Prison Reform Trust response to Transforming Rehabilitation

The Prison Reform Trust is an independent UK charity working to create a just, humane and effective penal system. We do this by inquiring into the workings of the system; informing prisoners, staff and the wider public; and by influencing Parliament, government and officials towards reform.

The Prison Reform Trust's main objectives are:

- Reducing unnecessary imprisonment and promoting community solutions to crime
- Improving treatment and conditions for prisoners and their families

Overview

The Prison Reform Trust welcomes, with the caveats outlined in our response, the focus of the consultation on rehabilitation and extending support to short sentenced prisoners. The needs of this group have been neglected for too long. We welcome the acknowledgement of the importance of addressing common social factors behind their offending, including “broken homes, drug and alcohol misuse, generational worklessness, abusive relationships, childhoods spent in care, mental illness, and educational failure.” This presents a compelling case for government and local authority departments to work together to address the social factors that drive crime. This needs to be reflected in plans, and budgetary arrangements, for cross-departmental working at national and local levels.

Our key points in response to the proposals are:

- Mentoring should be available to all prisoners serving less than 12 months on a voluntary basis
- Responsibility for the statutory supervision of all low, medium and high risk offenders should remain in the public sector
- Commissioning should be devolved to probation trusts, who have strong local partnership arrangements and can co-commission locally
- Increased flexibility should be introduced into the community sentencing framework, for instance in relation to breach, and efforts made to increase the availability of different requirements, to strengthen the rehabilitative and reparative impact of community orders
- Commissioning should be managed in a way that ensures diversity of providers and, in particular, any payment by results methods need to allow small- and medium-sized voluntary sector organisations, many of whom have a wealth of experience and expertise in supporting offenders, to participate fully as providers.

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Response to individual questions

**Question B1:** How can we maximise the results we get from our collective Government and public sector resources?

**Question B2:** How can we use the reform of offender services in the community to enhance the broader range of social justice outcomes for individuals?

We answer questions B1 and B2 together.

Many of the solutions to cutting crime and reducing reoffending lie outside the justice system in housing, employment, family welfare, treatment for drug and alcohol addictions, mental health care and support for people with learning disabilities and difficulties. Therefore, the involvement of other government departments and agencies alongside the criminal justice system is critical. For this reason the Prison Reform Trust supports a justice reinvestment approach. We welcome the Ministry of Justice’s decision to allow the justice reinvestment pilots in Greater Manchester and London to continue. These are delivering promising results and significant savings which can be reinvested in further initiatives to reduce reoffending. The learning from these schemes should be incorporated into the Transforming Rehabilitation proposals to support the roll out of a justice reinvestment approach across government.

There are currently a number of cross government initiatives and inter agency models of working and cooperation which exemplify some of the principles behind justice reinvestment. If properly resourced and implemented they have the potential to deliver significant savings and enhance social justice outcomes. The Ministry of Justice should ensure that the focus and delivery of the Transforming Rehabilitation agenda is closely aligned with the following:

- Troubled families programme
- Liaison and diversion services
- Integrated Offender Management.

The Prison Reform Trust is concerned that the decision to establish a national commissioning function could mitigate against an effective cross-government approach and the efficient pooling of resources at the local level. National standards and particular requirements for a comprehensive approach, for example liaison and diversion or gender-specific services, are important to specify. However, past experience suggests that central commissioning is too remote, inflexible and incompatible with local co-commissioning arrangements and networks. For instance, it will be hard to align nationally commissioned services with the priorities of key local providers such as police and crime commissioners, health and local government. This will be essential to the success of the reforms and ensuring the maximum benefit is gained from collective government resources. The consultation proposes to incentivise prime providers to form local partnerships through contract specifications. But without clear and transparent arrangements for joint budgeting at the local level, it is unclear what the incentive will be for local partners to cooperate, particularly at a time when budgets are being cut across government.

It is also unclear how under payment by results the savings the government hopes to make through reductions in reoffending will be translated into specific cashable savings which can be made against the Ministry of Justice’s budget. For instance, the savings from the Work Programme are immediately cashable – ie the person comes off benefit and starts to pay NI and tax – a double reduction in government expenditure. However, immediate cashable savings are a lot harder to accrue when payment by results is linked to reductions in

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1 Justice Committee (2009), Cutting crime: the case for justice reinvestment, London: The Stationary Office
reoffending. If, for example, 200 prisoners from the main pilot scheme at Peterborough don’t reoffend because of the impact of that scheme, under the current proposals not one prison or wing will close.

Therefore, if the overall Ministry of Justice budget is cut and if, as the consultation proposes, there are new services for which to pay for the 50,000 short-term prisoners who are released every year to receive support and supervision, but there are no cashable savings from reducing re-offending in the short term, it is unclear how the Ministry of Justice will be able to make the payment by results contracts attractive enough to new providers. The concern is that the real cashable savings will be made not through payment by results, which to be workable and attractive to prime providers is likely to constitute only a small proportion of the overall contract, but through significant reductions in labour costs and staff terms and conditions brought about the transfer of a large proportion of the probation service from the public into the private sector.

**Question B3:** Should any additional flexibility be built into the community sentencing framework to strengthen the rehabilitative impact of community orders, and the reintegration of offenders into society?

The Prison Reform Trust welcomes the intention of the government to build on the increased flexibility in the community sentencing framework to strengthen the rehabilitative impact of community orders. Many offenders serving short prison sentences or community orders have complex and multiple needs. It is essential that courts have a range of effective options available and the discretion to match requirements to the particular needs and circumstances of each individual case. It is also vital that sufficient resources are available locally to meet the full range of requirements.

However, the flexible approach sort by the Ministry of Justice seems at odds with the more rigid and centralised approach to community sentences adopted by the Crime and Courts Bill, which proposes to introduce a mandatory punitive element to every community order. This will limit the discretion of judges in setting an appropriate sentence and creates an unhelpful and unnecessary distinction between punitive and rehabilitative requirements. The government’s own impact assessment of the proposals acknowledged that they could have an adverse impact on reoffending rates by causing primarily rehabilitative requirements to be substituted with primarily punitive ones. We recommend that this provision is removed from the bill or not be enacted if it proceeds to legislation.

Another area where greater flexibility would be welcome is in dealing with non-compliance and breach. Figures published for the calendar year 2009 show that 3,996 people were received into prison establishments in England and Wales for breach of a community sentence. For the large number of offenders with particular support needs such as mental health problems, learning disabilities and difficulties and substance misuse problems, an inflexible approach to dealing with technical breach of licence is counterproductive. We welcomed the increased flexibility the Legal Aid, Sentencing and Punishment of Offenders Act (2012) allowed a court in dealing with breaches of community sentences through the option of the offender appearing before the court to account for his actions, but taking no action if that were deemed appropriate. We are concerned that the Crime and Courts Bill will remove this uncommenced provision and would encourage the government to reinstate this measure in the bill. A rewording of the clause could be considered, from “take no further

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4 Table 6.9, Offender Management Caseload Statistics 2009, Ministry of Justice
action” to the court will “review progress, call the offender to account and restate the requirements of the order with which the offender must comply”.

It is important that courts have the flexibility to impose sentencing requirements which take into consideration the particular abilities and support needs of individual offenders to avoid unreasonable or unrealistic expectations being made. Linked to this is the importance of early identification and information sharing across and between criminal justice and health and social services.

We welcome the government’s commitment to roll out a national liaison and diversion scheme by 2014, backed by £50m funding from the Department of Health and working in partnership with Ministry of Justice. The National Federation of Women’s Institutes (NFWI) is running a Care not Custody campaign across England and Wales following the tragic death by suicide in prison of the mentally ill son of an NFWI member. The NFWI and the Prison Reform Trust are leading a coalition of organisations, including the NHS Confederation, the Royal College of Nursing, the POA, the PGA, the Law Society and the Police Federation, representing over one million professional staff, set up to monitor reform and ensure the government keeps its care not custody promise.

A key problem which reduces the flexibility of the courts in matching requirements to the particular circumstances and needs of the individual offender is the variable availability of different rehabilitative requirements across the country. A number of potentially useful rehabilitative options already exist but are not being sufficiently utilised. For instance, the mental health treatment requirement is significantly under-used in community sentencing despite very high levels of mental ill health among the probation caseload. In 2010 only 783 mental health treatment requirements were commenced, constituting less than 1% of all community sentences. Although the LASPO Act introduced new flexibilities around mental health treatment requirements, there are a number of complex factors that contribute to their under-use. If these barriers, including a lack of confidence among sentencers about the support people will receive as part of this requirement, are not addressed people will not be able to access the treatment and support they need.

**Contract specification**

**Question C1:** We are minded to introduce 16 Contract Package Areas. Do you think this is the right number to support effective delivery of rehabilitation services? Do you have any views on how the Contract Package Area boundaries should be drawn?

It is disappointing that the government has chosen not to take forward proposals contained in the Punishment and Reform: Effective Probation Services consultation to develop the commissioning role of local probation trusts. Probation trusts have strong local partnership arrangements and can co-commission locally. This could be lost if offender management is

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6 Crispin Blunt MP, the former prisons minister, said in a statement in the House of Commons on 15 February 2011: “As we made clear in the Green Paper, we will, with the Department of Health, have invested £50 million by 2014 in establishing a liaison and diversion service, both in the police stations and in courts, to ensure that people who should more appropriately be treated in the health service do not go to prison.” See [http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110215/debtext/110215-0001.htm](http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110215/debtext/110215-0001.htm)


8 Recent evidence suggests that at least a quarter of probation service clients have a mental health condition, more than half use alcohol problematically and one in eight misuse drugs: Brooker C et al 2011 An investigation into the prevalence of mental health disorder and patterns of health service access in a probation population. Available at [http://www.magnacartalincoln.org/cjmh/RIPB%20Executive%20Summary.pdf](http://www.magnacartalincoln.org/cjmh/RIPB%20Executive%20Summary.pdf)

9 Ministry of Justice (2012) Consultation on sentences in the community and the future shape of probation services impact assessment Fig. 1

split and services commissioned centrally. Past experience suggests that central commissioning is too remote, inflexible and incompatible with local co-commissioning arrangements and networks. For instance, it will be hard to align nationally commissioned services with the priorities of key local providers such as police and crime commissioners and local government. Large regional contracts may also mean sentencers are further removed from the communities they serve, with less knowledge of, and confidence in, the community orders which they are handing down.

A lack of contingent boundaries between areas and services has hampered progress in the past. If the government is to proceed with a national commissioning function, the boundaries of contract areas will need to be matched as closely as possible to existing police and local authority areas to facilitate joint work and effective local partnerships. The size of contract package areas will need to be sufficiently manageable in order to allow a diverse range of prime providers to compete for contracts.

**Question C2:** What payment by results payment structure would offer the right balance between provider incentive and financial risk transfer?

**Question C3:** What measurements and pricing structures would incentivise providers to work with all offenders including the most prolific?

The Prison Reform Trust is a member of the Criminal Justice Alliance and we present its response\(^{11}\) to questions C2 and C3 as part of our response:

*These proposals represent a significant change in the structure of the delivery of criminal justice services and PBR has been described as a “world first” by the Government. Without any results from pilots to date, there has been little time to build up the evidence base as to the likely costs and effectiveness of different approaches and interventions. It has also been difficult to explore any perverse incentives or unintended consequences that may be created and look at how they can be addressed.*

*A policy paper published by KPMG states, with regards to payment by results, that there may be “a ‘bleeding edge’ in getting it right, as both the customer and the provider explore how to manage complex risks and rewards and the boundaries of cross-government and multi-year spending are transcended”. We outline below some means of mitigating these risks.*

### Problems with Binary

*The strongly held view across the sector is that the proposed use of the binary measure of reoffending is the wrong one; this view came through strongly from the VCS, the private sector and the Police in the government’s summary of consultation responses to the probation review. The binary measure risks disincentivising work with people with complex and/or entrenched needs and those who are prolific offenders. This could mean significant numbers of offenders with high levels of need are ignored, and in turn could cause further crime and more victims. We advocate that, on balance, the preferred measurement for PBR is the seriousness and frequency of offending.*

\(^{11}\) Criminal Justice Alliance (2013), Response to Transforming Rehabilitation, London: CJA


Furthermore, the evidence shows that desistance from crime can be a slow process, often with progress made initially in reducing the frequency of reoffending. This can be an important process, and providers should be recognised for their contribution towards it.

**Differing payments and ‘distance-travelled’**

Pricing structures will have to be graduated to ensure that providers work with all types of offenders and no-one is left without supervision or support. There are risks that the offenders most likely not to reoffend will be ‘cherry-picked’ while those least likely to avoid reconviction are ‘parked’ with little or no access to support services. To address this, the CBI has recommended that “payment incentives should be increased incrementally as reoffending is cut by larger amounts” in order to ensure that “providers are encouraged to help those who are harder to reach”\(^\text{14}\), while the Social Market Foundation has suggested a ‘payment escalator’, which would operate in a similar way.\(^\text{15}\)

The CJA favours an approach to PBR that recognises ‘distance travelled’. Achievements in other areas that are important factors in desistance – for instance, in housing, education, employment and strengthening family ties – could be considered as part of such an approach.

The Prison Reform Trust notes in relation to the above research just published by the Third Sector Research Centre examining the impact of payment by results and differential payments on specialist provision in the Work Programme. It found no evidence as yet that differential payments had incentivised providers to work with harder to help customers. James Rees, part of the TSRC team that conducted the research, said: “Despite positive government attempts to introduce payment incentives for harder to help groups, it appears that those who are furthest from the labour market or require specialist provision are not being catered for by the Work Programme in practice. It seems that reduced funding, coupled with a more competitive and commercial environment, may be undermining the success of the Programme. Interventions for many clients may be costly – but they may pay off in the long run.”\(^\text{16}\)

**Local variants**

In terms of measurement, it will be important to ensure that the data used for baselines is robust and reliable, and that metrics are not susceptible to changes in the external environment (for example changes in the employment environment or the availability of housing) and national or local policy changes (such as new crimes being legislated for or changes in policing priorities; the latter may be particularly prevalent following the election of Policing and Crime Commissioners), or at least that the impacts of these changes are recognised and minimised.\(^\text{17}\) This will be important in ensuring that we get a genuine picture of what is working and should therefore be replicated, as well as ensuring that the payment system is fair.

The Ministry of Justice should also consider whether there may be a need for local variations in the measurement mechanisms and tariffs, to reflect different geographical circumstances. It may, for example, be easier to move an offender into

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\(^\text{14}\) p.6: CBI (2011) Action in the Community: Reforming probation services to reduce reoffending, London: CBI.
housing or employment in some areas than others, which will have an impact on reoffending rates. Varying tariffs locally would reflect this and incentivise providers to work in the most challenging and disadvantaged areas.

There is also a lack of clarity about how different payment by results systems (for example Drug and Alcohol Recovery, Transforming Rehabilitation and the Work Programme) will interact with each other where they are working towards related outcomes, and which provider will take the credit in achieving outcomes that may relate to more than one service. This is particularly relevant given that the Department of Health has taken a different approach to the MOJ by piloting eight PBR schemes over two years with considerable local discretion, and whose outcomes include reduced reoffending.

**Outcomes based payments**

The MoJ should also consider the merits of phasing in outcome-based payment mechanisms by initially basing payments on activity measures such as the number of people worked with. This would be a step towards payment by results that the voluntary sector might be better placed to engage with (and this gradualist approach has also been suggested in a recent briefing on applying payment by results to drugs services and by CentreForum).

The Ministry of Justice should also consider the merits of system of staged payments, to ease cash flow problems and lower the level of risk to providers, as it would allow them to be paid in parts for milestones reached. This would build on the methodology underpinning Project Daedalus, which is delivered by the voluntary sector.

**Follow up period**

In measuring reconviction rates, the length of the follow-period will affect the proportion of people who are reconvicted. For example, Ministry of Justice research has showed that 75% of offenders are convicted of a further offence within nine years, compared to 43% within one year.\(^{18}\) Using a longer follow-up period would therefore give a fuller picture of reoffending. However, a very long follow-up period is likely to be difficult to administer and unrealistic in terms of paying the provider, so a balance between the two is necessary. Given that of those who are convicted of a further offence within two years, 78% are within the first year\(^ {19}\), there is a strong case for using a one-year follow up period. This would make the process more manageable for providers, and would also limit the impact of other factors outside the providers’ control, like rising unemployment or changing housing or welfare policies.

In addition to the above, the Prison Reform Trust would like to see the government commission a payment by results pilot scheme which fully recognises the offender as a responsible and active agent in the rehabilitation process. For instance, former prisoners who did not reoffend could be consulted about which services contributed most to their successful integration. The decisions to both desist and offend result from choices made by the offender. Therefore, it makes sense to design a PBR system for reducing re-offending which take into account the offender’s responsibility for the outcome. Current PBR models omit the offenders’ activities, decisions, and responsibility. If there is no incentive in the contract for an offender to desist, then payment by results are likely to prove undeliverable. A logical method of engaging offenders in the system is to reward that provision which, in the

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\(^ {19}\) Ibid.
judgement of the ex-offender receiving the service, had the greatest influence in encouraging desistance.

**Question C4**: How should we specify public sector oversight requirements in contracts, to avoid bureaucracy but ensure effective public protection arrangements?

As we outlined in our response to the Ministry of Justice consultation Punishment and Reform: Effective Probation Services, the Prison Reform Trust has serious concerns regarding the proposal to compete out to the private and voluntary sectors the offender management of low and medium risk offenders. This could lead to a fragmented service which compromises accountability and puts public safety at risk. It is unclear how the probation service could be expected to retain responsibility for public safety in all cases when it does not have responsibility for the offender management of the majority of the probation caseload. Contract specifications are unlikely to resolve the significant obstacles to effective public protection arrangements which these proposals will create.

In addition to advice to courts and initial assessments of risk, offender management of all community sentences and post-custody licences should remain in the public sector. This would provide the infrastructure for a seamless service, ensuring that offenders were subject to appropriate supervision and oversight where their level of risk changed. It would also provide the continuity of supervision that is essential to effective offender engagement. It is important to set clear national standards for oversight and delivery of community sentences, drawing on best professional practice.

In an article, The future of Probation, an edited version of which was published in Society Guardian, on 23 May 2012, Geoff Dobson, (who is company secretary to the Prison Reform Trust and was a chief probation officer and chaired the association of chief officers of probation), said that the proposal fails to stand up to several vital tests:

*First, it sees risk as a static concept, failing to recognise that circumstances can change abruptly and the risk posed by an individual can increase markedly overnight. Thus someone who is deemed to be of low or medium risk could suddenly become high risk, but staff in the contracted organisation may not be equipped to recognise that and, even if they did, would then presumably need to arrange a hurried transfer back into the public sector. This could be a bureaucratic nightmare with public safety under threat. The Probation Chiefs Association has recommended that the public sector retain the offender management role for all those who are subject to court orders and post-custody licences. This eminently sensible suggestion would overcome the problem and would provide the infrastructure for a seamless service. It would also provide the continuity of supervision that many regard as essential to offender engagement, aiding maturity and desistance from crime.*

*Second, it fails to understand the complexities of accountability in the criminal justice system. Those with responsibility for supervising a court order are not only answerable to their paymasters, but also to the courts for the manner in which they fulfil their duties. If a judge or magistrate has concerns about the supervision of a contracted out court order, with one or more organisations involved, who do they ask to appear before them? Again, if the public sector retains the offender management*
role, having carried out the initial and any subsequent assessments, responsibility is clear.

Third, these changes as set out in the consultation paper would involve a massive personnel upheaval for a key part of a criminal justice system that is already under considerable strain. Under these proposals work with the bulk of the quarter of a million offenders supervised by the Probation Service would be out-sourced. Presumably this could require thousands of staff to be subject to transfer by TUPE to private and voluntary sector bodies and others … to transfer to new organisations which could include staff mutuals and social enterprises. The resources required to deliver such a change are undoubtedly considerable.

So what is the case for this huge overhaul? The paper cites reoffending rates as the reason for wholesale reform. It tells us that half of all adult offenders reoffend within a year of leaving custody and that the figure rises to three quarters for those sentenced to youth custody. It states that reoffending by offenders sentenced to less than 12 months in prison is estimated to cost the economy up to £10 billion annually, noting that these prisoners are not eligible for statutory supervision. Crucially however, it does not use its own research to highlight the far superior performance of those sentenced to community sentences when compared to people released from short prison sentences. Community sentences for 18-24 year olds outperform prison sentences by 12.8 percentage points in reducing reoffending. Even when offenders of all ages are closely matched in terms of criminal history, offence type and other significant characteristics, the performance gap remains a robust 8 per cent. A lesson to be drawn from this substantive research could be to promote through evidence and investment the further development of Probation’s work, much of it in partnership with other organisations, in delivering court orders.

Question C5: We want to incentivise through the gate provision, but some prisoners will disperse to a different part of the country following release. How can we best account for that in contract design?

It will be vital to ensure that the government’s ambitions for the Transforming Rehabilitation agenda are closely aligned with its strategy for the prison estate. Overcrowding means prisoners are more likely to be further from home and are more likely to be transferred from one establishment to another. One in eight men and one in five women in custody are being held over 100 miles away from their local area; for young people distances can be even greater.

This makes resettlement far more difficult as local community services are unable to provide services to someone far away. For instance, someone needing drug support can be seen prior to release by a drug worker from their community if they are held locally. The same is true for alcohol services, benefits, housing, social care, mental health, mentoring services, chaplaincy support, education, training placements and targeted local support offered by small voluntary sector organisations.

Family support and contact is vital for effective resettlement. Incentivising through the gate provision must take account of the role family members, and organisations that support offenders’ families, can play in supporting individuals to return to their homes or local communities. The new emphasis on mentoring, which is welcome, does risk overshadowing the importance of family ties.

Ideally people serving a prison sentence should be housed in establishments as close as possible to their local communities in order to aid effective resettlement and rehabilitation. Greater use should be made of ICT in prison and the community to enable people to keep in
touch with families and friends, secure safe housing and employment. For people held far from home, as far as possible resettlement support should be made the responsibility of the provider from where the offender comes from and returns to on release from prison. This could be facilitated through a system of personal budgets, which would enable support to be tailored around the needs of the individual offender on their journey through the criminal justice system.

We note NOMS’ commitment to modernise the prison estate and where appropriate reconfigure the use of establishments to deliver better outcomes. In doing so we would caution against any move towards larger prisons or expanding capacity within existing establishments in plans to reconfigure the estate. Economies of scale and ever larger institutions run counter to the proven importance of closeness-to-home, local initiatives and a sense of place. There exists substantial research evidence and learned experience from England and Wales and worldwide that smaller community prisons are more effective than larger prisons.23

In England and Wales, much of this evidence is provided through the detailed prison inspection reports carried out by HM Prisons Inspectorate. Unpublished data on surveys conducted by HM Chief Inspector of Prisons in 2006-2007 provides a useful measure of the extent a prison is able to meet prisoners’ basic needs. A comparison of large and small prisons, based on 154 factors, revealed that larger institutions are consistently poorer at meeting prisoner needs and creating a healthy prison environment. In two-thirds of the factors compared (102 out of 154) smaller prisons scored significantly better than large ones. In 38 of the 102 areas, the disparity exceeded ten percentage points. For 19 of the 24 factors concerning safety, small local prisons scored significantly better. For resettlement, small locals were better for 18 out of 28 compared and were worse for only one.24

Large prisons designed on cost grounds cannot provide offenders with the same opportunities as effective small and medium-sized prisons to address their offending behaviour and work towards rehabilitation. Cost savings are based on an assumption that a lower staff-prisoner ratio would be required, but these savings should be balanced against the significant added short- and long-term costs of an approach which uses fewer staff. High prisoner-to-staff ratios are linked to the predominance of a prisoner culture which encompasses widespread drug misuse and dealing; gangs; reliance on violence to regulate inter-prisoner conflict; norms against engagement with staff; a high tolerance of exploitation and threatening behaviour. These aspects of prisoner culture will be amplified in large institutions, particularly if staff cost reductions are pursued. Larger prisons are likely to lead to an increased re-offending rate due to their inability to challenge and control prisoner culture.25

**Question C6:** What mechanisms can be used to incentivise excellent performance and robustly manage poor performance to ensure good value for money?

**Supply chain management**

The Prison Reform Trust is a member of the Criminal Justice Alliance and we endorse its response to questions C7, C8 and C9:

**Question C7:** What steps should we take to ensure that lead providers manage and maintain a truly diverse supply chain in a fair, sustainable and transparent manner?

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24 Ibid.

25 Ibid.
Criminal Justice Alliance believes that a truly diverse supply chain will include service delivery by voluntary sector organisations, as well as providing for consultation with local authorities, PCCs and communities who better understand the distinct needs and diversity of their areas.

It is anticipated that the voluntary sector will largely sub-contract from private prime contractors i.e. the lead providers. (The possibility of mutuals and consortia-led bids is welcome, and we outline this in more detail in question C9). The prime contractor will have overall responsibility for the delivery of the contract and should therefore be required to stipulate how their proposed sub-contractors will meet the unique characteristics and diverse needs of the communities within which they propose to operate. Specific consideration will need to be given to mental health, alcohol and substance misuse, black and minority ethnic groups, homelessness and women offenders for example. The effectiveness with which the prime contractor continues to work with their sub-contractors and thereby, meet the specific needs of their service users should be a matter for on-going evaluation by Ministry of Justice.

To meet some of the diverse needs outlined above will require the involvement of a range of organisations, including very local specialist groups. To facilitate their involvement, there will need to be some financial payment guaranteed. Until there is a successful track record for payment by results schemes in the criminal justice system, most third sector organisations will have little capital available from sources other than social finance. Thus, they will require some payment upfront in order to be able to provide basic services to offenders without having to borrow capital.

One way of developing this would be to consider the merits of phasing in outcome-based payment, and for some smaller organisations in the supply chain simply to be funded through grants. We suggest that prime contractors should simply grant fund the very small organisations further down the supply chain (this could be based on a contribution to local grants or simply expecting charities with a turnover of less than £500,000 to be grant funded within the contract). This gradualist approach has also been suggested in a recent briefing on applying payment by results to drugs services, and by CentreForum.

The Ministry of Justice should also consider the merits of a system of staged payments, to ease cash flow problems and lower the level of risk to providers, as it would allow them to be paid in parts for milestones reached. These staged payments must be fairly distributed along the supply chain. Different payment levels and mechanisms for different groups of offenders (such as those with multiple and complex needs) would also help to prevent ‘cream-skimming’ and ‘parking’ of offenders.

**Question C8:** What processes should be established to ensure that supply chain mismanagement is addressed?

*Experience from the Work Programme suggests that despite being included in contract bids, organisations from the voluntary sector have struggled to get referrals from prime contractors. In a survey undertaken by The National Council for Voluntary Organisations, it was found that many sub-contractors were concerned about the*

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28 Ibid., p.6.
sustainability of their contracts due to a lack of referrals. In addition, in a report published by three homelessness charities involved in the Work Programme, it was found that sub-contractors were not being used to effectively provide specialist support to those who required it, despite being included in the original bid for the contract. St Mungo’s, for example, is a charity that provides specialist support to homeless people. In 2012, the organisation left the Work Programme after not having received a single referral in nine months. In the context of probation services, this raises concerns that the diverse needs of offenders may not be met if prime contractors are reluctant to refer on to their voluntary sector sub-contractors.

The National Council for Voluntary Organisations also found that some sub-contractors under the Work Programme were simply not being paid for referrals received.

It should be made explicit in all contracts awarded to prime contractors, that any partnership with the voluntary sector must be a genuine one. Primes should be expected to give an indication of the number of referrals a sub-contractor can expect to receive. This would allow sub-contractors to better plan their service delivery and assist with maintaining fiscal stability. A process of regular and proactive review by the Ministry of Justice should be implemented, to ensure that the terms of contracts are adhered to. This should include reviewing information about the number of referrals that are made by prime contractors. In addition, an independent and anonymous feedback and complaints procedure should be established. This would allow the voluntary sector sub-contractors to alert the Ministry of Justice to any issues in supply chain mismanagement.

Question C9: How can we ensure that the voluntary and community sector is able to participate in the new system in a fair and meaningful way?

It is vital that payment by results is implemented in a way that ensures diversity of providers and, in particular, allows smaller voluntary sector organisations, many of whom have a wealth of experience and expertise in supporting offenders, to fully participate as providers. The model of payment that is developed will be central to enabling the involvement of the voluntary sector in delivering criminal justice services. It is clear that voluntary sector organisations, even larger national voluntary sector organisations, will not be able to carry the financial risk of a payment by results model that requires all payment to be deferred and based on results, either due to a lack of available funding or the limits placed on the use of reserves by charity law. Even if a basic payment is made up front, with an additional payment made based on results, it is unlikely that voluntary sector organisations would be able to carry the financial risk, with concerns emerging from the Work Programme that voluntary sector organisations who hoped to get contracts became particularly vulnerable to suffering financially or even being forced to close down as a result of their involvement in the scheme. If this happens in a criminal justice context, it will weaken the market and damage the credibility of the scheme.

The most likely route will be for voluntary sector organisations to be subcontractors to larger prime providers. The Ministry of Justice could ensure prime providers

32 Ibid.
33 http://www.bbc.co.uk/news/uk-politics-12476342
subcontract a set proportion of the work to the voluntary sector, as a condition of being granted the contract. However, this could be overly prescriptive and inflexible, and might fail to ensure that the most appropriate delivery organisation is in place. A better solution is for Government ministers to require prime providers, where that model is used, to work closely with the voluntary sector as subcontractors, wherever appropriate, in the design and delivery of services from the outset as genuine partners. This should incorporate a strengthened version of the Merlin Standard to ensure subcontractors, including third sector organisations, are treated fairly. There is also scope for the MoJ to support and encourage applications from consortia, and to recognise that any consortia will be newly established and therefore, as yet, unable to evidence long-term track record as a collective.

However, even with these safeguards in place, subcontracting poses significant risks to the autonomy of voluntary sector organisations and may cause considerable problems if there are contradictions between the strategic objectives or operating practices of the (probably private-sector) prime provider and a subcontractor. In addition, a recent report by CentreForum argues that the lessons learnt from the development of PBR mechanisms in welfare to work suggest that large prime contractors will still pass risk and the working capital requirements down to their subcontractors.

To facilitate greater levels of involvement from voluntary sector, an element of the payment will need to be guaranteed, to ensure organisations with limited reserves are able to provide basic services to offenders without having to borrow capital (with little capital likely to be available anyway from sources other than social finance until there is a successful track record for payment by results schemes in the criminal justice system). We suggest the overall contracts cannot bear more than 30% of the contract put at risk. As mentioned, we also suggest that prime contractors should simply grant fund the very small organisations further down the supply chain (this could be based on local grants or simply expecting charities with a turnover of less than £500,000 to be grant funded within the contract).

In the initial stages of roll out, it will be essential that there is an open culture across the development of payment by results. Data must be openly available, and not retained by individual providers, and research and assessment on what works must also be openly available to allow providers to learn from each other. There should also be rigorous assessment by the Ministry of Justice of the contents of proposals ahead of contracts being awarded that ensures that what is being proposed is consistent with what existing evidence shows to work in reducing recidivism. While flexibility must be retained to allow innovation, this need not allow potential providers to pursue approaches that have already been demonstrated not to be beneficial in reducing reoffending. In this context, proposals for a NICE-equivalent for criminal justice should be re-examined to assess whether an independent body to assess the evidence in support of different approaches could have benefits in driving good practice. This transparency in data and availability of research will better allow small organisations who don’t have resources to undertake such work themselves.

There is also a risk that payment by results could instead lead to conservatism in delivery, with providers focusing on a narrow range of services that are known to produce acceptable results, rather than innovating at the risk of failure and little or no payment as a result. The Justice Select Committee noted this potential side effect in

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their report noting that “It is important that data and information sharing is not inhibited by the rules governing commissioning and competition”. For this reason MoJ should take the lead in gathering the evidence and sharing good practice across providers.

We support the work of Clinks (a member of the CJA) who are the infrastructure body for the voluntary sector working with offenders, and we endorse their submission to this consultation.

The involvement of service users and ex-offenders

The Transforming Rehabilitation proposals should be developed in a way that facilitates service user involvement, and that ensures ex-offenders can be fully involved in delivering the services.

As Clinks have noted, service users can play an important role in developing and improving services. All contracts should therefore provide for service user involvement in the planning and delivery of services. Many organisations in the criminal justice system already actively promote service user involvement. Kent Probation Trust, for example, commissioned User Voice to establish a community council to improve their engagement with service users. The community council model is based on principles of democratic engagement. So, the council is established and members are elected by their peers. The council then serves to represent their peers’ views and opinions.

User Voice worked with Kent Probation to set up a series of questionnaires and focus groups, in which service users participated. The members of the council are then selected by the participants. Probation staff and the council then get together to discuss how best to undertake probation work with consideration for service users’ opinions and concerns. Meetings are held regularly and other issues are also considered, such as housing and education. From these meetings, Kent Probation has worked to develop an action plan to support service users’ desistance from crime.

CJA members, Clinks and Revolving Doors Agency, have jointly published a guide to service user involvement. This provides valuable advice on how agencies working within the criminal justice system can include service users in project delivery. It also provides sample service user involvement policies which could service as a point of reference for contractors.

We would also highlight the need to engage offenders and ex-offenders in these changes. Contract should be designed in such a way to ensure volunteering opportunities are open to ex-offenders, who may be unnecessarily barred from volunteering due to their criminal records. We support the conclusions of the former volunteering champion Baroness Neuberger, who carried out a review of volunteering in the criminal justice system, that the difficulties that ex-offenders experience are “absurd” and the recommendation of her report on volunteering in the criminal justice system that “all agencies of the CJS should have a strategy to engage the skills and time of ex-offenders.”

35 Ibid, para 300.
36 Clinks (2008) Unlocking potential: How offenders, former offenders and their families can contribute to a more effective criminal justice system, London: Clinks
As a manifesto produced by Clinks, a member of the CJA, in 2010 stated: “Former offenders who have succeeded in turning their lives around often have considerable credibility and should be positively encouraged, trained and supported to be more active in the rehabilitation of offenders”, going on to add that: “The experiences of offenders and ex-offenders about what works in reducing offending should be captured in a structured and consistent manner at every stage of the criminal justice system.”

For voluntary and community sector organisations to participate in the new system in a fair and meaningful way, account will not only need to be taken of their status as providers but also their role and identity as charities or voluntary bodies. For a small organisation to become a sub-prime, or even a sub-sub-prime, of a major provider, requires it not only to absorb a reduction in income but also has an unquantifiable impact on the values that may motivate people to do challenging work with vulnerable people. This runs counter to the aims of the government’s concept of the Big Society.

**Legislative changes**

**Question C10:** How can we best use statutory supervision on release from custody to ensure that offenders engage with rehabilitation effectively?

**Question C11:** How can we ensure consequences for non-compliance are effective, without building in significant additional cost?

We will answer questions C10 and C11 together.

The Prison Reform Trust welcomes the focus of the consultation on rehabilitation and extending support to short sentenced prisoners. The needs of this group have been neglected for too long. We welcome the acknowledgement of the importance of addressing common social factors behind their offending, including “broken homes, drug and alcohol misuse, generational worklessness, abusive relationships, childhoods spent in care, mental illness, and educational failure.”

However, we are concerned that proposals to extend support to short sentenced prisoners through statutory supervision, with the option of custody if they do not engage, have the potential to drive up the short sentenced prisoner population. The risks are two-fold: 1. Sentencers use the new short sentences with statutory supervision more often because it is seen as a “safe” and attractive option by the courts. This could mean less community orders are imposed despite being cheaper and more effective at reducing reoffending than short prison sentences; 2. If license conditions are too onerous large numbers are likely to breach and be recalled to custody.

The Prison Reform Trust is not convinced of the need for additional legislation to achieve the rehabilitative outcomes the government is seeking. The government should consider carefully the experience of custody plus, a similar scheme which was passed by the CJA 2003 but never implemented and rescinded by the LASPO Act 2012 because of its additional cost implications. There may be significant social and economic benefits to be gained through operational measures to expand the rehabilitative support for this group without the need for additional legislation. A number of voluntary mentoring schemes for short sentenced prisoners are already in operation around the country and are delivering promising results.

As the consultation acknowledges, many people serving short prison sentences have complex and multiple needs including homelessness, unemployment, drug and alcohol

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addictions, mental health needs and learning disabilities. This in turn increases the likelihood of breach and recall to custody if sanctions imposed for non-compliance are too onerous. There is a significant risk that an overly prescriptive and inflexible approach to breach of license conditions for this group could result in large numbers of people who have committed relatively petty and non-violent offences ending up in prison and being repeatedly recalled to custody.

Even the most flexible licence conditions for prisoners serving less than 12 months are likely to result in huge numbers of recalls. Most will inevitably commit a series of technical breaches. A measure intended to be rehabilitative could end up reinforcing the revolving door of prison, breach and recall back into custody. The additional costs incurred could wipe out the savings the government is hoping to gain through the consultation’s proposals.

If the government is to proceed with statutory supervision for short sentenced prisoners, the following additional safeguards could be considered:

- A presumption against custodial sentences of under three months could be introduced to mitigate against the potential overuse of short sentences by the courts. In Scotland, where a similar presumption is in operation, rates of reoffending and numbers in prison have declined.
- Prison recall as an option for breach of license conditions for people serving the new sentence should remain a genuine last resort. License conditions should be proportionate with as much flexibility built in as possible to ensure that all other avenues of redress and appropriate means of support are tried first before a recall to custody is considered.

Although additional mentoring and support for short sentenced prisoners could prove successful, for people who have committed non-violent and less serious offences, it will nearly always be cheaper and more effective to impose a community sanction rather than a short prison sentence. Reoffending by offenders sentenced to less than 12 months in prison is estimated to cost the economy up to £10 billion annually, and 57.6% of prisoners sentenced to 12 months or less reoffend within one year of release. By contrast, community sentences for 18-24 year olds outperform prison sentences by 12.8 percentage points in reducing reoffending. Even when offenders of all ages are closely matched in terms of criminal history, offence type and other significant characteristics, the performance gap remains a robust 8 per cent.

Even with an additional period of statutory supervision, a short prison sentence is unlikely to offer the same continuity of supervision or quality of rehabilitation than an effective community order. A custodial sentence can often lead to homelessness, unemployment and family breakdown; all factors which significantly increase the likelihood of reoffending on release.

**System design**

**Question C12:** Given our proposals for the commissioning structure and the proposed responsibilities of the public sector, what kind of delivery structure would be most appropriate for the public sector probation service?

As we outline in our response to question C4, the Prison Reform Trust has serious concerns regarding the proposal to split responsibility for offender management of high and low and medium risk offenders between the public and private sector. This could lead to a

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fragmented service which compromises accountability and puts public safety at risk. It is unclear how the probation service could be expected to retain responsibility for public safety in all cases when it does not have responsibility for the offender management of the majority of the probation caseload. Contract specifications are unlikely to resolve the significant obstacles to effective public protection arrangements which these proposals will create.

In addition to advice to courts and initial assessments of risk, offender management of all community sentences and post-custody licences should remain in the public sector. This would provide the infrastructure for a seamless service, ensuring that offenders were subject to appropriate supervision and oversight where their level of risk changed. It would also provide the continuity of supervision that is essential to effective offender engagement.

The proposals could undermine the effective management of high risk offenders in the community. MAPPA works because the agencies involved know their remit and have to share information. The more agencies and organisations that are involved, the more possibility of cracks in the systems, oversights and miscommunications. It could potentially be difficult for organisations competing for the same contracts to share information about individuals.

**Question C13**: What else can we do to ensure the new system makes best use of local expertise and arrangements, and integrates into existing local structures and provision?

**Question C14**: Police and Crime Commissioners will play an integral role in our reforms. How best can we maximise their input/involvement and that of other key partners locally?

We will answer questions C13 and C14 together.

As we outline in our responses to questions B1 and C1, the Prison Reform Trust supports a more local approach to commissioning to maximise opportunities for effective joint work and local partnerships. Probation trusts already have strong local partnership arrangements and can co-commission locally. This could be lost if offender management is split and services commissioned centrally.

If the government is to proceed with a national commissioning function, as far as possible this will need to be aligned to the priorities of local authorities and police and crime commissioners, and support the existing networks of MAPPA, Integrated Offender Management, Youth Offending Teams, Health and Wellbeing Boards and other agencies. We welcome the recognition in the consultation of the important work done by MAPPA and IOM and the intention of preserving them. More detail is needed on how they will be integrated as part of the proposals.

Police and crime commissioners will have a key part to play in these reforms. As the consultation acknowledges they are in a position to galvanise collective local leadership and hold local partners to account through the community safety partnerships. They also have the opportunity to commission services including drug and alcohol treatment which can contribute to significantly to reductions in reoffending. Prime providers in each contract area should be included with PCCs and other local commissioners in joint partnership and co-commissioning arrangements, to ensure an integrated response and efficient use of local and national resources.

**Question C15**: How can we ensure that professional standards are maintained and that the quality of training and accreditation is assured? A professional body or institute has been suggested as one way of achieving this. What are your views on the benefits of this approach and on the practicalities of establishing such arrangements, including how costs might be met?
The Prison Reform Trust supports the idea of establishing a professional body or institute to maintain standards and ensure the quality of training and accreditation. Unlike many other professions delivering services to the public and vulnerable people in particular, there is currently no external body which regulates the probation service. A clear system of oversight and qualifications structure will be important to safeguarding quality and standards, particularly when new providers from the private and voluntary sector are being encouraged to deliver services.

We understand that both the Probation Chiefs Association and the Probation Association are committed to this agenda and are currently involved in developing proposals to take it forward. The government should give careful consideration to the recommendations made by the two organisations for establishing a professional body. In addition, the qualifications framework for all staff should include statutory training and guidance on the specific needs of people with protected characteristics and/or vulnerable groups, including women, people with mental health needs and learning disabilities, people with drug and alcohol addictions, and young adults.

**Question C16**: What role can the Inspectorate of Probation best play in assuring effective practice and a high standard of service delivery?

The Prison Reform Trust welcomes the acknowledgment in the consultation that it will be important for the Inspectorate of Probation to play a role in independently inspecting offender management and the work done by providers in all sectors. It will be vital for the Inspectorate to have full powers of inspection and monitoring over providers in the public and private sector where they carry statutory responsibilities in relation to offenders. The Inspectorate will need to have sufficient powers of oversight to ensure that relevant information cannot be withheld by a provider on the grounds of protecting commercial confidentiality.

It should be recognised that increasing the diversity and number of providers is likely to add to the size and complexity of the Inspectorate’s task in maintaining oversight and ensuring a high standard of service delivery. If a new professional body is to be established, careful thought should be given as to how its role and that of the Inspectorate could work together to ensure standards are upheld and support improvements in practice.

**Equality implications**

**Question C17**: How can we use this new commissioning model, including payment by results, to ensure better outcomes for female offenders and others with complex needs or protected characteristics?

The Prison Reform Trust presents the separate response from Reform Women’s Justice, the Prison Reform Trust’s Programme to Reduce Women’s Imprisonment, supported by the Pilgrim Trust, as part of its own submission.

**Question C18**: What are the likely impacts of our proposals on groups with protected characteristics? Please let us have any examples, case studies, research or other types of evidence to support your views.

A major concern regarding the government’s proposals and their likely impact on groups with protected characteristics relates to the implications of payment by results for specialist provision. The problem of “creamining and parking” under payment by results is well documented. As we outline in our response to questions C2 and C3, a poorly constructed payment by results contract risks disincentivising work with people with complex and/or entrenched needs and the most prolific offenders. This could mean significant numbers of offenders with high levels of need are ignored, and in turn could cause further crime and
more victims. Furthermore, as we outline in our response to questions C7, C8 and C9, close attention will need to be paid to ensuring a diverse supply chain; and that small voluntary sector providers are protected under the new commissioning arrangements.

The following Prison Reform Trust applied research studies have identified needs and responses that require priority attention in the new commissioning framework:

**Women**

**Foreign national women**

**Black, Asian and Minority Ethnic groups**

**Learning disabilities and difficulties**

**Mental health**

**Older people**

Young adults


Proposals for Reform

Question C19: Do you have any further comments on our proposals for Transforming Rehabilitation in this document

The Prison Reform Trust is concerned that introducing radical change and moving “at pace” requires a delicate balance between avoiding delay and allowing sufficient time for review. The consultation does not make clear the scope for justice reinvestment. There is room to capitalise on prison closures; but these must proceed on the basis of taking into account performance and location as well as cost. The speed of implementation could lead to some unintended consequences, which run counter to the objectives set out in the consultation.