

**Response by the Social Enterprise Coalition to the Ministry of Justice
Best Value in Probation consultation**

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The Social Enterprise Coalition's Response to the Ministry of Justice Best Value in Probation consultation

1. The Social Enterprise Coalition (the 'Coalition') welcomes the opportunity to respond to the Ministry of Justice Best Value in Probation consultation.
2. The Coalition was established in 2002 as the national voice of social enterprise. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership of over 10,500 social enterprises. These include co-operatives and mutuals, housing associations, leisure and football supporters' trusts and Social Firms. Social enterprises in the UK generate more than £27 billion in turnover, and contribute more than £8 billion to GDP per year. In preparing this response the Coalition consulted widely with its members.
3. The Coalition welcomes the development of the mixed economy approach to service provision within the probation service. We believe that social enterprises can make a real and sustained contribution to the department's objectives specifically with regard to supporting offender services.
4. An assessment system is required to ensure that any outsourcing of services maximises the effectiveness of their delivery. The Coalition, while recognising the Best Value system as the chosen mechanism to ensure this assessment, recommends that the procedure must acknowledge service improvements and effective delivery as equal to economic efficiency.
5. Social enterprises deliver a diverse range of services, meeting multiple outcomes of sustainability while tackling social problems. This is often through using holistic approaches that deal with multiple issues for individuals. For example tackling offending behaviour through dealing with drug and alcohol misuse issues. The provision of multiple solutions often affects different agencies across the public sector. In measuring the effectiveness of services these multiple outcomes need to be matched against the priorities of different authorities (PCT, Local Authorities, Police) to ensure a fair assessment of the success of a project or service.
6. Equally, cross departmental policies can have an effect on the calculation of efficiency and cost effectiveness. The Comprehensive Spending Review 2007 requirement for 3% cashable savings means that quality improvements that improve efficiency but develop over a longer period than one year will not be recognised as efficiency. The Best Value framework needs to consider these difficulties within all stages to ensure a fair recognition of the efficiency of services.

Q1. Do you agree that, at first, the National Offender Management Service, for the Ministry of Justice, should select the services to be reviewed by probation areas over three years?

7. The Coalition agrees that in order to ensure national priorities are met, the Ministry of Justice should select the services to be reviewed by probation areas over three years. Recognising that different probation areas have different issues, this needs to be tempered with input from probation boards to ensure that the most needed services for different areas are part of the review. This will ensure that the Best Value mechanism for introducing a mixed

economy of service provision develops the most effective delivery for the most important services.

8. The MoJ should bring both local probation boards, private and third sector representative partners in to the selection process. This will ensure that not only are the services selected the most suitable to ensure the delivery of strategic objectives but also will be done with the full awareness of resource implications for those organisations delivering services.

Q2. If you agree with question 1, how many services do you think should be reviewed each year of the programme?

9. As the Best Value mechanism is intended to improve the efficiency and cost effectiveness of the delivery of service by public, private or third sector providers, it is important to get as many services as possible reviewed and benchmarked ready for ongoing review through the procedure.

Q3. If you agree with question 1, do you agree that the services to be reviewed should be selected on the basis of [tick those with which you agree]

- i. **The strategic importance of the service? YES**
- ii. **The potential to increase the effectiveness of the service? YES**
- iii. **The potential to increase the efficiency of the service? YES**
- iv. **The capacity of boards and trusts to review the service? NO**
- v. **The benefits of the review outweighing its cost? YES**
- vi. **Do you think there are any other criteria which should be considered?**
Dependent on the probation area there should be an optional element of the services selected to ensure that local priorities, recognised by specific boards, can be reviewed as a priority for that local area, ensuring the most important services as locally identified, benefit from the review.

10. The Coalition believes that choosing the services to be reviewed must not impinge on the cost effectiveness of delivery of probation service, but must ensure that the priorities of NOMS and meeting the needs of offenders and victims are paramount.

Q4. If you agree with Question 1, which services do you think should be reviewed in the first year and which should be reviewed in the second year?

11. Services should be prioritised on the basis of meeting the departmental strategic objectives of MoJ, particularly reducing reoffending. This is the single objective that is both most noticeable and at present the most difficult to achieve, relying on innovation of service delivery and alternative methodologies to affect those most at risk.

Q5. Do you agree that NOMS, with the Ministry Of Justice, should make available national service specifications on performance, economy, efficiency, and effectiveness for the services to be reviewed?

12. To ensure consistency of service standards national specifications are recognised by the Coalition as an important element in the development of probation service delivery.
13. Social enterprises delivering services across the priorities of probation boards are successful because they apply innovative, holistic and alternative methods of addressing key issues of reoffending and criminality. A set of national service specifications could limit the availability of space for these progressive methodologies to be applied within probation services.

14. The standards setting out terms of performance, economy, efficiency and effectiveness should not be mutually inclusive. It must be recognised within any specifications that these terms must be flexible and open to interpretation based on successful outcomes. For example the increased cost (reduced economy) of a service might be due to a disproportionately raised level of performance (increased performance) and would over more than one year (the cashable saving recognition) constitute an improvement in efficiency as well as a higher level of effectiveness that might not be recognised.
15. The specifications must be flexible enough to discount some of these terms if there is a significant improvement in others, and to recognise that economy must only be delivered through a maintenance of the quality of service and not be a detriment to that service.

Q6. Do you agree with the aspiration to move over time to a more decentralised model, with regions agreeing with probation areas the services to be reviewed in the region, taking account of national guidance on how to make the selections?

16. The Coalition believes that a more decentralised model of delivery of services will allow better local relations to develop in conjunction with local third and private sector partners. This will create better links with the local community, forge a greater level of communication, and allow the best value mechanisms to recognise locally appropriate delivery.
17. A decentralised model of Best Value review will need to take account of probation areas work with other services. Her Majesty's Prison Service is a particular issue. As offenders serving custodial sentences are often held in prisons in different locations from the local area where they will be released, the delivery of joined up services, and 'through the gate' programmes will not be properly considered without some national coordination. Moving to a decentralised model of Best Value should only be considered if information from different localities delivering services to the same offenders is made available. This will require systems of coordination between the Regional Directors of Offender Management to ensure consistency in measurement and cradle to grave monitoring of information.

Q7. If you agree with question 6, what do you think would be the appropriate point at which to move to a more decentralised model?

18. By the end of the initial 3 year review period for the Best Value mechanisms the decentralised model should be in place, building on the comparison of probation areas with benchmarked measures by which performance improvement can be assessed.

Q8. Do you agree that NOMS regions should:

- i. **Coordinate reviews carried out by probation areas in their region, ensuring that they happened at similar times?**
 - ii. **Negotiate and agree with probation areas any necessary variations to nation service specifications?**
19. The Coalition believes that the role of NOMS regions should be coordinating the reviews to occur at a similar time. If not then environmental and contextual differences over time might affect the results and be of detriment to the value of the benchmarking relative to the principle of comparing services between probation areas.
 20. It is essential that the NOMS regional directors act as facilitators of changes to the national service specifications representing local area priorities, needs and conditions, to accurately affect the performance on the ground. To ensure that this represents the needs of the out sourced providers in the third and private sectors, the regions should involve these groups in

the negotiations. Specifically in relation to social enterprises, the use of regional networks to advise and garner the views of partners in the third sector on how performance can be measured and identifying cross agency benefits in efficiency measure will be required for fair representation of local service delivery.

Q9. Do you agree with our proposals for the way in which probation areas should conduct the first step (initial data collection) of the Best Value reviews?

21. The Coalition believes that determining 'unit cost' against a specification of delivering a service to an offender could be limiting in terms of recognising the benefits of services delivered in novel ways. How a 'unit' is defined must consider the place of services delivering outcomes over and as a result of more than one annual period to ensure efficiencies are captured accurately in the review.

Q10. Do you agree that probation areas should make the initial data from their Best Value reviews available to NOMS and that it should be collated and made available to all probation areas to enable comparison?

22. The Coalition welcomes the approach of comparing the service delivery in different areas but has concerns about the ability of probation boards to identify quality improvements as efficiency gains through the mechanisms of 'unit costs'.
23. It has been recognised that social enterprises can deliver multiple outcomes, tackling offender issues and reintegrating former offenders into society, while tackling such issues as employment and educational standards in the wider community. These actions affecting the wider community might not be recognised directly through a 'unit cost' assessment by the Probation board/trust. There is potentially a training requirement in terms of accessing the right data and engaging the relevant stakeholders to ensure the correct interpretation in recognising these wider benefits.

Q11. Do you agree with the proposals for the way in which probation areas should challenge their delivery of service?

24. The Best Value review asks probation areas to consider collaboration with their peers to maximise the efficiency of reviews and services. Although this is encouraging, the Coalition believes there is anecdotal evidence to suggest that this must be accompanied by a supported culture change which rewards collaboration between areas as best practice, through guidance and recognition of success.
25. In considering the potential for the provision of services to be delivered by an external provider, there needs to be input from potential external providers. There is clearly a role for external partners from the third and private sector to be involved with regional directors to investigate external partner involvement.

Q12. Do you agree with the proposals for performance improvement plans?

26. The Coalition welcomes the development of performance improvement plans and believes they are a good method for developing innovative approaches and for bringing the best results and new relations with partners in the private and third sector.
27. There is concern that the relevant stakeholders are not identified, or encouraged, for the performance improvement plans to be fully informed. Probation boards/trusts should include

relevant stakeholders in the development of performance improvement plans. This should include representative bodies for the third sector such as social enterprise regional networks, so as to ensure the widest possible options for service delivery are available.

28. Equally, to ensure that the collaboration principle of best value is maintained and that this represents the full range of service delivery options available, the guidance should include involvement of other public authority stakeholders. Probation boards/trusts do not operate in isolation and often their actions will have knock on effects for others such as PCTs and local authorities. These agencies need to be involved to ensure that the full range of efficiencies and improvement options are recognised in the performance improvement plans.

Q13. Do you agree that regional directors should evaluate the draft performance improvement plans, in line with centrally set evaluation criteria?

29. The Coalition agrees that there should be evaluation to ensure consistent and fair access to organisations to deliver services as a result of the best value review. The Regional Directors are best placed to do this due to their local knowledge and contact with the National NOMS objectives.
30. One concern is that there is no information of how the Best Value reviews and subsequent performance improvement plans will link with the new commissioning framework used in NOMS. It is essential that the two mechanisms work in concert and that there is no limitation to accessing the commissioning process to the third and private sectors due to the findings of the Best Value reviews.

Recommendations

31. The Best Value reviews and development of performance improvement plans should include relevant statutory sector partners. This will ensure efficiency gains and service improvements through the delivery of multiple outcomes across public agencies are embedded in planning.
32. There needs to be greater guidance from the NOMS in the Ministry of Justice around the issue of recognising performance improvement as efficiency, and effectiveness of services delivered over more than single annual periods
33. Regional Directors of Offender Management should bring partners from the third sector, particularly social enterprise regional networks, into the performance improvement plan to ensure that consideration of external partners capacity is realistic and that plans are fully supported and cover all the options available.
34. The development of national specifications, and the selection of services for best value reviews, requires flexible options locally determined to ensure local priorities and activities are fairly represented and assessed. This will ensure that a one size fits all does not detrimentally impact on the delivery of localised best practice.

Social Enterprise Coalition
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