Thank you for your letter of 13 September 2018 regarding the Justice Select Committee’s report on Transforming Rehabilitation and the recent Government consultation, Strengthening probation, building confidence.

I acknowledge the comprehensive scope of the Committee’s inquiry and the recommendations made in the report, relating both to current performance by CRCs and to the future organisation of the probation system. These recommendations and the evidence collected by the Committee have been helpful in shaping the Government’s recent consultation, and continue to influence our planning for future probation arrangements.

An interim response to each of the Committee’s recommendations is annexed to this letter. Many of the recommendations relate to questions on which we consulted over the summer, and on which we continue to reflect as we finalise plans for the future of probation after current CRC contracts come to an end in 2020. As I set out in my letter of 27 July, we intend to provide a full Government response to the Committee’s report when we are in a position to announce detailed plans for the next generation of contracts early next year.

You noted in your letter the Committee’s desire that the Government reflect on the long-term sustainability of the Transforming Rehabilitation model. I want to reassure the Committee that the reforms we are proposing will be subject to the rigorous evaluation and testing required of any Government programme, including comparison against alternative models for delivery.

However, we continue to believe that the underlying principles of the Transforming Rehabilitation reforms were sound, and are determined to build upon lessons learnt and work towards more effective integration of private, public and social sector providers in future arrangements.

The Committee also raised the question of the distribution of offenders between the NPS and CRCs, and the impact of changes to an offender’s risk. The issue of case allocation and transfer is under close consideration as part of the reforms. We recognise that closer collaboration between the NPS and contracted providers is key to the success of offender management processes. Our consultation included a range of proposals to improve integration, including a reorganisation of probation contract areas to align with NPS areas and the appointment of an HMPPS leader to oversee probation delivery in each. We are reflecting carefully on the feedback on these proposals from stakeholders and partners, including HM
Inspectorate of Probation, and will continue to engage closely with the Inspectorate to test more detailed plans around allocation and risk escalation.

I note the Committee’s interest in the contractual arrangements we have in mind for future probation providers, and our ability to hold CRCs to account for performance under these contracts. I have been clear that CRC performance under the current contracts has not been good enough, for a range of reasons. That is why we are taking decisive action to end current contracts early and put in place new arrangements from 2020. We are also taking steps to tackle poor performance in the short term including the introduction of new minimum standards so that all providers offer a minimum of monthly face-to-face meetings with offenders during the first 12 months of supervision.

I am determined that the contractual framework for future providers should reward the delivery of best practice in different areas of probation, while continuing to encourage innovation and allowing us to hold providers to account for underperformance where necessary. We are drawing on the full range of expertise both from within the department and across Whitehall to inform our plans.

I would like to thank the Committee again for its continuing interest in and scrutiny of the delivery of probation services, and for its rigorous assessment and continued challenge. I look forward to this continuing as we implement our reforms to the system and procure the next generation of probation contracts.

RT HON DAVID GAUKE MP
Interim response to Justice Committee’s Ninth Report of Session 2017-19: Transforming Rehabilitation

October 2018

The Government welcomes the report of the Justice Committee on Transforming Rehabilitation. The following document provides an interim response to each of the Committee’s recommendations which takes account of developments since the publication of the report in June 2018. Since the report’s publication, we have announced our intention to terminate existing CRC contracts by 2020 and conducted a public consultation on the future of probation services, Strengthening probation, building confidence. This consultation sought feedback on many of the issues raised by the Committee.

A fuller response to the Committee will be provided next year once detailed arrangements to replace existing probation contracts have been finalised. We will continue to take the report’s findings into account as we advance this work.

Structural issues

We recommend that any significant changes made by the Ministry of Justice to CRC contracts, including those currently underway, should be publicly disclosed. This disclosure should include information on any significant changes to the payment model and funding for CRCs, as well as information on what the Ministry expects to receive in return for the changes. (Paragraph 42).

Notice of significant changes made by the Ministry of Justice to CRC contracts have been published in the Official Journal of the European Union (OJEU). Regarding recently agreed changes, notice of intent to amend contracts was published on or around 31 July, and notice of confirmation that contract changes have been agreed will be published before the end of November 2018.

The Ministry of Justice should move away from a “sticking-plaster” approach of rolling contract negotiations following the current round of renegotiations. If contracts are to be terminated the Ministry of Justice needs to ensure that transition plans are put in place which make sure that: offenders receive the support they require to be rehabilitated and their risk of reoffending does not increase.

The Ministry should undertake a public consultation on any further changes to ensure a wider range of views on contractual arrangements. This public consultation should consider the number of CRCs and the bodies eligible to bid for CRC contracts (Paragraph 46).

We have taken decisive action to terminate existing contracts in 2020 and put in place new arrangements for delivery of probation services. We also made changes to secure operational stability in the short term, including investing an additional £22 million a year in Through the Gate support for offenders when they leave prison.

We are developing a transition strategy to secure a smooth handover between incumbent and new providers. Ensuring operational continuity of services is a priority, and the ability of suppliers to support a secure transition will be taken into account when evaluating the bids for future contracts.
Between 27 July and 21 September 2018, we conducted a public consultation, *Strengthening probation, building confidence*. This sought the views of stakeholders and the wider public on a range of proposals for the future of probation, including for a consolidation of contracted provider areas to align with NPS areas, and on measures to encourage more effective partnership working. We are currently reflecting on the feedback received and will publish a response to the consultation next year.

The Ministry of Justice should continue to closely monitor the financial position of all CRCs to ensure that no CRC is suddenly unable to deliver probation services. It should ensure its contingency plans reflect the Principles set by the National Audit Office in its paper on “Managing Provider Failure”. (Paragraph 49).

We have a contingency steering group in place which regularly reviews the likelihood of provider failure, based on commercial, financial and operational intelligence. We have detailed contingency plans in place for all contracts, which align with the National Audit Office principles. The plans have been developed, reviewed and tested with input from relevant functions within the Ministry of Justice and HMPPS, relevant specialists across government, key officials involved in the implementation of contingency responses in other government areas and external advisors. The plans are subject to regular review.

The Ministry should conduct a review after HMI Probation’s new inspection regime has been in place for a year to assess: the number of providers who are rated ‘good’ or ‘outstanding’; the additional burden being placed on providers because of the increased frequency of inspection; and whether there were any elements of the inspection and audit regimes which could be consolidated. (Paragraph 55)

We agree with this recommendation. HM Inspectorate of Probation is already conducting its own review to seek early learning about the implementation and impact of the new inspection regime. We will work with the Inspectorate, through the established Oversight Working Group to carry out our own review to ensure the Committee’s questions are addressed, while respecting the Inspectorate’s independence.

Through the Working Group and a Memorandum of Understanding between the Ministry and Inspectorate, all parties involved in Oversight, including the Inspectorate and HMPPS Internal Audit, already ensure work schedules are aligned and that information is shared to avoid unnecessary burdens on providers. Conducting a review will help ensure these processes are working smoothly, as well as help understand the spread of ratings.

The Ministry of Justice should review contract performance measures so that they focus on outcomes, especially on housing, employment and drug rehabilitation, rather than inputs or outputs. This review should be completed by 1 February 2019 (four years after probation services were fully divided between the NPS and CRCs). (Paragraph 62)

Following the recent consultation, in which we sought stakeholder views on the future performance framework, we are exploring with the market how we can provide the right incentives for probation providers to deliver quality services and contribute to improved outcomes for offenders and communities, prior to including these in the next generation of probation contracts.

In doing so, we are considering how we can promote a focus on key areas such as accommodation, employment, health and substance misuse, as well as reoffending,
recognising that these issues are not solely within the gift of probation to tackle. We are also considering how our suite of future performance measures and service levels can more effectively drive providers to focus on the quality of the services they deliver.

In response to this Report the Ministry should set out whether the 2011 baseline for reoffending is the correct measure against which CRC performance should be assessed. If the Ministry believes that the 2011 baseline remains the correct measure it should set out its reasons why. (Paragraph 66)

We set out in the consultation that, to provide a better reflection of CRC performance on frequency of reoffending, and to support providers in maintaining effective probation services, we would offer to amend contracts to measure CRCs against a 2015/16 baseline, rather than a baseline set in 2011. We have agreed to vary contracts with 20 of 21 CRCs.

By January 2019, when the next annual cohort data is released on final binary and frequency reoffending performance, the Ministry should ensure that CRCs receive full data relating to which of their offenders reoffended. (Paragraph 71)

The Ministry of Justice does not have control over the Police National Computer data, on which reoffending performance is based, and is unable to give access to the data to CRCs. This was explained during the bidding phase for CRC contracts, and some CRCs have made arrangements to access the data themselves at cost. To enable CRCs to assess progress against their targets, the Ministry of Justice published interim figures during the period in which full 'one year' reoffending results were not available. We continue to provide these interim figures to all CRCs.

In response to this Report the Government should set out what other steps it is taking to address underperformance of CRCs, including in cases where service credits are not applied. (Paragraph 74)

We have acknowledged that CRCs need to do more to improve performance in some areas. As part of negotiations on current contracts, we have introduced changes to improve performance over the now shortened remaining term of the contracts, including implementation of a new requirement to offer a minimum of monthly face-to-face contact with offenders and an enhanced specification for Through the Gate services.

Our contract management teams continue to robustly monitor CRC contracts. Assurance includes a combination of tracking compliance against contractual obligations and assessment (by the Operational and System Assurance Group) of the quality of service delivery. Contract Management teams have identified a series of 'risk based' areas – key areas of service delivery where the greatest attention is required. There are strict monthly reporting processes, including the provision of detailed management information, to facilitate detailed oversight of these areas.

Where CRC service level performance is below a prescribed level, Contract Management teams implement improvement plans to address service delivery against a specific performance metric. As of July 2018, there were 35 specific improvement plans in place across 15 of the CRCs and covering 10 service metrics.

CRCs are also required to implement action plans to address HM Inspectorate of Probation and Operational and System Assurance Group findings and recommendations. Contract
Management teams agree these plans with CRCs before implementation and hold CRCs to account against the recommendations using monthly governance arrangements.

Our starting presumption is that service credits are applied if accrued by CRCs for under-performance. There is a robust governance function within the contract management team to oversee the application of service credits as per the contract. On those occasions where it has been considered appropriate not to apply the service credits we have instead sought to agree a reinvestment of the value of the service credit back into the delivery of services.

Should the Government decide that probation services should continue to be delivered as per the Transforming Rehabilitation reforms, we recommend that the Government should ask HM Inspectorate of Probation to conduct a review of how best offenders should be distributed between the NPS and CRCs, and to investigate the impact of changing offender risk and how the NPS and CRCs manage this matter. (Paragraph 76).

We are considering these issues as part of our planning for the next generation of contracts. We recognise improving integration between the NPS and contracted providers, including how both parties handle changes in offender risk, is crucial to the success for future probation arrangements. The consultation document included a range of proposals to improve integration, including a reorganisation of probation contract areas to align with NPS areas and an HMPPS leader to oversee probation delivery in each.

In Wales we are looking to bring core Offender Management Services together into one system and exploring options for the commissioning of other services such as unpaid work and interventions. The unique position in Wales, with the CRC being coterminous with NPS Wales, the combined prison and probation services in Wales and the devolved responsibilities of the Welsh Government mean we are in a strong position to develop co commissioning opportunities and integrate offender management in this way.

HM Inspectorate of Probation is a key partner in developing reform ideas and the Ministry of Justice has processes in place to ensure its ideas for a better system are constantly scrutinised and discussed. Given the issue of case allocation and transfer is already central to our reform considerations, and is being consulted on with the Inspectorate and other stakeholders, we believe the commissioning of a separate review is unnecessary at this point.

The Ministry of Justice should assess whether it remains appropriate to encourage the NPS to use CRC Rate Card services, or whether the NPS should be liberalised to develop its own supply chain as a matter of course (Paragraph 87).

We recognise that some CRCs have struggled to invest in the development of their supply chains and have often relied on developing and delivering Rate Card services themselves. This has affected the range of services they have been able to make available through the Rate Card and there has been much lower than expected use of rate card services by the NPS. A number of recent steps have been taken to improve the accessibility and delivery of Rate Card services. This includes the introduction of improved access to data to track service delivery, enhanced shared governance arrangements to monitor Rate Card performance at a local level, and reviewing the payment processes to encourage CRCs to make greater investment in Rate Card service design and delivery to better meet the needs of the NPS cohort.
The consultation sought stakeholders' views on the best way for probation providers to secure access to the range of rehabilitation services they require for offenders, and the role local partners can play in this. We are analysing feedback from the consultation and seeking to promote a more collaborative approach to the design and delivery of the wider services to support offender rehabilitation and resettlement.

We believe that the proposed alignment of probation areas will enable HMPPS to define the additional services it needs and commission these so they complement existing local services and draw on the skills and capability of local providers from the public, private and voluntary sectors. An HMPPS senior leader in each region will play a key role in facilitating this commissioning process by leading engagement with local commissioners and services so that rehabilitation and resettlement services fit into the local delivery landscape.

We recommend that in response to this Report the Ministry of Justice should set out its vision for future local accountability of probation and the role that Police and Crime Commissioners might play. (Paragraph 90)

We want to encourage greater strategic engagement and co-commissioning of services, with Police and Crime Commissioners (PCCs), probation services and other providers collaborating to identify and invest in shared local priorities. As outlined in the consultation document, PCCs will play an important role in ensuring rehabilitative and resettlement services in the probation areas are locally integrated.

We are engaging closely with PCCs to ensure that their role in future delivery arrangements is clearly defined. We held a PCC engagement event on 11 September, attended by approximately 35 representatives from 29 PCC areas in England. Following this event, the Secretary of State for Justice also met with the Chair of the Association of Police and Crime Commissioners (APCC), and a small cross-party group of PCCs to seek views on our proposals.

To enable continued engagement as we further refine the proposals, we have set up an official-level Working Group with 6 lead representatives from PCC offices. We have also established a PCC Reference Group with a PCC representative from each of the proposed probation areas in England. HMPPS Wales is engaging separately with the four PCCs in Wales around the different proposals we have put forward for probation there.

These groups will feed into the development of our proposals and will support our work to articulate a clear role for PCCs in the future arrangements in areas such as co-commissioning and oversight.

As part of existing devolution deals, we are testing the approach of co-designing probation arrangements in London and Greater Manchester to establish whether this process supports improved service delivery and outcomes, and promotes increased integration of probation and other services at a local level.

We have held co-design engagement events in London, with the Mayor's Office for Policing and Crime (MOPAC), and Manchester, with Greater Manchester Combined Authority (GMCA), with attendance from a range of local stakeholders. Building upon feedback, we are now working with MOPAC and GMCA to consider how we might tailor future probation arrangements in London and the North West.
Providers and working relationships

We recommend that from 1 February 2019 the Ministry of Justice should publish information on probation supply chains for each CRC area and NPS region on a quarterly basis. This should include information on all sub-contractors (not just those in the voluntary sector) and the monetary value of the sub-contracts. (Paragraph 100)

Under Schedule 4 of the Amended and Restated Services Agreement we (the Authority) cannot publish information within the Annual Service Plans which has supplier information included. Financial details of sub-contracting arrangements are deemed as supplier information and as such are commercially sensitive information; the Authority is under an obligation not to provide information that would be classed as commercially sensitive.

Regarding the names of sub-contractors, this information is commercially sensitive; however, we will work with providers with a view to seeking agreement to publish the subcontractor lists and improve transparency in this respect.

We recommend that the Ministry of Justice should consider, in response to this Report, what benefits might be gained from reintroducing targets for each Community Rehabilitation Company on the proportion of its budget which should be spent on voluntary sector provision, and whether involving some of the smaller, more specialised voluntary sector organisations could be incentivised. (Paragraph 102)

We agree that the expertise and commitment of voluntary sector organisations is vital in helping offenders turn their lives around. We are not proposing to introduce targets for existing contracts given the need to maintain operational stability. But as we develop future arrangements we are considering a range of options – including targets – to encourage the involvement of the voluntary sector in the delivery of probation services.

We will also look at the ways in which the proposed HMPPS regional leaders can play a role in developing closer links between providers and the voluntary sector, including small and medium organisations.

By 1 February 2019, the Ministry of Justice should review the ISPA, with a view to reducing its length and complexity. The Ministry should write to the Committee after that review to set out the changes that it has made. (Paragraph 106)

We have received significant feedback on the ISPA in the responses to the consultation. We are currently considering how to simplify the template contract, potentially by developing a tiered approach depending on contract size and complexity of service.

We recommend that the National Probation Service and Community Rehabilitation Companies should be required to provide the Ministry of Justice with workforce data on a quarterly basis. This should include information on the recruitment and retention rates for Probation Officers and other case managers by grade, and total workforce numbers by NPS area and CRC. This data should be published by the Ministry as part of its quarterly statistics. (Paragraph 116).

We are looking to improve the workforce data currently available, and have already made improvements to the process and updated the existing CRC contracts to include new requirements on workforce data provision. We are reviewing what management information we think is required as part of the planning for the next generation of contracts.
We recommend that from 2019 all providers, both CRCs and the NPS, should be required to use the same, or a similar, staff survey each year. Results of those staff surveys should be published for the seven NPS areas and the 21 CRCs. (Paragraph 119).

As part of the development of our workforce strategy (see below), we will be looking to review how best to undertake staff surveys. This will include identifying where consistent requirements are needed for the whole workforce, while recognising that providers may require a degree of flexibility around the questions asked to take into account variation between region, providers and the way they manage their workforces.

We recommend that the Ministry of Justice should publish a probation workforce strategy, which covers both staff working in the NPS and CRCs, in the next 12 months. As a minimum, the strategy should set out the Ministry's expectations with regard to professional standards, training, maximum caseloads/workloads for probation staff. This strategy should be developed in consultation with the trade unions and HM Inspectorate of Probation. (Paragraph 126).

We are currently developing a workforce strategy to ensure that the NPS and contracted providers can recruit and develop the workforce they need to deliver quality services. This will consider future requirements for the workforce, including professional standards and training, as well as workforce planning for the probation system and the expectations to be included within future contracts. We have agreed governance structures on probation workforce to ensure strategic decisions are made by a workforce design authority to ensure strategic alignment.

We are working with the Probation Leaders Group, which includes senior representatives from the NPS and CRCs, to develop the workforce strategy, incorporating local and regional viewpoints. We will also consult with trade unions on all aspects of probation workforce and with HM Inspectorate of Probation where required.

By 1 February 2019, the Ministry of Justice should ensure that security constraints and IT barriers which prevent data from being shared between organisations involved in managing an offender from the point of arrest, in prison and through to support in the community are proportionate. This should include identifying how the number of IT systems could be rationalised and/or linked so that the same data is not repeatedly inputted into different systems. (Paragraph 131)

As outlined in the consultation, we recognise the importance of simplifying data access and improving data sharing. Action is already underway to facilitate better access to essential data for probation providers.

Data sharing with other departments already exists, including with the Police, DWP, HMRC as well as between prison and probation services. Since January 2018, HMPPS has taken in-house the management of the prison case management system, Prison NOMIS, and the risk and needs assessment tool, OASys. This enables us to make changes and develop Application Programme Interfaces (APIs), which facilitate greater, faster and better data sharing internally and externally. This includes an interface to the MoJ analytics platform and performance platform. These APIs conform to current government guidelines on open data and APIs and form the basis of improved data sharing. Work is also underway to migrate the probation case management system, National Delius, to a new cloud environment that is
expected to reduce a number of the current access and related security constraints. This is due to be completed by early 2019.

As part of the development of the next generation of probation services, we plan to invest in HMPPS digital services to simplify data access and exchange and deliver improvements to IT systems. We are working towards greater centralisation of data systems, in particular those relating to risk and needs assessments, and improved data sharing within HMPPS and with external partners. The HMPPS Digital and Technology Strategy is looking to address the current need for users to have access to multiple HMPPS systems and work towards establishing data services that provide the relevant information the user needs via a single interface.

Support for offenders on probation

We recommend that the UK Government should introduce a presumption against short custodial sentences. The Government should carry out an assessment of the potential impacts that such a policy might have, including on the prison population, both the male and female estate, and the allocation of cases to different courts (Paragraph 140).

We are looking at what more we can do to emphasise that short custodial sentences should be viewed as a last resort.

There is persuasive evidence showing that short custodial sentences do not work in terms of rehabilitation. The reoffending rate of offenders serving less than 12 months is about 65%, but the reoffending rate for similar offenders who receive a community penalty has, from earlier research, been shown to be lower.

We are looking at various options in this context. We are aware that the Scottish Government introduced a presumption against sentences of under 3 months in 2010. An evaluation by the Scottish Government found that the impact of the current presumption is unclear. In England and Wales, before imposing a custodial sentence, judges and magistrates must be satisfied that the offence is so serious that only custody is merited. They are also required to give reasons for the sentence passed. As such, custody is already a last resort, but the Government continues to monitor the development of this policy.

We are also considering how resettlement services can mitigate the negative impacts of short custodial sentences. Question 9 of the consultation addressed this specifically and the feedback received is shaping development of a future model.

If short custodial sentences continue to be used, within 12 months the Government should consider repealing Section 2 of the Offender Rehabilitation Act 2014. Before repealing the Section 2 provisions the Ministry should assess what policy or legislative measures should replace those provisions. (Paragraph 145)

We are not considering repealing Section 2 of the Offender Rehabilitation Act at this time, but are considering ways of improving post-sentence supervision, in order to clarify expectations for its delivery and ensure a focus on rehabilitation.

We recommend that the Ministry of Justice should review the purpose of Through the Gate and the support that it provides offenders. As part of this review the Ministry
should consider introducing a prisoner discharge pack, based on need, and minimum expectations on resettlement services offered and how offenders’ knowledge of accessing Government services through digital portals can be improved. Real consideration should be given to whether it is appropriate to release prisoners with few family ties, from custody on a Friday, when access to Government services can be difficult. (Paragraph 152).

We are reviewing the purpose of Through the Gate by looking to enhance the role of the community responsible officer as well as provide greater clarity on service delivery in prison and from the community. This will include considering a resettlement pack and what more can be done to plan and leverage resources to support all releases, including those on Fridays. We recognise that effective probation is dependent on offenders’ access to wider services, such as housing, universal credit and substance misuse treatment. We are working with other government departments through the cross-Whitehall Reducing Reoffending Board to facilitate this.

We do however recognise the need for immediate action to improve Through the Gate services to prisoners. The recent contract changes agreed with CRCs include an enhanced Through the Gate offer to increase the current level of service by April 2019, which includes minimum expectations for resettlement services. This is supported by £22m per annum of additional investment (for the remaining lifetime of the existing CRC contracts), and applies to all prisoners being released from resettlement prisons. Provision of the new specification will be available to those being discharged from non-resettlement prisons through commissioning via the CRC Rate Cards.

We recommend that offenders should begin receiving pre-release resettlement activity no later than 12 weeks prior to release. When an offender requires pre-release support before the 12-week pre-release point that should be provided and CRCs should be appropriately remunerated. (Paragraph 156).

We recognise that resettlement needs to be fully integrated into the offender management system, with prisons and probation working together to help offenders transition successfully to life in the community. As we develop our future approach to resettlement, we are looking to extend pre-release support beyond 12 weeks for NPS and CRC offenders being released from prison.

The Ministry of Justice should set out its minimum expectations to providers on the balance between remote and face-to-face supervision, and on the location of meetings between an offender and their Probation Officer (Paragraph 161).

We accept the concerns raised by the Committee, and others, that remote supervision should not be used as the only means by which an offender is supervised, and that the physical environment in which offenders are seen must be conducive to fostering open and honest engagement and maintaining confidentiality.

We have already taken steps to change existing CRC contracts to introduce a minimum requirement for providers to offer monthly face-to-face contact with the responsible officer for the first 12 months of an offender’s order or licence. This will ensure that offenders are more closely supervised and provide a stronger basis to identify and enforce any breach of sentence.
In future contracts, we intend to specify more clearly the minimum frequency and form of offender contact. Question 2 of the consultation sought stakeholders’ views on the most effective contact to promote purposeful engagement, looking at how contact should vary during the period of supervision and the circumstances in which alternatives to face-to-face meetings would be appropriate. The responses we received will inform the future generation of contracts.

**The Ministry of Justice should introduce national guidance on best practice relating to changes to an individual’s Probation Officer and case manager (Paragraph 164).**

We agree that to enable positive relationships to develop, wherever possible the same responsible officer should supervise an offender throughout their sentence. Evidence identifies the relationship between the responsible officer and the offender as key to desistance and in future, we will be seeking delivery models which promote continuity of the responsible officer and will monitor changes of responsible officer through management information. The responsibilities of the responsible officer will be captured in practical guidance to support delivery which will include continuity and management of case transfer.

**When the Ministry of Justice responds to our Report it should have undertaken a review of output 3 of service element 6 of its guidance on unpaid work orders. It should set out in response to this Report any changes it will implement. (Paragraph 169)**

We are seeking to reduce stand downs on Unpaid Work through a number of measures. This includes changing the performance metric to a completion date of 12 months, to drive prompt delivery of unpaid work hours, holding CRCs to account through management information regarding rate of stand downs. We intend to specify in future contracts an appropriate number of placements to avoid the need to stand down offenders.

Where it is necessary to stand down offenders, we are reviewing output 3 service element 6 and are seeking to change the specification to credit hours which reflect the individual circumstances of the offender, taking into account travel time and employment impact, with an hour being the minimum credit.

**We recommend that, where possible, unpaid work should contribute to the local community and be linked to education and training (Paragraph 172).**

We agree. As we assess the results of the consultation and develop future probation arrangements, we are considering what more we can do to encourage future providers to develop relationships with local employers and enable offenders to gain skills required by the local labour market through unpaid work schemes.

**We recommend that the Government should amend the Homelessness Code of Guidance for Local Authorities, to make it explicit that an individual who is homeless because of having served a custodial sentence should be deemed vulnerable for the purposes of the Homelessness Reduction Act 2017. We further recommend that the UK Government should work with the Welsh Government to ensure that their homelessness legislation takes due account of the risks of reoffending. (Paragraph 182).**
Homelessness legislation already provides that a person who is vulnerable as a result of having served a custodial sentence has priority need for accommodation, and the statutory Homelessness Code of Guidance reflects the legislation as amended by the Homelessness Reduction Act (HRA) 2018.

The HRA significantly amended homelessness legislation to strengthen duties to all eligible applicants, irrespective of priority need or intentional homelessness, and in this context we have no plans to amend the priority need categories at this time.

Local authorities now have a duty to take reasonable steps to prevent or relieve homelessness, including to people with a history of offending. From 1 October 2018, prison and probation services have a duty to refer any user of their service who they consider to be homeless or threatened with homelessness within 56 days to a local authority of the person’s choice. The duty to refer will encourage local housing authorities and other public authorities to build stronger partnerships focussed on early help and intervention and to build more integrated pathways and services. The duty will help ensure that people who face the threat of homelessness are identified earlier and provided with help to prevent them from becoming homeless. As part of the implementation of the Rough Sleeping Strategy, the Ministry of Housing, Communities and Local Government is working with colleagues in the Ministry of Justice to pilot an offender pathway to prevent people leaving prison from becoming homeless and sleeping rough.

The Government has committed to review the implementation of the HRA within two years which will provide a forum to consider a range of issues such as these.

Although the Housing (Wales) Act removed the priority status of prison leavers in Wales, it also introduced an Accommodation Pathway for people leaving the custodial estate to respond to concerns that this change might cause. HMPPS was, and continues to be, fully involved in the development of the pathway to ensure it meets the needs of offenders leaving custody and provides for a successful transfer to the community. HMPPS and the Welsh Government provide funding for an Accommodation Pathway Development Coordinator to monitor the pathway’s effectiveness.

We recommend that the Ministry of Justice should work with the Department for Work and Pensions to enable offenders serving custodial sentences to apply for Universal Credit (UC) prior to their release from custody so that they receive UC on the day of release. As an interim measure, and until offenders can receive UC upon release, the Government should set up a transitional credit fund for those offenders who have insufficient funds to provide for the basics, such as travel, a roof over their heads and food, in recognition that £46 is wholly inadequate to cover these. (Paragraph 187).

We agree that offenders should have prompt access to the benefits to which they are entitled upon the day of release. We are working with the Department for Work and Pensions to improve the process to access Universal Credit, help offenders pre-populate their claim in custody and to ensure that they have the relevant identification documents. Offenders are able to access a DWP Work Coach prior to release who can make an appointment as early as the day of release to complete their claim, and can receive an advance of a full month’s benefit, including the housing element where appropriate, within hours.

We have also initiated a project to help us better understand the current usage of discharge grant and the additional discretionary payment. This will improve our understanding of how offenders and accommodation providers view the current discretionary payment to accommodation providers and will inform our upcoming review of Discharge (PSI 72/2011).
Existing policy provides for an amount of up to £50 (in addition to the discharge grant) to be provided directly to an accommodation provider to enable an offender to secure accommodation, at the Governor’s discretion. Every discharged offender, regardless of whether they receive a discharge grant, is also issued with a travel warrant, or payment of fares where a warrant is inappropriate, to their destination. Offenders are also discharged with any prison earnings/private cash. There is a suggested £200 limit on cash, but an offender can request the whole balance in cash if they wish.

The Government should consider how offenders who are being released to an unknown or non-fixed address can be supported in having access to a bank account, so that an absence of such an account does not prohibit the offenders from getting a job, claiming benefits or securing a place to live. (Paragraph 190).

Action is already underway to improve offenders’ access to bank accounts on release from custody. The Offender Banking Programme enables prisons which release significant numbers of offenders to develop a relationship with a commercial bank. This allows offenders to open a basic bank account in the last six months of their sentence. In 2017, 6,500 accounts were opened under this scheme – a record number. HMPPS also continues to work with UK Finance to look at other potential forms of identification which can be used by offenders who are released without accounts.

**The long-term delivery of probation services**

We recommend that the Ministry of Justice should initiate a review into the long-term future and sustainability of delivering probation services under the models introduced by the TR reforms, including how performance under the TR system might compare to an alternative system for delivering probation. The Government should publish its review, in full, by 1 February 2019. Given the issues which have arisen due to the speedy implementation of the TR reforms and lack of piloting, any new model must be thoroughly planned and tested. (Paragraph 200).

The public consultation on the future of probation has generated feedback on every aspect of the current system. We are currently reflecting on this feedback to ensure that future arrangements benefit from the expertise and experience of providers, service users, voluntary organisations, sentencers, probation staff and other partners. The structural and contractual changes we will make by 2020 will deliver a probation system which protects the public, commands the confidence of the courts, and reduces reoffending.

We continue to believe that the Transforming Rehabilitation reforms were based upon sound principles. We have seen examples of good practice in the first generation of contracts and will seek to build upon these in future arrangements, learning from what has worked well and what has not. We are committed to better integrating public, private and third sector providers in the delivery of probation services. But any future operating model will be thoroughly evaluated against experience under the existing system, and tested against alternative delivery models.