



Treasury Minutes on the Seventh to Ninth Reports from the Committee of Public Accounts 2004-2005

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**Presented to Parliament by the Financial Secretary
to the Treasury by Command of Her Majesty
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TREASURY MINUTES DATED 15 JUNE 2005 ON THE
SEVENTH TO NINTH REPORTS FROM THE COMMITTEE
OF PUBLIC ACCOUNTS, SESSION 2004-2005

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Seventh Report

Foreign and Commonwealth Office

Visa Entry to the UK: the Entry Clearance Operation

PAC conclusion (i): UKvisas has made significant progress in streamlining the processing of visa applications, but there needs to be more robust quality control by managers of the quality of decisions. In particular, more use could be made of peer review and consistency checks, and this should be reflected in guidance to staff.

1. UKvisas welcomes the Committee's recognition of the value of streamlining. We agree that quality control is crucial. We will enhance training on decision making for Entry Clearance Officers (ECOs). Entry Clearance Manager (ECM) induction training will be expanded and a greater emphasis given to all areas of management, including quality control and assurance. To support ECMs we will be recruiting a network of Regional Managers. Their remit will include the dissemination of Best Practice to improve consistency, local and regional training, and the promotion of good management practice. We will free up additional resources to give more time for decisions to be reviewed by ECMs.

2. UKvisas is continuing a dialogue with immigration judges over quality of refusal decisions in cases which attract the right of appeal, including participation in training sessions for immigration judges and facilitating visits to overseas posts. Separately the changes to the appeals system envisaged in the five year plan will mean that the role of the Independent Monitor for entry clearance refusals without the right of appeal will change significantly. Ministers have agreed to change the terms of reference of the appointment to reflect this and to allow us to respond more quickly to lapses in quality where they are identified by the Monitor. In parallel, we have appointed a new member of staff with Entry Clearance experience to oversee quality issues, who will take up her position in the summer. UKvisas is playing a full part in a study of end to end quality (covering initial decisions to appeal outcomes) led by the Department for Constitutional Affairs.

PAC conclusion (ii): UKvisas should examine if more time is required for rigorous scrutiny of applications. UKvisas' benchmark is that, on average, every officer should process a visa application every 11 minutes. Some applications can be dealt with quickly but an average of 11 minutes seems scarcely sufficient to review application details and supporting documentation, let alone to carry out additional checks to verify the authenticity of the documentation.

3. Maintaining a tight control has always been the priority. Despite rapid rises in global demand, the overall refusal rate has risen from 13 per cent two years ago to about 18 per cent today. But there is no fixed global benchmark for the time taken to scrutinise applications. Individual posts may set targets based on local circumstances. Straightforward applications e.g. from travellers who have previously been to the UK and have complied with the terms of their visa, can be processed rapidly. This allows more time to be devoted to cases needing careful consideration.

4. More complicated applications and those where checks are required have always taken much longer to process; often several days. However, in recognition of the growing complexity of many cases and to ensure that ECOs do not feel under pressure to decide cases too quickly, UKvisas has been operating under a new PSA target regime from April 2005. This will allow 15 days to decide applications requiring checks or an interview. The previous target allowed 10 days for cases requiring interview.

PAC conclusion (iii): Using risk assessments to target resources where they will have most effect should become the rule rather than the exception. Risk assessment units have currently been established in only a small number of key posts, although UKvisas is extending the number of these units. Risk assessments need more and better intelligence information for assessing applications. Databases maintained locally and in the United Kingdom should contain complete and up-to-date information on suspect or criminal activity, and details of previous visa applications.

5. UKvisas agrees with the Committee's conclusion. Risk assessment is now part of UKvisas' core business and is crucial to maintaining a strong control. Working with the Immigration and Nationality Directorate's (IND) Intelligence Service, UKvisas have already recruited staff for 12 new Risk Assessment Units (RAUs) in high-risk countries, which should largely be operational by the summer. These will build on the success of those already established in Beijing and Kingston, which have enhanced the control. Key posts already receive a monthly INDIS intelligence digest giving details of immigration abuse and immigration-related crime. Work is continuing on providing the best possible information to visa sections, including new resources to help detect forgery. UKvisas is also actively involved in enhancing databases. The Central Reference System provides information on all applications and is available to Home Office staff and e-Borders.

PAC conclusion (iv): 50 per cent of appeals by applicants intending to visit family members in the United Kingdom have led to the original decision being overturned in the appellant's favour. Indicators which UKvisas could use to provide more information for monitoring purposes on the quality of decisions include analyses of refusal rates, appeal outcomes and the number of decisions which are overturned following management review. Such analyses could highlight differences between posts and categories of application, and trends across years, in the consistency and quality of decision-making.

6. As set out in the response to conclusion (i) above, UKvisas is working hard to improve decision making through enhanced training on decision making for both ECOs and ECMs, a dialogue with immigration judges, and planned additional resources to give more time to review decisions.

7. There are a number of factors which can affect the outcome of appeals, including the long time lag between the ECO refusing the visa and the appeal being heard, which allows the applicant to correct any flaws in the application. In the case of family visitors the presence of the sponsor at the appeal hearing has been identified by Home Office researchers as a crucial factor affecting the outcome, as the sponsor can give evidence and make guarantees (which are unenforceable in law) as to the applicant's intentions. It is important to bear in mind that while the applicant's intentions are paramount, the adjudicator never sees the applicant, while the ECO only rarely sees the sponsor.

8. The Single Tier of Appeal, which commenced on 4 April, should address the problem of delay, as the appeal process should be faster for all applicants. Proposed changes in the five year strategy to limit family visitors to paper appeals rather than the existing option of oral hearings will inter alia ensure that the adjudicator and the ECO are considering the same evidence.

PAC conclusion (v): There is currently no systematic check on whether visa holders comply with the conditions of their visa once they are in the United Kingdom. So UKvisas is not able to evaluate whether it is achieving its objectives in entry clearance. The Home Office's 'e-Borders' programme is intended to provide the facility to electronically track everyone entering and leaving the country. The Home Office and UKvisas should use this information to provide systematic feedback to entry clearance staff on when visa holders leave the United Kingdom.

9. UKvisas accepts this conclusion. UKvisas is a partner in the e-Borders programme. We have seconded staff to Project Semaphore, a proof of concept for e-Borders, which is monitoring an increasing number of air transport routes to and from the United Kingdom. Through participation in Project Semaphore, UKvisas will be able to capture movement data on visa holders and use this to provide feedback to posts overseas on compliance with visa conditions. As the programme expands, so will the ability to assess performance. Ultimately, the e-Borders programme will provide comprehensive passenger movement data for all travellers into and out of the United Kingdom. This will enable systematic cross matching with the UKvisas Central Reference System, which records details of all visas issued.

10. UKvisas is also working closely with IND on a range of exercises, including at selected embarkation points within the UK, to check whether visa holders comply with the conditions of their visas.

PAC conclusion (vi): Meanwhile UKvisas, together with the Home Office, should carry out more tracking exercises to establish whether visa holders comply with the terms of the visa. In addition to tracking exercises for particular categories, the Home Office and UKvisas should use statistically based sample checking to provide an overall estimate of the number of people who are not complying with the terms of their visa.

11. The Home Office and UKvisas will continue to use tracking exercises and other measures to monitor compliance by visa holders. UKvisas' participation in Operation Semaphore will enable us to use statistical information gathered from monitoring a limited number of routes, to begin to estimate the numbers of people not complying with the terms of their visas. We will use that information to provide feedback to posts overseas. A visa issuing task force has also been established to evaluate performance.

PAC conclusion (vii): 100 out of 400 colleges cited by 'students' in visa applications have been found to be bogus. The Home Office is only now compiling a list of approved colleges. It also needs to establish a programme of checks on whether students actually attend the approved colleges after entry into the United Kingdom.

12. On 1 January 2005 the DfES Register of genuine educational providers was introduced to ensure that visa applicants could only apply to genuine colleges. To further enhance the Register the Home Office is currently working closely with DfES and education sector stakeholders to introduce a compulsory system of notifications of non-attendance. The Government's Five Year Strategy for asylum and immigration suggests measures that could see institutions acting as sponsors and where there is evidence of previous abuse students or their sponsors may be required to pay a financial bond. The new Joint Education Taskforce which has extensive stakeholder representation will be the forum for consultation on these measures.

PAC conclusion (viii): UKvisas should identify and disseminate good practice methods of accepting and processing applications to encourage more systematic improvements in efficiency. It should review working processes in each country, and promote models for wider adoption in guidance to staff.

13. UKvisas agrees with the Committee's conclusion. We have already strengthened operations and policy teams to help posts deliver increased efficiency. We are currently conducting a full review of our streamlining initiatives to identify those measures that have been most effective and to assist us to roll these out to improve efficiency in all our posts. As mentioned in response to conclusion (i) above, our plans to recruit a network of regional managers will mean that we will be able to provide more support to visa sections, particularly those whose size does not warrant a full time visa manager.

14. A growing number of visa sections are operating with the help of outsource partners. This increases efficiency and provides a better service to the applicant. We have also developed postal and on-line applications to the same effect in posts where it is not possible to identify a viable outsource partner. As we are currently doing with streamlining, we intend to take a strategic look at the visa application process to develop a portfolio of approved application methods that are fit for local operating conditions and flexible enough to meet future demand.

PAC conclusion (ix): UKvisas should predict future demand for visas, identifying where the risks and constraints lie, to assist it in deploying resources to meet demand. A modest capital budget, allocated to UKvisas for small-scale improvements, would enable it to tackle accommodation problems, which are causing bottlenecks at visa sections.

15. UKvisas agrees with this conclusion. UKvisas already utilises a forecasting model to predict demand, but is working with the Home Office to develop this further. This will assist in anticipating demand across the end-to-end business of IND. Many factors influence demand and those such as economic issues or legislative change will play an increasing role in demand forecasting for certain countries and will be factored into the model. However, there are other, unpredictable factors such as social unrest or terrorism, which can also have a significant impact on demand levels. This means that it can be difficult to predict demand with total accuracy.

16. UKvisas already has access to a limited amount of capital for small-scale improvements to accommodation and is working closely with the Foreign and Commonwealth Office and the Home Office to try to identify solutions for improving the visa estate. We are also continuing to implement a range of efficiency measures, such as outsourcing the routine administrative processes associated with visa applications, which relieves pressure on visa section accommodation.

PAC conclusion (x): The Home Office should not have dismissed objections from visa staff in Bulgaria and Romania to granting visas on the basis of standardised business plans, of which the applicants had no knowledge. The Home Office should have obtained legal advice on whether its interpretation of legal precedents was correct. It now needs to focus on removing individuals who have not set up a valid business.

17. The Sutton Report identified shortcomings in the handling of ECAA applications, and these have now been addressed. We have implemented all the recommendations in the Sutton Report which has resulted in a complete overhaul of the way decisions are taken both at post and in-country. Those who entered the UK under ECAA need to submit applications for further leave to remain after 12 months in the UK. Such applications will now need to be decided under the new, more robust guidance which was published on 12 January this year (available on the UKvisas website). If they are judged not to have successfully established themselves in business, their applications to remain will be refused.

PAC conclusion (xi): As a joint Home Office/FCO body, UKvisas should facilitate better communication between its parent departments, including face-to-face communication.

18. The report recognises improvements in this area. UKvisas now sits on key decision making bodies in both the FCO and Home Office. The FCO Minister for entry clearance sits on the IND Ministerial Supervisory Board and both he and the Home Office Immigration Minister sit on the UKvisas Joint Ministerial Committee. Communication has thus been enhanced. This is reflected in the HMG five year asylum and immigration strategy, which UKvisas played an active part in drafting.

PAC conclusion (xii): Disciplinary procedures are under way in respect of staff who challenged shortcomings in the administration of the European Community Association Agreements scheme. We note that no action has been taken to discipline those who ignored or tolerated those deficiencies.

19. An internal investigation was conducted by the Senior Director Human Resources, IND, into whether further management action was necessary following these events. Appropriate management action has been taken, both as regards the performance of individuals and to strengthen the management of the relevant part of the Immigration & Nationality Directorate. It would not be appropriate to comment further on the position of individuals involved.

20. The Sutton Report examined the issues surrounding the administration of the ECAA scheme. Improvements in the management structure have resulted, including a series of task forces to ensure close monitoring of the operation of all managed migration schemes.

PAC conclusion (xiii): The Departments should establish proper procedures for reporting concerns to the appropriate internal authority, particularly where there is more than one Government department concerned. These procedures should be clarified and disseminated to staff. Departments should also ensure that all staff are aware of the correct channels for making disclosures under the Public Interest Disclosure Act.

21. The Home Office issued a new Notice to staff on 17 December 2004 (HON 160/2004) which set out the policy on whistleblowing and arrangements for raising matters of concern in confidence with a nominated official. (This HON replaced earlier Notices issued in 2000 and 2003). The Notice summarises the Department's policy on whistleblowing and matters of conscience; encourages staff to report wrongdoing wherever it might occur in the Home Office; explains the arrangements for raising matters of concern in confidence with a nominated official from outside the management line or direct with the independent Civil Service Commissioners; and explores the effect of the Public Interest Disclosure Act (PIDA) 1998.

22. Other internal channels exist for staff to raise matters of concern. The first stage is for the officer to raise their concern with their Line Manager, Management Officer, Deputy Head or Head of Post/Department either orally or in writing. If the officer concerned feels unable to raise their concern with the management at Post or in the department, they are able to contact either the Financial Compliance Unit (contactable around the clock via the FCO Response Centre), the Conduct and Employment Law Advice Section or the Local Staff Management Unit of HRD – Employment Policy.

23. These procedures for reporting concerns are in line with the best practice recommended by the Committee on Standards in Public Life and include information on the protections in place for staff making disclosures under the PIDA. Guidance concerning fraud and PIDA is issued annually by the FCO Financial Compliance Unit. In line with Cabinet Office guidelines, the FCO has recently issued guidance to staff relating to Nominated Officers i.e. officers outside the management line to whom civil servants can turn if they have concerns that they are being asked to act in a way which is inconsistent with the Civil Service Code. These guidelines restate the procedures for raising a concern. Staff can also turn to an external body, the Civil Service Commissioners.

Eighth Report

Ministry of Defence

Battlefield Helicopters

PAC conclusion (i): The formation of the Joint Helicopter Command has led to efficiencies in the deployment of battlefield helicopters. Previously capabilities were duplicated when the three services independently deployed helicopters on operations. For example in Bosnia in 1996 40 per cent too many helicopters were deployed.

1. The Department agrees with this conclusion. The Committee has quite rightly identified the way in which the Strategic Defence Review initiative to form the Joint Helicopter Command (JHC) has resulted in a far more efficient delivery of helicopter capability. This is even more impressive when taken against the backdrop of the very high tempo of operations it has supported since its formation.

2. The JHC has achieved considerable efficiencies against legacy practices, through offering an increased focus to the joint employment of UK battlefield helicopters, and through harmonising operating and engineering standards across the single Services.

PAC conclusion (ii): The Department is seeking to harmonise further single-Service practices in training and airworthiness. Although these are common airworthiness regulations, responsibility for applying them remains with the three Services. The Department should review whether having a single organisation that decides whether a helicopter is airworthy and can enter service would be preferable to current arrangements.

3. The Department conducted a Joint Review of Airworthiness, undertaken by the Defence Aviation Safety Centre, which reported in November 2004. The review confirmed that joint regulations are in place for ensuring the airworthiness of helicopters, but that the single Services act as individual Release to Service Authorities (RTSA), involving the provision of clear statements that the aircraft is airworthy and fit for purpose.

4. The review examined the requirement for a joint RTSA and recommended that it would be preferable to maintain the individual Service organisations, but that their RTSA processes should be rationalised to achieve a common standard of output. This rationalisation process will be complete by late 2005.

5. The utility and the equipment fitted to each aircraft, and the roles they are required to perform are distinct between the services. The report showed that having three separate Service RTSA is the most effective way to ensure that the relevant airworthiness expertise is applied to each aircraft. These experts do not solely provide airworthiness information, as they usually perform several functions for their respective organisations. To establish a joint RTSA would, therefore, require duplication of expertise across the Department.

PAC conclusion (iii): It takes 77 Royal Air Force officers to run 17 helicopters in Northern Ireland while the Army has 38 officers to run 43. Following on from its review of officer/non-commissioned officer aircrew, the Department should now examine whether the leaner Army command structure should set the pattern for harmonisation.

6. The Department recognises that aircrew and command structures should be kept under review, but does not believe that there is a need for a further study so soon after the 2004 aircrew review.

7. The Committee's observations on the number of RAF and Army officers engaged in operating helicopters in Northern Ireland does not fully consider the significant differences between the types and roles of aircraft operated by the two Services. Some 50 per cent of the Army Air Corps helicopters in Northern Ireland require only a single pilot. The different role of the heavier more complex helicopters operated by the Royal Air Force in Northern Ireland require two pilots. Moreover, the Royal Air Force employs all-officer aircrew where the Army employs a mixture of officer and senior non-commissioned officer (NCO) aircrew. These factors and crew to aircraft ratios account for the apparent differences highlighted by the Committee.

8. As the Committee's report acknowledges, the Department, has already undertaken a review of the differences in service rank structures across the Joint Helicopter Force. That review concluded that although a combined total of up to 156 officer posts could be undertaken by NCO pilots in the Navy and Royal Air Force, such a change would reduce flexibility of employment of aircrew, would have structural implications beyond the helicopter force and require additional training costs to maintain manning levels, since NCO aircrew returns of service did not match those of officers. The Department does not, therefore, agree that on the basis of operations in Northern Ireland the Army Air Corps command structure is leaner than that of the RAF component of the Joint Helicopter Command, or that such a structure could achieve any significant savings.

PAC conclusion (iv): There remains a sizeable 20 per cent to 38 per cent gap between the numbers of helicopters needed and those available. The Department currently has two different methodologies for measuring this gap and it should establish which of its two current methodologies is the more appropriate.

9. The Department rejects this conclusion. The two methodologies quoted by the Committee have different primary roles and it remains appropriate to continue to use them to perform these different tasks. The Department uses the force summation methodology described in the Annex to the Defence White Paper "Delivering Security in a Changing World – Future Capabilities" Cm 6269 for the purposes of measuring *current* capability (including rotorcraft), as expressed by the planned defence force structure in 2008, to meet policy requirements. Using this methodology gives a shortfall of around 20 per cent.

10. The other methodology quoted by the Committee, which is based on Operational Analysis, is used to assess *future* capability requirements derived from defence policy and strategic guidance particularly where the Department is assessing competing solutions to a capability requirement. This methodology is also used to inform wider balance of investment decisions.

PAC conclusion (v): Helicopters and aircrew may not be ready in time through over-reliance on Urgent Operational Requirements to cover equipment shortages. The Department expects that Urgent Operational requirements will continue to be needed on future operations. It should put in place plans to mitigate the risk that capability gaps will not be filled in an effective or timely manner.

11. The Department agrees with the principle of this recommendation. Under the Future Rotorcraft Capability (FRC) programme, we intend wherever possible to procure all our helicopters sufficiently equipped for all foreseeable operational deployments – this would include integrating Defensive Aids Suites and particle filters to the baseline standard. Inevitably, however, as technology moves on, and new military scenarios arise, there will always be a requirement to upgrade equipment and enhance capability to ensure that our forces are supported by the most appropriate technology available.

12. Given the finite resources of the Department, it is not always possible to equip all current helicopters for operations across the full spectrum of conflict, and for all environments. Consequently, there has to be a careful balance of investment which includes analysis of the risks of not being able to fill capability gaps in a timely manner if required. For equipment that is only of use in certain operations or for specific conditions which may arise rapidly and with little warning, the cost effective solution is to employ the well-tried Urgent Operational Requirement process which has been extremely successful in the past in enhancing military capability.

PAC conclusion (vi): The Department has bought eight Chinook Mk 3 helicopters which have not entered service and which it cannot use. The acquisition of the Chinook Mk3 is one of the worst examples of equipment procurement that the Committee has seen. Only 45 of 100 ‘essential elements’ set out in the Department’s requirement were actually specified in the contract. Not enough work was done early on to translate the key requirements of the user into a specification that the contractor had to deliver.

13. The Department agrees that there were significant problems with the acquisition of the Chinook Mk 3 helicopter.¹ Major changes, under the Smart Acquisition initiative, have been incorporated into the Department’s working practices to ensure that these problems would not occur now. Areas that have been addressed include a more rigorous prioritisation of the requirement, clear guidelines on responsibilities, improved Military Aircraft Release procedures and a rigorous project review and assurance process.

14. In the Requirements Management process ‘essential elements’ are identified as Key User Requirements (KURs). In particular, the development of prioritised, hierarchical requirements documents and a thorough process to track these requirements through contracts into a delivered capability is a key success of Smart Acquisition. In parallel, it has also been recognised that the trading of performance, cost and time is necessary to balance the desire to provide everything that a Customer wants against affordability in order to ensure best value for money.

15. Current processes also require that significant risk reduction activity takes place prior to the main investment decision. Performance, Time and Cost risks are considered and no commitment is made to a programme until an acceptable level of maturity and risk is attained. Key stakeholders in these processes include the Integrated Project Team, Customer and Industry.

¹ It should be noted that 55 (not 45) of the essential elements were delivered by the contract.

PAC conclusion (vii): In order to prevent a recurrence of this flawed procurement, the Department should examine all such projects on a case by case basis to ensure that Smart Acquisition principles are implemented consistently and with rigour. One way of doing this would be to introduce a process of peer review which would assess whether Smart Acquisition principles had been properly applied.

16. The Department agrees with the conclusion and is confident that the application of Smart Acquisition principles will prevent similar problems occurring again. This recommendation is entirely consistent with developments that have taken place recently within the acquisition community.

17. Over the last 18 months, the Department has developed a set of governance and review processes, entitled Project Review and Assurance (PR&A) to bolster the performance of major Defence acquisition programmes.

18. This process has three components:

- Project Reviews – Regular review of progress with key stakeholders, including senior Defence Procurement Agency personnel, Equipment Capability Customer, End User.
- Assurance – Confirmation by subject matter experts from a range of key functional areas that projects and programmes are utilising the latest good practice and guidance.
- Key Stage Peer Reviews – Office of Government Commerce GatewayTM style reviews by experienced, non-advocate personnel assessing the project or programme against strategic criteria.

19. Cumulatively, these activities will provide a range of mechanisms which will assure the application of good practice and Smart Acquisition principles. They will also provide a route for continuous improvement and feedback to the specialist areas for appropriate wider application.

PAC conclusion (viii): The Department was unable to say who was responsible for the flawed procurement of the Chinook Mk3. No one seems accountable when things go wrong. It is time the Department implemented our previous suggestion that all aspects of a project should be accounted for by a single individual who would have the role of a Single Responsible Owner.

20. The Department agrees with the Committee's conclusion on appointing a single point of accountability for projects. All equipment projects have a nominated individual responsible for overseeing all aspects of the project to ensure that risks are managed and that the full benefits of the project are achieved. This individual is answerable for the introduction of capability into service and the coherent and integrated delivery of equipment; training and personnel; logistics; infrastructure; concepts; doctrine and other components of military capability.

21. For each equipment and business change programme which involves substantial change, significant complexity and/or demanding integration across boundaries, the Department has appointed a Senior Responsible Owner (SRO) with responsibilities and reporting arrangements set out in formal terms of reference. For all other equipment acquisition projects, the appropriate Director of Equipment Capability has been designated as the single point of accountability (SPA) for ensuring the delivery of all components of military capability inherent in an equipment investment decision. The Chinook Mk3 procurement however, predates the adoption in the Department of both SRO and SPA constructs.

22. A key part of the SRO/SPA role is to resolve conflicting priorities and demands in order to achieve the required benefits against key strategic priorities and within time, cost and performance parameters. With the increasing complexity and integration of equipment programmes, the role of the SRO/SPA will be vital in ensuring effective delivery of new military capability to the front line.

PAC conclusion (ix): The Department should determine whether there is any beneficial use that can be made of the Chinook Mk3. It has written down the value of the Chinooks in the accounts to the value they would have if broken up for spares, while suggesting that other nations, including our Allies, would judge the Chinook Mk3 to be fit for purpose and safe to fly. The Department's current review of how it applies safety procedures to equipment should provide an opportunity to resolve the issue. At the end of the day we are left with a quarter of a billion pounds of taxpayers' money spent on helicopters that simply cannot fly and that is of deep concern to the Committee.

23. The Department agrees that there have been significant problems with the acquisition of the Chinook Mk 3 helicopter and options for the future of the aircraft are being pursued.

24. Current indications are that modifying the aircraft to provide the required capability and to meet the Military Aircraft Release requirement will offer the best value for money solution and address the shortfall in battlefield helicopter lift capability, as highlighted in the National Audit Office Report. The option to sell the aircraft remains open pending satisfactory completion of this technical and industrial preparatory work.

25. The value of the Chinook Mk3 aircraft has been written down at present to a value equivalent to disposal or use as spares, but this is because of prudent accounting practice, and is not a reflection of future intent.

Ninth Report

Home Office

The Drug Treatment and Testing Order: early lessons

Since the Committee published its report the new community order, introduced by the Criminal Justice Act 2003, has been implemented. It will replace all existing community sentences for offenders aged 18 and over from April 2005, including the drug treatment and testing order (DTTO). The new community order will be made up of one or more requirements determined by sentencers from a “menu” of available options. One of the requirements which may be made part of a community order will be a drug rehabilitation requirement (DRR), which will gradually replace the DTTO.

While the content of the DRR itself will relate to the drug treatment and testing of the offender, the legislation requires that the total combination of requirements imposes restrictions on liberty which are commensurate with the seriousness of the offence. This change of approach will provide opportunities for community sentencing to address a wider range of drug misuse and offending than is available under the DTTO; for the amount and type of drug treatment to be matched more closely to individual need; and for other requirements, such as a curfew, to be used to restrict liberty.

Part 1: The impact of the Order

PAC conclusion (i): ...the National Offender Management Service (NOMS) should undertake research on the outcomes for those who have been subject to an Order to identify the impact on reconviction rates and on reducing drug misuse, and to identify factors which contribute to a successful outcome....

1. The Department agrees with this recommendation. An evaluation of offenders in the three DTTO pilot areas (Croydon, Gloucestershire and Liverpool) between October 1998 and March 2000 found that, on average, offenders committed 75 per cent fewer offences while on the Order and reduced their spend on drugs by over 90 per cent (Home Office Research Study 212). A follow up two year reconviction study found that, there was a significant reduction in the average number of convictions per year in the two years following the Order in all three pilot sites and that offenders who completed their DTTOs (30 per cent) had a reconviction rate of only 53 per cent, compared with 91 per cent for revokees (HO Research Findings 184).
2. The use of the different requirements for the community order and suspended sentence order, including the DRR, will be monitored. In addition, we will use data from the Offender Assessment System (OASys) to identify which offenders are more likely to succeed on the Order.

3. More generally, Research, Development and Statistics, National Offender Management Service (RDS NOMS) Research and Evaluation (R&E) is developing a research project, "Investigating Targeting, Tailoring and Sequencing of Interventions (ITTSI)", to explore how interventions work in combination to address the range of offending related needs of offenders, including drug misuse, on community sentences. A feasibility study for the project is currently being undertaken and the main study is expected to get underway in early 2006. Interim results are expected to be available in 2007 and final results will be available in 2009.

PAC conclusion (ii): ...NOMS should reconsider its target setting to place less emphasis on the number of commencements and more emphasis on the achievement of successful outcomes.

4. The Department agrees with this recommendation. Since April 2004 the focus of performance management has shifted away from commencements to improving the effectiveness of the Order in delivering positive outcomes. A cash linked completion target of 35 per cent was introduced in 2004-05. Performance against this target across the National Probation Service (NPS) was 36 per cent between April 2004 and March 2005, which represents an improvement of over 20 per cent from the 28 per cent completion rate for orders terminated in 2003 highlighted in the Committee's report. A challenging completion measure for DTTOs/DRRs of 4000 orders (40 per cent) has been set for 2005-06.

5. Since April 2004, National Probation Directorate (NPD) has also been monitoring retention at crucial stages of the Order (three, six and 12 months). This will enable NPS to establish if drop out is more likely at any specific point in the Order and for targeted remedial action to be taken.

6. In addition, NPS and the Prison Service have developed a practice guide which provides guidance in relation to improving continuity e.g. when a programme participant moves from a custodial setting to the community. It includes guidance relating to DTTOs/DRRs. The guide will be a developing document for managers and practitioners and will be added to in future editions. The first edition is likely to be released by the end of June 2005.

7. From April 2003, introduction and expansion of the Drug Interventions Programme (DIP) (formerly Criminal Justice Interventions Programme) has sought to direct adult drug misusing offenders out of crime and into treatment. Local delivery is through multi agency local drug teams (Criminal Justice Integrated Teams) which use a case management approach to provide continuity of care for drug misusing offenders leaving prison, treatment and completing a community sentence, including those completing a DTTO/DRR.

Part 2: Improving the delivery of the Order

PAC conclusion (iii):Better use should be made of the time between arrest and sentence to assess an offender's suitability for the Order and to build and sustain his or her motivation to engage with the Order.

8. The Department agrees with this recommendation. NPS, working with treatment providers and Criminal Justice Integrated Teams (CJITs), has a role in building and sustaining motivation throughout the Order, not just at the beginning. Motivation is important at all stages of the Order.

9. The strengthening of the offender management role that NOMS is introducing will assist the process of preparing and supporting offenders through their Orders. Probation has experience in enhancing motivation of offenders and this is a key role of offender management. There are a range of structured motivational interventions that are available at the pre sentence stage, including rapid prescribing to help stabilise, retain and enhance motivation.

10. At a local level, NPS is working in partnership with Drug Action Teams (DATs) and the local CJIT to ensure that, where appropriate, from the arrest stage through to sentence, where an individual is taken onto the CJIT caseload, opportunities to build motivation to engage with the Order are taken.

11. The recently issued Drug Interventions Record (DIR) guidance underlines the important role that CJIT workers, particularly those based in police custody suites and courts, can play in raising awareness about DTTOs/DRRs and the early identification of potentially suitable cases. CJITs may also case manage the individual and undertake motivational work, as appropriate, before a DTTO/DRR is made to reduce the risk of the offender dropping out of treatment whilst waiting to be sentenced.

12. National Standards were amended on 5 November 2004 to introduce an induction period, in exceptional circumstances, for those assessed as needing stabilisation before engaging in intensive treatment. Guidance sent to probation areas at the time indicated that this time should be used to stabilise offenders' medication, address fundamental needs such as accommodation and/or undertake a piece of motivational work.

13. The new restriction on bail provision was implemented originally in Manchester, Salford and Nottingham from 1 May 2004 and will be fully evaluated over an 18 month period by the University of Leeds. An interim evaluation report is expected to be published by the end of July 2005, with a final evaluation report due to be received in February 2006. Under the restriction on bail provision, defendants who have tested positive for a specified Class A drug may be required to undergo assessment and relevant follow up (including treatment) as a condition of bail. Their compliance with these bail conditions will indicate the potential for identifying and testing the motivation of potential DTTO/DRR candidates. The provision was extended to cover a further 11 DAT areas from 31 January 2005 and a further 33 DAT areas from 1 April.

PAC conclusion (iv):Local programmes should focus on educational and vocational training to raise basic skill levels, and to increase offenders' opportunities to gain employment.

14. The Department agrees with this recommendation. NPS is seeking to improve the access of offenders on DTTOs and DRRs to employment and learning opportunities. NPS areas are working in partnership with Learning Skills Councils (LSCs) to ensure that offenders are able to access appropriate learning provision. NPS has met its basic skills starts and awards targets for 2004-05. An extra £10 million for 2005-06 is being streamed via local LSCs in order to provide basic skills education for offenders under probation supervision. Those subject to DTTOs and DRRs form a key audience for this work. This is a shared agenda between the LSCs, Department for Education and Skills (DfES) and NPS.

15. NPD and DfES have commissioned a piece of research to identify, document and communicate innovative and promising practice in the provision of basic skills learning for offenders on DTTOs. This is likely to be published in July.

16. NOMS, NPS and the Prison Service work closely with Jobcentre Plus and other key stakeholders and partner agencies to respond to the employment needs of offenders. NPS is working to improve the employment rate amongst offenders and in addition to providing advice and assistance in areas including career guidance, job search and offence disclosure, many individual probation areas also work to establish close and productive links with Jobcentre Plus and local employers to increase their awareness about the employment situation of offenders. This work helps to break down barriers towards the recruitment of people with criminal records and provides information and support to encourage employers to consider the relevance of a particular conviction to the job being sought.

17. In August 2005, the Offender Learning and Skills Service (OLASS) will be launched in three development regions. OLASS aims to provide a learning service to offenders in custody and the community. The remaining six regions in England will roll out the service in August 2006.

18. NOMS is developing an Employer Engagement Strategy for working with employers to increase their involvement in the planning and delivery of education and training for offenders and also to encourage employers to enter into direct recruitment arrangements with prisons and probation areas, with the aim of placing more offenders into work.

PAC conclusion (v): NOMS should monitor the performance of local probation teams in delivering the number of contact hours with offenders expected by the courts and set down in Home Office guidelines....

19. The Department agrees with this recommendation. We acknowledge that compliance with the National Standard contact requirement has been poor in some areas but some of the variations can be explained through different interpretations of what constitutes contact, poor recording practice and factors outside of probation's control e.g. offender's failure to attend.

20. Following the introduction of National Standards monitoring in July 2003, which measures, among other things, compliance by areas with minimum contact hours, NPD is now in a better position to monitor compliance effectively and will intervene where necessary.

21. Guidance was issued to areas in June 2004 on improving compliance and the importance of timely and accurate recording. Additional guidance was issued in November 2004 to clarify that all contact/activity included in an offender's weekly contact log/programme can be counted towards contact hours and can be audited.

22. In January 2004 NPD issued a circular to probation areas, and similar guidance was issued by National Treatment Agency for Substance Misuse (NTA) to DATs, reiterating the need to commission treatment provision to facilitate the achievement of the National Standard requirements. The continuing roll out of the Offender Substance Abuse Programme (OSAP), a second accredited substance misuse programme, will help probation areas to meet contact requirements.

PAC conclusion (vi): NOMS should make sure that a consistent approach to enforcement of the Order is taken across the country to maintain the credibility of the Order as an effective punishment with local communities....

23. The Department agrees with this recommendation. NPS operates a rigorous and consistent enforcement policy. Offenders on DTTOs are breached and returned to court after a maximum of two unacceptable failures to comply in any 12 month period, as probation National Standards require. It is then a matter for the courts to take a view about how the breach should be dealt with. Magistrates and judges often consider that sufficient progress has been made despite the breach to give offenders a chance to continue with the Order.

24. Latest data shows that the proportion of community sentences, excluding DTTOs, breached within 10 days, as required by National Standards, for the period April 2004 to March 2005 was 87 per cent. For the final quarter of 2004-05 performance exceeded the 90 per cent target. For DTTOs, the figure for April 2004 to March 2005 was slightly lower at 71 per cent.

25. NOMS is working with Department for Constitutional Affairs (DCA) to establish a fast track enforcement system to ensure that offenders who are classified as high risk of reoffending are breached in a shorter timescale. The scheme has been piloted in Staffordshire and Cambridgeshire. A review has been carried out that showed that performance had improved significantly – a warrant was issued in all relevant cases within five working days and 75 per cent were executed within two weeks compared with the National Standard of four weeks. The Enforcement Delivery Board has decided that the scheme will be rolled out to areas during 2005-06.

Part 3: Reducing the risk of relapse

PAC conclusion (vii): NOMS should work with local housing agencies and the voluntary sector to enable those offenders making progress to break free of a lifestyle which might draw them back into criminal behaviour.

26. The Department agrees with this recommendation. Probation areas are expected to address the accommodation needs of offenders on DTTOs/DRRs during and after completion of the Order, as lack of suitable accommodation is a key factor that impacts on the success of drug treatment and rehabilitation. NPS plays a key role in assisting offenders to find suitable accommodation, using links with local housing resources and, where appropriate, makes use of approved probation premises (hostels). However, finding suitable accommodation for drug misusing offenders is problematic. NPS are also key partners in the Supporting People commissioning process.

27. NPS is contributing to the National Accommodation Strategy, a strand of the Reducing Re-offending National Action Plan. The accommodation strand will include development of an accommodation needs assessment tool and work towards development of an accommodation pathway, which will take account of offenders' multiple needs, including drug misuse and dual diagnosis.

28. Voluntary sector partners are already important players in delivering key services such as drug treatment and resettlement within prison and to offenders in the community. One of the first units to be established within NOMS is a new voluntary sector unit that will continue and build on the work already established as well as identify and share good practice. It is expected that the voluntary sector will continue to provide services in areas where it has already demonstrated expertise but that it will also bid for new areas of service provision particularly in working with offenders in the community. Some new areas of work have already emerged e.g. Prospects and Prison Service Plus 2. NOMS published a strategy for working with the voluntary sector for consultation at the end of January 2005. The consultation period ran until the end of April.

PAC conclusion (viii): NOMS and NTA should have effective arrangements in place to maintain support and treatment for those coming off the Order....

29. The Department agrees with this recommendation. Working in partnership with NTA and Home Office (DIP), arrangements are now in place for drug misusers coming to the end of their Order to be referred where appropriate to their local CJIT for access to ongoing support and treatment. Funding (£55 million) has been made available from 2004-05 to all DATs and Partnerships in England and Wales to support phased implementation of throughcare and aftercare.

30. NOMS, Home Office (DIP) and NTA have agreed case management arrangements. Where there is a statutory Order or licence, overall responsibility for offender management will be NPS/ NOMS. CJITs will work alongside NPS before a sentence and, where appropriate, pick up those clients completing a DTTO/DRR. This will be done using a case management approach through a named worker to provide ongoing support, treatment and, where not already provided, access to wraparound services.

31. NOMS will collectively offer the wider rehabilitation and support programmes that are essential to help offenders to lead law abiding lives post sentence. The newly appointed Regional Offender Managers (ROMs) will have an important role in developing the strategic partnerships necessary to underpin regional working and commissioning interventions to reduce reoffending. Effective offender management is also vital in meeting the needs of offenders. An offender management model is being piloted, in the North West and the South West, to develop this approach.

32. The Government's Reducing Re-offending National Action Plan, published on 19 July 2004, contains over 60 national action points for delivery at national, regional and local level covering key areas or pathways, including accommodation, drugs and alcohol and mental and physical health, to support the rehabilitation of offenders and reduce reoffending.



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