

Skills and information workshops:

Transforming Rehabilitation (TR) Information Workshop

7 – 18 October 2013



Agenda

Welcome, housekeeping and introductions	10 mins	13.00 – 13.10
Update on TR procurement	20 mins	13.10 – 13.30
Rehabilitation revolution – the facts	20 mins	13.30 – 13.50
Q&A session	20 mins	13.50 – 14.10
Break	15 mins	14.10 – 14.25
In the mind of a prime	20 mins	14.25 – 14.45
Q&A session	20 mins	14.45 – 15.05
Break	15 mins	15.05 – 15.20
Self-assessment checklist	30 mins	15.20 – 15.50
Q&A session	10 mins	15.50 – 16.00

Update on TR procurement

- OJEU and PQQ went live 19 September 2013.
- Contracts to go live 'by 2015'.
- Negotiated process:
 - Tier 1 providers will be invited to briefings and dialogue sessions with the Authority prior to submitting bids.
 - The Authority may introduce additional dialogue and submission stages to the competition at its discretion.
- Timelines for overall procurement remain unclear – Invitation To Negotiate (ITN) likely to be released in December.
- Community Rehabilitation Companies (CRCs) will be central to contracts.
- The National Probation Service will be responsible for risk assessment of offenders and management of the highest risk offenders.

Update on TR procurement

- Providers will bid to deliver:
 - Management of in scope offenders in the community:
 - Caseloads will include offenders released from custody on a licence/supervision period; and offenders subject to Community Orders or Suspended Sentence Orders.
 - Resettlement support in custody and through the gate support for the 70 proposed resettlement prisons.
 - Management of risk of harm by offenders (escalating to the NPS as required).
 - N.B. the PQQ describes the above as being delivered by the CRC.
- If the Offender Rehabilitation Bill is passed by parliament Providers 'will have a very wide discretion to require [offenders] to undertake rehabilitative activities' (*TR PQQ*).
- Annual contract values range from £11.7 to £65.4 million.
- Contract length will be 7 to 10 years, with the option to extend by up to 3 years.

Update on TR procurement – process

Focus for Tier 1

Focus for Tier 2 & 3

PQQ

- OJEU contract notice and PQQ published 19 September 2013, bidder day held 3 October 2013.
- Potential Bidders submit PQQ specifying CPAs they are interested in and ranking them in order of preference 31 October 2013.

PQQ
evaluated

- Authority evaluates PQQ responses and shortlists Potential Bidders.
- Authority invites shortlisted bidders to reconfirm the CPAs they are interested in and order of preference.

ITN

- Shortlisted Potential Bidders are issued with ITN (invitation to negotiate) documentation outlining the requirements and terms of the ITN process.
- Briefings and bilateral feedback sessions with Potential Bidders to ensure understanding of the requirement.
- Potential bidders submit bids.

ITN
evaluated

- Authority evaluates and shortlists bids.
- (Authority reserves the right to introduce a BAFO, Best and Final Offer stage, to the competition).
- Authority announces Preferred Bidders.

Contract
award

- Contracts awarded.

**Stakeholder
engagement and
influencing of
Tier 1 (prime)
contractors**

**Opportunity to
be included in
Tier 1 proposed
service delivery
model.**

Update on TR procurement – CRCs

- Community Rehabilitation Companies (CRCs) will be:
 - Government owned companies – ownership will be transferred to Tier 1 providers awarded contracts with the Crown retaining a veto (special share).
 - Formed, one per proposed CPA, of Probation staff that do not transfer to the National Probation Service.
 - Given access to the Local Government Pension Scheme, interfaces with NOMS/MoJ IT systems, probation estate (for a limited period).
 - Subject to legislation (the Offender Rehabilitation Bill) being passed.
- CRCs are described by MoJ as being *'created to deliver the services currently provided by Probation Trusts'*.
- Tier 1 providers will be required to build supply chains that maintain CRCs intact.

Update on TR procurement – Market stewardship

MoJ has included Market Stewardship Principles and supply chain management as a key part of the Principles of Competition, including:

- Appropriate management of risk
- Visibility across the supply chain
- Recognition of good performance - supply chain to recognise good performance
- Applying the principles of the compact
- Robust contractual information - that will include an industry standard partnering agreement
- Authority contract and performance management

These will be embedded in both the competition and the approach to managing contracts.

Update on TR procurement – MoJ & CO support

[VCSE action plan](#) resulting in ACEVO, NCVO and Candour Collaborations delivering skills and information workshops across England and Wales. (MoJ)

[Justice Data Lab](#) enabling organisations working with offenders to access central re-offending data and help assess the impact of their work on reducing re-offending. (MoJ)

[The Centre for Social Action](#) providing at least £1m in funding to support organisations using social action in the rehabilitation of offenders. (CO)

[Investment and Contract Readiness Fund](#) provides funding for organisations wishing to bid for large contracts. (Now closed till January 2014.) (CO)

[Commercial Masterclasses](#) to develop the commercial skills of voluntary sector providers over 2 day sessions. (CO)

[Partnership Finder](#) is a supply chain and consortia directory for primes, commissioners and the VCSE. (CO and Clinks)



Rehabilitation revolution – the facts

Myth

It's all about reducing reoffending.

Rehabilitation revolution – the facts

Myth

It's all about reducing reoffending.

- Reducing reoffending is one objective, but not the only objective.
- There has been a lack of systematic research on probation supervision in England and Wales (NOMS Commissioning Intentions 2013-14, MoJ).

The case for a new approach is clear:

- *"From previous competitions for Offender Management services, we have seen... efficiency savings, which allows us to invest in support for short sentenced offenders and those who need it most."*
- *"Our proposals will be affordable within the context of the MoJ commitment to deliver annual savings of over £2 billion by 2014/15."*

Transforming Rehabilitation: A Strategy for Reform

Rehabilitation revolution – the facts

Myth

It's the Work Programme all over again. Only massive private companies can be primes and risk will be passed to the supply chain.

Rehabilitation revolution – the facts

Myth

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- Predominantly service fee, with an element of PbR.
- Defined industry standard contracts for both prime contractors and sub-contractors, and clearly embedded market stewardship principles.
- Services likely to be split into end-to-end and specialist much like Work Programme.
- Prime contractors are required to evidence significant financial capability (the ability to evidence funding of at least 50% of a CPA's annual contract value) to be shortlisted.
- Much greater focus on ensuring accuracy of assumptions and data.

ACEVO, Candour Collaborations and NCVO will be running a workshop on negotiation with prime contractors following TR ITN release.

Rehabilitation revolution – the facts

Myth

There will be loads of work for the VCSE. The contracts will fund lots of specialist services.

Rehabilitation revolution – the facts

Myth

There will be loads of work for the VCSE. The contracts will fund lots of specialist services.

The MoJ and NOMS are positive about VCSE involvement:

- *"the voluntary sector has an important contribution to make in mentoring and turning offenders' lives around"* .
- *"nothing we do will work unless it is rooted in local partnerships..."*
- *"organisations will need to provide evidence of how they would build and sustain local partnerships with local and community sector organisations"* .
- *"commercial agreements will include appropriate commercial clauses which facilitate co-commissioning"* .
- ESF funding targeted at the hardest to reach groups.

However – primes must build supply chains around the CRC and will compete on price; and the scale and pace of transition may mean that it takes a couple of years for smaller VCSEs to be introduced to supply chains, after financial stability and core delivery are secured.

Note: Core services for offenders currently paid for by LAs or OGDs will **NOT** be funded by TR providers.

Rehabilitation revolution – the facts

Myth

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Rehabilitation revolution – the facts

Myth

It will be paid on a binary measure. Nobody will pay for intermediate outcomes. We'll need complex investment arrangements like SIBs.

- Providers will need to achieve both a reduction in the number of offenders, and in the number of further offences.
- Services which have no evidential link to established theories of crime and desistance are unlikely to be contracted.
- Enthusiastic recommendation of programmes by participants, providers or influential supporters cannot replace a sound theoretical and empirical foundation.
- All providers (Tiers 1, 2 and 3) will need to demonstrate financial viability.
- A significant proportion of the contract is expected to be on a fee-for-service basis.

ACEVO, Candour Collaborations and NCVO will be running a workshop on unit costs and impact measurement following TR ITN release. NCP and Clinks are also providing support in this area – see 'contact details and links' below.

Rehabilitation revolution – the facts

Myth

TUPE may not apply / can be avoided.

Rehabilitation revolution – the facts

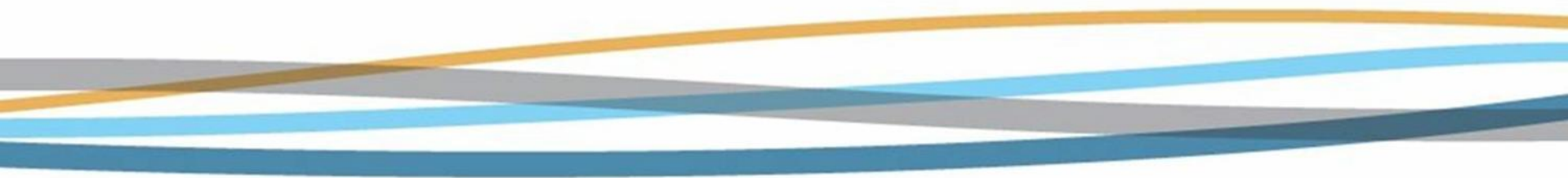
Myth

TUPE may not apply / can be avoided.

- TUPE will take place when CRCs are formed and on award/handover to prime providers
- The current probation service will be restructured into 21 CRCs and a National Probation Service.
- Ownership of the CRCs will pass to Tier 1 providers awarded contracts.
- CRCs transfer as 'going concerns' – staff maintain existing T&Cs.
- Whether or not TUPE may apply will depend on Tier 1 delivery models and whether their proposed supply chain will be fulfilling roles previously undertaken within another organisation.

ACEVO, Candour Collaborations and NCVO will be running a workshop on TUPE and pensions following ITN release.

Q&A



BREAK



In the mind of a prime

In bidding for any opportunity all prime contractors will consider:

- Can I evidence high quality delivery?
 - What will demonstrate credibility to the commissioner and key stakeholders?
 - How will I achieve the results (performance) I want?
- What will differentiate my bid from my competitors?
- Are my proposals competitive on price?
- How will I mitigate risk?

Potential subcontractors or delivery partners should be able to help primes to answer these questions and should not present a risk to the prime's chance of success in bidding or service delivery.

In the mind of a prime

Evidencing quality

A prime will want subcontractors who can demonstrate:

- A clear understanding of the opportunity.
- A strong track record of relevant service delivery.
- Past performance;
 - Contract performance with robust evidence.
 - Impact on reoffending rates, directly or through intermediate outcomes.
- Strong relationships with key stakeholders e.g. Commissioners, Probation, Prisons, PCCs, Local Authorities, etc.

In the mind of a prime

Differentiation from competitors

- Primes will seek to include partners that bring something unique to their service offer. This may include:
 - **Delivery methods** which demonstrate innovation / continuous improvement.
 - **Expertise with specific client group(s)** e.g. women, BAME, disability.
 - **Stakeholder relationships** which leverage resources / support.
 - **Reputation** for delivering high quality, effective services.

All of the above must be supported by evidence of success.
- Prime contractors may ask their prospective subcontractors for exclusivity agreements – don't sign up to these unless you are involved in co-designing a prime's delivery solution and are being guaranteed a seat at the top table; and even then consider them with caution.

In the mind of a prime

Price competitive

- More complex supply chains are more expensive to manage.
- Additional complexity to any delivery model must be matched by the (evidenced) value it brings.
- Primes will be working within an 'affordability envelope' that they judge capable of winning the contracts.

What added value would your organisation bring to a prime contractor's delivery offer?

Ensure that you understand your cost base and your own financial, commercial and operational risks prior to negotiating with primes.

ACEVO, Candour Collaborations and NCVO will be running a workshop on negotiation following ITN release.

In the mind of a prime

Risk mitigation

- Primes will look for delivery partners that are:
 - Financially stable.
 - Have a good track record in delivering relevant services.
 - Can evidence good performance.
- Primes are unlikely to include organisations or initiatives in their proposals that are not guaranteed to improve service delivery or secure cost savings.
- A prime may include organisations or initiatives that will differentiate their offer from competitors at a reasonable level of risk.
- Risks that primes will consider in relation to supply chain development are financial, commercial (including performance), and reputational.

In the mind of a prime

Example from G4S

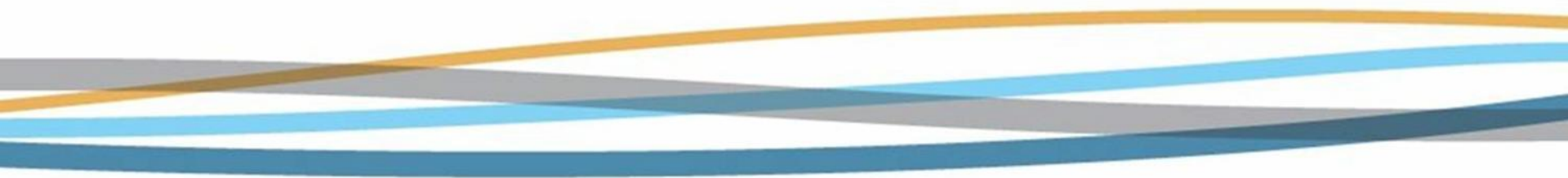
Read what Sean Williams, MD G4S employment support services, told NCVO about his priorities at NCVO's blog:

<http://www.ncvo-vol.org.uk/networking-discussions/blogs/18683/13/02/09/view-middle-motivations-prime-contractor>

Sean highlights that **successful provision:**

- **Is results driven...** both achieving and proving results as specified in the contract.
- **Involves picking the right providers** to start with. G4S are sector agnostic.
- **Requires robust performance management** – including sacking underperforming organisations as a final resort.

Q&A



BREAK



Self-assessment checklist

Roles within the competition

Tier 1 Providers: Organisations, consortia or mutuals able to bear a significant amount of financial risk who will take over the running of the Community Rehabilitation Companies (CRCs) as “going concerns”. Tier 1 providers will contract directly with the MoJ.

Tier 2 Providers: This tier could encompass larger VCSE organisations, mutuals or other private sector organisations providing services at scale to Tier 1 providers on a sub-contractor basis. Organisations within this tier are still likely to have a sizeable annual turnover and be required to bear an element of PbR risk.

Tier 3 Providers: Organisations delivering small scale specialist services and interventions to Tier I and II providers, with limited, or no requirement to bear PbR risk.

For themselves, material subcontractors and joint venture (or consortium) partners Tier 1 providers are required to provide:

- A statement of all relevant services provided in the last three years.
 - Performance certificates for the last three years.
- 

Participants must demonstrate	T1	T2	T3
They are in good financial standing.	✓✓✓	✓✓	✓
Access to funding equivalent to 50% of the annual contract value of any one lot they wish to bid for.	✓✓✓	✓	
They pass the "Grounds for Mandatory Rejection" (there are also "Grounds for Discretionary Rejection").	✓	✓	✓
Experience in funding and managing investments of at least £1 million.	✓		
Experience in successfully managing financial risk in a project or contract of at least £1 million.	✓✓	✓	
Experience in performing and managing related or relevant services to the core services.	✓	✓	✓
Experience in delivering a complex, large scale mobilisation and transformation project.	✓		
Experience in delivering cost effective IT solutions and management systems, in accordance with Government ICT Standards.	✓		
The ability to handle, store and exchange large volumes of sensitive personal data from diverse, multiple sources.	✓✓✓	✓✓	✓
Experience in handling protectively marked data to IL2 and/or IL3 levels or equivalent.	✓	✓	✓
They have operational policies in place for dealing with data loss and breaches in ICT security.	✓	✓	✓

Self-assessment checklist

Strategic considerations for all providers, e.g.:

- Do these contracts fit with the strategic direction of your organisation?
- Do these contracts cause any mission / value conflicts, for example:
 - All providers will be required to report potential breaches of compliance with sentence or license conditions which may result in referral to court, or recall to prison.
 - Sentence or license requirements may involve the enforcement of punitive or restrictive elements such as unpaid work, exclusion requirements or mandatory drug testing.
- Is your organisation willing to work with/for “for-profit” organisations?
- What is the potential reputational impact of engagement in these contracts to your organisation?

Self-assessment checklist

Commercial/financial considerations, e.g.:

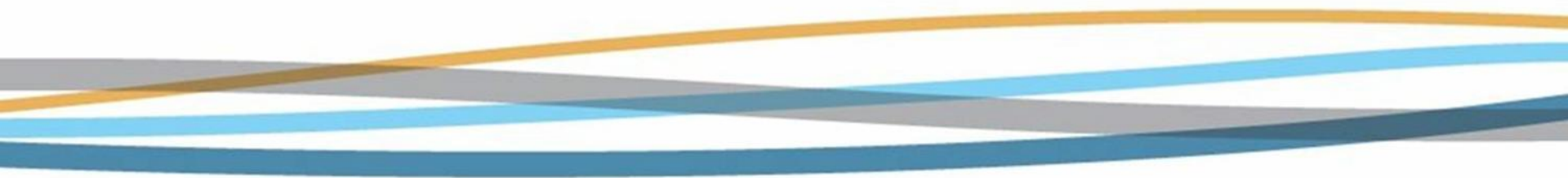
- Is your organisation financially sustainable without the aid of grants?
- Is your organisation willing to agree contracts which have clear performance requirements and expectations?
- Is your organisation willing to contract on a Payment by Results basis?
- Can your organisation manage cash-flow effectively?
- Is your organisation funded to deliver a service primes will seek to leverage in / access for free?
- Is your organisation willing to undertake a TUPE transfer?

Self-assessment checklist

Operational considerations, e.g.:

- Do the services your organisation delivers reduce reoffending either as a direct outcome, or indirectly through recognised intermediate outcomes such as employment, housing, or mental health?
- Can your organisation demonstrate a strong track of historical performance?
- Can your organisation leverage additional services, partnerships or funding to enhance the overall offer to primes?
- Can your organisation deploy resources effectively, and cope with fluctuations in service demand?

Q&A

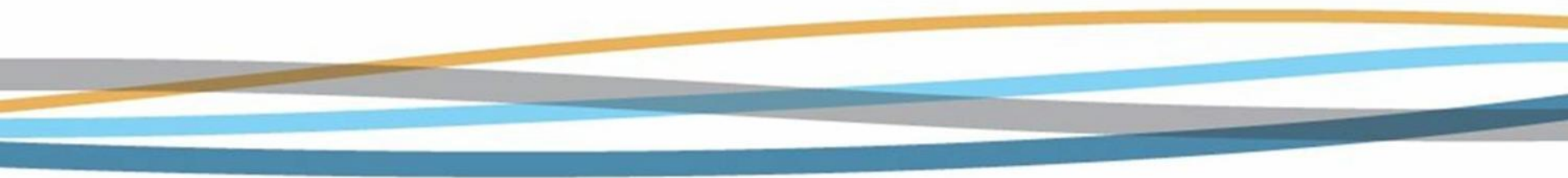


We will be sending you a survey to gather your feedback on this event. Please do let us know what you think.

You can also send any additional questions you may have to TRquestions@acevo.org.uk

Briefing packs including a full Q&A document will be published after this set of events at <http://www.acevo.org.uk/events--pd/moj-events>

Contact details and links



- Mike Harvey, Director Candour Collaborations
mike.harvey@candourcollaborations.co.uk
- Natasha Newson, Director Candour Collaborations
natasha.newson@candourcollaborations.co.uk
- Emily Jolley, Director ACEVO Solutions emily.jolley@acevo.org.uk
- Sally Gibbs, Associate Director ACEVO Solutions sally.gibbs@acevo.org.uk
- Ruth Breidenbach-Roe, Public Services and Partnerships NCVO
ruth.breidenbach-roe@ncvo-vol.org.uk

For any questions you have following this event contact
TRquestions@acevo.org.uk

Keep following developments on the MoJ's TR web pages at
<http://www.justice.gov.uk/transforming-rehabilitation>

NPC and Clinks have produced guidance on:

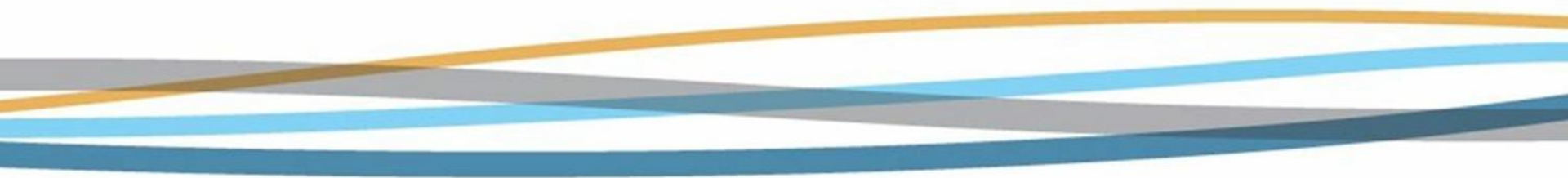
- Evaluation and effectiveness <http://www.clinks.org/support/evaluation-and-effectiveness>
- Guides to theory of change and the justice data lab: <http://www.clinks.org/support-evaluation-and-effectiveness/attributing-outcomes>

They also offer advice and guidance regarding evidencing impact via a free helpline (by appointment). Contact Jessica.Mullen@clinks.org for details.

Clinks and the Cabinet Office have also launched a 'partnership finder' <http://www.clinks.org/criminal-justice-transforming-rehabilitation/new-partnership-finder>

You can also find advice and guidance from NCVO at: <http://www.ncvo-vol.org.uk/advice-support>

Recommended reading



Offender Rehabilitation Bill

<http://services.parliament.uk/bills/2013-14/offenderrehabilitation.html>

Transforming Rehabilitation - A Strategy for Reform

<https://consult.justice.gov.uk/digital-communications/transforming-rehabilitation/results/transforming-rehabilitation-response.pdf>

OJEU Contract Notice

<http://www.justice.gov.uk/downloads/rehab-prog/competition/rp-ojeu-contract-notice-0913.pdf>

Principles of Competition document

<http://www.justice.gov.uk/downloads/rehab-prog/competition/moj-principles-of-competition.pdf>

Rehabilitation Programme – Target Operating Model

<http://www.justice.gov.uk/downloads/rehab-prog/competition/target-operating-model.pdf>

Payment Mechanism – Straw Man document

<http://www.justice.gov.uk/downloads/rehab-prog/payment-mechanism.pdf>

Transforming Rehabilitation: a summary of evidence on reducing reoffending

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243718/evidence-reduce-reoffending.pdf

Tier II and Tier III Registration Process

www.justice.gov.uk/downloads/rehab-prog/competition/tier-2-3-registration-process.pdf