



Ministry of
JUSTICE

National Offender
Management Service

National Offender Management Service

Business Plan 2012-2013

Preventing victims by changing lives

Our Statement of Purpose

The National Offender Management Service is an Executive Agency of the Ministry of Justice. Our role is to commission and provide offender management services in the community and in custody ensuring best value for money from public resources.

We work to protect the public and reduce reoffending by delivering the punishment and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.

Our Vision

We will work collaboratively with providers and partners to achieve a transformed Justice system to make communities safer, prevent victims and cut crime.

Our Values

In delivering offender management services, we will:

- Be objective and take full account of public protection when assessing risk
- Be open, honest and transparent
- Incorporate equality and diversity in all we do
- Value, empower and support staff, and work collaboratively with others
- Treat offenders with decency and respect
- Embrace change, innovation and local empowerment
- Use our resources in the most effective way, focusing on outcomes and delivering value for money for the taxpayer.

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Foreword

The National Offender Management Service (NOMS) enters its fifth year as an Executive Agency having made significant progress since its creation in April 2008.

This plan sets out our high level business priorities and delivery plans for 2012-2013, not only to provide core services to offenders in prison and on probation in England and Wales, but also to continue to improve the way we work, to achieve better outcomes for the public at less cost to the taxpayer.

The reforms and activities in this plan are part of the wider Ministry of Justice Transforming Justice programme, to deliver a justice system which is more effective, less costly, and more responsive to the public. As an integral and important part of the MoJ, we have a key role to play in implementing this ambitious reform agenda, while continuing to provide a high quality service to the public working with our partners and stakeholders.

In 2011-2012, in line with our Transforming Justice commitments, we were able to begin implementing a range of innovative approaches to tackling reoffending through effective outcome-based commissioning, while restructuring and significantly reducing our spending. In particular, over the past year:

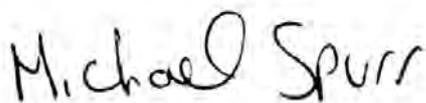
- We achieved an overall cost reduction across the Agency

of approximately £300m (around seven per cent)

- We reorganised all our HQ and support functions, moving from a regional model to a leaner functional structure which will reduce costs by 37 per cent over the Spending Review period
- We completed the management and operation of four prisons including transferring a large public sector prison, HMP Birmingham, to the private sector
- We launched innovative pilots of Payment by Results in custody and the community with private and third sector partners, leading the way across Government
- We closed five prisons and successfully concluded arrangements for two new private sector prisons to become operational from April, while ensuring we retained sufficient places to accommodate those committed by the courts, including being able to respond to the public disorder in August 2011
- We launched radical workforce reform plans in public sector prisons which were endorsed by the Prison Service Pay Review Body and by the POA and Prison Governors Association and which will significantly reduce public sector pay costs.

In 2012-2013 the challenge continues, as we embed the changes already made and develop our response on key Government policy initiatives – competition and payment by results, determining the way ahead following publication of the Probation Review, working prisons, increased transparency, devolution of responsibility and accountability to the front line, a central focus on rehabilitation, in partnership with others, and reconfiguring prison capacity to reduce costs.

At the same time we must continue to deliver the punishments and orders of the courts in a decent, fair and safe manner, to protect the public and maintain confidence in our systems of punishment and rehabilitation.

A handwritten signature in black ink that reads "Michael Spurr". The signature is written in a cursive, slightly slanted style.

Michael Spurr
Chief Executive

1. Introduction

Organisation

NOMS is an executive agency of the Ministry of Justice (MoJ), responsible on behalf of the Secretary of State for Justice for commissioning and delivering prison and probation services in England and Wales. The Agency co-ordinates prison and probation services, enabling offender services to be delivered more effectively, and strengthening and streamlining commissioning to improve efficiency and a clear focus on results.

NOMS delivers offender services through:

- Probation Trusts – 35 trusts responsible for the delivery of probation services at local level
- Public sector prisons – 119 prisons which provide around 86 per cent of prison places
- Private sector organisations – operating 12 prisons under contract and providing other significant services including prisoner escorts and electronic monitoring of offenders
- Partnerships – with a range of public sector agencies, including local authorities, health and education services, and with organisations in the voluntary and social enterprise sector.

NOMS is also contracted by the Youth Justice Board to provide custodial places for young offenders and by UK

Border Agency to provide three removal centres for immigration detainees with more than 860 places.

Following fundamental reorganisation NOMS' new structure makes a clear distinction between the different functions of the Agency. Specifically:

- Commissioning and co-commissioning of Offender Services
- Management of Public Sector Prisons
- Contract Management of Probation Trusts and Major Contracts
- Provision of operational services to the whole sector
- Providing support for service delivery through Finance, ICT and HR.

These changes give us the organisational arrangements we need for effective delivery of our required outcomes in a provider neutral environment, which will encourage innovation and a clear focus on what we want to achieve rather than how the work should be done.

Strategic context

As an Agency of the MoJ our strategic direction is set in the Ministry's Corporate Vision for 2011-15. The vision sets out a single objective: "To deliver a transformed justice system and a transformed department – more efficient, more effective, less costly and more accountable and responsive to the public".

Underpinning that overarching Transforming Justice objective the MoJ Business Plan 2011-2015 sets out five major commitments:

- Introduce a rehabilitation revolution
- Reform sentencing and penalties
- Reform courts, tribunals and legal aid, and work with others to reform delivery of criminal justice
- Assure better law
- Reform how we deliver our services.

This plan sets out the important part NOMS will play in putting these commitments into practice in 2012-2013. Our success will only be achieved in close partnership with the Department, as it develops the strategic policy context within which we operate and takes forward the Government's reform plans to make better use of prison and community sentences to punish offenders, tackle reoffending and improve public safety. We also depend on effective partnerships with other departments, particularly with the health and education services which work within our prisons and with offenders in the community, in order to meet the Government's commitment to break the cycle of offending.

MoJ Operating Model

NOMS operates under an Agency Framework governing our relationship with the MoJ. The framework document sets out the arrangements for the

governance, accountability, financing, staffing and operation of the NOMS Agency and is agreed between the Secretary of State and the NOMS Chief Executive. The framework document is approved by the Chief Secretary to the Treasury.

NOMS is a critical integral part of the MoJ and will continue to work collaboratively with the MoJ's corporate functions. A number of support functions are provided as a shared service across the Department. Specifically NOMS receives the following shared services under appropriate memoranda of understanding: Estates, Communications, Finance, Human Resources, Information Communication and Technology Services, Internal Audit and Assurance and Procurement.

2. NOMS Business Priorities

The NOMS Agency Board has agreed eight business priorities for 2012-2013.

Transformation

1. Rehabilitation – Breaking the Cycle
2. Re-balancing capacity
3. Commissioning and Competition
4. Organisational Restructure

Operational Delivery

5. Delivering the punishment and orders of the courts
6. Security, Safety and Public Protection
7. Reducing Reoffending
8. Improving efficiency and reducing costs

Transformation

NOMS is building on the work it has completed in 2011-2012 to meet Ministerial objectives and the Government's ambitious reform agenda for Transforming Justice. As the largest Agency of the Ministry of Justice the scale of NOMS' contribution towards meeting the reform agenda is significant. NOMS will deliver its contribution through:

- Concentrating on results not processes
- Supporting local freedoms to pursue what works
- Improving accountability and transparency throughout the system
- Harnessing innovation from all our providers, and improving efficiency including through greater competition across public, private and third sectors and the progressive implementation of Payment by Results
- Reducing costs and becoming more efficient in all that we do.

To date we have already:

- Successfully delivered approximately seven per cent cost savings in 2011-2012, with a savings target for a further seven per cent (£253m) reduction in 2012-2013
- Implemented wholesale restructuring of our HQ and back office functions, achieving a substantial reduction in these overhead costs

- Competed the management and operation of four prisons in 2011-2012, resulting in a large public sector prison, HMP Birmingham, transferring to the private sector – the first time this has happened
- Building on these successful competitions we have launched competitions for a further nine prisons to be run in 2012-2013
- Launched a range of Payment by Results pilots across public and private sector custodial settings and in the community
- Completed clear provider-neutral specifications for all prison and probation services that define the outcomes and outputs for a legal, safe and decent service
- Closed five prison establishments, including HMP Lancaster Castle where parts of the building dated from medieval times.

In 2012-2013 we will go further. Our deliverables and the major milestones currently planned in relation to each priority are set out below.

1. Rehabilitation – Breaking the Cycle

We will continue to work with the MoJ in the major review of probation services. The consultation period ends in June 2012 and we will take forward the proposals agreed by the Government as a result of the review.

We will continue to develop the innovative Payment by Results (PbR) pilots as outlined in the Green Paper, *Breaking the Cycle*. In 2011-2012 we built on the initial Social Impact Bond pilot in HMP Peterborough by establishing a PbR pilot in a second private sector prison, HMP Doncaster. We also launched Justice Reinvestment pilots in Greater Manchester and across a number of London Boroughs (Lewisham, Croydon, Southwark, Lambeth and Hackney), where local agencies work together to reduce reoffending, sharing a proportion of the savings made to be reinvested in further preventative work.

In 2012-2013 we plan to establish two further pilots within public sector prisons: Firstly in HMP Highdown, to trial further incentivising the public sector to reduce reoffending, to be launched in spring 2012; and secondly at HMP Leeds where the pilot will involve partnering with an external organisation to reduce reoffending alongside financial risk transfer from the public sector. This will be commissioned by autumn 2012.

We also plan two larger scale projects for offenders managed on community sentences. Two probation trusts (Wales and Staffordshire & West Midlands) have been selected to run these pilots. We are developing their content with the trusts for commissioning by November 2012.

Work is also underway with the Department of Work and Pensions to explore whether Work Programme providers can reduce the reoffending of eligible offenders released from custodial sentences of under 12 months. Pilots will be commissioned in June 2012.

We are also seeking proposals from the market to deliver rehabilitation services within a PbR context, as part of the Innovation pilot programme. This will seek innovative forms of finance and strong involvement from voluntary and social enterprise organisations, including smaller organisations. These will be commissioned in the autumn of 2012.

We will continue to implement the Government's aim to make prisons places of productive work, providing the discipline and challenge of a full working week to offenders. We will compete fairly in open markets ensuring

expansion of work across the estate at no additional cost to the taxpayer and including financial contributions to victims' services.

We will publish a Code of Practice and a prospectus which sets out the social and economic case for working prisons and opportunities for business to get involved.

Working with the Department of Health, we will support the development and roll out of comprehensive liaison and diversion services for offenders with mental health, substance misuse and other vulnerabilities.

We will support the development and testing of alternative forms of treatment-based accommodation for drug-abusing and mentally ill offenders as part of the Health and Criminal Justice Programme.

We are committed to increasing the

Milestones

Publish a prospectus making the social and economic case for working prisons and opportunities for business involvement, including Code of Practice	May 2012
Issue revised pricing strategy to enable Prison Industries to achieve cost neutrality and demonstrate fair competition	May 2012
Probation Review – Consultation	Ends June 2012
Publish National Business Growth Strategy for working prisons	August 2012
Deliver PbR pilots to agreed Ministerial timetable – final roll-out of Innovation pilots	by April 2013

use of restorative justice for appropriate crimes, particularly as a way of improving victim satisfaction.

We will signal through our Commissioning Intentions document the Agency's ambition and focus for rehabilitating offenders and provide evidence-based principles and guidance to support better rehabilitation outcomes.

2. Re-balancing capacity

One of our primary tasks is to ensure that we have prison spaces for all those who are sent to us by the courts. In a system where demand can fluctuate quickly and significantly – the large number of offenders sent to prison as a result of the public disorder in the summer of 2011 is an extreme example of that – it is essential that we operate a system which will remain responsive to demand. The responsiveness of our system and our staff to that disorder was one of the successes of last year.

But alongside the day to day running of that system we must also seek to do a number of other things and so in 2012-13 we shall:

- Work closely with MoJ colleagues to understand better the reasons behind the fluctuations in the

prison population in order to improve forecasting and planning

- Seek to close older inefficient, expensive accommodation in order to reduce running costs and realise the value of what can be prime land. This work will build on the 2011-2012 closures of HMP Latchmere House and the part of HMP Hewell that was formerly HMP Brockhill
- Open two new prisons – HMP Thameside and HMP Oakwood, both of which will operate with lower than average running costs and with improved facilities for the management of prisoners
- Alter the use of some prisons so that the types and numbers of prison places match the overall profile of the prisoner population and allow a better fit with departmental policies such as drug recovery wings or work in prisons
- Strengthen our strategic approach to allow decisions to be made about the long term shape and future of the prison estate.

NOMS will also work with existing probation providers and identify opportunities for new providers to enter the market to ensure there is the necessary capacity for the management of offenders on community sentences.

Milestones

Opening of HMP Thameside (900 places)	Spring 2012
Opening of HMP Oakwood phase 1 (1,125 places)	Spring 2012
Opening of HMP Oakwood phase 2 (480 places)	August 2012

3. Commissioning and Competition

Commissioning and co-commissioning

Commissioning and co-commissioning of offender services is at the heart of our new way of working, involving assessing the need and demand for services, making choices about the services needed to achieve the Agency's objectives, specifying and securing the right services at the right quality and price and reviewing the delivery and effectiveness in achieving the outcomes commissioned. Co-commissioning means working with other Government Departments and Agencies who spend significant amounts of money to help shape and deliver services to offenders.

In making our commissioning choices we will concentrate on outcomes not processes – results are what matter. As part of this approach we are committed to evidence-based commissioning. Wherever possible, we will use sound evidence to inform intelligent commissioning choices. Where evidence is limited or evolving we will work with partners to develop and enhance the evidence base on all outcomes and share our position.

In 2012-2013 this will specifically include developing guidance about effective approaches for different offender

segments to enable commissioners and providers to better understand the risk and needs of their populations and achieve better outcomes.

During 2012-2013 we will further embed the refreshed Compact made between the Government and the voluntary, community and social enterprise sector in our commissioning strategies.

We will contribute to implementing the Government's strategy to reshape NHS and NOMS co-commissioned services for all offenders. This includes offenders with severe personality disorders and those with substance misuse issues. As part of this in 2012-2013 we will:

- Open two personality treatment units for men in training prisons, one located in the South and one in the North of England
- Open one prison-based progression unit (also known as PIPEs) for those completing a period of treatment
- Open a personality disorder treatment service for women; and
- Embed forensic/clinical psychology services employed by health providers within at least five probation trusts.

We will work with the Department of Health to facilitate commissioning of health services or facilities for persons who are detained in prison or other

accommodation of a prescribed nature by the new NHS Commissioning Board and consider and agree how the wider health reforms will impact on health services for offenders in custody and the community.

Alongside new Police and Crime Commissioners (PCCs) we will ensure that commissioning strategies are aligned across the criminal justice system. We will contribute to producing support materials for PCCs and NOMS providers to facilitate their engagement.

Competition

NOMS is responsible for implementing the MoJ's Competitions Strategy for Offender Services. Competition is a tool that the Agency will use to enable us to meet our core objectives – protecting the public and reducing re-offending – with increased efficiency and effectiveness. We will continue to use competition to drive quality of service, value for money, innovation, system reform and market development in offender services.

The new HMP Oakwood will be fully operational in August 2012 as part of Phase One of the Prisons Competition Programme. The award of contracts under Phase Two of the programme, which sees nine prisons competed, is scheduled for autumn 2012.

The programme balances the need for increased efficiency with a focus on the need to reduce reoffending, specifically by inviting bids that deliver payment by results, working prisons and drug-free wings. Taken together these phases represent an unprecedented level of competition and, in terms of scale as a proportion of the total prison estate, almost certainly the largest such competition anywhere in the world.

Our plans for the future use of competitions for custodial services will be developed in light of the outcomes of Phase Two.

Under the Community Payback competition the contract for the London 'lot' is scheduled to be awarded by the end of 2012; and for the Electronic Monitoring competition the award of contract is scheduled for spring 2013. A further strategy for competing non-custodial offender services will be developed in light of the responses to the consultation on the review of probation services and included in the Government's response.

An annual update on offender services competitions will be published in summer 2012.

Milestones	
Prisons Competition Phase One – service commencement date of HMP Oakwood	Spring 2012
Publish Commissioning Intentions final document as part of our work to commission offender services for 2013-2014	October 2012
Prisons Competition Phase Two – award of contracts	Autumn 2012
Agree new commissioning arrangements with Community PBR pilots	December 2012
Design implementation strategy to further embed the Compact, made between Government and voluntary, community and social enterprise sector, within NOMS	By December 2012
Community Payback competition – award of contract for London ‘lot’	End 2012
Electronic Monitoring Competition – award of contract	Spring 2013

4. Organisational Restructure

We have challenged the front line to identify substantial efficiency savings over the Spending Review period but we are making sure we take an even greater share of budget reductions from HQ by cutting our back office costs by 37 per cent.

In conjunction with the programme to deliver HQ savings, we created in July 2011 a NOMS-wide transformation programme to deliver wholesale organisational redesign, and our ‘Fair and Sustainable’ pay and workforce reforms underpinned by the introduction of a comprehensive NOMS Job Evaluation Scheme (JES).

All public prison staff will be working to the new structures from April 2013, with new terms and conditions introduced for all new starters and promoted staff from April 2012. These new structures will achieve greater levels of efficiency, with fewer layers of managers and lower numbers of managers overall.

Headquarters

From 1 April 2012 the detailed implementation of the new NOMS headquarters structure will be complete. Zero based budgeting will be adopted from April 2012, with budgets for 2012-2013 reduced by £64m compared to budgets at the start of the Spending Review period.

Establishments – Public Sector Prisons

Every establishment will complete their restructure work over 2012-2013, including mapping of staff into new structures, closed and open competition for new roles.

New terms and conditions will be introduced for new starters from 1 April 2012, with existing staff having the choice to stay on current terms and conditions or opt in to new terms and conditions from April 2013.

Operational delivery

Our operational delivery priorities recognise the work our staff do on a daily basis to deliver the punishment and orders of the courts, ensure safe and secure prisons, protect the public, reduce reoffending, deliver effective community supervision and programmes and reduce our costs. The key measures of our impact in relation to each priority are set out in Section Three of this Plan.

5. Delivering the punishment and orders of the courts

The foundation of our work is our responsibility to enforce the orders of the court. The public must have confidence that punishment is effective and robust.

Contracts or Service Level Agreements (SLAs) have been agreed with all probation trusts and prison governors on the services they will provide to deliver the sentences of the court. Through effective management of contracts and SLAs our aim will be to maintain at least Level 3 ('good') performance ratings for all establishments and trusts on the four-point ratings system. We will continue to hold securely those offenders whom the courts sentence to custody. We are committed to ensuring that prisons are safe places to work, live and visit.



Reducing violence and self-harm can create safer environments in which prisoners can engage more effectively in reducing their likelihood of reoffending. Where there are incidents of disorder, we will respond vigorously and effectively, and will work with the police to secure prosecutions for serious acts of violence or disorder. We will ensure that offenders supervised in the community engage and comply with the terms of their sentence, both in the interests of justice and to ensure that their offending is addressed. Where offenders fail to comply we will ensure that the appropriate action is taken, including through returning them to court or recalling them to prison as the circumstances require.

In the community we will continue to build on the impressive advances that have been achieved in recent years, where we have improved performance while making significant efficiencies and budget reductions. These include 100 per cent of Probation Trusts rated at 'Good' or 'Exceptional Performance' level in 2010-2011 compared to 10 per cent of Probation Areas 'Requiring Development' and two per cent with 'Serious Concerns' in 2008-2009.

We have seen improved performance in completion rates (76 per cent in 2011-2012 compared with 72 per cent in 2008-2009), better enforcement of breached orders and licences (96 per cent of breaches enforced in line

with National Standards in 2010-2011 compared with 53 per cent in 2001-2002), better targeting of offenders to interventions (94 per cent of offenders requiring an accredited programme to address their offending were placed on the specific programme that best addressed their offending behaviour in 2010-2011 compared to 84 per cent in 2008-2009). This is against a background of the Probation budget falling by 19 per cent (real terms) between 2008-2009 and 2012-2013.

6. Security, Safety and Public Protection

Our record over recent years on reducing escapes and absconds and embedding public protection at the heart of the work of the probation service has been fundamental to retaining public confidence in our services.

We will ensure that we maintain a low level of escapes by remaining vigilant and by reviewing vulnerabilities, including those identified by our investigation into the incidents which occurred in the early part of 2012, with a particular focus on the management of Category A prisoners.

We will continue to play our part in key Government initiatives in the fight against crime, including work on counter terrorism, organised crime and public protection. We will deliver Project Mercury, a new networked infrastructure which will gather and

share intelligence information in a more comprehensive manner. We will continue to address the issue of staff corruption. We will pilot and deliver signal denial technology within prisons to tackle illicit mobile phones. We will develop guidance and oversee delivery of drug free environments within prisons. Much of this work will be delivered in close co-operation with other Government Departments and agencies including the Home Office, Serious Organised Crime Agency, Association of Chief Police Officers, National Crime Agency and Ofcom. Through our joint work with a range of agencies and partners we will continue to identify risk of radicalisation and continuing terrorist activity, and develop and deliver innovative interventions; and through data sharing and inter-agency collaboration we will manage the risk posed by identified organised criminals .

Public protection in the community is a partnership responsibility and we are committed to ensuring NOMS continues to play its role in this vital work. During 2012-2013 we will continue to ensure that offenders who are protected persons are managed effectively, working closely with the Police, and ensuring that there is as much alignment with Probation National Standards and Multi-Agency Public Protection Arrangements (MAPPA) guidance as is possible in such a sensitive area of work. We will monitor performance against the MAPPA key performance indicators and

take action where this falls short of the standards required.

We will provide advice to Ministers on next steps in relation to the mandatory polygraph testing pilot for adult, male sex offenders which has now been completed.

7. Reducing reoffending

Reducing reoffending is at the heart of the work of all our staff. We aim to reduce the level of reoffending and the harm to victims, changing offenders' lives and making our communities safer.

We are working with colleagues in the MoJ and other departments to take forward the Government's plans to break the cycle of offending (as described under the Transformation Priority 1).

Commissioners will set out NOMS' intentions, ambitions and required outcomes clearly. We will commission cost-effective, evidence-informed interventions and services to meet these outcomes. This will enable providers from all sectors to bid for, develop and deliver interventions and services aimed at reducing reoffending.

As well as commissioning from other providers of interventions we will continue to develop the range of NOMS interventions available to address the risks and needs presented by offenders, including programmes that comply with effective practice principles.

These include new violence reduction programmes which respond to concerns about gang-related violence, knife crime and domestic violence. We are also developing further interventions to address sexual offending, offending behaviour-related substance misuse, and assessments and interventions for radicalisation and violent extremism.

The relationship between offender and supervisor is important in reducing reoffending. Purposeful, structured and more effective face-to-face contact can be a powerful way of changing behaviour. Through the Offender Engagement Programme (OEP) we are building our evidence base and improving the quality of front line practice in strengthening offender motivation, increasing compliance, reducing reoffending and cutting crime. The pilots on offender engagement will conclude by April 2012, and we will receive evaluation reports during the second half of 2012. We are amalgamating and building on the pilots to develop an integrated framework, Skills for Effective Engagement, Development and Supervision (SEEDS), on which we will deliver training to local probation trainers by the end of March 2013. We will also be using the evidence on offender engagement to inform our future commissioning of offender services, and working with other providers to maximise the learning from the OEP.

We will implement the recommendations of *Breaking the Cycle: A Review of Offender Learning* which includes a much greater emphasis on localism and lead Governors' ownership and control of learning and skills. We will continue to work with DWP and Jobcentre Plus to ensure smooth running of the new arrangements which mandate prisoners eligible for the Job Seekers Allowance on release onto the Work Programme. We will aim to ensure that the Virtual Campus is rolled out to all prisons. In addition we will continue the roll-out of our award-winning national radio station for prisoners (in partnership with the BBC and Prison Radio Association).

8. Improving efficiency and reducing costs

The Government has stated that tackling Britain's deficit is its top priority. The financial year 2012-2013 represents the second year of the Spending Review Period and at MoJ level the final budget settlement represents a real reduction in resource budget of 23 per cent over the four year period to 2015. Additionally, the capital budget is down by 50 per cent against the previous spending review total. As the largest Agency within the MoJ, NOMS is committed to contributing fully to these targets and for 2012-2013 we will need to deliver savings totalling £253m. This represents a further reduction of seven per cent of the resource budget (see Section Four – Resources for

further details). This is a significant challenge, which sees NOMS taking out significant savings while maintaining delivery performance and ensuring we preserve safe, decent, secure prisons and effective offender management in the community.

To deliver this substantial level of savings NOMS will continue to build upon the far-reaching transformation and efficiency initiatives it already has in train. These include:

- Completing the wholesale restructure of our HQ (with new structures in place from 1 April 2012). This will deliver a further £23m savings in 2012-2013 (£64m since the start of the Spending Review) and achieve a reduction of 37 per cent (£91m) in NOMS HQ costs over the Spending Review period
- Delivering efficiency savings in frontline services, with public sector prisons and probation trusts budgets reduced in 2012-2013 by over three per cent (£85m). This is addition to the five per cent (£99m) for public prisons and seven per cent (£60m) for probation trusts budget reductions that were successfully delivered in 2011-2012
- Improved knowledge of service delivery costs leading to better targeting of scarce resources, identification of cost-effective practice and driving prisons and trusts to move to the lowest cost possible while ensuring the

required service specifications are met. NOMS will use service costing information as an integral part of the target setting and budget management process

- Continuing to review options to make efficiencies by closing expensive prison capacity
- Working with MoJ Procurement to review and drive out savings from all major contracts and spending categories
- Reviewing opportunities for improved information and communications technology to enable financial savings, including digital and video services and management and sharing of data
- Competing core services, including prisons and community services in line with the Probation Review proposals
- Reviewing options for outsourcing of additional services including facilities management in public sector prisons.

Decisions on where to target financial savings have been and will continue to be based on protecting operational delivery and frontline services wherever possible and meeting legal and regulatory requirements.

NOMS will continue to work with all criminal justice agencies and the Judiciary as part of the Government's programme to transform justice and deliver a more efficient and cost-effective system overall.

3. Transparency

The Government is committed to providing greater transparency to enable the public to hold services to account and assess whether they are receiving value for money from the services we provide. NOMS is no longer set performance targets but will be held to account through specific impact indicators on reoffending and through published data covering the key aspects of our work.

We will make data on a range of performance and input indicators available for both prisons and probation. These will include the following:

Delivering the punishment and orders of courts

- The percentage of orders and licences that are successfully completed
- Reductions in violence as measured by the violence management report
- The percentage of prisoners held in overcrowded accommodation across the prison system
- The rate of self-inflicted

deaths per 100,000 prisoners (3-year rolling average)

- The rate of drug misuse in prisons as reflected by those testing positive in mandatory drug tests.

Public Protection

- The number of escapes from prison and prison escorts
- The rate of escapes from prison and prison escorts as a proportion of the average prison population
- The number of escapes from contractor escorts
- The rate of escapes from contractor escorts as a proportion of the throughput of prisoners.

Reducing re-offending (supplementing the overarching impact indicators)

- The percentage of offenders in employment at termination of their sentence, order or licence
- The percentage of offenders in settled and suitable accommodation at termination of their sentence, order or licence.

Impact indicator	Frequency	Unit of analysis
Adult and juvenile reoffending – percentage of adult and juvenile offenders reoffending	Quarterly	By local authority
Reoffending – percentage of adults released from custody re-offending	Annually	By prison

Reducing costs

- Cost per prisoner
- Cost per prison place
- Cost per pre-sentence report to courts
- Cost per community order
- Cost per offender supervised on licence post-custody.

In addition to the above indicators, we will also publish the following two staff-related indicators annually:

- Staff sickness: average days per annum (Public Prisons and Probation)
- Proportion of minority ethnic staff in the Agency.

NOMS will assess performance of individual prisons and probation trusts against these and other measures including outcomes from independent external inspections. Annual performance ratings for individual prisons and probation trusts will be published under the MOJ Transparency Framework.

4. Resources

Demand for offender services

The prison population has risen steadily over recent years and despite a reduction in the rate of growth in 2010, rose again to a record high during 2011. At September 2011 the prison population stood at 87,500¹ (a two per cent rise compared to September 2010). In October 2011 the MoJ issued fresh projections of the future population². We will continue to monitor the population and projections closely throughout the year to ensure we are operating as efficiently as possible and take action to adjust our capacity where necessary.

The probation caseload at September 2011 was 232,862. This comprised 125,692 offenders on court orders in the community, 69,622 on pre-release supervision, and 39,243 offenders on post-release licence. There has been a decline in the number of offenders on community orders, but an increase in the number of post-release licences over the past eight years. Over the last three years the overall caseload has declined slightly.

Finance

NOMS has an excellent record of achieving cost reduction targets in recent years and during 2011-2012

delivered an unprecedented level of savings, while maintaining high levels of performance. This was achieved through the restructuring of headquarters, reduction in frontline delivery costs, closure of five prison establishments and reduced contract costs.

To contribute to the MoJ Spending Review Settlement NOMS has been set a resource saving target of £253m for 2012-2013, which represents a seven per cent cost reduction to be achieved during the year.

Our approach to delivering the savings is set out in pages 16-17 in the improving efficiency and reducing costs section. To support this NOMS will continue stringent internal financial management and scrutinise costs in-year to recover budgets that are not providing an effective return on investment.

The Specification, Benchmarking and Costing programme has specified all prison and probation services funded by NOMS and delivered to offenders, defendants, victims and courts. The service specifications define the outcomes and outputs required for a legal, safe and decent service that can be commissioned through SLAs and contracts. This work is now complete. The service specifications are accompanied by tools to support

1 Rounded to nearest 100

2 <http://www.justice.gov.uk/downloads/publications/statistics-and-data/mojstats/prison-pop-projections-2011-17.pdf>

providers, including non-mandatory operating models, benchmarked costs and spreadsheet tools. NOMS will build on this platform and further develop its service costing capability to provide tools that identify the actual costs of delivering the key services and enable comparison between providers. This will identify the most cost-effective service provision and be an integral part of investment decision making and budget allocations.

NOMS will continue the good progress on financial management and build on the recommendations from the review commissioned by the Public Accounts Committee and undertaken by National Audit Office, including improved costing and financial reporting.

The NOMS near cash budget for 2012-2013 is £3,401m (excluding depreciation and transfers to Other Government Departments).

The capital budget for NOMS for 2012-2013 is £34m. This funding is to cover basic maintenance, building management and replacement of vehicles and equipment. In addition to the delegated NOMS Budget, MoJ ICT and Estates have been allocated capital budgets which will cover investment related to NOMS requirements and infrastructure.

Staffing

We recognise that the changes outlined in this business plan will have a very significant impact on staff, in particular, the restructuring of prisons under the Fair and Sustainable programme and the changes needed to deliver the efficiency savings in prisons and at HQ. We have in place a range of tools and support mechanisms for managers and staff to help them through this sustained period of change, and our commitment to investing in skills and leadership development remains strong.

Our approach is to embed staff engagement into our normal ways of working, and we will continue to strive for greater levels of staff involvement in our transformation and change agenda. We will ensure visible leadership to all parts of the agency and its partners. This will comprise regular senior leadership briefings at all levels, supported by a range of engagement and feedback activity including surveys, cascade messaging, phone-ins, forums for the different functional areas of the Agency, directorate and team level 'listen to improve' sessions, and enhanced intranet and online communications and information provision.

We will continue to invest in our staff and provide a supportive environment in which all staff can play a full part in



delivering the ambitions set out in this business plan. We will continue to be a fair, open and honest employer that values differences and treats staff with dignity and respect. We will operate a zero tolerance approach to any violence perpetrated against our staff while at work. Delivery of our eight Strategic HR Priorities will result in improvements in the efficiency and effectiveness of how we lead and manage staff across the Agency and will drive our work to improve further our position as an employer of choice.

5. Equality

Background

The Equality Act 2010 requires public authorities to publish equalities objectives, aimed at ensuring compliance with the public sector equality duty – to give due regard to the need to eliminate unlawful discrimination; to advance equality of opportunity and to foster good relations. Aside from that legal requirement, the nature of the work of NOMS brings with it a need to ensure that we are treating those offenders in our care or under our control, plus those staff undertaking that responsibility, in ways which do not discriminate unfairly or unnecessarily.

This section sets out the NOMS objectives, which contribute to the broader Ministry of Justice equalities objectives. They are principally concerned with issues in prisons and for directly-employed NOMS staff. This is because probation trusts are employers in their own right, and are separately subject to the equalities legislation. They are therefore responsible for setting and publishing their own equalities objectives.

We published draft objectives in the NOMS Equalities Annual Report 2010-2011, and these have been slightly amended following the feedback that we received. Future NOMS Equalities Annual Reports will contain our assessment of our progress against these objectives, as well as other information on our performance on equalities issues.

Objective 1 – Equalities Monitoring Data: Offenders

- Collect accurate monitoring data on all protected characteristics for all offenders in prisons and in the community
- Collect and publish monitoring data on key outcomes for offenders
- Identify and where appropriate address disparities in outcomes for different groups
- In particular, further investigate less favourable outcomes for some minority ethnic groups reported in Equalities Annual Report 2010-11 and put in place actions to address them.

Objective 2 – Equalities Monitoring Data: Staff

- Improve declaration rates for monitoring data on all protected characteristics for directly-employed staff
- Collect and publish monitoring data on key outcomes for staff
- Identify and where appropriate address disparities in outcomes for different groups
- In particular, further investigate less favourable outcomes in the staff appraisal process for disabled and BME staff reported in Equalities Annual Report 2010-11 and put in place actions to address them.

Objective 3 – Disability: Prisoners with Learning Disabilities

- Ensure comprehensive screening is in place so that all prisoners with learning disabilities are identified
- Ensure that reasonable adjustments are made for all prisoners with learning disabilities.

Objective 4 – Disability: Reasonable Adjustments for Staff

- Improve declaration rates for disability among staff
- Ensure that reasonable adjustments are made for all staff disclosing a disability.

Objective 5 – Commissioning and Contracted Services: Effective Management of Equalities Issues

- Put in place measures – and equip commissioners and contract managers with the skills and knowledge necessary – to ensure that contractors are aware of and comply with our equalities policy statement and legal responsibilities.

Objective 6 – Women Offenders: Improve Outcomes

- Use gender-informed commissioning and targeted operational support to increase the ability of NOMS staff and partners to meet the specific and complex needs of women offenders

- Improve support for women in the criminal justice system through the provision of women's community services, providing holistic, gender specific services for vulnerable women in the community.

Ministry of
JUSTICE
National Offender
Management Service