

Police and Crime Panel

Meeting to be held on 7th April 2014

Transforming Rehabilitation

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EXECUTIVE SUMMARY

This report provides an overview of the Transforming Rehabilitation Programme. It also provides details of the Commissioner's engagement to date and future intentions in engaging with the TR programme.

RECOMMENDATION

The Police and Crime Panel is asked to note the report

1. Context

The Lancashire Police and Crime Plan contains three key priorities:

- REASSURANCE
- REDUCING CRIME
- REDUCE RE-OFFENDING

Providing Reassurance, both for Victims of crime and for the residents of Lancashire is an important area of work for the office of the Police and Crime Commissioner (OPCC). The Commissioner has worked with partners to improve levels of confidence and satisfaction and see the Probation Services as key partners in this work. Although reducing re-offending will be primarily the role Cumbria and Lancashire Community Rehabilitation Company (CLCRC) and the National Probation Service (NPS), it is vital both new organisations continue to engage purposefully with other Criminal Justice agencies, local authorities and other partners and organisations across Pan Lancashire who make a significant contribution to this area.

The Transforming Rehabilitation Programme reforms will have implications for the development of collective leadership, opportunities for localised joint planning and commissioning and service delivery across the whole of the criminal justice and community safety landscape. In the future, collaboration, the joint commissioning of services and interoperability / intraoperability is only going to become more important because of the budget cuts all Public Services are facing. The

Commissioner expressed his serious reservations about the government's plans through media statements and his formal his response to the Transforming Rehabilitation Consultation.

"Whilst there is an overwhelming consensus about the need for continued innovation and improvement in reducing reoffending, the current proposals present considerable risks and may result in unintended consequences. These include: fragmenting the continuity of management for offenders who are assessed as being medium or low risk of harm but also potentially high risk of reoffending; undermining the collaborative work which is being led by public sector agencies, increasing cost through the introduction of a policing role for the remaining public sector probation service; duplicating representation by both the public sector and competed services at both strategic and operational partnership meetings; introducing a national commissioning framework which does not take account of local needs and the role of Police and Crime Commissioners in reducing crime and reoffending; introducing a Payment by Results approach which is not sufficiently tested or takes account of the high level of partnership working required to achieve better outcomes.

In my view the provision of offender management for all offenders should be the responsibility of the public sector probation service. However I would support the principle of opening up the delivery of interventions to other providers, particularly in the voluntary sector, but believe that that these should be locally commissioned based on Constabulary footprints. There is no reason why this should exclude the existing probation trusts from competing for this work. It would be logical if Police and Crime Commissioners were given responsibility for local commissioning of interventions for adult offenders. This would not preclude Commissioners working together to commission over wider footprints where it would be appropriate in terms of generating economies of scale and delivering efficiencies whilst still being responsive to local needs and partnership frameworks."

However the Commissioner is now focusing on ensuring the implementation of Transforming Rehabilitation Programme works as well as possible and does not adversely impact on local crime and re-offending levels and that the public continue to be protected.

There is a strong commitment to partnership working within Lancashire at all levels. Lancashire Probation Trust (LPT) currently plays a significant role both as a leader and a contributor to these arrangements. LPT has an excellent working relationship with Lancashire Constabulary. It also plays a key role in leading and influencing multi-agency partnership arrangements. It would be concerning if this role was diminished in the future when the NPS and Community Rehabilitation Companies (CRCs) come into effect. This collaboration between partner agencies has achieved good results in tackling reoffending and improving outcomes for offenders. This approach could be undermined by the introduction of a prime provider who is paid partly on the basis of achieving reductions in reoffending but who will be dependent on accessing services and input from other public and voluntary sector agencies, including the Constabulary, to do this.

2. The key aspects of Transforming Rehabilitation Programme are as follows:

- The creation of a new public sector National Probation Service focusing on the provision of advice to the courts, managing adult offenders who have been assessed as being at high risk of serious reoffending and enforcement.

- The Offender Rehabilitation Bill received Royal Assent on 13th March 2014. It has not yet been announced when these provisions will be activated. It provides many of the measures which underpin the Transforming Rehabilitation programme, including:
 - a. provisions to extend statutory supervision to those sentenced to less than 12 months in custody and provide rehabilitative services to offenders sentenced to short term sentences
 - b. new drug requirements expanding post-release or community based drug testing
 - c. a new Rehabilitation Activity Requirement providing greater flexibility to new rehabilitative service providers to develop innovative rehabilitative approaches, and,
 - d. requiring specific provision to be in place to meet the needs of female offenders
- Establishing a nationwide 'through the prison gate' resettlement service. The government's plans are for most offenders to be given continuous support by one provider from custody into the community. It is intended that most offenders are held in a 'resettlement' prison designated to their area for at least three months before release.
- Establishing Community Rehabilitation Companies (CRCs) to deliver local probation services to low- and medium-risk offenders – CRCs will be set up as new companies, initially publicly owned, with the expectation of a share sale around six months later. There will be national commissioning arrangements for local rehabilitation services
- The market will be opened up to a diverse range of new rehabilitation providers. Tier I potential providers will contract directly with the Ministry of Justice (MoJ) Tier II and Tier III potential providers are those who would form part of the supply chain via sub-contracts for the services under the Rehabilitation Programme contracts (Tier II) or through the award of grant funding arrangements (Tier III) both with Tier I providers.
- The Draft Contracts for the future CRCs, the draft Payment Mechanism, and the second (but not necessarily final) version of the Target Operating model have now been published on the Ministry of Justice website. These collectively set out the expected content and standards of delivery to which future CRCs must adhere.
- CRCs will be paid partially on a fee for service basis, partially on a payment by results basis that rewards or penalises respectively for an increased or decreased reduction in offending.
- Once the reforms are fully implemented, there will be 21 CRCs, each of which will provide services in its Contract Package Area (CPA). The CRCs will be owned and run by successful bidders in the present competition and will deliver services under contract to National Offender management Service (NOMS). The NPS will be a delivery arm of NOMS and will deliver services under a service level agreement (SLA). NOMS as an executive agency of the Authority (the Secretary of State for Justice) will account manage the contracts with CRCs and provide oversight of the SLA with the NPS.
- There is no legal mechanism for a Police and Crime Commissioner to directly hold either the NPS or CRC to account. However there will be opportunities to address accountability through the different statutory and non-statutory partnership boards and the Commissioner's wider

responsibility for the delivery of community safety and the enhancement of the delivery of criminal justice in Lancashire.

- HMI Probation will carry out inspections across the new system, with a remit covering both the NPS and CRCs. The Inspection of Adult Offending Work started in April 2013, and replaces the previous Offender Management Inspection programme. In practice this means that HMIP will inspect the work of a range of providers, including those from the private and voluntary sectors, as well as work retained by the National Probation Service. As the new structure of the National Probation Service and the Community Rehabilitation Companies is implemented, HMIP plan to continue to inspect by 'area'; the 'unit of inspection' is likely to be aligned with Police Force Areas/ clusters of Local Delivery Units. Each inspection will include cases from both the National Probation Service and the Community Rehabilitation Companies.

3. Progress towards implementing the Transforming Rehabilitation Programme

- LPT has now received formal Notification of the Termination of Probation Trust Service Contract on 31st May 2014. This represents a 2 month delay. The Secretary Of State issued a written ministerial statement on 21st January saying this was necessary so that the 21 new "community rehabilitation companies" could test the new ways of working before the formal transfer takes place. Ministers particularly want to test the new computer and support systems, such as human resources.
- LPT is completing the allocation of staff to their new roles in either the NPS or CRC. Key aspects of the new model will be tested by the Community Rehabilitation Companies (CRCs) and in the National Probation Service (NPS) before the transfer to the new governance arrangements is formally completed. LPT will begin to allocate cases according to the future structure. Over a two month period from April it is planned that the new organisations will also make the full transition to new IT and support systems in areas like HR.
- New interim account management arrangements will come into effect from 1 April, to allow the account management team to start to work closely with emerging CRC and NPS teams right away and prepare for contract mobilisation from the end of May. Full commercial contract management will follow at the conclusion of the competition process.
- The NPS North West will be led Roz Hamilton who is currently the Chief Executive of Greater Manchester Probation Trust by for the next 12 months. Two deputies are being appointed for public protection and partnership engagement. There will be two Assistant Chief Executives with responsibility for Cumbria and West Lancashire and Central and East Lancashire.
- The Cumbria and Lancashire Community Rehabilitation Company will be led by Kevin Robinson who is currently the Chief Executive of LPT. There will be 4 Assistant Chief Executives managing the local delivery units (Cumbria, West Lancashire, Central Lancashire and East Lancashire)
- The Parliamentary Justice Select Committee on 22 January 2014 published its 'Interim Report on the Government's Transforming Rehabilitation programme' The Parliamentary Justice Select Committee has today (22 January 2014) published its 'Interim Report on the Government's Transforming Rehabilitation programme' In summary, the report concludes:

- There has been a lack of information given by the Ministry of Justice about the risks in implementing the programme, how those risks may be mitigated and contingency plans in the event that a new provider subsequently fails. The report recommends that the Government in its response should provide a full narrative of the programme risks (paragraphs 25-26).
- Questions whether the Government has carried out a proper assessment over the affordability of the reforms, and recommends that the Government “set out the projected impact of the extension of rehabilitation to short sentenced offenders on the prison population and on associated costs” (paragraphs 27-35)
- “The absence of piloting of payment by results for delivering reductions in reoffending by those subject to probation services means that some lack confidence that the Government’s reform programme will work better than the existing system” (paragraphs 16-21)
- The proposed split of functions between the new Community Rehabilitation Companies and the National Probation Service in case management, service delivery, risk assessment and breach escalations presents “additional risks over and above the current situation” of having one single case manager in a Probation Trust. The Committee concludes that this “will be challenging to remedy through contractual specifications” and that “it is essential that very good lines of communication and cooperation” are put in place (paragraph 44-46).
- There are risks to existing local partnership arrangements where Probation Trusts are a lead agency, and recommends that “Ministers put in place appropriate safeguards to ensure that new providers in the private sector appreciate the importance of working with existing local partnerships to reduce reoffending” (paragraphs 47-50)
- The report expresses “considerable concern” that under the reform proposals Community Rehabilitation Companies “will not be required to have professionally qualified staff,” and recommend that the new providers “should be bound by a contractual requirement to have a minimum proportion of qualified probation staff related to the volume and risk levels of offenders supervised and to provide continuous training.” The Committee welcome the joint venture of the PCA, PA, UNISON and NAPO to create a Probation Institute to support staff to gain suitable accreditations and qualifications (paragraphs 62-65)
- The National Audit Office published 'Probation: landscape review' on 5th March. It identified both programme specific and generic risks inherent in managing a complex programme of this ambition and scope inevitably requires the management of generic risks inherent in such a programme. These include:
 - Maintaining acceptable performance levels Evidence presented to the House of Commons Justice Select Committee from the Probation Chiefs Association suggested that

performance was starting to dip. Operational performance risk is mentioned by trusts as likely to increase as the changes are implemented on the ground.

- Encouraging the development of suitable market capacity to deliver the new services.
- Using a well-grounded commissioning approach that ensures the objectives of the government are met consistently by providers.
- Having sufficient and appropriate skills in place to manage the suppliers of rehabilitation services. Recent difficulties reported in the management of government contracts with the private sector, including the electronic monitoring of offenders for the Ministry of Justice, provide useful learning that should be applied to managing these new contracts for providing rehabilitation services.

4. Engagement to date with the Transforming Rehabilitation programme.

- Meeting held with NW Competition Team Leader regarding PCC engagement.
- Information about local needs and requirements added to Data Hub
- Meeting held with Merseyside and Cumbria PCCs and Probation Chiefs and Board Chairs. Agreed to establish NW Forum to oversee implementation and minimise risk.
- Meeting held with MoJ officials about PCC involvement in bidding process and contract monitoring.
- Briefing by Lancashire OPCC to PCCs on National Transforming Rehabilitation Reference Group.
- Meeting with NHS England Health and Justice Team Lead regarding Through the Gate pilot in North West on 12th December regarding implementation and possible joint commissioning of service user led recovery organisations in Lancashire.
- Meeting with Louisa Sharples, Head of Health & Justice, NHS England NW, on 6th March to discuss victim services commissioning, "Through the Gate" and offender health services being commissioned by NHS England.
- Lancashire Stakeholder meeting hosted by OPCC on 6th February to plan input to Bidder event on 4th March with NW Competition Team Leader to plan Stakeholder event.
- A Cumbria and Lancashire Community Rehabilitation Company Bidder engagement event was held on 4th March 2014. The Commissioner gave a presentation which focused upon the overall approach to partnership work and priorities that we have in Lancashire. This was followed by presentations from the 3 top tier authorities and the IOM leads. This was attended by most the potential bidders. These are CRR Partnership (Carillion Plc., Reed in Partnership Ltd; Rehabilitation for Addicted Prisoners Trust to create CRR Partnership), Innovo (CLM) (potential Cumbria, Lancashire, Merseyside staff Mutual); The Manchester College Limited, Interserve Investments Ltd, Sodexo GMC

(Greater Manchester and Cheshire Staff Group (potential Greater Manchester and Cheshire Staff Mutual), and Sodexo Justice Services.

- Further meetings will now be arranged between bidders and Lancashire OPCC, Cumbria OPCC, prison governors, Lancashire Probation Trust, Lancashire and Cumbria Constabularies. A third round of 1 to 1 meetings between potential bidders and the MoJ will take place from the beginning of May. It is expected that the outcome of the competitions will be announced by the Secretary of State in late September.

5. Planned engagement with the Transforming Rehabilitation programme.

- Local Stakeholder Advisory panel being established by MoJ with representation from Cumbria OPCC, Lancashire OPCC, Lancashire Constabulary and the 4 Top Tier Authorities. The panel's role will be to provide informal feedback to MoJ with NW Competition Team Leader about the partnership sections of bids. These are due to be submitted by 14th June 2014.
- One to one meetings with confirmed bidders to be arranged. Discussion will focus on: TR programme specific risks; Partnership engagement ; multi agency local initiatives involving Lancashire Probation Trust that have had a positive impact in addressing issues of concern to the Commissioner and other partners. There has been significant investment by the 3 Youth Justice Services and Lancashire Probation Trust in managing the transition and better addressing the needs of these young people within the adult criminal justice system. The arrangements for the supervision of women and meeting the needs of women offenders have offenders have already improved significantly through an impressive partnership between Lancashire Probation Trust and Lancashire Women's Centres. The needs of female service users are often complex, and the partnership provides service which meets these. Victims do not yet have consistent access to restorative justice services and the future role of the NPS and CRC needs to be clarified. The needs of veterans are starting to be recognised and addressed by the agencies in the Criminal Justice System, including Lancashire Probation Trust. The unmet physical and mental health needs of young people and adults involved with the criminal justice system is a significant issue and is something new providers will need to engage with as part of developing post court interventions to reduce re-offending. There is a high risk that mental health services for offenders will deteriorate because of the need for NHS England, Public Health and Clinical Commissioning Groups to negotiate and agree services with two different probation structures – the National Probation Service and the CRC. This will complicate both commissioning and referral structures. Lancashire Probation Trust led the work to establish the Community Personality Disorder Service in partnership with Lancashire Care Foundation Trust, and this type of initiative is to be commended and encouraged in future. The increasing use of Out of Court Disposals provides new opportunities for providers to deliver interventions for adults as part of community resolutions, conditional cautions and community remedies in appropriate cases.

- Meeting with NPS North West to be arranged to discuss future relationship, delivery plans and joint areas of interest
- Consider potential for commissioning of services from CRCs after contracts awarded in December 2014 (e.g. Restorative Justice, pre court disposals and voluntary programmes for Domestic Abuse perpetrators)
- On-going information exchange about local developments to APCC and OPCCs within region
- OPCC proposal to develop a Pan Lancashire Reducing Reoffending Strategy is being progressed by Lancashire Reducing Reoffending Board. This will address the wide range of issues relating to both Adults and Young People from Informal Resolution, Restorative Justice, Out of Court Disposals, managing individuals not subject to sentences involving statutory supervision, managing individuals being supervised on community and custodial sentences, IOM, Reducing Reoffending Pathways and other linked strategies and agendas'
- Lancashire OPCC proposal to establish a review of Cumbria and Lancashire IOM strategy and delivery arrangements including the impact of the establishment of the NPS North West and Cumbria and Lancashire CRC