

Title: Strengthening probation, building confidence IA No: MoJ013/2018 RPC Reference No: n/a Lead department or agency: Ministry of Justice Other departments or agencies: n/a	Impact Assessment (IA)			
	Date: 20/07/2016			
	Stage: Development/Options			
	Source of intervention: Domestic			
	Type of measure: Other			
Contact for enquiries: Lucy Storr				
Summary: Intervention and Options				RPC Opinion: Not Applicable

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANDCB in 2014 prices)	One-In, Three-Out	Business Impact Target Status
£m	£m	£m	Not in scope	Not a regulatory provision

What is the problem under consideration? Why is government intervention necessary?

The Transforming Rehabilitation reforms introduced changes to the probation system in 2014/15, including enhanced services to aid the rehabilitation of offenders and replacing 35 Probation Trusts with a National Probation Service (NPS) and 21 Community Rehabilitation Companies (CRCs). However, CRC contracts have faced difficulties as a result of lower case volumes than expected, higher fixed costs and an increasing trend in the frequency of reoffending, undermining standards of services. Government intervention is necessary to improve the quality of probation services and enable providers to deliver core offender management functions.

What are the policy objectives and the intended effects?

We want to stabilise probation and ensure the effective delivery of services until current CRC contracts end. We intend to end current contracts in 2020 rather than 2022 and, in the next two years, improve the delivery of through-the-gate services and introduce minimum standards for offender contact. We will explore how we could establish a more effective commercial framework in future, which ensures that providers are paid to deliver core services, promotes more effective engagement with key local partners and commissioners, and offers robust alternatives to short custodial sentences. In addition we intend to introduce alternative arrangements in Wales which better reflect devolved responsibilities and the local delivery landscape.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

We have considered but rejected the option of continuing to manage CRCs under existing contractual arrangements. We consider that amending current CRC contracts provides the greatest opportunity to stabilise delivery until 2020. We will then seek to implement improved arrangements which facilitate probation providers working more effectively with each other and wider partners to protect the public and reduce reoffending.

Will the policy be reviewed? It will not be reviewed. If applicable, set review date: Month/Year					
Does implementation go beyond minimum EU requirements?			Yes / No / N/A		
Are any of these organisations in scope?		Micro Yes/No	Small Yes/No	Medium Yes/No	Large Yes/No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:  Date: 24 July 2018

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised costs by 'main affected groups'

Due to the nature of the proposals in the consultation no costs or benefits have been monetised.

Other key non-monetised costs by 'main affected groups'

The proposals in the consultation would impact probation providers (both CRCs and NPS), wider HMPPS and other MoJ agencies such as HMCTS. There would also be impacts on offenders, victims and wider society. The overall costs would depend on the proposals taken forward and the current position of these groups and could therefore be different for different people within the same group e.g. for different CRCs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised benefits by 'main affected groups'

Due to the nature of the proposals in the consultation no costs or benefits have been monetised.

Other key non-monetised benefits by 'main affected groups'

The proposals in the consultation would impact on probation providers (both CRCs and NPS), wider HMPPS and other MoJ agencies such as HMCTS. There would also be impacts on offenders, victims and witnesses and wider society. The overall benefits would depend on the proposals taken forward and the current position of these groups and could therefore be different for different people within the same group e.g. for different CRCs.

Key assumptions/sensitivities/risks

Costs and benefits will depend on the proposals taken forward following consultation.

Discount rate

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying
Costs:	Benefits:	Net:	monetised costs)

Evidence Base (for summary sheets)

A. Background

Introduction

1. Probation services perform a vital role in the criminal justice system, working with offenders from their conviction at court until the end of their sentences – in some cases many years later. In *Strengthening probation, building confidence* we set out the immediate steps we are taking to stabilise the delivery of probation services in the next two years, as well as our longer-term strategy for improving the quality of supervision, rehabilitation and resettlement beyond 2020 and creating a more integrated system which works effectively with local partners. We also want to see greater use of community sentences in appropriate cases, which evidence suggests are more effective at reducing reoffending than short custodial sentences.

Problem under consideration

2. It is clear from our own assessments, and those of HMI Probation and other stakeholders, including the House of Commons Justice Committee, that in a number of areas the quality of probation services being delivered is falling short of our expectations. It is increasingly clear that our first-generation contracts with CRCs have faced particular challenges. Unforeseen changes in the volume and types of cases coming to court have contributed to a substantial reduction in CRC income which has made it extremely difficult for providers to invest in developing the range and quality of services they had intended to.
3. We took action last year to adjust CRC contracts to reflect more accurately the costs incurred by providers in delivering services, but we now believe we need to take more decisive action to tackle some of the challenges with these first-generation contracts and put probation on a more stable footing. Long-term trends in reoffending are substantially affecting providers' payment-by-results income, threatening to undermine the delivery of core services and prevent probation responding more effectively to the challenge of prolific offending.
4. We have therefore discussed ending CRC contracts earlier than anticipated with our current providers, with a view to putting in place improved contractual arrangements and wider system improvements. There is much we can learn from the current CRC contracts, including good practice we can build on as well as things we will want to do differently in future. We also intend to make a number of improvements to services now, including plans to invest an additional £22m per annum to enhance through-the-gate provision during 2019 and 2020, and requiring providers to meet a minimum standard of offering monthly face-to-face contact with offenders during the first 12 months of a sentence or licence period. In addition, we intend to adjust the frequency of reoffending measure so that this better reflects reoffending trends.

B. Rationale and Policy Objectives

Economic Rationale

5. The conventional economic approaches to Government intervention are based on efficiency or equity arguments. Governments may consider intervening if there are strong enough failures in the way markets operate (e.g. monopolies overcharging consumers) or there are strong enough failures in existing Government interventions (e.g. waste generated by misdirected rules) where the proposed new interventions avoid creating a further set of disproportionate costs and distortions. The Government may also intervene for equity (fairness) and distributional reasons (e.g. to reallocate goods and services to more needy groups in society).
6. The rationale for the current consultation is based on both efficiency and equity grounds: the current contracts need to be re-considered to ensure that they are effective and efficient while ensuring

that offenders are both consistently and fairly dealt with and that a stable and sustainable market for probation services exists.

Policy Objective

7. The policy objectives are to stabilise probation delivery until 2020, and then to introduce improvements to the quality of the services we seek from probation providers, introduce a broader range of performance and quality measures, improve system integration by increasing alignment and partnership working between probation providers, and enhance the involvement of key local partners to ensure that probation services are joined-up with other services and support local priorities. We also have a policy objective to introduce new delivery arrangements in Wales which better take account of the delivery arrangements and devolved political landscape in Wales. Through these improvements we hope to build confidence in community sentences as an alternative to short custodial sentences in appropriate cases.

C. Affected Stakeholder Groups, Organisations and Sectors

8. The groups most affected by the options in this IA are as follows:

- Community Rehabilitation Companies (CRCs)
- National Probation Service (NPS)
- HM Prison and Probation Service (HMPPS)
- HM Courts and Tribunals Service (HMCTS) and the Judiciary
- The Police and Police and Crime Commissioners (PCCs)
- Offenders
- Victims
- Wider society

9. The separate impacts of the consultation proposals for Wales are also considered.

D. Options Under Consideration

10. To meet the policy objectives, the following options are assessed in this Impact Assessment (IA):

- Option 1: do not amend the current CRC contracts;
- Option 2: amend CRC contracts and consult on proposals for reform.

11. The preferred approach is option 2 as this best meets the policy objectives.

Option 1:

12. This option would involve leaving current contracts to run until their current end date in 2022 without making any changes. This risks the financial challenges faced by providers manifesting in deteriorating performance, and it fails to take steps to improve the quality of key elements of the service. This option could put at risk the delivery of core probation functions and the effective protection of the public, and could compromise the Secretary of State's ability to fulfil the statutory duty to ensure the provision of 'sufficient' probation services across England and Wales.

Option 2: Amend CRC contracts and consult on proposals for reform

Key Measures

13. This option involves making a number of changes to CRC contracts, including: terminating contracts in autumn 2020, changing the frequency of reoffending baseline to 2015/16, enhancing through-the-gate delivery and introducing minimum standards for offender contact.
14. The consultation contains a range of proposals. These could be taken forward in a number of different combinations and to different degrees, and the overall impact on affected groups would depend on the exact nature of the proposal and the services that are currently delivered. This impact assessment is intended to be read alongside the consultation which contains the detail behind the proposals listed here.

Supervising offenders and delivering the sentence of the court

15. To improve the supervision and management of offenders we plan to:

- improve the **assessment** of offenders by reviewing processes and ensuring, as far as is practicable, a thorough and good quality assessment is built upon and follows an offender throughout their sentence;
- introduce **minimum standards** specifying the form and frequency of contact between offenders and their responsible officer; (We intend to amend current CRC contracts so that all providers offer face-to-face meetings with offenders at least monthly.)
- improve the delivery of **unpaid work** to ensure there are sufficient placements available for offenders and that these promote employment-related skills; and
- explore options to make **post-sentence supervision** more proportionate to an individual's sentence and their rehabilitative needs.

More effective rehabilitation of offenders

16. To improve the rehabilitation of offenders we plan to:

- improve the quality of **advice to court** so that it more effectively informs sentencing decisions, and promote engagement between courts and CRCs to improve **judicial confidence**;
- define the range and quality of services to be delivered as part of a **rehabilitation activity requirement**, and embed these in future contracts and service levels;
- increase the use of community sentences with **drug, alcohol or mental health treatment requirements** by testing a protocol in five areas across England;
- invest in gender-informed provision for **female offenders**; and
- improve the **data we collect and publish** on offenders' protected characteristics.

Preparing prisoners for life in the community

17. To improve the resettlement of offenders leaving prison we plan to:

- explore options for a **future model of resettlement** which puts offender managers in prison and the community at the heart of the process, and consider the resettlement services that may be required to support offenders; (We also plan to invest an additional £22m per annum now to improve current through-the-gate provision) and

- establish a **cross-government Reducing Reoffending Board** to bring key departments together to tackle the barriers to rehabilitation.

A workforce with the right training and skills

18. To enhance the skills and capability of the probation workforce we plan to:

- **develop a workforce strategy** which ensures providers can recruit and develop the staff they need to deliver good quality probation services; and
- **support staff to build careers in probation** by defining more clearly the transferable skills and competencies of responsible officers and introduce a professional register.

Improving system integration

19. To improve system integration, we plan to:

- **create 10 probation regions in England** and configure service delivery within each area, with a senior HMPPS leader responsible for joining up services and working with stakeholders;
- **invest in HMPPS digital services** to simplify data access and exchange and deliver improvement to IT systems; and
- explore options for the **commissioning of rehabilitation and resettlement services** which promote engagement and collaboration with local partners, and facilitate greater voluntary sector involvement in the delivery of probation services.

Working more closely with partners

20. To improve how probation works with partners we plan to:

- work with **voluntary sector organisations**, philanthropic trust funders and social finance organisations to explore how different approaches to commissioning could promote their increased involvement in the delivery of services to offenders;
- engage with **Police and Crime Commissioners** to consider how they can play a greater role in shaping rehabilitation and resettlement services and improving local collaboration with statutory agencies;
- work with **London and Greater Manchester** as part of existing devolution deals to co-design future probation services.

A probation system that works for Wales

21. To develop a probation system that works for Wales we plan to:

- **integrate the offender management functions** of the Wales CRC into NPS Wales so that a single organisation is responsible for managing all offenders, providing opportunities to improve services across prisons and probation; and
- **explore options for the commissioning of rehabilitation services in Wales** which reflect the local delivery landscape and the skills and capabilities of providers.

Driving performance improvement

22. To drive performance improvement in the probation system we plan to:

- explore options for **future contracts that would pay providers to deliver core services** while retaining incentives for innovation and performance improvement;
- explore options for the **key performance outcomes and measures** that probation providers should be judged against in future contracts and service levels;
- support **HMI Probation** to implement its new inspection framework which will see providers inspected and rated annually.

E. Cost and Benefit Analysis

23. This impact assessment summarises the main monetised and non-monetised impacts of the above consultation proposals on individuals and groups in the UK. The costs and benefits of each proposal are compared to the “do nothing” option, Option 1. As option 1 is being compared to itself, its costs and benefits are zero, as is its Net Present Value (NPV).

32. Impact assessments place a strong emphasis on valuing costs and benefits in monetary terms. However, there are often important aspects of a policy that cannot readily be monetised – e.g. the effects on particular groups in society or changes in equity and fairness.

33. However, given the early stage of the consultation proposals we have not monetised any costs in this impact assessment. Instead we set out a qualitative discussion of the potential costs and benefits that each of the impacted groups might face.

Option 2: Amend contracts and consult on proposals for reform

Impacts of consultation proposals for changes to the probation system from 2020 onwards

Contracted probation providers

34. The largest impact is likely to be on CRCs who provide probation services to low and medium-risk offenders on behalf of the Ministry of Justice. The expectations under new commercial arrangements would be different to the current contracts and the contractual arrangements, including how providers are paid, are also likely to be different. CRCs currently have different operating models, ways of working and local arrangements that mean the exact impact on each provider is likely to be different and could be positive or negative depending on their current arrangements. Any new contracts would be offered in a competitive procurement process, meaning there is the potential that some current providers may no longer operate in the future, and some new providers could enter the market.

35. Proposals in the consultation around levels of offender contact have the potential to shift CRC resources to different groups of offenders or to different periods in an offender’s interaction with the CRC. It is also proposed that a minimum level of contact introduced. For current contracts it is intended to introduce a minimum standard of monthly face-to-face meetings for the first 12 months. The overall impact of this to the CRC would depend on their current operating model and how frequently they currently see different types of offenders. The potential increased cost associated with the minimum levels of contact could be offset by proposals to consider more proportionate post-sentence supervision arrangements, or potentially by the appropriate use of remote supervision in appropriate circumstances. The consultation also proposes to change the payment mechanism in any future delivery arrangements to guarantee that the reasonable costs of delivering core probation services would be met.

36. The consultation proposes that future providers would focus on core offender management activity and seeks views on how rehabilitation services could be commissioned in the future involving probation providers and Police and Crime Commissioners (PCCs). This would enable staff to focus on the central offender management processes. It could have negative impacts on CRC staff who currently deliver these rehabilitation services, especially in a transitional period. However, this should result in services that better reflect the rehabilitative needs of different cohorts of offenders.
37. In order to assess the effectiveness of changes made (e.g. enhanced RAR specification) the consultation mentions the need for additional output and outcome measures. This would have an impact on providers in terms of time spent capturing and recording information. The extent of this impact would vary across providers as some currently record more information than others. Proposals around a new payment mechanism that seeks to cover reasonable costs of delivering services could help offset this impact although details are at an early stage. The benefits of increased performance and offender data would impact on all service providers.
38. The proposed workforce changes, including a national professional register and a training framework, is likely to provide more consistency and clarity on the conduct and skills of probation provider staff. Whilst increased competency and skills guidance may reduce the number of applicants that are successful, this is likely to be offset by the expansion of the probation qualification framework (PQip). Whilst more people are gaining access to the probation process (4,000 people applied in the last cohort, as opposed to 750 previously) the increased specification of the skills that are needed is likely to improve provider performance in terms of consistency and quality. They may face some transitional costs adapting to new process and frameworks.
39. The existing workforce delivering probation services to low and medium risk offenders would be affected by the early end to current CRC contracts. Whilst many of the existing CRCs may bid to deliver elements of a future model, there may be some that do not. The result of this would be further uncertainty and change for such staff members as they transition to a new provider. However, it should be noted that current contracts were due to end in 2022 originally and the timeline has just been brought forward.
40. A benefit of improving the quality of pre-sentence reports may be to increase the use of and confidence in community sentences by judges and magistrates. A potential impact of this would be an increased number of community sentences, which could increase community sentences allocated to probation providers, though this could be offset by a reduction in licence cases allocated to them. The overall impact is uncertain, however as stated above the consultation proposes to change the payment mechanism for providers to guarantee that the reasonable costs of delivering core probation services would be met.

National Probation Service (NPS)

41. The NPS delivers probation services that include advice to court, victim liaison and supervision of high risk offenders. The NPS would be impacted by a variety of the proposals and, similar to CRCs, the exact nature of the impact would depend on the overall proposals agreed and the ways different NPS areas are delivering services currently.
42. Proposals around levels of offender contact have the potential to shift NPS resource to different groups of offenders or to different periods in an offender's interaction with the NPS. The overall impact on this is likely to be different for different cohorts of offenders and depends on the final proposals agreed.
43. Court-based NPS staff, who provided approximately 130,000 pre-sentence reports in 2017, will be impacted by the roll-out of the Effective proposal tool. This should support them making the most

effective recommendations on sentences and improve the use of some programmes and requirements that are known to be effective at rehabilitating offenders – e.g. treatment requirements.

44. The continuing recruitment of new staff should have positive impacts for the NPS as a whole and especially in areas facing high workloads as a result of difficulty recruiting. New plans around skills and training should also better support NPS staff to achieve their objectives around supporting and rehabilitating offenders. They may face some transitional costs adapting to new process and frameworks.
45. The consultation proposes that contracted providers would focus on core offender management activity and work jointly with the NPS, PCCs and others to co-commission rehabilitation services. This would give the NPS a greater role in co-commissioning these services and could result in services that better reflect the needs of NPS cohort offenders.
46. Greater alignment between contracted providers and NPS has driven the proposal for 10 probation areas in England. The impact of this would differ by NPS division as some (London) correspond to one CRC whereas others correspond to multiple (up to five in the case of the North East NPS). For those with multiple corresponding CRCs the impact would be a simplified working environment in which referral processes are clearer and relationships with future delivery partners are stronger. There will be some costs associated with moving from the current six English NPS divisions to a future model of 10 divisions in England. There is the potential for the transition to affect morale of NPS staff as staff have already adapted to significant change as part of the introduction of Transforming Rehabilitation reforms. However, a well-managed transition to the new structure and clear communications throughout would help to mitigate these risks.
47. A new national register for probation staff, including a process for removing staff from the list in specific circumstances, would likely have some transitional costs while it is established and while staff and others become familiar with it. It would require ongoing support to ensure it remains up to date and this is also like to create some cost. The specifics of how this would work are yet not developed.

HM Prison and Probation Service (HMPPS)

48. NPS forms part of HMPPS, with prisons being the other major part. New offender management arrangements in custody (OMiC) would result in closer working between prison and probation staff and have the potential to result in a reduction in duplication of activity, better recording and sharing of data and a stronger focus on resettlement activity as part of sentence planning activity. If HMPPS leaders in each probation region contribute to or lead the commissioning of rehabilitation activities, this has the potential to promote co-ordination with other HMPPS services and activity (e.g. in prisons) and could bring further efficiencies.
49. Where more effective probation services can better develop relationships with offenders and support rehabilitation there is the potential to reduce breach and recall levels. Of the 5,650 recalls between October-December 2017, 5,430 (96%) were returned to custody by 31 March 2018. Therefore, as recall and breach can result in a custodial sanction, there could be a longer-term benefit to the prison system.

HMCTS and the Judiciary

50. One of the aims of the probation service is to deliver the sentence of the courts. The proposals set out in the consultation strive to better serve the needs of the court and improve sentencer confidence in the system.
51. The roll out of the Effective Proposal Tool to court based NPS staff will allow them to improve recommendations to sentencers (approximately 130,000 pre-sentence reports produced in 2017) giving judges and magistrates better quality advice on which to base their sentencing decisions.

52. Breach and recall of offenders serving community sentences and on licence following custodial sentences return to the court for attention of the judiciary to determine an appropriate sanction. As stated above, between October and December 2017 there were 5,650 recalls. Changes to probation services to better support and rehabilitate offenders has the potential to reduce breach and recall and could therefore have a longer-term impact on cases coming to court.
53. Proposed enhanced RAR specifications are intended to assist sentencers when determining whether a RAR is required and assigning a number of RAR days as a condition of an offender's sentence. Therefore, the increased level of guidance on how RARs should work would be likely to impact on the ease with which sentencers can deliver their work and have confidence in the sentences they impose.

Police and Crime Commissioners (PCCs)

54. The consultation proposes that PCCs have greater involvement in probation services, including the potential for them to co-commission rehabilitative services for offenders. This could bring benefits to PCCs and offenders through better commissioning of services that reflect the local landscape, especially for certain cohorts of offenders – e.g. female offenders.

Offenders

55. Offenders may experience different impacts from the proposals within the consultation. Some offenders might be impacted by changes to the profile of contact and supervision with probation staff depending on the current supervision they are receiving. They may perceive increases or decreases to supervision frequency or timing either positively or negatively, though any changes to post-sentence supervision would be based on an assessment of risk and need, so the outcome should be positive. There would be an increased focus on resettlement services which should see greater support for those leaving prison to find accommodation on release. The overall aim of the reforms is to provide more stable and effective probation services that are able to support offenders' rehabilitation, and therefore offenders should see positive impacts from the reforms overall. The increased focus on health treatments and joint commissioning of resettlement services should support offenders to access the services they need, including maintaining access to services as they move from prison to the community. These proposals aim to support an offender's rehabilitation – not just to reduce reoffending – but also support them to improve their health, education and employment outcomes.
56. Future delivery arrangements would also seek to improve services for some cohorts of offenders who might require a tailored or specialist approach e.g. female offenders or those with learning difficulties, health needs to black and minority ethnic (BAME) offenders. Proposals in these areas should have a positive impact on these cohorts of offenders.

Victims

57. The NPS has a role in supporting victims and witnesses. While the consultation does not propose changes to how probation works with victims, a reformed probation system should deliver benefits to this group through more effective delivery of the sentence of the court and improved public protection and rehabilitation.

Wider Society

58. The aim of the consultation and reforms is to stabilise and improve delivery of probation services to better realise the aims of probation to rehabilitate offenders, reduce reoffending and protect the public. A more effective probation system would therefore deliver benefits to wider society.
59. Based on previous work by the Home Office, the National Audit Office has estimated the cost of reoffending in the UK in 2007-08 to £9.5bn to £13bn per year. Based on this, the Ministry of Justice

estimates that the annual cost to society of reoffending is up to £15bn per annum in current prices. This estimate includes costs individuals face in anticipation of crime and as a result of crime, as well as the costs to government and the criminal justice system of dealing with crime. A more effective probation system that was able to reduce reoffending would reduce this cost to society and offer better public protection.

Wales

60. An alternative delivery model has been proposed for Wales in the consultation document. The NPS in Wales would assume responsibility for the management of all offenders – high, medium and low risk. In the most recent data (December 2017) the caseload of the NPS in Wales was 6,900 and the caseload for the CRC in Wales was 9,200. In the new model NPS would be responsible for delivering all core offender management activities, including providing advice to court, conducting risk and need assessments, sentence planning, and managing enforcement and recall. Probation staff currently delivering offender management services for low and medium risk offenders for the Wales CRC, would transfer to the NPS. The provision of additional services, that support resettlement and rehabilitation, would be competed out for external providers to deliver.
61. The CRC in Wales would be affected by this change to the structure of the probation system, alongside all potential providers of resettlement and rehabilitation services. Although there would be a change in the services which are put out to competition, by continuing the collaborative work of HMPPS Wales and the Welsh Government to improve the commissioning process, there is the potential to increase the opportunity for the third sector, private providers and others to deliver probation services. The Welsh Government has legislative competence in respect of health, housing, social welfare and education, which means that the supply chain landscape of probation services is distinct from England. Therefore, although there are commercial implications for the existing CRC, the impact on providers is expected to be positive.
62. The intended impact on offenders is that there would be an improvement in the level of services provided. Again, through a commissioning process that is more appropriate for Wales, the changes would streamline the way that rehabilitative services are identified and delivered. This means that offenders could have improved access to the specific resettlement and rehabilitation services that meet their needs. Furthermore, better integration of prison and probation services under HMPPS Wales is likely to aid the successful transition of offenders from custody to community.
63. There is a risk that the substantial change in the size and mix of the cohort of offenders managed by the NPS in Wales would have an impact on the level of service provided to offenders. However, a shift in budget allocation from the CRC to the NPS could offset this, meaning that the NPS would be fully equipped to manage the larger cohort.
64. The other options proposed in the consultation would also impact offenders, providers and the NPS in Wales, as discussed elsewhere in this document.

F. Assumptions and Risks

65. In the table below, we set out some of the key assumptions we have made and the potential impact if that assumption is not accurate.

Assumption or risk	Impact of assumption not holding
We have not included any potential wider system impacts that may change demand levels for services or the	These could have a wide range of impacts on the system for different users.

availability of resources to meet that demand.	
We have assumed that use of the effective proposal tool results in changes to the programmes and requirements recommended but does not affect the overall distribution of sentences – e.g. increased use of custody.	Changes to the overall distribution of sentences could have positive or negative impacts on the system depending what the change was.
We assume that a stable and more effective probation system better rehabilitates offenders and has an impact on outcomes and reoffending.	As some proposals are untested there is not robust evidence to base this assumption on and we are reliant on the wider evidence base. Benefits in this area could be diminished or delayed.
Greater specification of services still allows for innovation by probation providers and adaptation to latest evidence of best practice. Changing the commissioning process for rehabilitation services and the alternative delivery model in Wales does not hinder innovation.	There could be limited future innovation or difficulty adapting to best practise if there is not sufficient flexibility in the future approach to commissioning and contracting.

G. Wider Impacts

66. In developing these policy proposals we assessed their potential equality impacts in line with the public sector equality duty.