



Summary note of the RR3 Special Interest Group on Probation – meeting on the Dynamic Framework volumes and values

13.30-15.00, 26th August 2020, via video conference

Attendees:

- Jess Mullen, Clinks (chair)
- Helen Dyson, Nacro (RR3 permanent member and SIG co-sponsor)
- Lauren Nickolls, Clinks (minute taker)
- Dee Anand, Together for Mental Wellbeing (RR3 permanent member)
- Samantha Cowie, St Mungo's (co-opted)
- Lisa Dando, Brighton Women's Centre (RR3 permanent member)
- James Harding, Shelter (co-opted)
- Angela Henry, Penrose (co-opted)
- Christina Lines, Nelson Trust (co-opted)
- Jennie Spanton, PACT (co-opted)
- Christopher Stacey, Unlock (RR3 permanent member)
- Mike Trace, The Forward Trust (co-opted)
- Emma Wells, Community Chaplaincy Association (RR3 permanent member)
- Keith Whitton, Anglia Care Trust (co-opted)

Officials

- Janet Phillipson, Ministry of Justice
- Matthew Sparkes, Ministry of Justice
- Chris Taylor, Ministry of Justice

Apologies

- Peter Atherton, Community Led Initiatives (RR3 permanent member)
- Martin Blakebrough, Kaleidoscope (RR3 permanent member)
- Dez Brown, Spark2life (RR3 permanent member)
- Rod Clarke, Prisoner Education Trust (RR3 permanent member)
- Richy Cunningham, Recovery Connections (RR3 permanent member)
- Will Downs, Clinks (secretariat)
- Nicky Park, St Giles (RR3 permanent member and SIG co-sponsor)
- Tina Parker, PACT (RR3 permanent member)

About

The Reducing Reoffending Third Sector Advisory Group (RR3) has established a special interest group (SIG) on probation and the role of the voluntary sector, the co-sponsors of the SIG are Nicky Park and Helen Dyson.

The intention is that this SIG will run over the course of the year, setting up meetings where required to provide advice to relevant officials from Ministry of Justice (MoJ) and HM Prisons and Probation

Service (HMPPS) on the progress and details of the probation reform programme. Meetings will be attended by relevant permanent members of the RR3 and members co-opted from the wider voluntary sector for their specific expertise.

The second meeting of the SIG took place on 26th August 2020, and focused on the indicative annual spend and estimated values and volumes for the Dynamic Framework contract lots that were published when qualification for the framework was launched. The meeting discussed voluntary sector concerns about the discrepancies between the predicted and current volumes, the impact this could have on unit cost and the ramp up model.

The following provides a summary of the meeting.

1. Welcomes and introductions

The chair welcomed everyone to the meeting. Each member of the group introduced themselves and their organisations.

This chair introduced the focus of this meeting on funding streams including voluntary sector concerns regarding volumes and values and reiterated that due to the upcoming Dynamic Framework competitions, the specifics of day one competitions were out of scope for discussion. The officials present could therefore not provide any additional, commercially sensitive information. The meeting is to discuss policy issues and concerns about the information that has been made publicly available.

2. Update from Ministry of Justice officials about the Dynamic Framework qualification

Officials provided an update on the qualification for the Dynamic Framework. The response from the market since qualification for the framework was launched has been largely positive:

- Over 370 organisations have registered interest in the Dynamic Framework by registering on Jaggaer.
- There were over 100 registrations of interest in the first few days of qualification launching. Since then officials have noted spikes in registering following events that Clinks has ran for the voluntary sector on the Dynamic Framework.
- Over 150 organisations have completed Selection Questionnaires (the supplier qualification form). At least 60% of those were VCSE organisations. This figure could potentially be higher as a number of those that submitted questionnaires did not answer this question to indicate what type of organisation they were as it was not mandatory.
- Over 70 of those 150 have already qualified onto the Dynamic Framework. Those organisations have been notified and framework agreements will be signed in the coming week.
- So far only three organisations have failed to qualify on minor points (e.g. for exceeding the word limit on questions on the Selection Questionnaire) and have been invited to reapply after addressing those. In comparison over 50% of applications to the Dynamic Purchasing System for prison education, which preceded the probation Dynamic Framework, failed on the first attempt - a significantly higher first time failure rate.
- The department is still on track to launch the first competition for Education, Training and Employment (ETE) on the 7th September 2020.

It was welcome that there appears to have been a positive response to the launch of the framework and there were reflections about whether those that registered interest and those that qualified are reflective of the makeup of the voluntary sector. It would be welcome to have

the opportunity, if possible, to discuss a further breakdown of the data on organisations that registered interest in the Dynamic Framework, submitted Selection Questionnaires, and qualified for example by income size. Clinks will discuss in more detail with the department outside of this meeting.

3. Main discussion:

a. Concerns about the indicative annual spends

The voluntary sector has raised concern about the indicative annual spend. Members highlighted that the values are less than their current contracts and less than the predictive values that MoJ published in November 2019. There is concern about the impact such significantly different volumes could have on the quality of services as it is still unclear what services are being bought and what will be excluded from the current service provision. Members are concerned this will also lead to further subsidisation of contracts by the voluntary sector which is a significant issue under the current model and should be avoided.

On the comparisons being made, officials confirmed:

Comparison to November indicative figures

These earlier figures were shared at a time when the service specifications were still being finalised as well as how eligibility would be measured and therefore how volume would be defined. The difference between the figures published at the end of last year and the new figures published in June/July this year reflects the fact that the department have done a lot more work to refine these and the eligibility for each geographical area.

The department has also now developed a bottom-up cost model with unit costing of the services it plans to buy. Therefore volume assumptions were refined and are believed to be more accurate. As a result of this work, the values were changed for the categories to also be more accurate.

This has led to a decrease in the values from the November figures for the accommodation and ETE categories but an increase for the categories for personal wellbeing and women's services. Overall there has been a 5% decrease.

Comparison to current spend

It was reiterated that this is not a like for like spend. The services commissioned under the new model are different to the current one so making direct comparisons is challenging. Overall there will be an increase in the money spent on rehabilitation and resettlement services so the department believes there should not be more pressure on the market as a whole.

Current Community Rehabilitation Company (CRC) data indicates that £60 million is spent annually on 'Dynamic Framework type' services (which includes the entire ETE budget). The new forecast shows the department will be spending £120 million on Dynamic Framework services (in years three and four of the new model). There is a challenge however that when the spend is broken down into contract lots and individual services that some may see a decrease in value so the department would like to look more closely at these cases if the voluntary sector feels there is significant disparity.

Whilst members appreciated that it will not necessarily be a like for like service, without knowing what is being bought and what will be excluded from the new service compared to the current one it is difficult to understand the rationale for the difference in values. Not knowing what is being bought also makes it challenging for organisations to understand how the current and new

services compare and what they could deliver for the values with the added complication of try and work out who of their existing cohort would be eligible and within the new caseload which isn't clear at this stage. The group also requested more information on the working out behind the cost assumptions and the building up of the bottom up cost model.

Mobilisation

Officials also confirmed that there is a separate line in the department's business case that the values do not include mobilisation costs that new providers will incur when setting up the new services. There will be additional funds available to support mobilisation.

b. Volumes and eligibility criteria

The group highlighted that there is concern about the volumes and the eligibility criteria for services.

Accommodation

Members highlighted that for some categories the volumes are much lower – in some cases drastically so - than providers are currently seeing and the group queried the rationale for such a drop. This was highlighted to be a particular issue for the accommodation category where there seems to be a 60% or more drop in the numbers of services organisations currently support. For example, in Essex one provider currently supports 300-450 people in a quarter but the estimated volume suggests that - even by year three taking ramp up into account – the volumes will only be 900 service users a year (inclusive of low, medium and high). Other members who are current providers reiterated that they also found this to be an issue for London and Norfolk and Suffolk areas.

For some categories, there seems to be a high percentage of people under probation supervision being deemed ineligible. For the accommodation category it appears approximately two thirds of the probation caseload are being deemed ineligible for the service. In Essex in year three whilst the service would be expected to support only 900 people, 1,800 are ineligible. However this level of exclusion doesn't reflect the voluntary sector's experience of the needs of those under supervision. The same number of people will be coming through the criminal justice system and similar levels of need will still be there.

The group is therefore concerned that in reality the volumes will be significantly higher than expected, replicating the same issues as Transforming Rehabilitation where providers will be delivering above the agreed volume profile but with no additional funding or resource. There is a risk that this will stop voluntary sector organisations from bidding for the contracts. It is also likely to lead to voluntary sector organisations subsidising the contracts through other sources and reserves as they try to plug the gap in support for those excluded by the eligibility criteria and meet needs that haven't been identified by the MoJ and HMPPS.

Accommodation providers in the group offered to provide the department with the data on their current volumes. Clinks also offered their help to collate this. Officials recognised concerns about such large volume disparities and welcomed the offer for the data to better understand why this is the case.

<p>Action: Clinks to collate data from accommodation providers on their current volumes and share with MoJ officials. Due to the short timeframe with the accommodation competition due to launch, the information will be collated as soon as possible and a follow-up meeting scheduled with the SIG sponsors and officials.</p>

Women's contract lot

Issues with the volumes are manifesting differently in different contract categories. For the women's category, the volumes are much higher but that drives down unit cost. Sussex was given as an example where the current unit cost to provide women a holistic service is £1,300 per women. However because of the dramatic increase in volumes, if a similar breakdown is done for the new service the unit costs work out to be approximately £250 per women.

There is concern that the volumes have gone up but without a full understanding of the work required to provide a holistic service to women in the criminal justice system. This reiterates concern about what is being bought through the new service and what will be excluded. Is what's being asked for too much for the money available?

Officials would like to pick up on this issue further following the meeting bringing in their colleagues who have greater detail on the service specification for the women's category.

The group also offered to engage women's centres - who are meeting regularly - on this issue to gather further information about how the volumes and values compares to their current numbers and share with the department.

Action: Clinks and Lisa Dando (RR3 representative for women's services) to discuss with women's centre representatives at their next meeting the indicative volumes and values and whether they have also found large disparities in volumes and unit costs. Clinks to support with collating this information and share with the department.

Action: Officials to follow up with colleagues on the volumes, values and service specification for the women's category about the disparity in unit costs.

Clarification on eligibility criteria

The members would welcome more clarity on how the volumes and eligibility criteria have been defined and the working out behind it. This would enable members to have a clearer understanding of the assumptions and the basis of these decisions. The group can then provide more detailed advice and feedback to the accuracy of the criteria and feasibility of the volumes and corresponding values and enabling the department to stress-test the assumptions.

Officials confirmed that the primary determining factor of department's eligibility criteria is sentence type. The department has also factored in low, medium and high complexity which they acknowledge will need to continue being refined even as we move into live running of the probation model. Members further queried if eligibility criteria is determined largely by sentence type, what measure is being used. Are there particular sentence types excluded, if so which ones and for which services? For example are the accommodation services only available to prison leavers?

Officials will take away the point about disparities in current and forecast volumes and estimates of eligibility to look at further with colleagues as it is unclear why this would be the case. The department has based volume forecasts on data from current caseloads and the Delius database. It is the best available dataset the department has. It was noted however by members that there have been ongoing conversations and concerns raised about how that data is handled and how the data that CRCs have compares to sub-contractors' data which doesn't always match that of Delius.

At this stage officials are unable to provide more detail on the eligibility criteria and will discuss with colleagues whether this can be shared this with group.

Action: Officials to confirm with their colleagues whether the department's calculations for volumes, the eligibility criteria and the working out behind them can be shared with the group.

(**Note:** Clarification on the eligibility criteria has since the meeting been provided by the Ministry of Justice. See annex A for more detail).

Members also queried what the volume figures represent:

Referrals

Do they represent the number of referrals to a service or the number of people expected to complete the service? For example if there are 10 interventions contracted, whether in reality that means needing to provide 30 places in order to ensure getting 10 service users through or whether it is 10 referrals being bought?

Under TR there were discrepancies between contracts expecting 'finishers' as opposed to referrals. However, for small organisations having the capacity to manage this can be challenging as clients will not necessarily complete all the services offered to them. Therefore organisations need to take on a greater number of referrals to ensure they can meet the targets for people who finish the service which has resource and capacity.

Officials confirmed that the department's modelling is based on referrals and start numbers, not 'finishers', though the department recognises there is a distinction between referrals and start numbers. The department is making assumptions about those numbers and the department will share those assumptions with bidders when it issues the ITT documentation.

It was also asked how it will be ensured that those referrals are the right referrals and whose responsibility it will be to ensure that. That responsibility sits with the NPS and probation officers. The department is working with the NPS to help the regional teams ensure they are making the right referrals. The department will want to continue that work during the mobilisation period and involve new providers once contracts are awarded.

Interventions

It was queried whether the volume represents a volume of interventions or volume of unique individuals in a service. Some people could require more time and more interventions if they receive more than one sentence in a year or if their circumstances change.

It was felt that there may need to be a follow up conversations involving colleagues with more detail on the volume data to respond to the questions and concerns raised.

c. Concerns about the ramp up model

Attendees questioned how the annual spend would be impacted by the ramp up model. It was confirmed that the indicative annual spend does not represent a steady rate and will be lower for 21/22. The annual spend of £120-130m rises to that level in years three and four (2023/24).

Attendees were concerned about this and the size of the gap between the annual spends for each year. Examples were given where based on the estimated volumes and values for the accommodation category, some organisations would have to make over half of their staff redundant for the first year only to need to rehire new staff the following year under the ramp up model. There was also concern about the impact this would have on losing the expertise of skilled staff who have experience delivering these specialist services.

Queries were raised about how the changes in volumes have been calculated in the ramp up model when demand won't have significantly changed or reduced for year one. Whilst attendees recognise that that this is a new service that will take time to embed, service user need won't reduce during that time as services mobilise. If anything, people will need more support as

probation services goes through this transition period and are more likely to fall through the gaps.

Officials responded that and ramp up assumptions on volume and spend have been built into the model in recognition that the probation service is moving to a new model which will take time to embed. Officials recognise that in an operational context this can create pressures and challenges for individual organisations to respond to and for day one services to work out how to respond to changing volumes and costs.

Officials also appreciate that the ramp up assumptions may have gone too far. The department are currently working on addressing this as much as feasibly possible by trying to make the gap between annual spends smaller before the final business case is submitted. Though it should be noted that it will not be feasible to close the gap completely. There are internal MoJ meetings this week to discuss this and the hope is that the position will improve when the latest figures are released when the competitions are launched. However at this stage, officials cannot provide more detail on this.

d. Additional points raised

Day two competitions

Officials were asked if there were any timelines for competitions for post day one services. Whilst the focus is on day one competitions at the moment, the department intend to start looking at the process for day two competitions in the coming months.

Officials asked if for day two services, Clinks could support with co-ordinating a view of what collectively the organisation thinks those indicative costs for services would be. If some of the indicative volumes and values are as significantly different as the group has indicated for day one services, it would help to provide insight and understand why those differences might be and avoid running into similar issues again for future competitions by addressing it as early as possible.

Action: Clinks to discuss with MoJ what support could be provided in gathering indicative costs from the sector for future DF competitions based on current volumes and values.
--

Finance, benefits and debt

Attendees raised concerns with officials about the change to categories for day one services and that in particular finance and debt had been removed from accommodation. This has staffing implications but also implications for achieving outcomes and is likely to create a gap in day one services.

Officials reiterated that the decision to remove finance and debt from day one service competitions was in response to Covid-19 and the impact on MoJ's capacity to run the competitions. The department are still in conversations with regional directors about how best to allocate the money that was going to be available for those services. In the interim probation officers should be in a position to signpost to people to services that provide advice on this.

However members still expressed concern that signposting won't be sufficient to support people with acute finance and debt needs especially as people with convictions won't be a priority for general advice services and statutory services that are already overwhelmed leaving them to fall through the gaps in support.

The department take these concerns on board and the intention is in due course – and if the demand is there from regional teams - to run call-off competitions for finance, benefits and debt

competitions (and dependency and recovery services) through the Dynamic Framework as soon as feasible.

Accredited programmes and structured interventions

Following the department's decision to no longer outsource structured interventions and accredited programmes to Probation Delivery Partners, the group questioned what would happen to the £150 million intended for those contracts and whether it need to be returned to the Treasury, used to bring those services in-house or whether any of it will be available for procuring services.

Officials confirmed that the services that the money for the Probation Delivery Partner contracts will be spent on delivering those services in-house.

4. Close

The chair outlined the next steps following this meeting.

- The notes from this meeting will be shared with voluntary sector attendees and officials to agree. They will then be published on Clinks' website. This can take time so there may be a blog written to share key issues with the wider voluntary sector sooner.
- Dates for the next meetings will be agreed. There will be further meetings on mobilisation and on contract management and good practice. There is also scope to hold additional meetings as particular issues arise regarding the new probation model and as the process for the qualifying and competing via Dynamic Framework progresses.
- It was also noted that all of the events Clinks have run regarding probation such as the 'Meet the Primes' event were recorded and will be made available online if useful to attendees. There will also be further events. The details of these will be shared via Clinks' weekly newsletter, 'Light Lunch', and social media.

Summary of actions

- Clinks to collate data from accommodation providers on their current volumes and share with MoJ officials. Due to the short timeframe with the accommodation competition due to launch, the information will be collated as soon as possible and a follow-up meeting scheduled with the SIG sponsors and officials.
- Clinks and Lisa Dando (RR3 representative for women's services) to discuss with women's centre representatives at their next meeting the indicative volumes and values and whether they have also found large disparities in volumes and unit costs. Clinks to support with collating this information and share with the department.
- Officials to follow up with colleagues on the volumes, values and service specification for the women's category about the disparity in unit costs.
- Officials to confirm with their colleagues whether the department's calculations for volumes, the eligibility criteria and the working out behind them can be shared with the group.
- Clinks to discuss with MoJ what support could be provided in gathering indicative costs from the sector for future DF competitions based on current volumes and values.

ANNEX A: Clarification on eligibility criteria

The following is an update written by the Ministry of Justice after this meeting to clarify the eligibility criteria. The update has been shared with the members of the special interest group.

The Ministry of Justice will promote referrals to reflect risk, need and responsivity principles.

- **Risk** – the overall amount of rehabilitative intervention should reflect the likelihood of re-offending with more resource being given to those at an increased risk of re-offending (noting that, generally, a higher someone’s risk of re-offending is, the more rehabilitative needs they often have. The acuteness of each need may be a separate determinant of the amount of intervention required – see ‘responsivity’)
- **Need** – is this linked to a risk of re-offending? Is it a stability factor which, if ameliorated, will enable other needs linked to re-offending to be progressed?
- **Responsivity** – is the intervention being delivered in a way which meets any additional needs of the Service User including how acute/ severe the need is? Is the Service User ready to address this need?