



cutting through complexity

Transforming rehabilitation in the UK

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Understanding the reform

What is driving the reform?

Transforming Rehabilitation is an ambitious reform program from the UK Ministry of Justice (MOJ) which aims to transform the way offenders are managed in the community to achieve a reduction in the rate of reoffending.

While the predictability and persistence of reoffending is not fully understood, factors such as chaotic childhoods, unemployment, problems with accommodation and criminal history have all been associated with reoffending after release from prison. A 2012 Surveying Prisoner Crime Reduction (SPCR) report showed that only 4 percent of prisoners serving sentence terms between 1 month and 4 years had no previous recorded conviction or caution. The report concludes that future offending is driven by frequency and seriousness of past offending.

In response to the reoffending challenge, the MOJ submitted a consultation paper titled *Transforming Rehabilitation – A revolution in the way we manage offenders* in January 2013. The government's response to the consultation, *Transforming Rehabilitation: A Strategy for Reform*, was published in May 2013.

These reforms contribute to the MOJ's 'Transforming Justice' program and are introduced against a backdrop of 26 percent (UK£1.9 billion/US\$2.8 billion) departmental budget cuts over the spending review period of 2010-14.

In addition to drawing on expertise from the private and third sector, the introduction of a market is expected to assist with the MOJ's current saving targets and help free up funding for the new rehabilitation support of those serving short sentences. Parallels are being drawn with the first wave of prison competitions, which achieved savings of more than UK£200 million (US\$300 million).

What are the key aspects of the reform?

- Expanding the provision of statutory rehabilitation support to those 50,000 offenders (60 percent of total inmates) who have been sentenced to less than 12 months in custody. This requires new legislation to change the sentencing and release framework.
- Opening up the probation and rehabilitation sector, currently serviced by 35 probation trusts across England and Wales, to competition by allowing public, private and voluntary sector providers to bid for approximately 70 percent of the work. The National Offender Management Service (NOMS), an executive agency of the ministry, will be responsible for commissioning the rehabilitation services across 21 'contract package areas' (CPAs) and will oversee the work of competed providers.
- Incentivizing providers through payment by results to tackle offenders' life management problems and reduce reoffending. Providers will be free to deliver the interventions that they believe will work best to reduce reoffending.
- Creating a new National Probation Service responsible for the delivery of the remaining 30 percent of probation and rehabilitation work involving public protection and high-risk offenders. The public sector will also retain responsibility for initial risk assessments, the victim liaison role and breach decisions beyond a first warning. There continues to be an independent Inspectorate of Probation.
- Introducing a new 'Through the Gate' resettlement service through the reorganization of the prison estate. The aim is to hold offenders in a prison designated to their area for at least 3 months before release so that they will receive continuous support by one provider from custody into the community.

These changes abolish the current system of individual probation trusts and will result in transferring 18,000 employees to new organizations, reallocating 250,000 offender cases, recruiting 22 new management teams and merging more than 2,000 existing computer packages. In addition, 70 out of the 130 adult male prisons in England and Wales will be reclassified as 'resettlement prisons'.

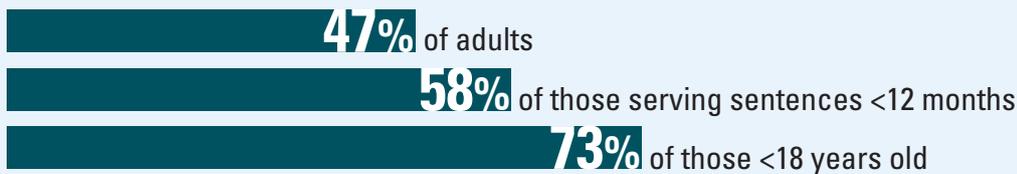
The current **prison population** stands at **87,500**.¹



15% of the current **probation caseload** and **5%** of the prison population are **women**.²



Reconviction rates within 1 year of release³:



The UK MOJ spends **US\$5bn** per year on prisons⁴ and



US\$1.5bn on delivering sentencing including probation.⁵



= 1 billion dollars

Probation spending has increased by over **70%** in the last decade.⁶



Estimated indirect costs of the Offender Rehabilitation Bill is **US\$ 49m** per year.⁷



Elements required for success

To help ensure the successful design and delivery of the reform, the MOJ is planning the following:

- The development of a payment by results mechanism that effectively incentivizes providers to work with all offenders, including the most difficult ones.
- Structures that allow smaller organizations, in particular in the voluntary, community and social enterprise (VCSE) sector to participate effectively. This could be done by designing structures that promote genuine partnerships (i.e. different industry standard contracts for lead organizations and supply chain partners) rather than 'sub' and 'prime' models. Lead organizations will be expected to provide evidence of how they would build and sustain partnerships with local and community sector organizations. In addition, government grants aim to help charities and voluntary organizations develop the capability required to compete and participate, including financial modeling, performance management, legal advice, etc. By increasing the number of CPAs from 16 to 21, the MOJ also hopes to make it easier for smaller providers to bring their critical local expertise to bear.⁸
- Requirements for potential providers to articulate and respond to the specific needs of female offenders (15 percent of the probation case load and 5 percent of the prison population).
- A carefully managed people transition to secure support from probation management, staff and staff associations. The majority of current probation professionals are expected to transfer to the new providers under statute.
- The establishment of a strong information technology (IT) infrastructure, access to statistical information and effective data sharing systems. An initial step is the creation of a Justice Data Lab to allow all organizations working with offenders to access central reoffending data.

1. *National Offender Management Service Business Plan 2012-2013*.
 2. *Transforming Rehabilitation: A Strategy for Reform*, MOJ, May 2013.
 3. *Prison Reform Trust 2013 report on prison facts*.
 4. *Transforming Rehabilitation: A Strategy for Reform*, MOJ, May 2013.
 5. *Ibid.*

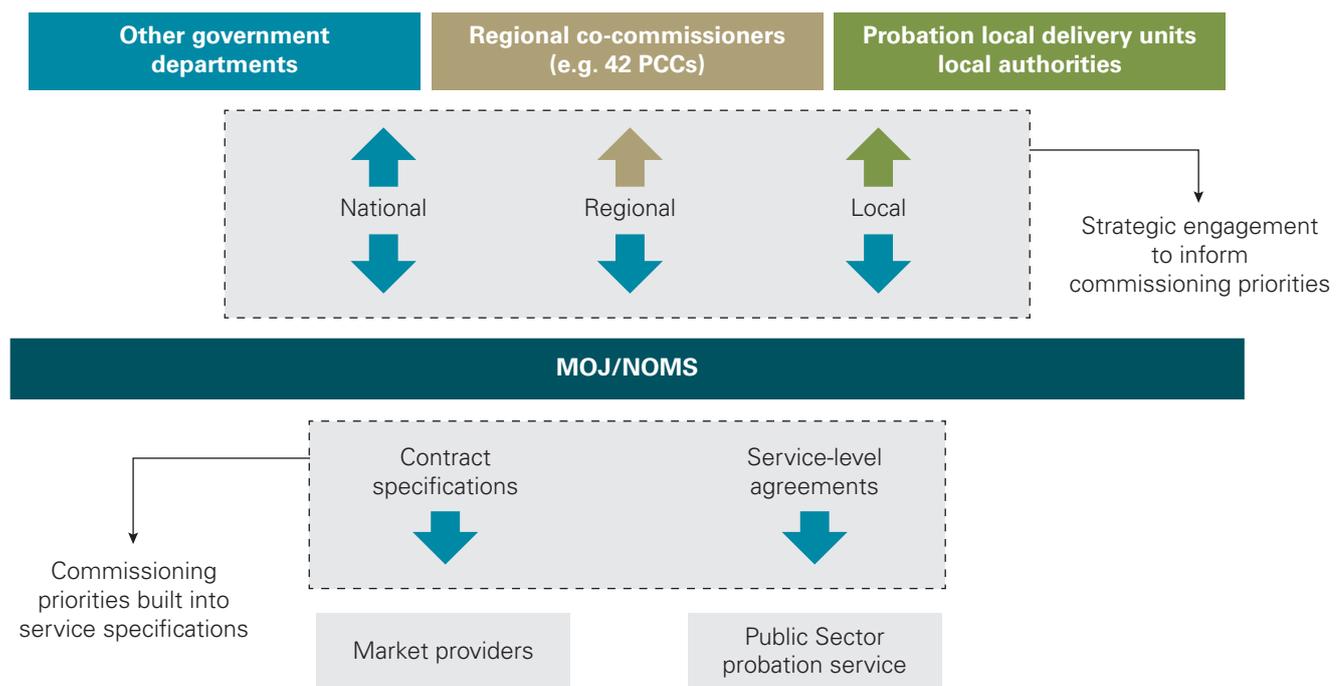
6. *Ibid.*
 7. *Updated Impact Assessment for the Offender Rehabilitation Bill*, MOJ, 20 June 2013.
 8. Speech by Chris Grayling at the Centre for Social Justice (July 23, 2013), MoJ.

How will the reform work?

One key aspect of the reform is to invite bids from providers to deliver approximately 70 percent of the probation and rehabilitation work subject to market competition. Services will be commissioned across 21 CPAs, many of which are directly aligned to police and crime commission (PCC) and local authority (LA) areas. Commissioning structures are expected to:

- be responsive to (changing) local needs
- reward providers' ability to reduce reoffending
- incentivize smaller and third sector providers to participate
- minimize bureaucracy
- deliver value for money.

Figure 1: Commissioning structure



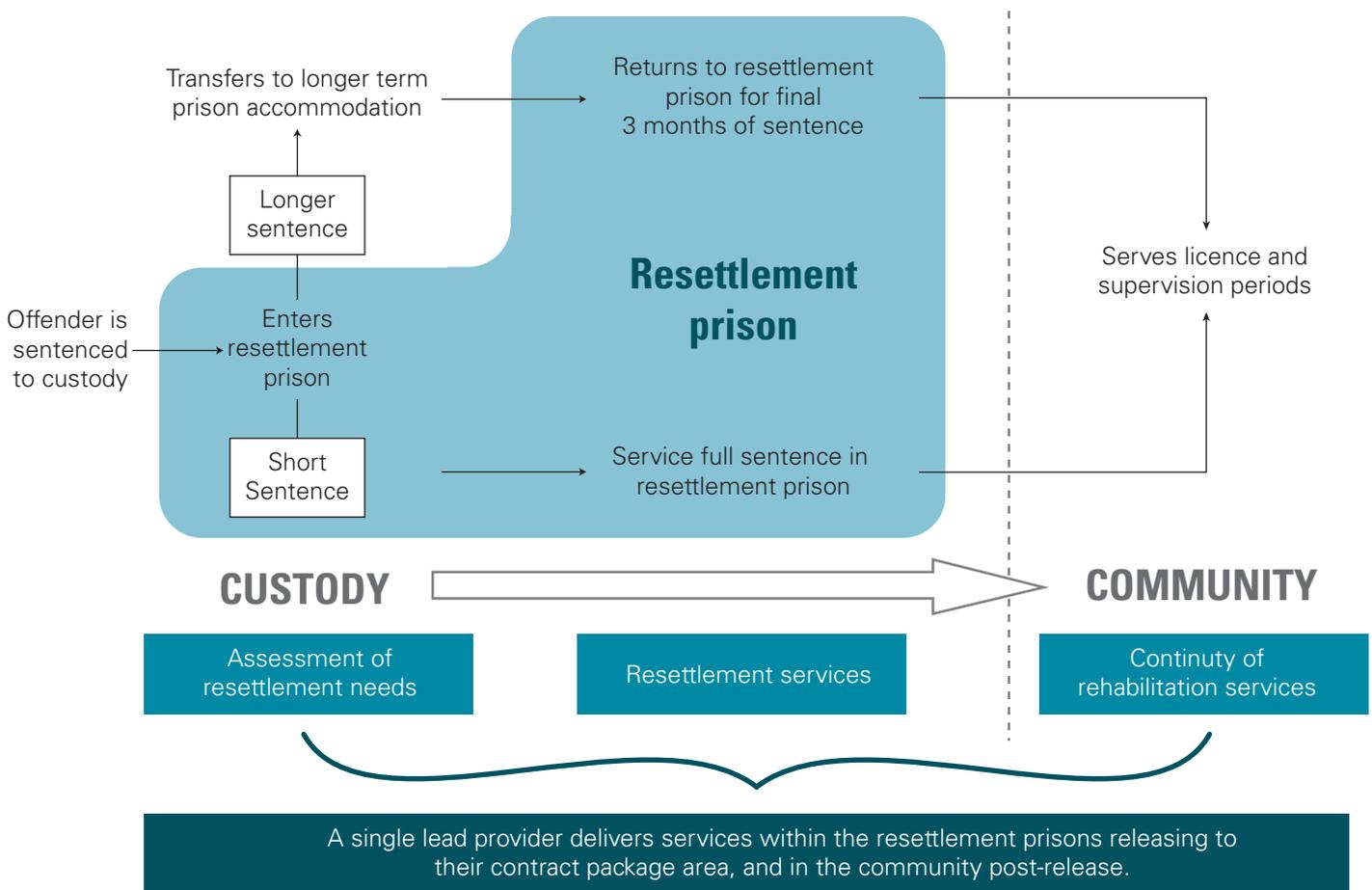
Source: *Transforming Rehabilitation: A Strategy for Reform*, MOJ, May 2013.

As outlined in Figure 1:

- NOMS will perform the national commissioning function and will oversee the work of competing providers through contract management structures.
- The commissioning process will be informed by engagement with partners at a national, regional and local level. Probation service 'local delivery units' will support the gathering of intelligence on needs and priorities at a local level. Partners will be able to commission additional rehabilitation services in line with their own priorities through co-commissioning.
- Providers will be required, through contract management, to be responsive to changing demands and priorities at local and national levels, new legislation and the wider commissioning context. NOMS will also manage service-level agreements with the National Probation Service.

To facilitate the improved delivery of rehabilitation services, the MOJ plans to make changes to better align the prison estate with the 21 CPAs. This aims to support the resettlement of offenders from custody back into the community by ensuring that one provider can deliver a continuous package of support, commencing at least 3 months before release.

Figure 2: ‘Through the Gate’ service delivery model



Source: *Transforming Rehabilitation: A Strategy for Reform*, MOJ, May 2013.

As outlined in Figure 2:

- All offenders entering custody will be received into one of the designated resettlement prisons. The contracted provider will conduct an assessment of the resettlement needs of offenders due for release from a resettlement prison.
- The majority of all adult male prisoners will be released from one of their home area resettlement prisons having spent a minimum of 3 months there prior to release.
- Offenders serving short sentences will, in most cases, remain in one of their contract package area’s resettlement prisons for the duration of their sentence.
- Offenders serving longer sentences may be transferred to longer term prisons until they are approaching the final 3 months of their time in custody when they will be returned to one of their home area’s designated resettlement prisons.

Projected outcomes and timeline

Expected benefits

1. Reduce reoffending: The responses to the consultation on Transforming Rehabilitation demonstrate extensive support for extending rehabilitation support to prolific short-sentenced offenders and reorganizing the prison estate to support continuous rehabilitation from custody into the community. The payment by results mechanism is expected to drive the establishment of a results-oriented environment that will lower the reoffending rate.

2. Drive efficiencies: The National Audit Office has estimated the annual cost of reoffending by recent ex-prisoners to be between UK£9.5 billion (US\$14 billion) and UK£13 billion (US\$19 billion), of which the cost of crime committed by offenders released from short prison sentences was approximately UK£7-£10 billion (US\$10-15 billion) a year. The rehabilitation reform is expected to reduce operating costs by approximately 30 percent.⁹

The MOJ plans to reinvest part of the efficiencies to fund the new service of providing supervision and rehabilitation for those released from short prison sentences. The remainder will go toward meeting the MOJ's saving targets.

3. Drive innovation: The diverse range of providers and delivery models from both the voluntary and private sectors is expected to introduce innovation in the provision of probation and rehabilitation services.

“I know we can deliver better rehabilitation for offenders, a smarter system of detaining and educating teenage offenders, a cheaper and better prison system and a criminal justice system that commands public confidence – and at the same time bring costs down.”¹⁰

Chris Grayling, Secretary of State for Justice ”



9. Speech by Secretary of State for Justice Chris Grayling at the Centre for Social Justice, 23 July 2013, MOJ;
10. Chris Grayling, 2012. "Reducing reoffending and improving rehabilitation". Speech. UK, 20 November 2012.

Managing the reform

Following the consultation period, plans are to complete the program in four phases, with the completion target of fall 2014.

Consultation	Phase 1	Phase 2	Phase 3	Phase 4
600 formal responses	Complete detailed design work and introduce primary legislation	Divide current Probation Trusts and move to new public sector service	Implement new National Probation Service	New completed services go live Buildup of first cohort for payment by results measurement
14 consultation events	Early testing of service models and human resources (HR) plan with Probation Trusts	First stage of competition for lead providers	Shadow running of going concerns before competitions completed	
800 stakeholders consulted	Test commercial model with potential providers	Supply chain partner identification and engagement process	Final stage of competitions to select lead providers	



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