Rory Stewart OBE MP
Minister of State for Justice

Bob Neill MP
Chair, Justice Committee
House of Commons
London
SW1A 0AA

22 March 2018

Dear Bob,

CESSION OF THE NATIONAL CAREERS SERVICE IN PRISONS

Thank you for your letter of 5 March, about the Education and Skills Funding Agency National Careers Service in custody contract.

As you know, Dame Sally Coates' review on prison education criticised overlap and duplication in education and employment support for prisoners. We established that the National Careers Service (NCS) in custody contract, Department of Work and Pensions Work Coaches, and provision by the newly established Community Rehabilitation Companies (CRCs) all undertook a range of assessments and plans, which delivered overlapping services – and imposed significant pressures on public spending. And I am afraid that our internal review of the delivery and performance of the NCS provided a mixed picture. In particular, it identified significant inconsistencies and variations in delivery between prisons. We concluded that they were not providing a universal and equitable service across the estate.

We were faced with an option of extending the NCS contract for a maximum of six months, with very little opportunity for contractual changes to address these deficiencies. And the remaining time was insufficient for the NCS to make the significant changes to make the contract more responsive to real needs in prison. Meanwhile, we are in the process of introducing new education contracts which will cover the services currently provided by NCS.

We were also concerned that a contract extension of six months would have seen an inevitable and significant decline in performance - probably from spring/early summer – as NCS staff quite reasonably sought and secured alternative employment in advance of their roles ending. It was highly unlikely that replacements would be found by the NCS for what might be only several months or even weeks of employment.

As a result, officials in the Ministry of Justice and HMPPS reached the conclusion that the best option was to allow the contract to end on 31 March, delivering potential savings to the public purse of £13.8m on a service which was not fully meeting our needs.
You ask whether there will be a gap in provision of information, advice and guidance to prisoners from April. In our view any potential gap can be met from a range of existing sources. Alongside the education team in each prison advice can also be delivered by Department for Work and Pensions Prison Work Coaches. Community Rehabilitation Companies will continue to work with every prisoner 12 weeks prior to release to ensure a personalised plan to obtain employment post release is in place. Furthermore, governors themselves can take action, should they deem it necessary, to use their budgets to fill any priority gaps locally.

As you and the Committee will be aware, we have begun the process of selecting new education providers to succeed the OLASS4 contractors from April 2019. In brief, a series of framework contracts will enable governors – working largely in Lots based on the new HMPPS prison groupings – to choose who their education providers will be. Governors must use those framework providers to deliver the core common curriculum (Maths, English, ICT and ESOL) but are otherwise free to choose what education services they buy from them. To enable this governor choice, we intend to establish a Dynamic Purchasing System to operate alongside the frameworks. This system will be quick and electronic: explicitly simple to use for both the governor as buyer and for the supplier.

From this autumn, governors will be able to commission information, advice and guidance through that Dynamic Purchasing System. We believe this will allow governors to shape a coherent service, reflecting the particular needs of their establishment, using the Dynamic Purchasing System to ‘block in’ the spaces around the other sources of advice I have listed above. To be clear, we will expect successor education providers to deliver the type of informal information, advice and guidance to learners that teachers and trainers in most educational settings would naturally expect to provide.

We will devolve the entire establishment-level budget to prison governors from 1 April 2019. That coincides with the end of the current prison education contracts and the point, therefore, at which governors will start to have real choice on who delivers education. That includes the current OLASS budget, the information, advice and guidance budget and the library budget. There will be no artificial boundaries within those budgets once devolved: governors will treat this as a single ‘pot’ and decide how much to spend on which services, commissioning the provision through the range of routes described above. Local decisions on the volume of information, advice and guidance services will be part of that: we will not prescribe from the centre. Where a prison’s library is currently provided by the local Public Library Authority, the governor can simply leave that arrangement in place if both parties are content to do so.

I have set out below the make-up of those budgets for this (nearly completed) year:

<table>
<thead>
<tr>
<th></th>
<th>2017-18 (£m)</th>
</tr>
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<tbody>
<tr>
<td>Education delivery</td>
<td>131</td>
</tr>
<tr>
<td>IAG</td>
<td>13.8</td>
</tr>
<tr>
<td>Libraries</td>
<td>7.2</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>152</strong></td>
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</tbody>
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Budgets for 2018-19 and for 2019-20 have yet to be finalised.

In addition, MoJ funds organisations, such as the Open University, through a series of grants that support education in prisons. The table also excludes a small resource retained at the HMPPS centre to support
empowered governors and the budget for specialist HMPPS Learning and Skills staff who provide pedagogic and other strategic support for governors locally.

I have read the independent report submitted by Dr Deirdre Hughes to the Education Select Committee last month. National Careers Service performance data collected and provided by the Education and Skills Funding Agency (ESFA) shows, for the six-month period from July to December 2017 (i.e. a different period from that used by Dr Hughes), 2,954 job and learning outcomes. Those include, for example, starting a formal learning programme or completing an accredited course, starting a job or securing a promotion. And in the six-month period the number of job and learning outcomes is just 43% of the expected performance. That data reflects some of our pre-existing value for money concerns.

RORY STEWART MP