



Ministry
of Justice

Evaluation of the Employment and Reoffending Pilot:

Lessons learnt from the planning and early implementation phase

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**Centre for Economic and Social Inclusion and The Institute for
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1 Summary

Introduction

The Employment and Reoffending Pilot was co-commissioned by the Ministry of Justice (MoJ) and the Department for Work and Pensions (DWP). It forms part of a programme of pilots announced in the 'Breaking the Cycle' Green Paper (Ministry of Justice, 2010) to test the application of payment by results (PbR) approaches in the area of criminal justice and reducing reoffending. Following this, in 2013, the MoJ published "Transforming Rehabilitation: A Strategy for Reform" (Ministry of Justice, 2013a). The strategy sets out the Government's plans to transform the way in which offenders are managed in the community in order to reduce reoffending rates. Along with the other pilots,¹ it is anticipated that the Employment and Reoffending Pilot will provide valuable information to inform the implementation of Transforming Rehabilitation.

The pilot builds upon DWP's policy of 'Day One' mandatory access to the Work Programme for all prison leavers claiming Jobseeker's Allowance but is specifically aimed at short-sentence prisoners (i.e. those serving a sentence of under 12 months). The pilot was established in September 2012 and currently operates in two Work Programme contract package areas (CPAs). In each CPA, one Work Programme prime provider (Provider A) is being given an additional financial incentive to reduce reoffending amongst short-sentence prison leavers, in addition to the financial incentive to achieve sustained employment outcomes that all Work Programme providers receive. The other prime provider (Provider B) is not being given an additional financial incentive to reduce reoffending rates and continues to support prison leavers as part of their Work Programme contract. Eligible offenders are randomly allocated to either Provider A or B. Within each area the performance of the two prime providers will be compared to assess the impact of introducing this additional financial incentive on provider behaviour and reoffending rates, compared with the impact on reoffending rates achieved by offering a financial incentive for employment outcomes alone.

The primary aim of the pilot process evaluation is to draw out lessons learned from the design, development, implementation and delivery of the pilot, including any reasons for the results that it achieves. These should help to inform any future commissioning decisions and the national rollout of PbR models in criminal justice settings.

¹ The other pilots commissioned by MoJ were the HMP Peterborough Social Impact Bond pilot, the HMP Doncaster pilot, and the Local Justice Reinvestment pilot.

This report contains findings from the first phase of the evaluation, covering the set-up and first six months of operation of the pilot.

Evaluation methodology

The findings in this report are based on qualitative interviews with fourteen senior managers in MoJ, NOMS, DWP and the Work Programme prime providers; twenty operational interviews with Work Programme prime providers and their supply chains in the pilot areas; and fifty-four qualitative interviews and observations in prisons with resettlement teams, prisoners and Jobcentre Plus staff. Fieldwork took place between January and June 2013. Data was analysed thematically against key research and policy questions. Findings from the pilot areas are also compared to findings emerging from some non-pilot areas (conducted as part of a separate evaluation of Day One Mandation) where this comparison adds additional insight. A limited amount of management information from Provider As has been used to contextualise the qualitative findings where possible.

Findings: Pilot design

Although the pilot was commissioned before the Transforming Rehabilitation proposals were published the evaluation has nevertheless produced a number of relevant findings which have implications for the wider strategy. For example, the evaluation identified wide-ranging support amongst interviewees for increasing services for short-sentence prisoners. The perceived importance of attachment fees or some form of upfront capitalisation, depending on the nature of the provider market in question, has also been highlighted by officials and providers. Although aware of it from the outset, providers expressed concerns about their ability to effectively and efficiently monitor their performance without regular reoffending outcomes data. How best to support providers to access available, live sources of reoffending data may be something to consider when commissioning future PbR services in the criminal justice sphere.

Government officials thought that the binary measure of proven reoffending was the simplest way of measuring reoffending, and some felt that complete desistance from known offending was the most appropriate success measure for the pilot. However, some providers and officials acknowledged the trade-off when using a binary measure in a PbR model that it might result in providers neglecting those offenders they judge least likely to generate an outcome payment. This would include individuals known to already have reoffended and those judged to be the 'hardest to help' i.e. those with chaotic lives and complex needs.

Officials felt that using a black box approach would allow the Government to test whether and how providers adapt their delivery model in response to a financial incentive to reduce reoffending, which is a key aim of the pilot.

Co-commissioning

This pilot was commissioned jointly between the MoJ and the DWP and officials in both departments were able to identify shared benefits from the pilot in terms of putting the offender at the heart of more streamlined support and reducing duplication of services and spending (particularly relevant when resources are limited). Findings from this evaluation may suggest a range of ways to help facilitate future joint contracting processes that will operate on a much larger scale.

Officials involved in the pilot felt that previous joint working had facilitated co-commissioning as it had fostered an understanding of cross-departmental policy priorities. They did, however, highlight the challenges of co-commissioning and emphasised the importance of understanding the other department's commissioning protocols in order to manage expectations, minimise delays and ensure full cross-departmental alignment. Establishing a dedicated governance structure was also seen to be important to ensure the effective delivery of co-commissioned services.

Transition from prisons to employment support

The interviews with prison staff identified a current lack of coordination of resettlement services, and highlighted the importance of prison staff building relationships with service providers in the community. The research also highlighted the need for prison leavers to spend a sufficient period of time (one interviewee suggested at least 7–8 weeks) within an appropriately located prison prior to release into the local area to enable re-settlement plans to be put in place and implemented. Proposals for resettlement prisons may well address these issues.

It may be helpful for potential rehabilitation providers to consider how to work with resettlement teams in prisons as these relationships will be vital to streamline support, minimise risks of competitiveness and increase collaboration, and share relevant information about offenders' progress and risk of reoffending. The MoJ may wish to consider how this will be addressed in the Transforming Rehabilitation programme.

Both officials and Provider As raised the issue of lower than expected referrals of eligible prison leavers to pilot providers. Provider As felt that referrals would need to increase significantly in the months ahead to reach planned volumes. Should referral volumes increase over time, early implementation issues should be recognised when considering pilot performance to avoid any erroneous early conclusions about the longer term impact of the pilot.

DWP's policy of Day One Mandation to the Work Programme for prison leavers on Jobseeker's Allowance (JSA) was intended to drive providers to engage with offenders whilst still in custody. However, pilot providers stated that the random allocation of offenders to providers close to their prison release date, the fact that prisoners are often released to different parts of the country, and the lower than anticipated volumes had discouraged through the gate support. The additional attachment fee for pilot participants does not currently appear to have provided sufficient incentive for providers to engage with prisoners pre-release, however low referral volumes may also have affected their ability to achieve economies of scale.

Provider delivery

This research has found that the pilot had a direct impact on certain elements of Work Programme provider behaviour. Following the introduction of the pilot, Provider As increased the number of offender specialist subcontractors in their supply chains. Provider Bs made no changes to their supply chains in response to the pilot.

Providers As were clear that supply chain changes were a direct result of both the additional attachment fees and the potential to receive an outcome payment associated with a reduction in reoffending. The added value of specialist provision will be a key focus for future waves of research and views on this so far were mixed. Some providers in the supply chain of Providers As felt that specialists were able to bring a better understanding of prison leavers' needs and barriers to employment. However, Work Programme providers in the non-pilot areas and Provider Bs argued that all Work Programme participants receive personalised support and that generalist advisers are therefore experienced in assessing needs on an individual basis.

In terms of the type of support that both Providers A and B were delivering to prison leavers, the evidence suggested that the delivery model was very much the same as it had been prior to the pilot and the focus of provision continued to be on sustained employment outcomes. Providers largely expressed the view that a focus on employment outcomes is complementary to a focus on reducing reoffending. They stated that they would naturally address many of the pathways to reducing reoffending, such as housing, drug and alcohol issues, as part of a journey to work.

2 Introduction

2.1 Policy Context

In 2010, the Green Paper 'Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders' set out a commitment from the Ministry of Justice (MoJ) to commission services that would deliver reductions in reoffending for prisoners (Ministry of Justice, 2010). This was followed in 2013 by "Transforming Rehabilitation: A Strategy for Reform" which sets out the Government's plans to transform the way in which offenders are managed in the community in order to reduce reoffending rates (Ministry of Justice, 2013a). The Transforming Rehabilitation reforms include the creation of a new public sector National Probation Service and will see every offender (including those serving sentences of under 12 months) released from custody receiving statutory supervision and rehabilitation in the community. A nationwide through the prison gate resettlement service will be put in place, meaning most offenders are given continuous support by one provider from custody into the community. The rehabilitation market will be opened up to a diverse range of new providers, including the private sector and voluntary & community sector (VCS). These providers will be paid by the results they achieve in reducing reoffending.

The Employment and Reoffending Pilot is one of a number of pilots commissioned to test the application of payment by results (PbR) to criminal justice settings.² The pilot was co-commissioned by the MoJ and the Department for Work and Pensions (DWP) in two Work Programme Contract Package Areas (CPAs) – Wales; and Coventry, Warwickshire, and Staffordshire & the Marches.

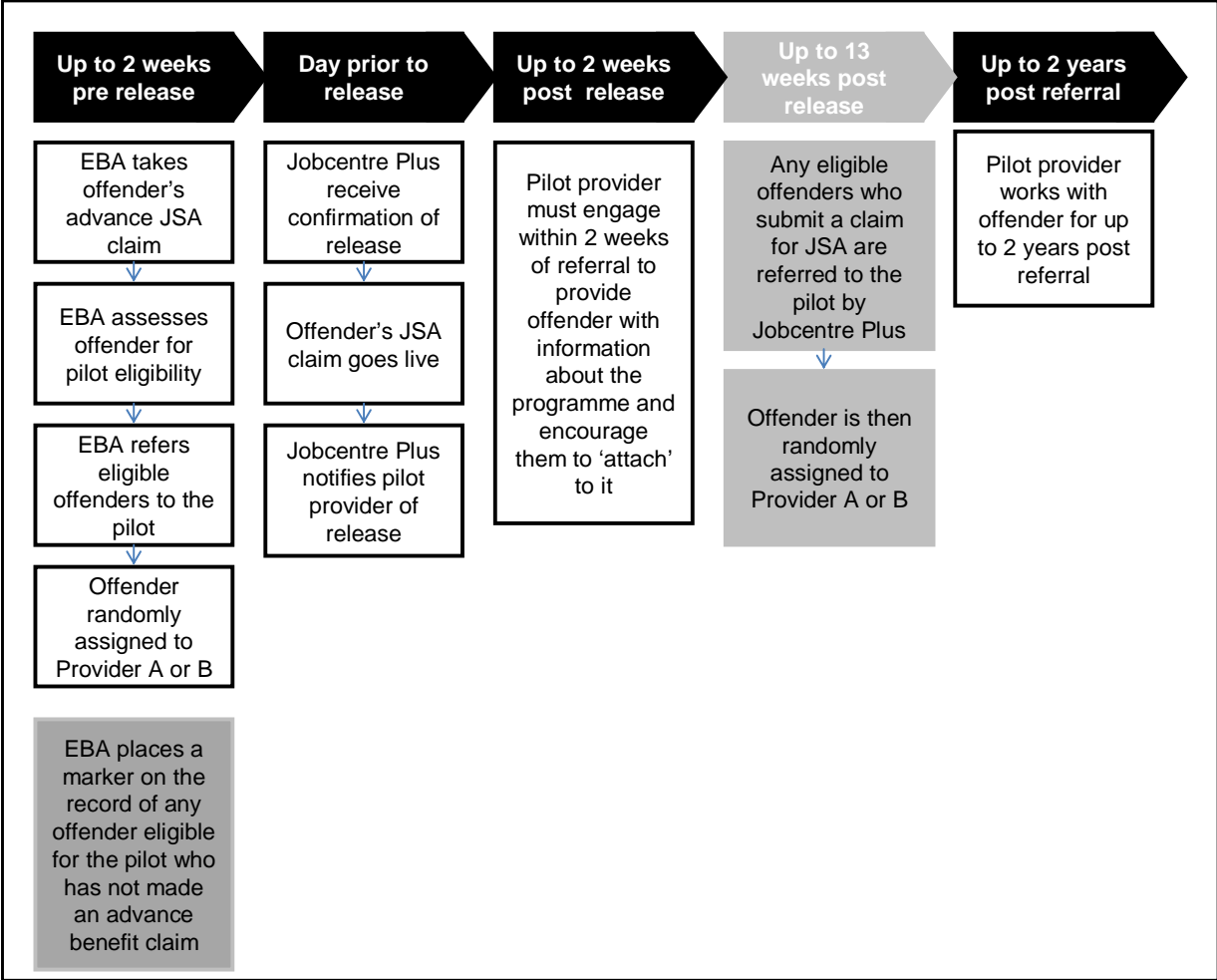
The pilot builds on the 'Day One Mandation' policy for prison leavers entering the Work Programme which sees all prison leavers claiming Jobseeker's Allowance (JSA) referred to the Work Programme from day one of release. This group of prison leavers is known as Work Programme 'Payment Group 9' (PG9) – JSA prison leavers. The pilot is specifically aimed at short-sentence prisoners (those serving a sentence of under 12 months), which is a subset of the PG9 group.

Figure 2.1 shows the process by which offenders are referred to the pilot. At the point of claiming for JSA, they are randomly assigned to one of the Work Programme prime providers contracted to the CPA the offender is resettling in via the Provider Referrals and Payments

² The other pilots commissioned by MoJ were the HMP Peterborough Social Impact Bond pilot, the HMP Doncaster pilot, and the Local Justice Reinvestment pilot.

(PRaP) system. Prison leavers are referred to the Work Programme provider on a mandatory basis i.e. they must attend an initial meeting and engage with the Work Programme provider as a condition of receiving JSA. This engagement is known as ‘attachment’ to the programme. Should the prison leaver fail to comply with this condition then they will be subject to a reduction in their benefit payments – also known as a benefit ‘sanction’.

Figure 2.1 Employment and Reoffending Pilot referral process



Work Programme prime providers receive a payment from DWP for ‘attaching’ a participant to the programme. They also receive payments for sustained job outcomes achieved i.e. participants entering and remaining in work for 13–26 weeks. Two Work Programme prime providers operate in each of the two pilot CPAs. One prime provider in each CPA was selected through a competitive tender exercise to deliver the pilot (Provider A).

In addition to the attachment fees and job outcome payments already payable under the Work Programme, for each offender engaged under the pilot Provider As receive a further attachment fee from the MoJ. If Provider A then achieves a sufficient reduction in the

12 month reconviction rate for their pilot cohort (compared against a control group supported by Provider B), the MoJ will reward them with additional outcome payments. The other prime provider (Provider B) is given no additional financial incentive and continues to support prison leavers as part of their Work Programme contract.

The pilot commenced delivery in September 2012 and is scheduled to be delivered over four years of cohorts until 2016. The aim of the pilot is to enable the MoJ to ascertain whether providing additional financial incentives to Work Programme providers to achieve a reduction in reoffending rates will result in a reduction in those rates compared to that achieved by Work Programme providers only financially incentivised to achieve employment outcomes. The key success categories for the pilot are outlined in Appendix B.

2.2 Evaluation aims and objectives

The evaluation of the Employment and Reoffending Pilot was co-commissioned by the MoJ and DWP.³ The primary aim of the pilot process evaluation is to draw out lessons learned about the design, development, implementation and delivery of the pilot, including any reasons for the results that it achieves, which may inform future commissioning decisions and the rollout of PbR in the criminal justice sector. The research questions being addressed by the evaluation are below. As the pilot is at an early stage of delivery, this report mainly addresses the first four of these:

- What were the delivery models of Provider A and B in each pilot area?
- How did the introduction of a financial incentive to reduce reoffending affect provider behaviour?
- What was the effect of the pilot on the supplier market in the provider areas?
- How did the process of co-commissioning between the MoJ and DWP work?
- What other lessons can be learned from the implementation of the pilot that could inform future commissioning decisions?
- Aside from any financial payments and direct impacts from any reduced reoffending, what wider costs and benefits, if any, do stakeholders feel were incurred through the pilot?
- What are the implications of the findings for interpreting the outcomes and any future impact evaluation?

³ The evaluation of DWP's Day One Mandation to the Work Programme of prison leavers claiming JSA from the day of their release was co-commissioned with the evaluation of the Employment and Reoffending pilot, and is being led by *Inclusion* in partnership with the Institute for Criminal Policy Research (ICPR), the Institute for Employment Studies (IES), the National Institute of Economic and Social Research (NIESR), the Social Policy Research Unit (SPRU) at University of York and GfK NOP.

2.3 Evaluation methodology and sample

To address the aims and key questions the evaluation is structured around the three elements: commissioning, programme and outcomes. This report covers the first six months of the operation of the pilot. A breakdown of fieldwork conducted as part of this wave is provided in Appendix C.

Commissioning

This element of the evaluation aims to understand the rationale for the policy from the perspectives of senior managers from the MoJ, NOMS and DWP, and the impact this has had on thinking about employment and reoffending. It also aimed to explore the process of co-commissioning, and determine lessons for future joint working between Government departments. Interviews were conducted at the start of the evaluation in order to gain an understanding of the thinking behind the pilot, and to facilitate discussions with providers around how high level policy development is realised in practical delivery terms.

Interviews included discussions about the key drivers and objectives of the pilot design and the co-commissioning process, the stages of developing and procuring the pilot and lessons learned for the future.

Programme

Provider Research

The research with providers in the two pilot CPAs was conducted between April and May 2013. Research conducted during this wave explored prime provider supply chains in order to determine how support for prison leavers was delivered (e.g. through direct delivery and/or with the involvement of specialist providers and the voluntary & community sector). The key themes for discussion were:

- The models and provision – the theory of change driving the model (reoffending); how support was decided and targeted and variance between pilot customers and others with similar needs; type of support provided (housing, employability, drugs and alcohol etc.), including prioritisation and how decisions were made.
- Financial incentives – the response to the reoffending payments: how the attachment fee was allocated, decisions on investment; how this interacted with Work Programme payments; views on the structure and size of the payments; whether pilot fees fed down the delivery chain and how.
- Similar questions were also asked of providers in non-pilot areas to enable comparisons and identify changes driven by the pilot.

- As part of the first wave of the evaluation, both Provider As and Bs were asked to provide management information on interventions they have delivered to prison leavers to explore any differences between them. This is to provide context and to triangulate findings from the qualitative interviews outlined above.

Research in prisons

Four prisons releasing to pilot CPAs were selected by the MoJ for this research⁴. In each prison, fieldwork comprised of semi-structured interviews with prisoners, Jobcentre Plus Employment and Benefit Advisers (EBAs) and other staff involved in the resettlement of prisoners. Observations of the EBAs setting up benefit claims with prisoners were also undertaken to gain a better understanding of the process. Interviews with EBAs focussed on the resettlement services available and the extent of their linkage with Jobcentre Plus. Interviews with prisoners making advanced claims for JSA focussed on their offending history, previous experiences of education and employment, the services they had accessed in prison and their expectations of release. These interviews will be followed up by interviews with offenders in the community about their experiences of the transition from prison to the Work Programme and the support they have received to date.

Outcomes

The analysis of reoffending rates for pilot providers and the assessment of the impact of the pilot will be conducted by MoJ.⁵

In this evaluation the qualitative data will provide information on the interventions delivered to prison leavers, how they are delivered, and how they are experienced by participants and by those who deliver them. Qualitative findings may not be generalisable to the wider population and are not able to quantify the impact of the pilot on offending outcomes. However, they will help to *explain* impacts and outcomes – intended and unintended.

⁴ Of the prisons included in the research two were Category B local prisons, one was a women's prison serving several regions, and the fourth was a prison holding Category B and D prisoners. At the time of publication twenty five prisons in total are able to refer prison leavers to the pilot across the two CPAs.

⁵ This measurement will be based on the methodology used to produce National Statistics on Proven Reoffending, details of which are available at the following web link:
<https://www.gov.uk/government/collections/proven-reoffending-statistics>.

2.4 Report structure

The remainder of this report sets out the key findings from the research before drawing out some implications for future policy and delivery.

Chapter three reviews the design of the Employment and Reoffending Pilot and explores how the design addresses the key success categories and policy objectives. Findings are drawn from interviews with senior and strategic staff from the MoJ, DWP and NOMS who were engaged in the design and procurement of the pilot, as well as Work Programme prime providers from the two pilot CPAs.

Chapter four addresses the evaluation objectives of examining the process of co-commissioning and identifying lessons learned from the process to inform future commissioning decisions. Again, findings are drawn from interviews with senior and strategic staff from departments within the MoJ, DWP and NOMS and prime providers.

Chapter five covers the transition from prison to the employment provider and describes the operation of the Employment and Reoffending Pilot in prisons and current resettlement support. Findings are drawn from interviews with staff in prisons, prisoners and Work Programme providers.

Chapter six explores the early effects of the pilot on the supplier market and provider delivery models. Findings are predominantly based on interviews with Work Programme prime and subcontracting providers in the two Work Programme CPAs involved in the pilot. For comparative purposes this chapter also draws on interviews with providers operating in CPAs not involved in the pilot.

The final chapter draws out the main policy and delivery implications from the pilot evaluation so far for co-commissioning, pilot delivery, and the future of through the gate resettlement support.

3 Pilot design

This chapter reviews the design of the Employment and Reoffending Pilot and explores how the design addresses the pilot's key success categories and policy objectives. Findings are drawn from fourteen interviews with senior and strategic staff from the MoJ, DWP and NOMS who were engaged in the design and procurement of the pilot, as well as prime providers from the two pilot CPAs. Development of the Employment and Reoffending Pilot was undertaken by MoJ and DWP officials in 2012. The pilot was designed to further develop the Government's understanding of how PbR can function in criminal justice settings, and how risk can be transferred to ensure the MoJ only pays for achieved outcomes.⁶

3.1 Key pilot drivers and objectives

Interview participants were invited to comment on what they felt were the key drivers for introducing the pilot, the main objectives of the pilot and how these drivers and objectives informed the pilot design.

Key drivers

The Government officials interviewed stated that ministerial priorities (see the Government's 2010 Coalition Agreement for further information) for testing PbR funding models were the main drivers of the pilot.

This pilot specifically focussed on testing the impact of offering providers financial incentives to achieve reductions in reoffending rates on provider behaviour using a model of PbR linked to the Work Programme. With Day One Mandation already in place, there was an opportunity to build on work that had already been done to provide support for prisoners through Work Programme providers, and make use of established provider markets.

Key objectives

Across departments and organisations, participants identified the main objectives of the pilot to be testing new ways of improving support for offenders, exploring the link between employment and reoffending, and testing whether and how financial incentives affect provider behaviour. Studies have shown that the extent and frequency of offending diminish when offenders gain employment and that offenders with stable and high quality employment are less likely to reoffend (see for example: Farrington, Gallagher, Morley, St Ledger and West, 1986; and Sarno *et al.*, 2000). Some officials felt that the pilot offered the chance to

⁶ See Appendix B for full list of success categories.

contribute to the Government's Social Justice agenda as well as to reduce long-term benefit claims. More detailed objectives stated by MoJ interviewees in particular included:

- Understanding whether financial incentives encourage providers to adapt their delivery of support for prison leavers;
- Testing whether the use of incentives (and any additional support provided by incentives) ultimately results in reductions in recidivism;
- Increasing and improving support for prison leavers by joining up services; and
- Reducing pressure on criminal justice services (i.e. courts, prisons and policing) by reducing reoffending.

3.2 Design of the pilot

The design of the Employment and Reoffending Pilot was led by MoJ staff. The key features of the pilot, discussed in this chapter are:

- A focus on short-sentence prisoners;
- Additional incentives for providers to reduce reoffending amongst the target group;
- Attachment fees for referrals to the pilot;
- Randomised allocation of customers to an intervention or treatment group ;
- A black box approach to delivery; and
- Measurement of reoffending.

Focus on short-sentence prisoners

The decision to focus on short-sentence prisoners was in line with the commitment set out in 'Breaking the Cycle' to conduct 'two PbR projects for offenders released from prison, focusing on those offenders who are sentenced to less than 12 months.' (Ministry of Justice, 2010). Interviewees commented that this decision was taken on the basis of evidence showing that the under 12 month group are the most prolific offenders, and the fact that they do not receive statutory supervision under the current probation system.

Under Transforming Rehabilitation, short-sentence prisoners will receive mandatory supervision for the first time so the pilot offered an opportunity to learn how providers might most effectively support this group (Ministry of Justice, 2013a). Work Programme providers were also strongly supportive of doing more for short-sentence prisoners.

Incentivising providers

As described earlier in the report, Provider As in pilot areas receive additional payments from the MoJ when a short-sentence prison leaver referred to the pilot ‘attaches’ to it, and additional MoJ payments for reducing reoffending, over and above those already paid by DWP for employment outcomes. Provider Bs continue to deliver support for prison leavers as part of their Work Programme contract. The logic behind this model is that additional financial incentives to reduce reoffending rates would encourage Provider As to innovate and adapt the support they offer to offenders, ultimately leading to a reduction in reoffending rates in addition to employment outcomes. The element of competition between providers, i.e. Provider A having to perform better than Provider B, was also viewed as an incentive for Provider A to deliver.

Officials stated that decisions about which provider would become the Provider A were made based on technical details around volumes and pricing rather than on the quality of the offer to prison leavers. They noted that asking providers to compete to become Provider A may have increased their focus on addressing the needs of prison leavers, and therefore may have had the benefit of broadly improving the support delivered to this group by both Providers A and B in the pilot areas.

The pilot’s incentive structure was seen to address concerns voiced by some interviewees that, despite differential payments and Day One Mandation for prison leavers, offenders on the Work Programme who require intensive and sustained support in order to achieve employment outcomes may not always be receiving this support from providers. Some officials interviewed stated that redressing this imbalance was a specific objective of the pilot. However the possibility that Provider Bs do something different as a result of this competition could potentially compromise the pilot design as it would limit the use of Provider B outcomes as an accurate control. The impact of the pilot on Provider B delivery is discussed in chapter 6.

Attachment fees

The use of ‘attachment’ fees to facilitate providers’ engagement with benefit claimants referred to them is a key feature of the Work Programme design. This operates to provide some form of upfront capital and to enable providers to engage with all referrals, not just those who will be easiest to help and require the least support.⁷ The pilot features an

⁷ Attachment fees are paid on a sliding scale with fees set relative to the perceived lower/higher costs of support and risk of investment.

additional attachment payment to Provider As for short-sentence prisoners on top of the one that providers already receive for PG9 offenders. Officials interviewed commented that boosting attachment fees was the most straightforward way of providing upfront capital for Work Programme providers.

Providers fed back that they would not be able to deliver the pilot without upfront investment as they had all of their capital tied up in the Work Programme.

‘At that critical tipping point between having invested the money and not quite yet seeing the money flowing in from the outcomes, that was a point at which we were going to start the pilot with them and clearly we needed to capitalise the market and this was the way we decided to do it.’ (MoJ)

Using attachment fees was identified by some officials as a risk of the pilot as there was no claw back mechanism should providers fail to achieve sufficient improvements in outcomes. However, the officials interviewed agreed that providers may have struggled to deliver additional support without upfront investment, so this was seen as an acceptable trade-off. Although based on a small number of interviews these findings suggest that service fees or some form of upfront capital may be important in future PbR programmes, depending on the nature of the provider market in question and the amount of capital they already possess. In the Work Programme these fees will be phased out over time once sustainment payments come into force. Provider As’ use of attachment fees is discussed further in chapter 6.

Random allocation to providers

Within the Work Programme, participants are randomly assigned to a provider in their CPA. This is to enable direct comparisons of performance between prime contractors. This provided the opportunity for the pilot to be designed so that it could make use of the randomisation involved in the Work Programme to obtain a robust evaluation of the pilot impact. The random spread of participants referred to each provider should mean that, when reoffending outcomes are measured, any difference between Providers A and B will be attributable to the pilot alone.⁸

⁸ Impact analysis calculates the additionality of an intervention over and above what would have occurred anyway in the absence of the intervention.

However such impact assessment requires a sufficiently large number of individuals for whom to compare outcomes. Without sufficient numbers, it is impossible to determine whether any differences in reoffending rates observed are due to chance rather than to the actions of Provider A. The main risk identified to the pilot was low volumes of referrals compromising a statistically valid impact assessment. This research was conducted shortly after the pilots had started when this risk was beginning to materialise. Referral volumes and the factors affecting these are discussed further on in the report.

Black box approach

Under the Transforming Rehabilitation strategy, the proposal is that providers will be able to take a 'black box' approach to the delivery of support for their service users⁹ (Ministry of Justice, 2013a). Officials commented that using a black box approach for the pilot would allow the Government to test how providers adapted their delivery model for the target group, and the role financial incentives played within this. Officials emphasised that one of the key aims of the pilot was to test whether and how financial incentives affect provider behaviour. However, the trade-off involved in this approach – mentioned by a small number of officials interviewed – is that Provider As might adopt a similar approach to supporting the target group to Provider Bs (namely 'standard' back to work support) despite receiving an incentive. One interviewee suggested that there should have been some minimum service requirements in the contract to ensure that Provider A delivered support over and above that delivered by Provider B. However, other officials remarked that they would accept the possibility of Provider As doing little differently as a valid finding, given that understanding the impact of financial incentives on provider behaviour is a key aim of the pilot. The impacts of the pilot on provider behaviour are discussed in chapter 6.

Measurement of reoffending

Interviewees raised two key issues around how reoffending is measured in the pilot, namely the binary measure and delays in outcomes data availability. Both issues are of relevance to the wider use of PbR models in criminal justice.

⁹ 'Black box' allows providers to determine their own delivery model, the premise being that providers have the flexibility to tailor the support they deliver to the needs and characteristics of their customers. Black box is also a key feature of the Work Programme.

The first relates to the pilot's use of a binary measure of recidivism, meaning that reoffending is measured as a simple 'was reconvicted/was not reconvicted'.¹⁰ Officials described the use of the binary measure as the simplest way of measuring reoffending. Some felt that complete desistance from known offending during the 12 months post-release from prison was the most appropriate outcome measure for this pilot, whereas others recognised that reducing the frequency of offending for prolific offenders was a significant achievement.

However, both providers and officials acknowledged the potential risk that using a binary measure in a PbR model could lead to providers 'parking'¹¹ or neglecting those offenders who they judge least likely to generate an outcome payment. This would include individuals known to have already reoffended and those judged to be the 'hardest to help' i.e. those with chaotic lives and complex needs, who – from a purely commercial perspective – would be unlikely to deliver providers any financial benefit.

'You may get some sort of perverse practices because if you know the person you're working with has reoffended after a month there's no point working with them again.' (MoJ)

This issue is of wider relevance to the Transforming Rehabilitation agenda and the choice of binary and frequency measures of recidivism.

The second issue raised by providers was the lack of real-time data available to them on reoffending. Providers were keen to measure their own performance and to manage their supply chains to deliver on reoffending outcomes. However, performance can only be measured over 12 months after the full cohort has flowed through the programme due to the time it takes for cohort members who have reoffended to receive a court conviction, for this conviction to show up in the official data, and for the data to be validated.¹² One Provider A was trying to access other data sources, such as court records, to give them some idea of their performance. Providers were aware of the timescales for outcome measurement when entering into contracts with the MoJ. However this point has some wider relevance for the delivery and management of PbR programmes in a justice setting.

¹⁰ Conviction at court of a new offence or offences during the 12 months following release from prison is used as a proxy for reoffending behaviour, as it is in the Government's standard methodology for measuring proven reoffending.

¹¹ 'Creaming' and 'parking' describes the practice whereby those who are closest to the stated outcome are given preferential support and those furthest away receive little or no support.

¹² This is to allow sufficient time for the cohort to flow through the pilot and for any court processes to be complete and data to become available for a full cohort of individuals.

‘The problem with the recidivism pilot is the period over which you have no transparency as to how you are performing. You have the information on the employment side, but if people leave work and contact is lost – and that happens quite frequently – you don’t know to what extent your investments are placed at risk.’ (Provider)

3.3 Summary and implications

Although the pilot was commissioned before the Transforming Rehabilitation proposals were published the evaluation has nevertheless produced a number of relevant findings which have implications for the wider strategy. For example, the evaluation identified wide-ranging support for increasing services for short-sentence prisoners amongst interviewees. The potential importance of attachment fees or some form of upfront capitalisation, depending on the nature of the provider market in question, has also been highlighted by officials and providers. Providers were keen to have access to regular reoffending data to enable them to measure their own performance and effectively manage their supply chains to deliver on reoffending outcomes.

Officials thought that the binary measure of reoffending was the simplest way of measuring reoffending, and some felt that complete desistance from known offending was the most appropriate success measure for the pilot. However, some providers and officials acknowledged the trade-off when using a binary measure in a PbR model that it might result in providers neglecting those offenders they judge least likely to generate an outcome payment, i.e. those who have already reoffended and those judged to be the ‘hardest to help’.

Officials felt that using a black box approach would allow the Government to test whether and how providers adapt their delivery model in response to a financial incentive to reduce reoffending, which is a key aim of the pilot.

4 The co-commissioning process

The Employment and Reoffending Pilot was commissioned jointly by the MoJ, NOMS and DWP in 2012. This chapter addresses the evaluation objectives of examining the process of co-commissioning and identifying lessons learned to inform future commissioning decisions. It explores the co-commissioning process including the key drivers and objectives, benefits and challenges of co-commissioning. Findings are drawn from 14 interviews with senior and strategic staff from the MoJ, DWP and NOMS engaged in the procurement of the pilot, and prime providers involved in the pilot.

4.1 Key drivers and objectives of co-commissioning

As previously mentioned, the decision to co-commission the pilot was driven by a commitment from both departments to explore the link between employment and reoffending. It was suggested by interviewees from both departments that co-commissioning took prison leavers' needs into account by streamlining services rather than working in silos, thereby reducing duplication.

‘Joining up funding streams makes sense around a single customer rather than have them on separate programmes so that’s one driver.’ (DWP)

The main objective for both departments was the opportunity to achieve efficiencies through cross-departmental commissioning, such as a reduction in MoJ resources and time required to undertake the commissioning process for the pilot.

4.2 Pilot commissioning

A range of staff were involved in the pilot commissioning, including those from the MoJ, DWP and NOMS strategy, policy, legal, analysis and procurement teams. On the whole, interview participants were positive about co-commissioning and highlighted that working together allowed the MoJ and DWP to bring together different sets of expertise, namely MoJ’s knowledge of the target group and DWP’s experience of commissioning PbR programmes.

As this was the first opportunity for a number of staff from across the departments to engage in co-commissioning there were a range of issues raised. The main challenges involved the initial development stages and were primarily associated with aligning processes and systems across departments.

Resourcing

Officials highlighted the challenges of co-commissioning between departments or other bodies which have different organisational models for commissioning new services. Within DWP there was a specialist team of staff involved in the commissioning process whilst in MoJ there was an 'agile' approach to the project with key staff involved at different stages depending on their role.

Planning

The importance of ensuring both commissioning partners are working to the same timescales was raised by officials, as was the value of having a feasibility phase prior to commissioning in order to discuss and agree the practicalities and risks of the pilot. A joint project plan with set milestones to ensure each department is aware of their commitments and deliverables at each stage was also perceived as important.

'There needs to be a clear understanding, right at the outset [of] what can and can't be done..., it needs to be more detailed than perhaps it would do if you were doing a commission in your own department because you need to understand what the other department can and can't do. Its systems, its data sharing, its resources.....' (DWP)

Legal issues

A number of complex legal issues arose during the development of the pilot, primarily related to contracts and finances. Both departments were positive about the ability to make use of existing Work Programme contracts and introduce contract variations rather than issuing new contracts. However, some difficulties arose around agreeing what could feasibly be added to existing contracts. This is one example of an issue that may have come to light during a feasibility phase. Legal teams will have a crucial role to play in any co-commissioning, and may be able to highlight at an early stage what issues might arise.

Data sharing

The two main data issues experienced in this pilot are likely to be relevant to other future co-commissioning projects. A first issue was that of how to align the different DWP and MoJ IT systems to identify eligible prison leavers and refer them into the pilot. Some officials raised concerns that a lack of common personal identifiers meant potential pilot customers could be missed but the lack of common data would make it impossible to be sure.

The second issue related to differences in data protection protocols. Early engagement with potential barriers to effective data sharing between departments is likely to be beneficial when commissioning projects of this nature.

‘There are various legislative barriers. So legal gateways and then actually how you physically share data are very, very big issues and not just for our two departments but basically across Government. That would be a big part of any future joint commissioning projects.’ (MoJ)

Governance

During the commissioning process MoJ staff sat on DWP boards and vice versa. However a recommendation made by officials interviewed was for joint senior governance in any co-commissioning process to enable issues to be escalated and rapid decisions to be made.

Agreeing the specification and procuring the contract

Officials felt that the procurement of contracts for the pilot was a relatively smooth process. Most interviewees agreed that the contributions of a range of stakeholders (including legal, strategy and analysis) made the process more robust.

4.3 Summary and implications

This pilot was co-commissioned by the MoJ, NOMS and DWP and officials in all organisations were able to identify shared benefits from the pilot in terms of putting the prison leaver at the heart of more streamlined support and reducing duplication of services and spending (particularly relevant when departmental budgets are under pressure). As the Government has committed to ‘a system which can join up funding streams from different Government departments and integrate with existing partnerships’ in the Transforming Rehabilitation strategy (Ministry of Justice, 2013a) we may expect to see more cross-departmental commissioning in the future.

These findings suggest that future co-commissioning would benefit from upfront investment of time and resources to understand commissioning processes across departments and establish strong and effective joint governance. This includes the agreement of joint project plans, supported by dedicated project teams, and clear joint governance mechanisms and escalation routes. Issues relating to different legislation, data security protocols and IT systems are likely to arise in any co-commissioning process. Early involvement of legal teams and relevant specialists should therefore be considered.

5 The transition from prison into employment support

This chapter describes the operation of the Employment and Reoffending Pilot in prisons, the services that currently exist to support resettlement and the extent to which this is coordinated by the prison. Research (including 54 interviews and observations with prison staff and prisoners) was conducted in four prisons that release offenders to the two pilot CPAs. Prison leavers from these institutions who are eligible for the Work Programme are randomly assigned to either Provider A or Provider B upon release. Relevant findings from interviews with providers are also interspersed throughout the chapter.

5.1 Resettlement in prisons

The coordination of resettlement services has implications for the proposed Transforming Rehabilitation reforms. The current strategy sets out plans to introduce resettlement prisons in each resettlement CPA, to ensure that prisoners are based in the area they are due to be released into and services are joined up to ensure a smooth transition from prison to the community. This report highlights some of the key issues currently facing prison resettlement teams in the context of the pilot.

Resettlement services

Additional resettlement services (over and above key commissioned services focusing on housing, education, employment, benefits and substance misuse) were often short-term and intermittent, and there were regular changes to the type and range of services available. This created some confusion about what was on offer among staff. Some interviewees expressed concern about the potential for duplication of effort, particularly around employment support. For example, education staff felt that Work Programme providers would be unaware of training that had already taken place and were therefore more likely to offer similar support again.

‘Guys [offenders] say this is the fourth CV they’ve written. It’s not working. Last year [another provider] came in and did exactly the same thing as us.’ (Prison Education Staff)

Issues in the current organisation of resettlement service underline the importance of stability and consistency, and supports the need for simplification and streamlining. This may well be addressed under Transforming Rehabilitation as there are likely to be fewer providers delivering resettlement services in prisons (Ministry of Justice, 2013a).

Coordination and promotion of resettlement services

The research also found that coordination of resettlement services was patchy. Some prisons arranged regular meetings for services providing opportunities to network and promote their work, however these were not always well attended. EBAs typically attended these meetings but Work Programme providers had no presence in the prisons. Sometimes effective joint working and cross referral of prisoners resulted from good knowledge and relationships between staff, rather than any more formalised processes to promote resettlement across different services. It is likely to be important for new resettlement providers to be able to demonstrate how they will work with prisons to coordinate and promote resettlement services. This will be vital to ensuring initial prisoner engagement and will help to facilitate continued engagement upon release.

Unsurprisingly, coordination of resettlement was considered to be easier where prisoners were being released locally as staff were able to develop a good knowledge of the services available in the local area. Given the likelihood of considerable changes to the local delivery landscape, providers and prisons will need to work together closely to ensure that information on local services is kept up-to-date to ensure resettlement staff can respond accurately and effectively to prisoners' queries.

This research found that short-sentences and prison transfers at the end of sentences disrupted the organisation of resettlement. There was sometimes inadequate time to set up bank accounts, arrange accommodation and make advanced JSA claims, particularly in local prisons. It was suggested by one resettlement officer that at least seven to eight weeks are necessary to plan resettlement properly. Under Transforming Rehabilitation, it is proposed that prisoners will be relocated to resettlement prisons at a stated period towards the end of their sentence to prepare them for release into their local community (Ministry of Justice, 2013a).

Conflict between resettlement activities and the Work Programme

For prisoners claiming JSA on their release, the conditions of their benefit dictate the activity they can undertake post release as job search requirements take precedence. This may mean that prison leavers are not permitted to participate in full-time educational or training courses in case this conflicts with their work-search.¹³ Some resettlement services focusing on education or the organisation of work placements for prisoners felt that JSA conditionality sometimes limited the support they could offer; commenting that their efforts to find prisoners work or training on release were sometimes wasted.

‘If they’re going out on benefits, [the training plan is] just a piece of paper they’re holding because they can’t do it.’ (Prison Head of Education)

It is possible that JSA conditionality will impact on the range of support prison leavers will be able to engage in. Therefore, new resettlement providers will need to ensure they develop an understanding of conditionality rules and work with local Work Programme providers to ensure services are aligned.

5.2 Knowledge and experiences of the pilot

Awareness of the specifics of the Employment and Reoffending Pilot was low among prison staff interviewed and although EBAs knew enough to refer prisoners to the pilot, they had little knowledge about the pilot design or aims.

‘Are they just trailing them to see if they reoffend? I don’t really know, that’s what I gathered. I don’t know what the providers are doing.’ (Prison EBA)

Although some EBAs had been to visit Work Programme providers, generally they had quite limited knowledge of their delivery models including the detail of the pilot. Several EBAs expressed concern that the Work Programme providers may not be well equipped to tackle the deep-rooted problems facing some prison leavers. Some EBAs in pilot areas were aware that the Provider As had a different level of funding and felt that this should mean that more support would be on offer but most knew nothing of the specifics of how the pilots were

¹³ People are entitled to JSA if they are available for and actively seeking employment. This might include: actively seeking and being available for work, or for Employment and Support Allowance (ESA) claimants preparing for a return to work; and attending adviser appointments and, for JSA claimants, Jobsearch Reviews; carrying out activities to address things that make it harder to get a job, such as improving their job search skills or learning something new; taking part in work focused interviews or carrying out work related activity; and complying with mandatory activity. These conditions continue to apply whilst someone is attached to the Work Programme.

operating. For example, they were not aware of exactly what the pilots were attempting to do or of any differences in the support offered by Providers A and B.

Links between Work Programme providers and Jobcentre Plus staff in prisons were also limited. EBAs working in local prisons tended to think that Work Programme providers should make more of an effort to engage with the prisons. Staff working in prisons where prisoners were dispersed more widely upon release acknowledged that no one provider would have sufficient resources or connections to forge strong links with all relevant prisons currently. Resettlement prisons proposed under the Transforming Rehabilitation reforms may help to address this issue of dispersal.

‘I’ve tried to get Work Programme providers [into the prison]. I set up a meeting with [Provider A subcontractor]. Still not met [Provider B]. I think they were surprised at how busy they were when it started. They should consider coming in – good for tailored support... I have invited them, it’s an open invite. No-one’s ever taken me up on it...’ (Prison EBA)

Interviews with providers also confirmed that incentives to engage in prisons were currently limited. Although a number of providers operating in both pilot and non-pilot CPAs felt there would be benefits to carrying out some pre-release work, the random allocation of participants to prime contractors very close to their prison release date appeared to be disincentivising this activity:

‘What we are trying to do, or what we wanted to do for benefit of this, is to actually [meet] the people in prison before they leave. That would be the best way for us so we can make that link and when they come out on day one we could pick them up so they don’t get lost. The problem with that is if we did some really good work with people two weeks before they left and then maybe they went to [the other prime] then we’ve lost that work that we’ve done.’ (Offender specialist subcontractor)

However in one prison the EBA communicated directly with a local Work Programme contractor and if people were returning to the local Work Programme, the contractor would visit them before their release. This example demonstrates that providers are more likely to engage with a prison if they are guaranteed to receive referrals from that prison. It is possible we could see improvements in this over time as subcontractors in the Provider A supply

chain highlighted that lower than anticipated volumes of referrals to date had discouraged them from starting any pre-release engagement.

5.3 Referral to the pilot

The process of identifying prisoners as potential JSA claimants and then mandating them to the Work Programme was broadly consistent across the four prisons, although there were some variations and difficulties mentioned. The referral process had changed very little following the introduction of the pilot. As in non-pilot prisons, referrals took place in one long session with a prisoner at least two weeks in advance of their release date (see Figure 2.1 above), with a short interview collecting basic details sometimes conducted before prisoners arranged their claim (generally by telephone). Prisoners were then booked an appointment at their local Jobcentre Plus after their release and told that the Work Programme provider would write to them within two weeks of release.

When asked if there had been any changes to processes or provision since the implementation of the pilot, EBAs reported that nothing had changed, except for an additional drop-down box in their customer database to indicate whether or not a prisoner was eligible for the pilot.¹⁴ As indicated earlier in this report, at the time of research the volume of referrals to the pilot were lower than they were estimated to be in the pilot Invitation to Tender document. There were a range of reasons given for this difference. Some Provider A subcontractors working with pilot customers highlighted potential issues with the identification of eligible prisoners by EBAs. These subcontractors felt that the voluntary rather than mandatory nature of EBA appointments might have been affecting identification of pilot customers. Some subcontractors believed that prisons did not always have EBA coverage and felt that their pilot customer referral numbers significantly reduced when an EBA was absent. EBAs themselves mentioned that they sometimes did not have time to see eligible prisoners to make a referral before they were released, particularly if their sentences were very short. However in these cases a marker would be put on the Jobcentre Plus system which should be picked up in the community if the prison leaver subsequently claims benefits. Prisoners released without having been referred to the Work Programme, for example those serving very short sentences or those who choose not to claim a benefit prior to release, are dependent on the marker being on the system and Jobcentre Plus staff in the community understanding the pilot process in order to receive a correct referral.

¹⁴ Eligibility criteria include having served a sentence of under 12 months and not having been attached to the work programme previously.

EBA's also mentioned that a significant proportion of short-sentence prisoners were not eligible for the pilot as they were in fact re-referrals to the Work Programme, making them ineligible for the pilot.

Some longer sentence prisoners do appear to have been mistakenly referred to the pilot. These offenders had been out of prison on licence but broke this and were recalled to prison for six months as a result. When released they were then referred to the pilot despite not being technically eligible as a result of their original sentence length. Such erroneous referrals resulted in prisoners serving longer sentences for more serious offences participating in the pilot.

Referral information

A number of providers operating in both pilot and non-pilot CPAs described limitations in the referral information provided about prison leavers. One reported issue with referral information related to contact data which is discussed further in chapter 6. A second reported issue related to providers feeling they were not able to access sufficient information on prison leavers' offence(s). Many providers stated that they typically do not know details of an offender's offence before they first meet with them, and is only obtained if the offender chooses to disclose it.

Sharing of such information was felt to be most critical in relation to those prison leavers who may pose a risk of harm to provider staff, customers and potentially the general public. Such offenders could have included some of those serving longer sentences for more serious crimes who were mistakenly referred to the pilot. Information about prison leavers' offences would enable providers to conduct risk assessments and ensure that any work placements are appropriate.

Whilst this is not an issue that is specific to the pilot, as Work Programme providers will be used to working with ex-offenders (including those with serious offences) it has perhaps been amplified for providers by the specific focus on the PG9 group of prison leavers.

5.4 Summary and implications

Research in prisons identified a lack of coordination of resettlement services and highlighted the importance of prison staff building relationships with service providers in the community. Proposals for resettlement prisons may well address these issues. However these findings highlight the need for prisons leavers to spend a sufficient period of time within the resettlement prison prior to release to enable plans to be put in place and actioned.

Potential rehabilitation providers will need to consider how to work with resettlement teams in prisons. These relationships will be vital to streamline support, minimise risks of competitiveness and increase collaboration, and share relevant information about offenders' progress and risk of reoffending. A champion within the prison would be valuable. Commissioners may wish to assess providers' experience in this area and how they propose to manage such difficulties. Resettlement activity would benefit from being co-ordinated by senior staff from all organisations and bodies involved in order to promote through the gate working.

Work Programme providers reported that the random allocation of Work Programme participants to providers close to their release date, the fact that prisoners are often released to different parts of the country, and the low referral volumes has discouraged them from providing through the gate support to date. The increased attachment fee for pilot participants does not appear so far to have provided sufficient incentive to engage with prisoners pre-release.

6 Provider supply chains and delivery models

Two of the aims of the Employment and Reoffending Pilot were that it would support the development of a diverse future market for the provision of services to reduce reoffending, and that it would encourage and enable innovation in service provision and new ways of working. This chapter explores the early effects of the pilot on the supplier market and provider delivery models.

Findings are predominantly based on twenty qualitative interviews with Work Programme prime and subcontracting providers in the two Work Programme CPAs involved in the pilot. For comparative purposes this chapter also draws on early findings from Day One Mandation evaluation interviews with Work Programme prime and subcontracting providers operating in non-pilot CPAs.

6.1 Impact of the pilot on the supplier market

Prior to the pilot both Provider As were referring all their Work Programme customers, including all prison leavers, to their generalist subcontractors.¹⁵ These subcontractors had an option to refer prison leavers to specialist call-off subcontractors¹⁶ if they felt this was appropriate. These organisations tend to be providers with experience of offender management who have delivered services under criminal justice contracts. For example one specialist also delivers training for probation services and another delivers housing support to ex-offenders.

Both Provider As described making changes to their supply chains in response to being selected as a Provider A for the pilot. Both had added end-to-end subcontractors¹⁷ with specific expertise in working with offenders to their supply chains, though how the Provider As used these specialists differed relating to the number of specialists introduced (one provider used a specialist end to end to cover the whole of a CPA, the other used four covering different geographical areas within a CPA) and whether these specialists worked with *all* prison leaver customers or just with the subset of these identified as pilot customers.

¹⁵ 'Generalist' subcontractors support any and all types of Work Programme customer.

¹⁶ 'Call-off' subcontractors provide specific support as and when it is needed, rather than having a contract for a specified share of provision in a CPA.

¹⁷ 'End-to-end' subcontractors support customers throughout their time on the programme.

In Provider B and non-pilot supply chains, the majority of prison leaver customers were supported by generalist subcontractors, with a smaller number receiving support from specialist call-off subcontractors where the generalists chose to use these.

The rationale for the supply chain changes introduced by both Provider As was to increase the expertise in their supply chains for supporting prison leavers. Both the Provider As stated that these changes were specifically driven by the additional financial resources and incentives provided by the pilot; including the additional attachment fee payments for pilot customers and the potential to receive payments for reduced reoffending outcomes.

‘The reason we’re able to put specialists in place around this was the extra funding that was attached through MoJ... that drives the distinction.’ (Provider A)

One Provider A also felt that the additional attachment fee payments had allowed them to offer terms that were more attractive to smaller organisations than their standard Work Programme terms.

‘It has allowed us to bring in smaller organisations who probably couldn’t have [been involved in the delivery of the] Work Programme... it has allowed us to open our net a bit wider.’ (Provider A)

This appears to support the key aim of incentivising a wider range of providers to work with prison leavers and allowing smaller organisations who would not be able to compete for national or regional contracts to have an impact on reoffending in their local areas. This is important in the context of the Transforming Rehabilitation strategy which highlights the key role that smaller, often voluntary sector organisations, could play in the new criminal justice environment (Ministry of Justice, 2013a).

However, one Provider A felt there would be issues with the sustainability of their use of offender specialist subcontractors for supporting pilot customers if referral volumes remained at the levels seen earlier in the pilot, which were lower than those estimated in the Invitation to Tender document.

‘If the referrals stay low then potentially we’re going to have to take the pilot back into our [generalist subcontractors], and they’ll just get the normal delivery because if the numbers aren’t there people can’t sustain it. The whole point of the

pilot is trying something different and that's what we've tried to do, but we need the numbers to be able to maintain doing something different.' (Provider A)

One of the aims for the pilot is to enable innovation but early volumes do not appear to be sufficiently high to encourage or enable specialist subcontractors to be innovative in their service provision. For Provider A specialist subcontractors working with pilot customers, low volumes to date were reported to be having an impact on the staff they could dedicate to this programme and the services they could therefore develop.

Impact of the incentive on behaviour

Driven by incentives, the introduction of end-to-end offender specialists to the supply chains of the two Provider As meant that all pilot customers referred to these providers were supported by specialist providers.

In the pilot CPA where all prison leavers were supported by a single specialist subcontractor, there were reports that pilot customers were sometimes prioritised for access to provision over other prison leavers not on the pilot. This was reportedly done for two reasons; firstly because the provider was aware that they could receive more income if they reduce reoffending by prison leavers on the pilot and; secondly because the provider felt that those on the pilot have less support outside of the Work Programme than non-pilot prison leavers who, due to their longer custody sentences, receive rehabilitation support from the Probation Service. However, there was no indication that this provider was reducing support to non-pilot prison leavers rather than just prioritising pilot customers.

'Under 12 months they come out with nothing so I think we have got, if you like, a duty to provide that support or whatever. So that is what we do.' (Offender specialist subcontractor)

In the other Provider A supply chain, pilot and non-pilot prison leavers were referred to different providers (offender specialist and generalist providers respectively). In this way, pilot customers were prioritised for specialist support over non-pilot prison leavers.

6.2 Delivery models

In spite of changes to the supply chains of organisations delivering support to offenders, there was little evidence of significant differences between Provider A and B delivery models. Provider As had not changed their Work Programme delivery model as a result of the pilot,

and did not require subcontractors working with pilot customers to follow an amended model. As a result of the pilot, Provider As had made changes to *who* delivered support to pilot customers but there was no evidence that they required the support provided by the specialist subcontractors to be delivered differently. An overall logic model was formed based on the original models and information from the first wave of interviews with providers.

Table 6.1: Pilot logic model

Contextual aspects	Inputs	Activities	Outputs	Anticipated outcomes
Challenging economic climate	Provider understanding and knowledge of what works	Engaging prisoners before release (planned but not yet achieved)	Relationships with employers	Sustainable job outcomes
Financial support from MoJ	Provider staffing	Meet service user at the gate (planned but not yet achieved)	Supply chains including voluntary and community sectors, social enterprises and specialist organisations	Reductions in reoffending
Media interest in reducing reoffending	Provider staff training	Initial needs assessment	Effective relationships with stakeholders	Workplace learning
Top level political commitment	Marketing in prisons	Creation of support plan	Establishment of key performance indicators for supply chains	Qualifications
Transforming Rehabilitation	Existing service provisions e.g. mental health support	Support tailored to needs of offenders	One to one sessions	Career progression
		Caseworker	Group workshops	
		Focus on stable accommodation	Work placements	
		Mentoring		
		Progress reviews		
		Employer engagement		
		Partnership working with Youth Offending Teams, Health Boards, Jobcentre Plus, housing providers, Probation Service, Prison Service		

The logic model will be developed over the course of the evaluation and will provide context and a basis for establishing changes and progress.

Purpose and focus of provision

Provider As and Bs all described the purpose and focus of their provision for prison leavers (including, where relevant, pilot customers) as achieving sustained employment outcomes. This is in line with the purpose and focus of their Work Programme delivery models more widely.

In the main Work Programme providers saw a focus on employment outcomes as complementary to a focus on reducing reoffending, if not the only outcome.

‘The primary focus is always around the employment because you get somebody a job and they’re working, they don’t tend to reoffend... employment is a big part of breaking the cycle with them.’ (Provider A)

However one Provider B felt that as offenders often have complex needs there is risk that, if providers perceive them to be distant from work, they will be ‘parked’ in favour of other Work Programme participants who are closer to the labour market. This provider therefore felt that delivering employment outcomes through the Work Programme may not always support reductions in reoffending.

This variety in views reflects the complex relationship between employment and reoffending. Evidence suggests that steady employment – particularly if it offers a sense of achievement, satisfaction or mastery – can support offenders in stopping offending (Farrall, 2002, and Ministry of Justice, 2013b). However, many factors influence reoffending such as substance misuse problems, pro-criminal attitudes, difficult family backgrounds, unemployment and financial problems, homelessness and mental health problems (Ministry of Justice, 2013c). Many of these factors are interlinked. Employment alone cannot prevent offending, and some offenders are able to desist without employment (Giordano, Cernkovich and Rudolph, 2002).

This suggests that unless other reoffending factors are addressed focusing on employment alone may not simply lead to a reduction in reoffending. However providers within all pilot CPA supply chains highlighted that potential pathways to reoffending such as homelessness, drug and alcohol misuse and mental health issues were typically identified and addressed in Work Programme provision but with the aim of increasing employability not reducing reoffending as such. How providers expect their provision to address employability and reduce reoffending (and any differences between the two models) will be a key subject for further exploration in future waves of the evaluation.

6.3 Delivery in practice

Attachments of prison leavers to the Work Programme

Providers operating in both pilot and non-pilot CPAs all described attaching prison leaver customers as being far more challenging than attaching other Work Programme customers. Providers typically described overall Work Programme customer attachment rates of over 90

per cent, whereas prison leaver customer attachment rates were described as being much lower. This illustrates the additional challenges involved in delivering services of this type to prison leavers – a challenge that providers had not (at the time of the fieldwork) found an effective way of addressing.

Evidence from the research in prisons suggests that one reason for this may be that staff in prisons, including EBAs, and prisoners themselves have a low awareness of the Work Programme offer. Most prison leavers understood that it was mandatory and were informed about the Work Programme and the risk of sanction if they failed to attend. Amidst their other concerns in the run-up to release, however, many prisoners interviewed appeared not have retained much information about the scheme. Of those interviewed after their extended session with the EBA many said they knew nothing about the Work Programme; some knew only that it was mandatory or that it offered general employment support' whilst only a few could give specific examples of the support they could expect to receive on the Work Programme.

'He (EBA) mentioned it to me. It didn't really register, he did say I have to attend.'
(Prisoner)

'Haven't got a clue. She mentioned it. It's to help me – something I have to do to claim JSA, that's it.' (Prisoner)

Prisoners who had already been on the Work Programme reported a mix of experiences. Some were not aware that they had been on the Work Programme whilst others praised the support that they had received.

Providers felt that another key reason for low attachments was that prison leavers have less stable lives than many other Work Programme customers and were often felt to be in a state of flux on release, with highly changeable circumstances. As a result of this, providers described common issues with prison leaver contact data contained on the PRaP system being inaccurate and/or with prison leavers moving, choosing not to start claiming benefits, making a benefit claim and then stopping that claim shortly thereafter, or reoffending and being taken back into custody. Analysis of both provider As' management information showed that the most common reason for non-attachment of pilot customers was the prison leaver stopping their benefit claim. The second most common reason for non-attachment was failure to attend initial interview and the third most common reason was a return to prison.

The attachment challenges described by providers related to prison leavers as a whole rather than just to the pilot customer subset. However, as Provider As were reporting issues with much lower than anticipated pilot customer referral volumes, these attachment challenges were seen as further reducing the number of pilot customers able to be supported and therefore further compounding the volumes issue.

Assessment of prison leavers' needs and barriers to employment

In both pilot CPAs, assessment tools had not changed since the introduction of the Employment and Reoffending Pilot. However, whilst most subcontractors in Provider A and B supply chains described using their prime provider's standard structured Work Programme assessment tools which were designed for use with any and all Work Programme customers, use of these assessment tools was supplemented with individual questioning and input from the employment advisers working directly with customers.

The specialist offender subcontractors introduced in both Provider A supply chains felt that they were able to bring a greater level of understanding of the needs of prison leavers, and the barriers to employment that they face, to those needs assessment discussions than generalist subcontractors. However, some generalist subcontractors highlighted that prison leavers were previously referred to the Work Programme under the general JSA streams and therefore suggested that they had also developed a good understanding of the needs of prison leaver customers and the barriers to employment they face as a result.

There is some evidence emerging from the Work Programme evaluation to date of 'procedural personalisation' in terms of building up a personal and mutually respectful relationship between adviser and participant, and making use of tools such as assessment and action planning. However the same evaluation also suggests that specialist providers may be able to conduct more detailed needs assessments with customers (Newton *et al.*, 2002). This issue will be explored in further waves of the evaluations.

Views on how the barriers to employment and support needs of both pilot and non-pilot prison leaver customers compared to other Work Programme customers were similar across all providers interviewed.

A barrier to employment identified as specific to prison leavers was their offence(s). In some cases this meant there were specific restrictions on the job roles the offenders could move into. In all cases this meant more support was needed in relation to disclosure and identifying employers willing to employ ex-offenders. Other barriers highlighted by providers were said

not to be specific to prison leavers but to be more prevalent amongst this group than other Work Programme customers. These included housing issues, debt, drug and alcohol misuse, mental health problems and undiagnosed learning disabilities. Analysis of both Provider As' management information supported the suggestion of these as common barriers to employment for prison leavers. The MI showed that issues with confidence, motivation, anger management and basic skills were also common amongst this group.

Providers did however highlight that whilst there were trends in barriers to employment across prison leavers, there was also individual variation.

'Offenders aren't a homogeneous group. They're all individual with individual issues and problems.' (Offender specialist subcontractor)

Provider views were mixed as to whether short-sentence or longer-sentence prison leavers were easier to support into work. Some providers felt that longer-sentence prison leavers were easier to support because they had built up a portfolio of training and development in prison, were more determined to find work and move on from their convictions on release, and received structured support on release from probation. A number of providers described the benefits of probation support for longer-sentence prison leavers and the challenges created by the lack of rehabilitation and wrap-around support available for short-sentence prison leavers. This indicates a strong perceived need for the support outlined in the Transforming Rehabilitation strategy (Ministry of Justice, 2013a). These providers felt that short-sentence prison leavers were more likely to lead chaotic lives and reoffend. However, other providers felt that short-sentence prison leavers were easier to support because they had less serious convictions and were more motivated.

Tailoring of services to meet prison leavers' needs

All pilot CPA providers, whether in Provider A or B supply chains, typically stated that they tailored services to individual Work Programme customers rather than customer groups, such as 'prison leavers' or 'pilot customers'.

'We don't tend to look at ex-offenders as ex-offenders. We tend to look at them as what their needs are. It's not like as an ex-offender we'd better give them special treatment. All we think is that person isn't ready for work so they need support.' (Generalist subcontractor)

However, the introduction of specialist offender subcontractors by Provider As meant that employment advisers working with pilot customers in these supply chains were all based within organisations with an offender focus. These providers therefore felt that their staff would typically have more of an understanding of and expertise in working specifically with prison leavers and tailoring services to their individual needs than generalist subcontractor staff. However, some high performing¹⁸ generalist subcontractors challenged this assumption and, at this stage in the research, no significant differences between the types of support provided by offender specialists and the types of support provided by generalist subcontractors were apparent, although this is an area for further exploration in subsequent phases of the evaluation.

6.4 Summary and implications

This research has found that the pilot had a direct impact on Work Programme provider behaviour. Prior to the pilot both Providers A and B had either not used specialist offender providers or had only used them for a small proportion of referrals. This is consistent with provision in non-pilot areas. Following the introduction of the pilot, Provider As increased the number of offender specialist subcontractors in their supply chains. Provider Bs made no changes to their supply chains in response to the pilot. Providers As were clear that supply chain changes were a direct result of both the payment associated with a reduction in reoffending and the additional attachment fees.

Provider As stated that the rationale behind the decision to increase their use of specialist offender providers for pilot customers was in recognition of the additional focus on reoffending as well as employment. The added value of specialist provision will be a key focus for future waves of research and views on this so far were mixed. Some providers in the supply chain of Providers As felt that specialists were able to bring a better understanding of prison leavers' needs and barriers to employment. However non-pilot providers and Provider Bs tend to argue that all Work Programme participants receive personalised support and that advisers are experienced in assessing needs on an individual basis. Given that many providers have been operating for many years and working with offenders during that time, they felt that advisers had the skills to support prison leavers to find employment, without being an 'offender specialist'.

¹⁸ Providers were classified as high performing based on their sustained job outcome rates relative to those of other supply chain providers.

In terms of the type of support that both Providers A and B were delivering to prison leavers, the evidence suggested that the model was very much the same as it had been prior to the pilot and the focus of provision continued to be on sustained employment outcomes.

Providers largely expressed the view that a focus on employment outcomes is complementary to a focus on reducing reoffending. They stated that they would naturally address many of the pathways to reducing reoffending, such as housing, drug and alcohol issues, as part of a journey to work.

7 Key implications

This final chapter draws out the main policy and delivery implications from the pilot evaluation so far for co-commissioning, pilot delivery, and the future of through the gate resettlement support.

7.1 For co-commissioning

The principal implications for future co-commissioning that can be drawn out of this pilot so far are set out below.

- Upfront investment of time and resources help officials to understand commissioning processes across departments and foster efficient joint working.
- Joint project plans, with clear actions and owners, delivered by dedicated project teams were also identified as possible facilitators for future commissioning.
- Joint governance, clear chains of accountability and escalation routes can help to support decision-making and rapid resolution of problems.
- Issues relating to different legislation, data security protocols and IT systems are likely to arise in any co-commissioning process. Early involvement of legal teams and relevant specialists is recommended.

7.2 For pilot implementation

At the time of the research the pilot had been running for roughly six months and a number of issues had been identified with implementation so far. These may be teething problems common to the start of any project and may disappear over time. However, for evaluation purposes these issues are important to raise in order to encourage immediate improvements to delivery; suggest themes for future research; and identify factors that may affect pilot outcomes and the measurement of these outcomes.

- Early implementation issues identified by this evaluation, such as a lack of awareness amongst prison and Jobcentre Plus staff and lower than expected referrals, may negatively affect the first measures of pilot outcomes. To avoid drawing premature conclusions about the value and impact of the pilot, a longer period may be required before any firm conclusions can be drawn about its success.
- Raising awareness about the pilot amongst Jobcentre Plus advisers inside and outside of prisons to maximise referrals would be valuable. Better understanding of the Work Programme offer amongst Jobcentre Plus advisers would also

enable them to give a realistic picture of the programme to prison leavers, which may improve attachments.

- The pilot has clearly provided an incentive to make greater use of specialist providers to support prison leavers. Further stages of the evaluation could assess the value of specialist support over and above that provided by generalist providers.
- The pilot does not so far appear to have affected provider focus. Moving prison leavers into employment remained their key priority. This consistency of focus may result from the commissioning of the pilot using existing DWP contracts or could be because providers are only currently able to measure themselves against employment outcomes. If the former, then the prioritisation of one departmental agenda may be a further issue to consider when co-commissioning services.
- Providers argued that a reduction in reoffending will occur as a natural product of addressing employability. However neither rehabilitation theory nor empirical evidence suggest that the relationship between employment and offending is a straightforward one. Over time the pilot findings can help to explore whether addressing employability works as a route to reducing reoffending.

7.3 For future resettlement support

The pilot evaluation has identified a number of issues of broader relevance to the future of resettlement which may be useful to consider within plans for new resettlement prisons and rehabilitation providers.

- Pilot findings raise some questions around the transfer of information and referral flows from prison to resettlement provider. Prison staff were not fully aware of the range of provision available in the community which may limit the extent of through the gate support. Although there will not be the same issues of awareness that there are with Work Programme provision, MoJ may wish to require providers bidding for rehabilitation contracts to make clear in their proposals how they will engage with resettlement teams in prisons and other community support outside of their supply chains.
- Employment should continue to be a key element in reducing reoffending. The relationship between prisons and employment providers of all types varies greatly in effectiveness but there are some excellent examples. Within the proposed resettlement prisons, it may be beneficial for joint training and exchanges at senior levels between all organisations involved (including Work Programme

providers) to promote joined-up through the gate working. This could make a substantial and lasting difference to communication between community-based groups and prisons and act as a model for future through the gate support.

7.4 Contribution of this report and next steps

This report has presented early findings from the first six months of the pilot's implementation. The evaluation is planned to continue over the life of the pilot and will provide the basis for a fuller assessment of pilot delivery and performance.

Some core themes have begun to emerge in this wave of research and may be explored further in later waves:

- Whether early implementation issues are addressed over time. These may have implications for the assessment of pilot impacts.
- How the pilot financial incentives drive provider behaviour over time in terms of their evolving delivery models, the response to market share shift and evidence of any innovation in support.
- The relationship between employment and reoffending and the theory of change behind Provider A delivery models.
- The added value of specialist subcontractors and whether use of specialists leads to greater personalisation, prioritisation and better outcomes for prison leavers. This will be considered in the context of broader evidence on PbR and the Work Programme

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Appendix A

Glossary of terms

Attachment (fees)	Work Programme providers are paid an 'attachment fee' following their first engagement (or attachment) with a Work Programme participant. Pilot Provider As will receive an additional fee for every pilot cohort member who engages with them.
Binary measure of reoffending	A measure whereby individual reoffending outcomes are recorded simply as reoffended/did not reoffend, and the frequency or severity of offending is not taken into account.
Black box	An approach which allows providers to decide which interventions to offer to programme participants, rather than one in which commissioners specify the services and interventions which must be delivered.
Contract Package Areas (CPAs)	The geographical areas for which Work Programme prime providers have been contracted by DWP to deliver support.
Day One Mandation	As of 1 March 2012 all prison leavers claiming Jobseeker's Allowance (JSA) are 'mandated' to the Work Programme from day one of their release from prison.
Employment Benefit Adviser (EBA)	Jobcentre Plus (the public employment service) staff members based in prisons providing advice to prisoners on employment and benefits issues.
Mandatory referral	A 'mandatory referral' is one made on the grounds that the Work Programme participant must attend meetings with the Work Programme provider and undertake agreed activity. If participants fail to comply with mandatory activity they will receive a reduction in their benefit payments, known as a 'sanction'.
Outcome-based funding	Within an outcome-based funding programme, services are paid for on the basis of achieved outcomes (e.g. reduction in reoffending) rather than for delivering the service (e.g. delivering a training course).
Payment by Results (PbR)	The practice of paying providers for delivering public services based wholly or partly on the results that are achieved. Typically, providers in such a model have discretion over how those results are achieved.
Payment group	Work Programme participants are divided into nine payment groups based on the benefit they claim and prior circumstances (e.g. prison leavers). Providers are paid at different rates for outcomes achieved by different payment groups.
PG9	Work Programme Payment Group 9 denoting the payment group for prison leavers claiming Jobseeker's Allowance.

Rehabilitation provider	Providers responsible for supporting offenders to integrate back into the community post-release from prison, and helping them to reduce or desist from their reoffending behaviour.
Specialist provider	A specialist provider typically provides niche services, such as provision of support related to a customer's health or underlying issues, such as drug rehabilitation or debt management. In the case of the Employment and Reoffending Pilot, specialist providers are generally those who have particular experience of working with offenders to reduce their reoffending behaviour or achieve employment outcomes.
Supply chain	The organisations providing services to Work Programme participants under contract to a Work Programme prime contractor.
Through the gate	Resettlement service ensuring that offenders are given continuous support from custody into the community.

Appendix B

Pilot key success categories

The following is a list of key success categories for the Employment and Reoffending Pilot

- **Proof of concept:** The pilot aims to understand how PbR can function contractually across the criminal justice system as well as whether these arrangements can deliver a reduction in reoffending, and test whether co-commissioning works to achieve the required policy outcome;
- **Affordability:** the pilot should be affordable to the MoJ;
- **Long-term value for money:** the pilot should provide MoJ with the required knowledge, experience and evidence base to secure value for money when commissioning future PbR contracts and working with potential market entrants;
- **Market engagement:** the pilot aims to support the development of a diverse future market for the provision of services to reduce reoffending;
- **Risk transfer:** the pilot should enable MoJ to transfer risk to the providers, so that the providers bear the financial liability should the pilot fail to achieve its aims. A key strategic principle of the policy is the desire for MoJ to only make payments to providers/partners where the interventions delivered have achieved the desired outcome – only paying for what works;
- **Innovation:** the pilot should provide providers with the flexibility to develop their own ways of working;
- **Support of viable service delivery models:** MoJ will use the pilot programme to learn lessons about commissioning on a payment by results basis.

Appendix C

Breakdown of research conducted

The following research has been completed during wave one of the Employment and Reoffending Pilot evaluation, and informs the findings contained in this report.

- Stakeholder research (January – February 2013) – DWP, MoJ, NOMS and Work Programme prime pilot providers (14 interviews).
- Prisons research (April – June 2013) – four prisons in pilot areas, 13 observations of the work of EBAs, 19 interviews with staff who are involved in resettlement work, 23 interviews with prisoners who had set up their JSA claim and were near to their release date.
- Provider research (April – May 2013) – 20 interviews with strategic or operational managers in subcontractors.
- Management information (September 2012 – Apr 2013) – analysis of provider data on volumes, interventions and activities undertaken.

The tables below provide a detailed breakdown of interviews conducted for each element of the research.

Table C-1: Breakdown of interviews with senior and strategic staff

Interview participants	Number interviewed
MoJ and NOMS	5
DWP	6
Providers	3
TOTAL	14

Table C-2: Breakdown of interviews with pilot providers A and B

Interview participants	Provider A	Provider B	Number interviewed
Pilot CPA 1	Prime provider	Prime provider	2
	4 x subcontractors	4 x subcontractors	8
Pilot CPA 2	Prime provider	Prime provider	2
	6 x subcontractors	2 x subcontractors	8
TOTAL			20

Table C-3: Breakdown of interviews conducted in prisons

Interview participants	Number interviewed
Interviews with staff (of which 7 were EBAs)	18
Interviews with prisoners who had made advance claims for JSA	23
Observations of EBA's sessions with prisoners	13
TOTAL	54

Table C-4: Breakdown of interviews in non-pilot areas

Interview participants	Number of providers interviewed	Number of prison staff interviewed	Number of prisoners interviewed and observed
Non-pilot CPA 1	8 (4 per supply chain)	6	4, 3
Non-pilot CPA 2	8 (4 per supply chain)	6	10, 6
Non-pilot CPA 3	10 (5 per supply chain)	7	12, 6
Non-pilot CPA 4	10 (5 per supply chain)	10	8, 6

Appendix D

Interview topic guides

The topic guides are available as a separate document on the MoJ website.