the public and MPs, but all requests have been refused on the grounds of commercial confidentiality. Mr Spurr, do you know about this case and can you answer that?

Michael Spurr: We have carried out reviews of all the CRCs, such as South Yorkshire. We have done operational audits referred to in the National Audit Office report about operational assurance, which the Report writers recognise is important and commend. As part of that operational assurance, we have reviewed all CRCs in particular areas, looking at risk management first. From those reviews, we have identified areas where we think CRCs are not performing the way we would want them to perform, along with some good practice. We have gone back to them, contractually,



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to ensure they are addressing the areas we have identified. We have not published those reports because they are management information for us to do our job in managing the contracts, but there are also external views recorded. That is what the chief inspectors come in and do, and this is us, internally, managing the contracts effectively to identify issues and address them. As for public transparency, I think we are being very transparent. The performance data we are publishing are extensive and the inspectorate is rightly going along. As we have implemented the whole programme, we have had a series of—I think—five inspectorate reports through the process of transition, with the National Audit Office reporting. I think there is a fair amount of transparency. This is about our undertaking our proper assurance internally with our providers and making sure they know where we are concerned and their taking action on that. That is why we are not publicly communicating and publishing that document.

Ian Porée: I was just going to answer the other part of your question about how we get best practice shared across the system.

We meet regularly with all the providers together and everyone is committed to sharing their best practice. There is an industry forum that has been set up. In the early days of the forum we shared what people have chosen as their models of change. Before they delivered anything, we considered what they were planning to try and do differently. Now we are starting to get examples of people who actually are doing things differently. The industry group has started to commission pieces of work jointly, including research and development, which are being jointly funded to say “Let’s learn together as an industry sector.” The basic premise discussion we had with all providers before they bid is that unless they are willing to share their best practice, they should not participate in this industry—these are public services, publicly funded—and that if we find something very good, we are going to share it across the system because why should anyone not have access to it. We were very explicit about that upfront, so anyone who did not like that premise and thought their particular practice was intellectual property they would not share, we encouraged them to not participate. Everyone who has bid has signed up to that principle.

Q25 **Chair:** The corollary of that—going back to the point I raised with Mr Spurr—is if something is not going well, do they equally have a responsibility to share that because that seems equally important?

Ian Porée: As Mr Spurr said, we have an extensive operational assurance process that looks for things that actually are problems in the system, and therefore we can share that in the contract management discussions across the system. I would go further than that—in terms of the South Yorkshire example quoted, the Ministry of Justice response was not just one of the contract management insisting the provider put in place remedial action. The national probation service—Mr Allars’ team—also participated in helping to develop the action plan and providing experienced staff to implement remedial action. We work together as a system to correct, and the latest South Yorkshire report shows significant



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improvement on the action plans that they are working on. They are certainly not at the place we want them to be yet, but they have shown some improvement already which is good to see.

- Q26 **Chair:** Could you be clear on that? As local MPs, if one of us wanted to know how our local community rehabilitation company was working, where would we go and what information could we find? How open and transparent is it? You have given us a good explanation, but it is still very much within the MoJ, so how would we know?

Michael Spurr: The latest set of data—very thick in fact, it's in my bag—against all of the service measures and how each of the CRCs is performing was published in April. The updated version will have the data—one of the things the NAO question is whether we have all of the data. Some of the reason for that is that a number of the measures require a length of time before you can actually start reporting on them. After people have successfully completed orders, you now have 12 months on supervision, so you need a 12-month period before—we're going with the actual data—an assessment can be made of the quality of accredited programmes. You need to have delivered the accredited programmes, we need to assure them, and then we need publish outcomes. We are absolutely committed to doing that. The April data are extensive already—the information will be even more extensive in July—and we are going to publish audits every quarter so that local MPs, and indeed everybody, will have transparent access to the available data.

- Q27 **Chris Evans:** There is really one failing in the system and it is short sentences. When I was on the Justice Committee a number of years ago now, this was a huge problem: people being sentenced to short sentences; going inside; their family life, their job life all being put in peril; coming back out; sometimes being recalled and then they are back in the system again. Prison can't do anything for them in terms of rehabilitation, education programmes, whatever. Now, what are you doing to address that? This is a long-standing problem. This isn't something that has come out of the blue in the last couple of years.

Richard Heaton: Can I just start and then I am sure Mr Spurr will want to come in? One of the key parts of this reform is that for the first time anyone who is sentenced to less than 12 months will receive professional probation support. That is a major innovation—I probably should have said it in opening. That is one of the great, big deliverables from this programme. So, 45,000 people each year are receiving probation support that were not before. That is what I was going to say by way of introduction.

Michael Spurr: It was a huge part of this programme and one that, I think, that had general support. There were lots of parts of this programme that were not generally supported but, in Parliament, and actually professionally, and with our trade union partners, everybody recognised the importance of trying to do something different with this short sentence offender group. So, Mr Evans, you are absolutely right.



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The way that we have been able to do that—which eluded us previously—was to try this very different approach to how we structured the services, creating the payment by results approach, effectively looking to drive some efficiency out of the system by asking people to think how they might operate differently to spend the money we had in a way that allowed us to extend provision to this 45,000 group.

Now that’s happened, with that of course comes a great deal of freedom for providers about how they work with that group. I said already—and it is an area of concern for us—that we want to do some more work with our providers around the through-the-gate services, resettlement services in prison because at the moment we think there is a wide variation in the effective delivery of those services in prisons. We had expected to see a lot more going on in that area. That has rightly been identified by the NAO, by the chief inspectors and by our own contract managers, so we are looking at what more we might expect from our providers, and whether we have the right incentives within the contracts given that payment by results is some way away and we are worried about service provision now. When people leave custody, all providers have some formal input for 12 months with those who previously had no input. In terms of the length of the sentence, half is served in custody and half is served under licence—and there is an additional period for rehabilitation that requires the offender to work with the provider services. That is a huge innovation. It is too early to say how effective that is going to be and, frankly, it will be the outcome for that group that will determine whether or not payment by results is successful. Providers will not be able to benefit from the system and gain the payment by results funding unless they work successfully with this group because, as you rightly say, they are the highest reoffending group.

Q28 Chris Evans: But you are recalling more people to custody than you have ever recalled before: in the first 11 months of the programme, according to your own statistics, 4,988 people were recalled for breaking a condition during their licence period and a further 105 were sent back to custody by the magistrates. These are people who would not have been recalled under the old system. I have to ask this question: if the CRC feels that this person is not going to successfully complete the 12 months of their licence, is the system incentivising people to recall them?

Michael Spurr: It is important to say that recall decisions are made by the national probation service. I recognise that people might feel that there is a risk involved, but the actual recall decision is made by a public servant, not by the company itself. They refer for recall. There is a whole issue around how we get the incentives to work properly. We always expected that—inevitably—if you put 45,000 people on licence, a proportion of them will end up not successfully completing their licence period. You can recall on the licence bit of the period, so if you get a 12-month sentence then six months would be the custodial part, and six months would be on licence. If you get a three-month sentence, half of that would be in custody and half of it would be on licence, and a further nine months would be subject to a rehabilitation requirement. The recall



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bit is the first half. If you are not complying with a rehabilitation order, you need to go back before a court before any further decision. There are safeguards in place to ensure that people are not easily recalled. The numbers on recall, which have been a worry to me throughout as I do not want to see a significant rise in the prison population, are about where we anticipated them being at this minute. We made some assumptions about levels of recall, and they are about where we expect them to be. I am monitoring them very closely because it is a risk to the system, and I do not want to see people in custody when we can work with them in the community, because that generally has a better outcome in terms of evidence base.

Chair: Apologies to everyone but I forgot at the beginning to declare a non-pecuniary interest. My husband is patron of the Revolving Doors Agency.

Q29 **Caroline Flint:** Welcome to my constituency of Don Valley. To continue on this new service that is extending to offenders' prison sentences under 12 months, I know it is early days, but could Mr Heaton tell us a bit more about how this group is responding? Under 12 months has a massive category of people within it, and I am trying to think about where in some circumstances you might make a decision about someone who has committed a first offence, it is a one-off and maybe that is why they have only got maybe two weeks in prison. But to then say that you have 12 months of following them down the road seems rather over the top, compared to someone who has had recurring sentences—maybe for acquisitive crime—over a number of years, of six months, eight months, 10 months. I would expect that you would want to play into that. How is this group responding? Some people might feel a bit annoyed that they are going to be chased for 12 months for a first offence of a week or two weeks. Against that is those people that need more attention.

Ian Porée: The point you make is entirely valid and that is why the design of the service model is to leave the discretion to the provider. They need to make sure that they are responsible for the individual for their 12-month period. But if, as you describe, there was an individual for whom the obvious solution was not for them to have to come in and see their case manager on a regular basis, they were working effectively and had served their punishment, I would expect them to have a very light-touch engagement with the CRC during that period. Equally, though, they have the freedom that if they see examples where the person is not complying with the conditions they have set, of course they could intensify some of that supervision. So they do have the freedom. The counter to that is that they will only be paid if they improve the reoffending performance, so they need to make those judgments.

What we are seeing in practice is exactly what you would imagine: a completely pragmatic set of choices being made. For individuals, especially first-time offenders, there is a much lighter-touch supervision regime in place than for someone who is a persistent offender. The reason they need to make those choices is that the persistent offender would generate a higher frequency of reoffending. Because the payment mechanism would



penalise you if you ignored someone whose reoffending was very frequent, you would put more resource into supporting that individual than you would someone whose life is stable, and you would check in with them to check over their 12-month period. So the proportionate approach you describe is, I think, a very sensible approach. We have left the providers with the freedom to decide the level of intensity of support that they give.

Q30 Caroline Flint: How are you monitoring that this is being implemented in what I think is the very intelligent way you have outlined?

Ian Porée: We have a set of contract management teams who are out in the field, working with providers day to day in terms of assuring the various elements of the contracted service delivery. Then of course there is the independent inspectorate, who would come in and independently inspect provision. Both our internal assurance as well as the independent checks are done. As Mr Spurr said earlier, the inspectorate has done a number of inspections already. They are doing those thematic inspections.

Q31 Caroline Flint: What about monitoring recall levels?

Ian Porée: As we said, we are monitoring recall levels carefully, just to check that that is within what we expected from our earlier projections. As Mr Spurr said, the levels at the moment appear to be in the range of what we were expecting in terms of recall levels.

Q32 Caroline Flint: The data published by the Ministry of Justice show that in the first 11 months of the programme—as Mr Evans said—4,988 were recalled for breaking a condition and a further 105 were sent back to custody by the magistrates. None of those would have been recalled under the old system, but they are under this.

Ian Porée: There is a higher proportion of people who can now be recalled, because they would not have been on the licence in the old system, as you say. We made provision for that in the planning, including in the business case. The business case made financial provision for the fact that there would be a proportion of people who would be likely to be recalled. That was all part of these planned reforms.

Q33 Caroline Flint: There must be quite a big cost to that, in the amount of people going back into the system. Not just money-wise, but in terms of time of people working, whether it is in the NPS or the CRC, for that matter.

Ian Porée: There certainly is the cost of both the service delivery and the broader economic impact, as you say, because of that additional level of grant. But as Mr Spurr said earlier, that decision to recall is made by a public servant. Therefore they are making that as a public interest decision—that the person's behaviour warrants a recall to custody. That would not be used unless it was necessary. The post-release supervision period is designed; the legislation is set up so that the court tries to facilitate someone's rehabilitation.

Q34 Caroline Flint: What is concerning is that although, on the surface, nobody would think it a bad thing that there should be access to this sort



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of support for those with sentences of less than 12 months—particularly when we look at reoffending rates—if the level of recalls that are happening are going to continue, that says something about whether you are able to provide the quality of support for an increasingly large group of people. If I look at paragraph 4.14 of the NAO Report, this has “led to an additional 10,000 ‘starters’ as of August 2015”. I wonder whether your forecasting for the numbers involved is higher than expected or the challenge is higher than expected and, therefore, the model for how to deal with this is not working as well as it might. I wonder what your thinking is in that area. To add to that, dare I say there is the morale of the offender who, having meant to be supported in this way, is recalled into the system. We all know that, despite the good work done, there are huge challenges about communication in and out of the criminal justice system and there is still a lot of work to do on that. What are you learning from this? Are you going to change anything about it? Beyond anecdotal information and the HMI, what other data are you trying to look at to pin down some of the problems and find solutions?

Michael Spurr: I think you are absolutely right about the challenge. It is a huge challenge. That is why time and again we have had people getting very short prison sentences, because sentencers find it very difficult to know what to do with people who keep reoffending.

For a long time, we have had many people who get that cycle of just coming back into custody. The aim is to break that cycle and we should not underestimate how difficult that is. A reoffending rate of nearly 60% within 12 months for people who get short prison sentences is an horrendous rate of reoffending. It is not surprising that when people come out, a large proportion of those would have been coming back to custody anyway.

The question is, by giving them a licence provision and support for a much longer period, can we reduce those who would have come back to prison anyway because of reoffending? Recall is one way. You can’t have a licence and say, “You are required to do these things,” and then people not stay in the accommodation that they have been given, or not come and talk to their probation officer. If you have that, there have to be some teeth to it that says, “If you don’t do this, there is a consequence.” Some of the recalls will be for repeat offending. This group repeat-offend; that is what we are trying to break.

I think you are absolutely right about the challenge, as you put that. It was a huge debate going through this process about how long a licence period should be. That is why I was not very well articulating the difference between the licence period and the rehabilitation responsibility, but it is effective. The licence period is the half period that, if you get a six-month sentence, three months is in custody, three months in the community on licence. It is then nine months on rehabilitation and support. The recall is the first three months.

You go out at the end of that period and you are still on support. It is about whether we can reduce that revolving door of short sentences. We



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are going to have to monitor carefully and work with our providers to see what is happening in this. It is innovative and very early to see whether this is going to have the impact. I would not want to say that it is going to be a success at the moment but I am glad we are trying, because they are a really difficult group and they create so much crime and difficulty for society generally, if we can make a difference here. That is where all the business case is about saving money out of this—if we can stop people committing crime and coming back into custody.

Sir Amyas Morse: I don't disagree with any of the discussion, but I think it will be important for you to establish how you are going to know which way that is going. I listened respectfully to the comments you were making about how decisions of recall are made by public servants, but they are being made on the recommendations of the CRCs, I take it. That must be so because they have the details. They are being made on the basis of recommendations. It would be most interesting to hear some further thoughts about how you are going to get to the bottom of what is going on in this space, respecting everything you have said about it.

Colin Allars: There are two bits to this that fall to the NPS and one which we have not really talked about. Obviously, this applies only to offenders who have gone beyond the custody threshold in terms of sentencing. We have an influence at the front end of the process in terms of whether the offence merits a recommendation for custody. Obviously, we have to look at that end as well.

Your particular point about whether somebody gets recalled to prison or not, that decision does absolutely sit with the NPS. It is a responsibility that my staff take very seriously.

It is one that they guard jealously in that this needs to be properly considered, the evidence needs to be there and it needs to be appropriate in the circumstances presented to them.

The CRC will put a case to them. They will set out why they believe the person should be recalled and then somebody with no interest commercially in that at all will make a decision, yes or no.

Q35 **Chair:** Do you know how many of those get rejected?

Colin Allars: I don't have the figure with me.

Chair: Could you write to us with that? It would be very helpful.

Q36 **Caroline Flint:** That helpfully moves us on to the relationship between the staff in the NPS and the staff in the CRCs. The earlier conversation talked about the courts and the advice on sentencing. Of course, the NPS holds that ball and the CRCs do not necessarily have a direct line into that. It is still the case, and I will point to one example in the NAO Report, that there are issues in terms of collaboration and good working relationships.

Without going into all the reasons, change is difficult. I have seen a



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similar situation when I have looked at staff in jobcentres working with some of the contractors for employment services there. There does again seem to be an issue around this. What more are you doing to improve how the CRCs and the NPS work together, and get a more inclusive culture of working together as well?

Colin Allars: If I start, others might want to come in. For all the reasons you have said, early days, we have effectively broken a long-established model and working relationships, in circumstances that many staff found quite difficult. That undoubtedly did spill through into some quite difficult issues in the early days, and I think the Report draws that out very fairly because it absolutely was the case.

Those relationships are still not perfect. We have to work really hard at that because, as soon as you have got two organisations working together, as opposed to one organisation, you have got a handover and interface that we need to work at.

Structurally, what we have in place are a group of meetings called the service integration groups. They operate at three levels. There is very much the local level, so the CRC with their local NPS delivery cluster unit will come together formally—I think, every three months or thereabouts—and work through what is happening on the ground. That is facilitated by the contract management teams. That is done divisionally, so my deputy directors for probation with the deputy director contract managers and the CRC leads and the owners of those organisations again come together at divisional level and at national level as well. The national one is an additional group that we have put in place to ensure that we are testing what is happening on the ground and ensure that we are dealing with some of the issues as they arise.

Q37 **Caroline Flint:** One of the positive examples in the Report is on page 35, paragraph 3.4, where it describes “good joint working between CRCs and the NPS, particularly in Wales,” where a much more integrated structure is operating. Are you looking to that example of something we can learn from our devolved sisters and brothers in Wales?

Colin Allars: I work very closely with the director for Wales, Sarah Payne, and many of the things that she has put in place we have tried to do where we are. The national service integration group, to some extent, grew from that. It was about how to look at the system as a whole across England and ensure that we are getting a true picture from that.

Yes, but Wales is different, as they regularly remind me. Not everything that they do in Wales will necessarily work in England. We are trying to find the best from that and ensure that we take that forward.

Michael Spurr: I would add, in terms of Wales, that they have been through a whole change process to bring four trusts together into one Wales trust, which was then, to some degree, easier to move towards the new arrangement in splitting that one trust into CRC and NPS. They have, therefore, been at the leading edge of what we want in terms of integrated work. The NAO was right to identify that, and we absolutely want to learn



from that and apply that to the different circumstances there are across the English regions and cities.

- Q38 **Caroline Flint:** Linked to that, going back to Mr Allars, you have indicated that you feel there should be a more standardised national service, which sounds like what they have done in Wales, in pulling it together. What are the issues, given what you have indicated? What are the issues of inconsistency that most worry you? That is important, too, given that in my own area with the amount of prisons we have in Doncaster, we obviously have people who are from the local area going there, but some of the bigger problems are when you are working across the CRC areas and the NPS areas, ensuring that housing and other things are sorted out. What are you looking for in improving the inconsistencies?

Colin Allars: Some of the biggest challenges we face in delivering a service that really works for the offender are accessing services that are outwith our direct control—things like housing, education, work. How do we support somebody to access those mainstream services and be successful in finding stability? Those are exactly the sort of things that we are bringing to the service integration groups. A particular example for me would be, “How do I get a sex offender housing in a local community when many local communities would rather they went somewhere else in the country?” How do we make sure that links to family and so on are maintained if they are living somewhere else? How do I get them far enough up the priority list of a local authority to have some sort of traction?

- Q39 **Caroline Flint:** So are you looking for some more standardised approaches that can then be shared across the NPS through training and development?

Colin Allars: I think “standardised” infers one size fits all, and that is not what I have in mind. It is about how we find what is right for the offender and ensure that we access best practice. Where we identify best practice, how do we apply it in all circumstances? It’s about levelling up rather than saying one size fits all and this is what you get.

Richard Heaton: Can I add to that? Apologies, because this is an anecdote. I visited the Wales Office as well and I was really impressed. If I was visiting another probation service elsewhere in England, I would ask them, “What is your relationship like with the local police force and the local authority, particularly in a housing capacity?” The Wales model is great because NPS and CRC work closely, but also the police, DWP and the housing authority all seem to be not quite co-located but working closely together. I would ask about the local authority, police and are you sharing data correctly—we might come on to data—and those are the three things that Wales seems to have got right.

- Q40 **Caroline Flint:** One of the points picked up in the Report—this is for Mr Allars as well—is that this is a massively challenging time for the service. It seems that the NPS is being asked to take more and more responsibility for support services, whereas that is not necessarily the



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case with the CRCs. I felt that rather undermined their main job, which is about offending. Is there a point in looking at that again?

Colin Allars: There are two or three things there. I make no apology at all for expecting managers to manage and take responsibility for their staff. In the days of trusts, many of those support mechanisms for staff were provided by other sections within a trust. They had an HR team and a finance team down the corridor and anything that was HR went to somebody else. Many managers were super-caseworkers, if I can put it like that. We were moving people into a new world. I make no apology for that, because I think managers should be responsible for their staff in all respects.

Where I don't think we got things as right as we might have done was in not recognising the significance of a move to a shared service model where you rely on an external body to provide those services. With hindsight, looking back on this, and I have said this to many of my staff, I wish we had recognised that up front and put a bit more investment into that prior to making the changes.

The model we have adopted is now commonplace across the public sector. It wasn't commonplace in trusts, but it is commonplace across the public sector. When it works well, it works very well. We have been on a journey and as time has moved on managers have got more used to how to access the service. We have managed to get the service to tailor the way that it talks to probation staff, so that it is in language they understand. Quite often, they got called governors and officers, and so on—they had prison-speak in their minds. We've moved it on from there.

Through doing that and recognising it's a new model, we have also managed to take money out of what some people would traditionally call back office—save money—and redirect it to front-line services. Again, it is the right thing to do, but I don't think we got the transition right. I think the Report picks that up fairly and we have identified it, worked on it and moved forward on it.

Q41 **Caroline Flint:** Before I pass on to my colleague, Mr Pugh, we heard earlier, Mr Heaton, about the new system for those with less than a 12-month sentence. Through-the-gate services have now been running for a year, and this is to enable the process to start while people are still in prison, before they leave. How do you think the community rehabilitation companies are performing?

Richard Heaton: My impression, although others will come in on this, but my impression is that this has not quite settled down and the story is probably mixed. It is not a part of the service that I am 100% confident about—

Q42 **Caroline Flint:** Why's that?

Richard Heaton: Just because I detect inconsistency, that's all. I am not 100% confident about any of this; that is why it is such a difficult programme.



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Q43 **Caroline Flint:** 60% confident?

Richard Heaton: Yes, all right, if you like.

Q44 **Caroline Flint:** Do you want to put a number on it, Mr Heaton?

Richard Heaton: Mr Spurr or Mr Porée will be able to come in on this, but I detect some inconsistency. I think it has been slow to get off the ground, and it is one of those areas where we have caught up quite a lot recently, but that is an impressionistic view.

Michael Spurr: As I said earlier, I think this is an area where there is a significant amount of variability in provision. There are some good examples: there are a couple of private sector prisons, HM Prison Parc and HM Prison Forest Bank, with very good inspection reports. Talking about how the CRCs operate in the public sector, Lewes and Durham are good examples. In other areas there has been a real difficulty for the CRCs in making those services work. There are a lot of reasons for that. Frankly, I think that we probably expected greater investment in this area early on. That has suffered because of the volumes, so there have been delays in investment. We had expected it to be earlier. That is part of the conversation that we are having now with providers as we look to restructure the contacts.

The other issue is around the complexity of providing resettlement services, working with the whole range of partners. I think that the Chair asked earlier about our engagement with second-tier providers and others, and Mr Porée gave answers on that. We are very conscious of the impact of provision with a lot of voluntary and social sector engagement, but then there are also a lot of local third-tier providers in prisons who feel to some degree that they have been squeezed out by other, larger social sector organisations such as Nacro or Catch22. Clinks has done a review of what the impact has been on those third-sector organisations. A lot of that is about prison provision, where there has been very niche provision in some prisons which feels squeezed out at the moment.

I spoke at the Clinks AGM to the social sector about how this is developing and how we are encouraging providers to work with smaller, niche providers where that works and where that can really add benefit. That is not yet all at the place where we want it to be; it is still developing. A year is a reasonable time, but we need to think about the scale of what has been taken on in terms of providing these services at a time when their volumes overall are lower than anticipated, and as a result of that their cash is also lower. That is where the hit has been, frankly.

Chair: Before I bring in Mr Pugh, Mr Evans has a declaration to make.

Chris Evans: I declare a non-pecuniary interest. My sister works for the probation service in Wales.

Chair: We have both been forgetful about our interests.

Q45 **John Pugh:** There has been a lot of talk of defeated expectations, and I



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am wondering how plausible it was for you to expect what you did. I would have thought that, given the defensive attitude of the NPS, it wasn't a surprise when it decided that it ought to do rather more work than the CRCs had anticipated it doing. Clearly, there are some aggrieved CRCs out there. You have said a little about your relationships with them, but perhaps I can ask you who are the most adversely affected: is it the smaller ones or the larger ones?

Michael Spurr: Maybe Mr Porée could come in on that in a moment—

John Pugh: It was primarily aimed at Mr Porée.

Michael Spurr: Can I just correct you or give you my view on volumes, because it doesn't accord with what you've just said? The reason why the NPS has a higher caseload and the CRCs have a lower caseload isn't that the NPS has determined that it wants to hold more cases to itself. We have looked at this very carefully, because we were concerned that that might actually be the issue.

Q46 **John Pugh:** Could I just add something to that? During the debate on the changes, there was a lot of discussion and representation and lobbying by the probation service saying that it was very hard to discriminate between high risk and low risk and people would vary, and the system would necessarily err on the side of caution. That led me to expect this outcome, but clearly you didn't.

Michael Spurr: We were wary that that might be an issue, so we have very clear allocation criteria to determine which are the higher-risk offenders. There is a proper algorithmic piece of work that has to be done for every offender, and we have looked at what our expectations would be against the type of offenders we have, going through that objective process and allocation. We have looked at that in detail over some time, over a lot of cases. We are confident that the reality is not that the Probation Service has determined, through overriding the normal process, that these people should stay because we are worried about the risk. It is not that. The reality is that there is a higher number of people—looking at the offences, there is a higher number of sexual offenders, a higher number of violent offenders and a lower number of people who traditionally would have come out on the medium or low-risk assessment. It is not that we were not alert to that or did not think it might be an issue: we have been very conscious of it and have monitored it very closely. So I do not accept your suggestion that it is simply because the NPS has held back more cases; that is not what the evidence shows us.

Q47 **John Pugh:** Okay. On the straightforward issue of who is most inconvenienced by this, is it the smaller or the larger providers?

Ian Porée: There certainly isn't a relationship between the size of the providers. The biggest variation we have seen has been between rural areas and urban areas, so it is not a provider-specific issue. Some of the biggest providers are affected the most by this, simply because they are managing some of the rural areas. It appears that the change in case mix



has been more pronounced in more rural areas than in the big urban centres—so it is not a size of provider issue.

- Q48 **John Pugh:** Thank you. Also in terms of anticipated difficulties, on any new project ICT is often a problem. You have the nDelius system—is that right? Reading through the briefing I have on that, it seems that it certainly was not adjusted to the people who were going to use it in any meaningful sense, which is a besetting flaw of Government ICT projects. They claim about it taking undue time to fill things in, being unusable, and consuming administrative time unnecessarily. Could you not have anticipated that, and what are you doing about it?

Michael Spurr: The nDelius system provides a single case management system for all offenders across the probation service. Prior to the introduction of that service, there was not a single system. Each trust had its own IT and case management system. If an offender moved between different trusts, you could not necessarily check what was going on in the IT system. Prior to the Transforming Rehabilitation reforms, we in the National Offender Management Service, as the final part of the old NOMIS programme, which Mr Bacon had been aware of for some time, were implementing a single case management system for probation, which we called nDelius. nDelius was a probation system operating in a number of trusts, including London. Our aim—which we have succeeded in—was to put one single system across the service. To do that we must effectively strip back the IT to a basic system, so that we can get that across all the probation trusts. We did that and delivered it.

- Q49 **John Pugh:** Can I correct you there? The besetting flaw in those Government systems is that they do not take into account the actual users of the system. It says here that it is not intuitive to use; it requires multiple steps for even simple actions; most staff lost work because of system unavailability; and so on. This is a very common syndrome.

Michael Spurr: Yes, and I have got an answer to it, if you give me a chance.

John Pugh: Good.

Michael Spurr: The answer is that I agree with some of that. Absolutely, it was flawed—so we introduced a single system. The big problem when you do that, as you rightly identify, is that then you have to transfer data across from all sorts of different systems into one single system. To do that we simplified the system as far as possible. Our aim was always to add additional user improvements to that system to make the system work much more effectively for users. We then had the Transforming Rehabilitation reforms, which required us to adapt a whole load of that system. I absolutely accept that what we did not do, once we had introduced a single case management system—which, I would argue, is an important thing to do in terms of public protection across the system—was to get the opportunity to build that system up to be much more user-accessible, because we had to do all the work to create the new systems required for the split between the NPS and the CRC. We are now in the



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process of addressing all the weaknesses that you rightly identified. The NAO is identifying them, and the staff tell us all the time—I promise you, every time I go out, the staff tell me about it; so I am very aware about it. We are now addressing that. There has been an nDelius upgrade this very weekend that will address some of those weaknesses. I am not pretending that that is an ideal situation—far from it.

Q50 John Pugh: Okay, that is on the record. Are you compensating the CRCs for this in any way?

Michael Spurr: In terms of the gateway, the link between the systems that we have and the CRCs, we had initially anticipated that we would deliver that in summer 2015. It became clear that we wanted to do much more, that we were adding, as the NAO report makes clear. We needed to add additional fields and it wasn't going to be possible to deliver by the summer.

We have now delivered the strategic partner gateway in a form, in fact, there was another release of that this weekend. Yes, there will be a payment that we are making provision for in our accounts, to reflect that impact on the CRCs. We recognised when we went into the contracts that that would not be ready. We have worked on it.

Our view was that getting the IT right was the right thing and, overall, we are delivering this service for broadly the same amount of money as we were spending on probation before. In terms of business case, I would justify that, but yes, the IT issues have been a significant part of the difficulty we have had in getting this programme working effectively.

Q51 John Pugh: Thank you for that. I will change the emphasis a little and talk about another besetting flaw of the whole programme, which is finding adequate housing for people on release and while they are on probation. You already said that this is something you recognise and everybody recognises as a huge problem and you described some better relationships existing in some parts of the country. Whose job do you think it is to ensure this housing problem is solved? The CRCs? The NPS? Yours? Local councils? Where does the responsibility and accountability lie for putting this essential rehabilitation building block properly in place? Mr Heaton or Mr Porée, possibly? The system has got to work. The housing issue has got to be addressed—that is my point here—and met head on.

Ian Porée: The formal responsibility for finding accommodation for an individual, of course, doesn't sit with the Ministry of Justice. We have put contracts in place that incentivise providers to work hard to fund local solutions. They are not directly funded by us for accommodation provision for offenders; that is local authority funding making the provision available. We have created a new incentive, which is for the CRCs to work hard to support someone to get into accommodation. As you rightly point out, the NAO is very clear in its interviews with service users that this is the biggest challenge we are facing in the system right now and the context about getting people into accommodation isn't unique to the criminal justice system. But there is no question that we are finding it



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harder now than ever before to get people into accommodation suitable for their needs. It is not something we are backing away from: we have an incentive in the system for the providers to work hard—

Q52 **John Pugh:** So the only solution is for the CRCs to work hard and you to incentivise them. That is the only solution on the table at the moment. Okay.

Chair: We heard what you say, Mr Porée, about it not being part, that you have not got direct control, but you hear the concern. We may come back to that at some point.

Q53 **Caroline Flint:** It was interesting listening to the exchange over IT. Mr Spurr, you obviously feel very passionate and frustrated about this particular process. I was a bit surprised you didn't talk about the CPS system, which is the unified crime business process, because again, that very much deals with the cohort you are dealing with once the sentence has been passed, but it also involves a huge number of agencies sharing a similar platform. Given that there is a good model within MOJ, what learning points are you taking from that? Is that something you have looked at in terms of what future platform might be on offer?

Michael Spurr: There is a common platform being developed for the CPS, for court service and others, which we are familiar with. One of the big mistakes about ICT and NOMIS when it was first launched many years ago, with the National Offender Management Service as a good example of this, is that sometimes you go for a big solution for everything at once. That may look great in terms of solving all the problems, but the journey to get there is wrought with difficulty. Delius was a working system that we could apply and then join up—which we are doing and have done—to prison systems and to other systems. I have been involved in too many IT programmes, but that is the right way to do it. And that is not to say that in the future we wouldn't have a combined common platform that would use all of these things, but it is difficult to get things to join together. The path we chose was the right one, given where we are. It doesn't prevent us from potentially enhancing it going forward in the way you describe.

Q54 **Caroline Flint:** I suppose, above all else, whatever system you have got, whether it is IT or paper-based—I'm sure there is a mixture of both in the service—relevant partners should be able to share that information and you should not get a logjam.

To move on, congratulations Mr Allars, you are moving to the Criminal Justice Board, I understand. How does that leave NOMS? Who is going to be in charge?

Colin Allars: I am going to be chief executive of the Youth Justice Board, to be precise.

Q55 **Caroline Flint:** Sorry, the Youth Justice Board.

Colin Allars: I think the NPS is in pretty good shape. I am genuinely really proud of what my staff have done over the past two years. I have got a group of deputy directors who have worked really hard to get a



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service that is working well. I will be delighted if one of them throws their hat in the ring and applies for the job. The advert to replace me, I gather, is going out today, on a fairly short turnaround. We will see who comes next.

In the interim, the chief operating officer, Phil Cople, will be covering my job during the summer period, so there will not be a gap for very long. As I say, I have a really strong group of deputy directors with a huge amount of experience who are running the business on a day-to-day basis.

- Q56 **Caroline Flint:** Mr Heaton, we heard recently, as part of the reforms that are going to be happening in MOJ, that prison governors are going to have more say and autonomy over what happens in their prisons. What will they be able to do in future that they are not doing now? How will that affect all the other arrangements that we have been talking about to provide rehabilitation, if the governor wants to do something different?

Richard Heaton: A lot of that is still being worked up and we are expecting to be able to publish a White Paper before the end of the year. The current Secretary of State wrote a piece in the *Telegraph* with the previous Secretary of State explaining that the two programmes are entirely consistent. This programme puts rehabilitation right at the heart of probation, and the Secretary of State's vision for prisons puts rehabilitation right at the heart of prisons reform as well.

I have no doubt that for an autonomous governor, one of his or her key relationships will be with the CRC. There will be all sorts of imaginative ways in which a governor, whose autonomies will cover everything from education services, and possibly some health services and a different sort of relationship with the CRCs and employment, will be able to find ways of forming a creative relationship with the CRCs.

- Q57 **Caroline Flint:** So when we see the White Paper, we will be able to see some very clear examples of the difference in terms of what they may be able to do in future and what they can do now.

Richard Heaton: I think you will probably see a mix of some fairly clear examples but also a faith in the ability of empowered individuals to do innovative things. That won't all be written down because they will innovate. You will certainly see some examples of some specific freedoms, I imagine, but—

- Q58 **Caroline Flint:** I hope so, because otherwise it is just meaningless as a word, isn't it? It is a bit like choice. It is like saying you can have any car you want but it has got to be a black Ford, as Mr Ford said.

Richard Heaton: I am sure you will see some clear examples of the sorts of freedoms. I have mentioned some of them, on employment, for example, the legal models, the relationship with the remainder of the civil service and so on. You will see some core things but you will also see capacity for great innovation.

- Q59 **Chair:** Thank you. There are a few quick ones from me. As ever, we are concerned as a Committee about data. The NAO Report in part 2,



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particularly focusing on figure 7, highlights the gaps in data, where NOMS considers robust data available for only 18 of the 25 service levels. There are other issues there. We recognise, Mr Spurr, that it is a year in, but what are you going to do to close the gaps on data? You can't really manage a contract if you can't get the information.

Michael Spurr: I think the NAO Report is accurate.

Q60 **Chair:** I hope it is accurate.

Michael Spurr: No, I am saying it is accurate. The point I would stress, though, is where we expected to be at this stage of the journey. Our aim is to get absolutely clear performance data with CRCs and the NPS hitting what we expect in service provision by April 2017. That is where we are aiming, so we are on a trajectory to get there.

Q61 **Chair:** And you are confident you are going to get there?

Michael Spurr: I am confident we are going to get there. We will rightly look at whether all the targets and performance criteria are correct. That's not about making it easier for anybody. It is about whether we are incentivising, as we have just described, the right things. Have we got the right incentives to drive through the gate provision? Are we simply looking at process rather than outcome?

We are looking at all those things, which we had committed to do a year into the process. We have got lots of management information, so it is not that we haven't got data. Our point is that it is not good enough for us to be able to say in early management information that we are absolutely confident it is strong enough to publish, and we are only publishing the data when we are in that position. We are, however, increasing that publication: April, as I said, had a significant amount of data published; July will have the first set of annual data which gives us much more robust performance data. It is absolutely right to highlight it. I am not happy when I haven't got data about what's going on, but we want to make sure that is as accurate and proper as possible.

Q62 **Chair:** Okay. So you have given us a date; that is great. I just want to turn now to Mr Heaton and some of the wider issues for the Department. I acknowledged at the beginning what the NAO had said about this actually being a success in that it did not fall over. People could still meet probation officers and support staff and it was big, big programme in a very short time. That is a success but did that mean that it absorbed a lot of energy that put other programmes and contracts at the Ministry of Justice and the NOMS at risk? Is there anything that it sucked away from, because it was so important to get right?

Richard Heaton: I think that is a fair observation. I was not quite around at the time but I get the impression, dealing with stuff a year on that, yes, this was such a great "all hands to the deck" thing that it probably did divert some attention from other things. That is a slight learning that we have taken into the present Parliament. We have to make sure that the



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business as usual or other second order change programmes receive the same amount of attention.

I am not saying it put things at risk but, certainly, there are instances where you find that all your key people were on TR and were not on other things, so I recognise the thrust of what you are saying.

- Q63 **Chair:** Okay. We do not want to bring up too many past pains but the electronic monitoring contract was not a great success, to put it mildly. There is a danger with the speed that there can be hidden problems. How confident are you that there aren't going to be any problems in this programme as it goes forward? Mr Spurr has made a fairly good case, but are you confident as permanent secretary and accounting officer?

Richard Heaton: I would hope we have touched on most of the problems in the course of this conversation so, yes, I do not think there are hidden grenades, but there are things that could yet go wrong and there are things which still—as Michael Spurr said at the beginning—feel quite precarious, but we have learnt a lot lessons in the Ministry about contract management, for example. It may seem—and I think the NAO made a comment that the contract management seems over-heavy and over-processy; it should be more risk based. I make no apologies for the fact that we have really good contract management on this so I think we are aware of the risks, but that is not to say that there aren't risks.

- Q64 **Chair:** Okay. We asked you this question but it is maybe worth asking again. What keeps you awake at night? Which are the programmes? You have got everything changing in the MoJ, which we remind you every time you come in front of us, but it is a big job—a big set of changes, important changes. People particularly here today at HMP Hatfield have a very direct interest in it going well for them personally. It is important that we remember the end users and the wider community at the end of it, so what is worrying you most? What projects do you think we as a Committee should be keep our eye on particularly?

Richard Heaton: Okay, last time I answered by saying “courts reform” and that is there; that is a big one. I think perhaps I would answer a bit differently on this occasion by mentioning things that are not big reform priorities but what keeps me awake—and some of the things that keep Mr Spurr awake—are the current pressures in the prisons estate: the outbreak of violence and self-harm; new psychoactive substances; and all the security risks attendant on that. So, there are some big, as it were—it is a trite phrase—“business as usual” risks that I would regard as equally important as the programme risks. On the programme risks, it is the big programmes: courts reform, prisons reform, the prison building programme, and seeing this one through.

- Q65 **Chair:** Okay. A couple of other questions from me. One is about women in the prison system. We had very good evidence from women in prison, as well as from the Howard League. There is a worry, and we touched a bit on this in the evidence you gave us, about the women prisoners in any community rehabilitation company area being very small in number, so



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therefore there being perhaps a disincentive to commission that very specialised service where it is spread very thin. One of the suggestions was that women's services be centralised and, in fact, only a few weeks ago in the House, Secretary of State, Michael Gove said he envisaged a future where women were not in prison. I do not know whether Mr Spurr or Mr Heaton wants to answer that one? Mr Heaton first, I think.

Richard Heaton: We will have an opportunity when Holloway closes to rethink the shape and size of the female estate. I would not be surprised if the result was a different way of accommodating women prisoners and fewer women in prison. That is partly a function of the sentencing practice, but I think there is an opportunity here.

Michael Spurr: It is important to say that there is a statutory responsibility on CRCs to provide services for women. It is right to say that they are a relatively small group.

Q66 **Chair:** I don't doubt that statutory is one thing, but is it effective?

Michael Spurr: I think it is effective in making sure that women's services are not marginalised. I have been to a number of women's services, including in South Yorkshire, where support centres for women have been maintained or there is funding for support centres and different approaches for women. It is worth making the point that CRCs, because they are statutory provision, are incentivised to ensure that they are not forgetting a critical part.

Q67 **Chair:** Can they buy that in centrally?

Michael Spurr: The point about centralisation is difficult because it is a relatively small offender population. The idea of managing that population nationally, when what you really need is local services which absolutely need to be linked to the needs of women where they are, is really difficult. We thought about whether it was a sensible approach to have one CRC looking after women across the country and our view was that it wasn't, because of all the other services that you need to brigade locally.

There is an opportunity to think about how we develop different approaches for women in prison and "through the gate" and we are going to do that following the closure of Holloway. I was at Drake Hall prison only a week last Friday. Mr Allars mentioned enabling environments—an accreditation by the Royal Society of Psychiatrists about how to provide community and therapeutic approaches. Drake Hall achieved accreditation for the whole prison and has a wonderful resettlement outside the gate provision, which is a different approach to managing women than we have taken before in prisons. I hope we will be able to expand it across the estate. We are trying to bridge the gap between custody and community in a much more effective way.

Q68 **Chair:** You seem to be saying that it is still work in progress and you are open to suggestions and proper conversations.



Michael Spurr: It is absolutely work in progress. Caroline Dinenage, the Minister for Women, is an absolute champion and advocate that this can't go off the agenda. I know that very clearly.

Q69 **Chair:** If Ms Dinenage is saying that, you better be listening, I think, from her reputation as a Minister. My final question is to Mr Heaton. You talked about the risks and what keeps you awake at night. We thank you for your candour, because it gives us a forward programme, but it is a serious point. You have 50% cost savings in administration across the Department. I don't suppose you are preserving NOMS from that. How is that going to impact on the future of contract management and the agenda we have been discussing today? Does that worry you?

Richard Heaton: Delivering it is hard work. It is not frontline; the 50% is headquarter spend, but including some headquarters in Mr Spurr's organisation. We can do it. We have modelling which shows we can do it over the period. We will be moving some jobs out of London, as we discussed last time I was in front of the Committee. On the contract side, we will be replacing some quite expensive contractor staff who do our contract management with much better civil servants employed in Leeds.

There is quite a lot we can do to move out of Petty France; to set up hubs in Leeds; to reduce our estates costs; to get a better deal out of IT. We can do it. It's not a front-line cut.

Q70 **Chair:** My final, final question is how many ex-offenders does the MoJ employ?

Richard Heaton: We employ through our contractors—we have made a point of doing that, certainly in Petty France. Mr Spurr, do you know?

Michael Spurr: I don't, but I wouldn't necessarily know what ex-offenders we employ.

Q71 **Chair:** It wouldn't be flagged.

Michael Spurr: I know we employ ex-offenders, which is the important point. There was a query about an individual we employed very recently. He fits all the criteria and is an ex-offender. In the right posts, we would employ ex-offenders. The key thing is openness about what people have done, given the nature of the work that we do.

Richard Heaton: I have a senior civil servant who is in some measures an ex-offender, but I am not going to tell you who that is because it came up in private conversation.

Q72 **Chair:** Obviously, I was not expecting you to tell us that.

Richard Heaton: May I just say that I am sorry if we have presented you with an all-male, universe panel? Mr Allars's deputies are all very capable women, so who knows, things may change.¹

Chair: Thank you. Mr Allars has clearly put in a bid for one of his team to

¹ Clarification from Ministry of Justice: operational deputies rather than deputies



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get promotion. Well done, Mr Allars, for taking the opportunity. It is great that you are promoting good, talented people in the service. Thank you for your candid approach. I am glad that you do employ people who have offended. Talking to inmates here today, to ex-offenders and to offenders, it is important that that connection is made. You can do all you want in NOMS but if you haven't got a home or a job then it is not going to go very far. Thank you, and I thank again the prison and the prison governor and Julia Spence for their hospitality today. I draw the committee to a close.