

Annex C

Regulatory Impact Assessment

1 Title of proposal

1.1 Legislation to establish an Inspectorate for Justice and Community Safety.

2 Purpose and intended effect of measure

Policy objective

2.1 The Government's aim is to simplify the process of inspection, to relate inspection more closely to the needs of users of the inspected services and, in doing so, to reduce the overall cost of inspection. To help achieve this the Government is reducing the number of inspection bodies from eleven to four.

2.2 As part of this, the Government wants to create an inspectorate for justice and community safety that builds on the existing regime of rigorous independent inspection of institutions, including the treatment and conditions of those in custody, so as to inspect across organisational boundaries and thus deliver a more joined up, proportionate inspection regime. The inspection regime should have strong leadership and strategic direction, support the front line by reducing any unnecessary bureaucracy, and examine how the system as a whole can better deliver for those who come into contact with it and the general public. The purpose is to provide a spur for improvements for the end users in the quality of service provided, and assurance to Ministers and the public about the safe and proper delivery of services. It should make independent judgements, follow those with specific, practical, prioritised recommendations which take account of cost/benefit, report in public, inform policy and standard setting and be concentrated where it will add most value.

2.3 This objective relates to inspection in England and Wales.

Background

2.4 Following work in 2004 and 2005 with Inspectorates and the Office for Public Service Reform (OPSR), the Chancellor of the Exchequer announced in his budget statement in March 2005 the Government's intention to create an inspectorate for justice and community safety. This new inspectorate would replace five existing inspectorates:

- HM Inspectorate of Constabulary;
- HM Crown Prosecution Service Inspectorate;
- HM Inspectorate of Court Administration;
- HM Inspectorate of Prisons; and
- HM Inspectorate of Probation.

2.5 It should be noted that the functions of those inspectorates, and of the proposed justice and community safety inspectorate, are not restricted to criminal justice matters, but include in particular civil and family justice and wider policing matters. For example, HM Inspectorate of Prisons has responsibility for inspecting immigration removal centres (including short term holding centres and escorts) and HM Inspectorate of Court Administration has responsibility for inspecting the administration of civil and family courts. The Inspectorate would also continue to inspect the work of the Serious Organised Crime Agency, Her Majesty's Revenue and Customs and the Revenue and Customs Prosecution Office, the Civil Nuclear Constabulary, the British Transport Police and the Ministry of Defence Police, currently inspected by HMI Constabulary.

2.6 It was also agreed that HM Inspectorate of Court Administration's responsibilities for inspection of the Children and Family Courts Advisory and Support Services (CAFCASS) would transfer to the proposed inspectorate for children and learners.

2.7 In the same month the Office for Criminal Justice Reform (OCJR) (which represents the Home Office, Department for Constitutional Affairs and Attorney General's Office) published the consultation document "Inspection Reform: Establishing an Inspectorate for Justice and Community Safety" (OCJR, March 2005), inviting views on the detailed issues relating to the creation of a justice and community safety inspectorate. A public seminar was held towards the end of the consultation period in June 2005.

2.8 An inspectorate for justice and community safety would have responsibility for inspecting functions that are carried out by a number of local and national justice agencies – the Police Service, the Crown Prosecution Service, Her Majesty's Courts Service, the National Offender Management Service, Youth Offending Teams and the 42 area Local Criminal Justice Boards.

2.9 Details of the existing inspectorates are set out in the table below.

| | Annual budget (2004/05) | Approx. no. of full time employees | No. of inspectors |
|---------------|-------------------------|------------------------------------|--|
| HMIC | £9.48m | 130 | 7 (3 assistant) supported by inspecting 'staff officers' |
| HMCPsi | £3.3m | 47 | 24 |
| HMICA | £2.55m ¹ | 35 | 15+9 part time |
| HMI Prisons | £2.9m | 40 | 23 + 4 fee paid |
| HMI Probation | £3.2m | 49 | 29 |

¹ HMICA budget includes costs of CAFCASS inspection

2.10 These five Inspectorates join together to undertake joint thematic inspections both in the criminal justice system and with other inspectorates and have, since the establishment of Local Criminal Justice Boards in April 2003, started to undertake joint area inspections. Also, HMI Probation leads a joint inspection by nine regulatory bodies of youth offending teams.

3 Risk assessment

3.1 The Government has published ten principles of inspection, attached at Annex A, covering purpose (focusing on users and improving the outcomes they experience), processes and value for money. The Government is committed to ensuring that independent inspection across the public sector places a focus on customers, service clients and outcomes, is cost effective and is effectively planned, organised and managed. The purpose of inspection is to assure the public and Ministers of the safe and proper delivery of the services provided; to help improve these services; and to inform national and local policy formulation in respect of these services.

3.2 The Government considers that a change of emphasis in inspection of the delivery of justice and community safety is needed if inspection is to remain relevant to service users and providers. Reform of policing, prosecution, court administration and the management of offenders in recent years has been fundamental and wide-ranging. A new independent inspection regime is needed to provide the independent scrutiny required by Ministers and to retain credibility with the public and inspected bodies themselves, as well as an increased focus on outcomes for the service users. Although that could be achieved to varying degrees by strengthening the arrangements for joint working that already exist between the current five Inspectorates, more radical reform is needed to achieve the maximum benefit.

3.3 An unreformed inspection regime would lack the ability to provide Ministers with the type of scrutiny they require across the criminal justice system in addition to single agency inspection. Convergence of inspection methods to promote rigour and clarity and the spread of best practice would be limited, as would co-ordination and streamlining of inspection programmes. Over time, it is likely that inspected bodies, who are increasingly working together to improve services across the justice and community safety system, would lose confidence in inspectorates whose statutory remit was single agency inspection. Reform is needed to ensure that the money spent on inspection of public services is targeted to deliver focused inspection of those services.

4 Results of consultation

4.1 Consultation has taken place with colleagues in other government departments, other public service inspectorates and key stakeholders (Chief

Inspectors, the judiciary and inspected bodies). A consultation paper, *Inspection Reform: Establishing an inspectorate for Justice and Community Safety*, was published in March 2005 and a public consultation event was held in June 2005. A synopsis of the responses to the consultation paper and the consultation event can be found at Annex B of the Policy Statement.

4.2 The responses revealed many differing views about the way forward and these were taken into account by the Government in developing its policy proposals. The majority of respondents supported the creation of an independent single inspectorate in principle, but did not necessarily support all the proposals in the consultation document. There was broad support for flexibility in the remit of a single inspectorate, for inspection to include human rights issues, and for the inspectorate to inspect whole processes across agencies rather than the efficiency and effectiveness of single agencies, especially to prevent duplication with internal scrutiny arrangements. There were mixed views on the functions that should be undertaken.

4.3 The legislation will reflect these concerns, for example, by placing a specific duty on the inspectorate to inspect and report on the treatment and conditions of those in specified forms of custody (including prisons, court cells, young offender institutions and immigration removal centres), as well as a general duty to inspect and report on the functioning of the justice and community safety system. The existing statutory remit of the prisons inspectorate to inspect the treatment and conditions of those held in custody will be preserved in full. That will mean that whereas the general duty to inspect the justice and community safety system will allow considerable choice as to which of the other services receive more or less attention in any given programme of inspection, inspection of the treatment and conditions of those in custody will always be a priority.

4.4 The inspectorate will be required, from time to time, to publish an inspection programme, following consultation with Ministers, the Lord Chief Justice, bodies representing services and services users and other stakeholders. Legislation will provide powers for the inspectorate to inspect a range of functions falling under the umbrella of justice and community safety; enable the inspectorate to work in collaboration with other public authorities; and prevent inspection of any aspect of work that is already subject to adequate inspection by another authority. Arrangements will be made to enable assignment of a lead inspectorate role where an area of work spans the remits of more than one inspectorate.

4.5 Responses to consultation considered that decisions on the internal structure of the new inspectorate should be for the new Chief Inspector to take.

5 Options

Option 1: Maintain the status quo. This would not address the weaknesses of the current system and would maintain existing limitations such as the

restricted ability to make recommendations across agencies, the lack of strategic direction and leadership. It would not achieve the type of inspection regime needed to support recent and ongoing changes in justice and community safety and the agencies providing those services. There would be continuing uncertainty about how some inspection regimes fit into and contribute to the criminal justice process. It would not assist inspectors in delivering increased inspection across the criminal justice system (CJS), nor would it provide an improved opportunity to 'follow' service users across service and agency boundaries.

Option 2: Maintain the status quo and introduce a strengthened joint secretariat and planning unit. A stronger joint inspection secretariat and planning unit would play an active role in promoting and supporting area inspection and joint thematics, but would not deliver a strategic view on the balance between single agency and joint inspection. It would not achieve the type of inspection regime needed to support a reformed CJS and could result in potential friction between the joint unit and the five Chief Inspectors. It would not provide clear leadership across the inspectorates.

Option 3: Appoint a Commissioner for CJS Inspection, to act as an umbrella organisation to existing inspectorates. A Commissioner, with a supporting Commission, would be charged with developing a strategic approach to joint inspections. It would provide clarity of structure and remit and a clear distinction between the role of inspection and that of strategic leadership and development, but would require considerable additional resource. It could lead to duplication with the five inspectorates and additional burden on those inspected, rather than rationalisation of inspection. It would risk losing focus on inspection of non-CJS aspects of justice and community safety.

Option 4: Create a sixth Inspectorate. A sixth Chief Inspector and a small core inspection team would negotiate and deliver a strategic programme of cross-CJS inspection. It could employ inspectors from agencies, existing inspectorates and audit bodies to carry out an inspection programme. Although it would deliver an increased programme of joint inspections it would require considerable additional resources and may lead to duplication with the five inspectorates and additional burden on those inspected. It would risk losing focus on inspection of non-CJS aspects of justice and community safety.

Option 5: A four inspectorate model, retaining separate inspectorates for the Police Service, the CPS, HM Courts Service and establishing an Inspectorate for the National Offender Management Service. This option would facilitate a slight increase in cross-cjs inspection but may not achieve improved mechanisms to assess and select priorities for inspection across Departments, and could result in potential friction between inspectorates.

Option 6: A three inspectorate model, retaining an inspectorate for the Police Service, merging the inspectorates for the CPS and Courts and establishing an Inspectorate for the National Offender Management Service. This option would facilitate some increased cross-cjs inspection. However it would not

achieve increased alignment and streamlining between the police and CPS inspection regimes, nor achieve reform of HMIC in light of the wider police reform programme.

Option 7: A two inspectorate model, providing one inspectorate for the Police, CPS, court administration and Probation and a separate inspectorate for the treatment and conditions of those in custody. Although this option would facilitate increased cross-cjs inspection and would retain a free-standing inspectorate for the treatment and conditions of those in custody, it would retain some of the disadvantages of the current position in respect of boundaries between inspectorates, and inspection priorities and focus.

Option 8: A single inspectorate model which would retain capacity for single agency inspection and conspicuously independent inspection of the treatment and conditions of those in custody whilst providing a greater focus on inspection across the criminal justice system. This option would achieve inspection rationalisation, and provide increased strategic direction, leadership and coherent prioritisation of inspection activity to support the improvement of service delivery. It would reduce any additional work arising from inspections, by enabling alignment of inspection methodologies, enabling data collected by one inspection to be used to support other inspections and by enabling inspection to be focused where it is most needed. It would ensure that the inspection programme reflected the recent reforms in justice and community safety. It would retain capacity for single agency inspection and inspection of the treatment and conditions of those in custody. It would also focus on the service user's perspective. It may achieve a reduction in inspection costs – direct and indirect - by streamlining and ceasing some functions no longer considered critical, and through economies of scope, i.e. a larger inspectorate could support additional processes/skills/knowledge that may be beyond the capacity of each of the current inspectorates.

6 Benefits

Option 1: Maintain the status quo

The do nothing option would not achieve the objectives for reform, but would avoid disruption to the existing inspectorates. This option would not attract any additional costs.

Option 2: Maintain the status quo and introduce a strengthened joint secretariat and planning unit

This option would promote and support area inspection and joint thematics, but would not achieve the type of inspection regime needed to support a reformed criminal justice system, rationalisation of inspection or more coherent prioritisation of activity. It would continue to encounter some of the limitations currently experienced by inspectorates including:

- A lack of resources for increased joint inspection, or adjustments in other inspection arrangements in order to make room for it.

- A lack of strategic direction and lack of direction on inspection priorities for justice and community safety.
- A restricted ability to make recommendations across agencies; and uncertainty about how some inspection regimes fit into and contribute to the criminal justice process.

Option 3: Appoint a Commissioner for CJS Inspection

This option would provide clarity of structure and remit and a clear distinction between the role of inspection and that of strategic leadership and development, but this would not encompass the non-CJS aspects currently covered by inspection.

Option 4: Create a sixth Inspectorate

This option would facilitate a strategic programme of joint inspection. The additional inspectorate would be empowered to negotiate and deliver a strategic programme of joint inspection across the CJS.

Option 5: A four inspectorate model

This option would facilitate some increase in cross-cjs inspection but would retain some of the disadvantages of the current position in respect of boundaries between inspectorates, and inspection priorities and focus.

Option 6: A three inspectorate model

This option would facilitate increased cross-cjs inspection, but would retain some of the disadvantages of the current position in respect of boundaries between inspectorates, and inspection priorities and focus.

Option 7: A two inspectorate model

This option would facilitate increased cross-cjs inspection and would retain a free-standing inspectorate for the treatment and conditions of those in custody, but would retain some of the disadvantages of the current position in respect of boundaries between inspectorates, and inspection priorities and focus. It would not facilitate jointly developing a shared approach to inspection of offender management, as it is developed by the National Offender Management Service.

Option 8: A single inspectorate for justice and community safety

This option would achieve inspection rationalisation, providing coherent prioritisation of inspection activity to improve service delivery. The main benefits would be:

- A more flexible and coherent approach to the provision of assurance and the promotion of improvement for users of the system.
- Co-ordinated, prioritised and streamlined inspection programming, including strengthened consultation with service users and providers, and

with other scrutiny bodies, to focus inspection where it will provide best value for money.

- Reduction of the additional work arising from inspection for inspected bodies, in particular by avoidance of duplication, alignment of activity, sharing of information and co-ordination of fieldwork.
- Sensitivity and flexibility in identifying and responding rapidly to emerging public and Ministerial concerns, modifying priorities accordingly.
- A consistent and pro-active approach to the assessment of risk and consequent variation in the degree of inspection applied.
- Greater ease in tracking the experience of service users across agencies, thus providing a clearer emphasis on the end user's perspective and enabling outcome-focused findings and incisive, user-friendly reports.
- Ability to promote improvement across agency boundaries by exploring themes and making recommendations that span agencies, so as to encourage innovation, diversity and the spread of good practice, and discourage "silo" working.
- Convergence of inspection methods and criteria, so as to promote rigour and clarity, accompanied by development of a robust and transparent internal quality assurance process.
- Effectiveness and efficiency from pooling funds, skills, knowledge and support services, and the ability to assimilate and continually learn from a wide range of experience.
- Ease of partnership working and a requirement for co-operation with other scrutiny bodies in areas that span their remits, including provision for statutory guidelines on joint inspection arrangements, leading to avoidance of duplicative demands on inspected services.
- Provision of a strong, expert, independent public voice to give authoritative assurance and constructive criticism on how the newly configured and rapidly developing justice and community safety system is working for the people who rely on it: victims, witnesses, defendants, jurors, convicted offenders, professionals and the wider public as ultimate funder and beneficiary.

7 Costs

7.1 The cost analysis below assumes that the total amount spent on inspection would remain at a level similar to that spent currently on inspection by the existing five inspectorates. (£20m in 2003/04, along with support services provided by host departments at no cost – see next paragraph). Legislation will provide a power to inspect and report jointly with, and a

requirement to co-operate with, other scrutiny bodies. It will prohibit inspection of any aspects of work that are already adequately inspected by someone else, thus reducing duplication. A single inspectorate will facilitate the alignment of methodologies across different areas of business. Any savings would enable increased inspection across the justice and community safety system, whilst maintaining capacity for single agency inspection.

7.2 Most of the existing inspectorates receive some support services (e.g. payroll, building/facilities management, equipment and IT support) from their host departments at no cost. That support would continue to be provided by whichever Department hosted the Inspectorate (i.e. on whose vote the Inspectorate would sit).

7.3 There would be implementation costs to enable the merger of the existing organisations. These would include harmonisation of IT, HR policies and accommodation and establishment of the new organisation.

Accommodation

7.4 Accommodation needs are based on the assumption that the new inspectorate would initially require a similar number of staff to the staff of existing inspectorates (minus the posts for inspection of CAF/CASS, which would transfer to the inspectorate for children and learners), i.e. approximately 300 staff.

The existing inspectorates are based in locations as follows:

| Inspectorate | Locations |
|---|--|
| HMI Constabulary | London, Bromsgrove, Cambridge, Woking, Wakefield |
| HM Crown Prosecution Service Inspectorate | London, York |
| HM Inspectorate of Court Administration | London, Bristol, Leeds |
| HMI Prisons | London |
| HMI Probation | London, Manchester |

7.5 Precise details of accommodation needs for the new inspectorate would need to be established by the Chief Inspector, taking account of the internal structure of the inspectorate, staffing and the needs of the business. Staffing location would also need to be consistent with the findings of the Gershon and Lyons reviews, for example, ensuring the minimum number of staff based in London offices.

7.6 Given the long lead times necessary to find suitable accommodation, negotiate contracts, disposal of existing buildings and the need to minimise costs of terminating existing leases etc, changing or rationalising accommodation would be an incremental process, with final locations established over a 5-10 year period. It would be appropriate to appoint contractors to carry out an initial option appraisal for that purpose, once

decisions on the work and structure of the inspectorate have been made. This would cost in the region of £15k.

7.7 In order to implement the new inspectorate from April 2007, therefore, the presumption is that staff would continue to be based in their current locations. Additional accommodation would be needed for the Chief Inspector plus small team of support staff (3). The costs of setting up this office are estimated as £4k per month, plus £20k for comms/data links to the rest of the business. This equates to an implementation cost of £68k in the first year. If the support team were drawn from existing inspectorate staff, there could be a small offsetting saving.

7.8 Additional accommodation costs for the new inspectorate are estimated as around £83k for the first year. Thereafter, it is expected that accommodation costs would be similar to the accommodation costs of the existing 5 inspectorates (including that provided at no cost by host departments). Over time, rationalisation could lead to slightly lower costs, although initially these would be offset by the costs of removals and transferring staff to different locations.

HR

7.9 The staff costs of the Inspectorate would fall within the running costs (£20m in 03/04) of the existing Inspectorates.

7.10 All the existing inspectorates employ civil servants (usually recruited from their host Department or their agencies), either as permanent staff or, more usually, on loan. HMI Constabulary also employs police officers and civilian staff on secondment or loan from their respective forces and HMI Probation employs probation officers on that basis. The terms and conditions (including leave arrangements, payment for travel and subsistence etc), differ between inspectorates.

7.11 As the new inspectorate will have broadly the same scope and budget, it will need, at least at the outset, broadly the same staff (300). Over time, changes to the internal structure and to the balance of the inspection programme may mean that a different balance of skills may be needed by inspectors. This will be addressed through training, through appointing staff with the required skills as loan or contract periods end or through turnover. There may be some scope for rationalisation of support posts, though this could depend on the location of the staff. Harmonisation of personnel arrangements would, like that of accommodation, be an incremental process to be set in train by the new Chief Inspector (supported by HR officials in the three departments), having regard to the need to protect the pay, terms and conditions of existing staff. The cost of an option appraisal for this work would be £50 – 100k. Long-term cost is expected to be broadly neutral.

7.12 There would be an additional cost for employing a Chief Inspector (around £300k – salary, pension and national insurance) although depending upon the internal structure of the inspectorate, there could be some offsetting savings of the existing Chief Inspector costs. It is likely that some of these

costs would continue until existing contracts expired. There would also be a one-off cost for recruitment of a Chief Inspector, estimated at £10k. There would also be the cost of the Chief Inspector's support staff (around £100k), resulting in a total of around £510k in the first year.

IT

7.13 To enable the inspectorate to work effectively as a single organisation, there would be a minimum IT specification to enable all staff to have access to word processing and spreadsheet functions, e-mail, Powerpoint etc; and for specialist staff (eg those handling data analysis) to have access to appropriate packages required for their work.

7.14 The following assumptions have been made:

- The number of staff in the combined inspectorate would remain the same as the current headcount (around 300).
- The location of staff would remain the same.
- The systems/facilities currently used by the inspectorates would have to be maintained.
- All desktops systems, servers and facilities would be reutilised and only updated at normal refresh.

7.15 It is estimated that the cost of providing a common set of functionality and programmes (desktop facilities) to all the Inspectorate staff would be around £396k in the first year of operation. This would be offset by cost reductions in second and subsequent years of approximately 14% (through reduced licensing/provisioning).

7.16 Centralization of common services such as email would have no significant cost effect in the first year and thereafter would actually reduce costs by approximately 7% from current costs.

7.17 Integration of all the current local area networks would cost approximately £1.14m in the first year, with annual costs thereafter of £318,000 per annum, leading to total implementation costs of around £1.5m in the first year.

Non-statutory advisory board

7.18 The cost of establishing a non-statutory advisory board would be around £10k for initial recruitment and £50-£100k per year running costs.

Total

7.19 The total implementation costs for setting up the new inspectorate are estimated to be £2.2m.

| Option | Measure | Implementation costs | Additional running costs (on top of existing 5 inspectorate budgets) |
|---------------|---|--|---|
| 1 | Status quo (5 inspectorates) | Nil | Nil |
| 2 | Maintain status quo and introduce a strengthened joint secretariat and planning unit. | £50k | £300k pa |
| 3 | Appoint a Commissioner for CJS Inspection | £100k | £400k pa |
| 4 | Create a sixth inspectorate | £250k | £1.05m pa |
| 5 | A four inspectorate model (3 inspectorates as now, merging two) | £0.9m (appointment and accommodation for Chief Inspector/ support office, option appraisal to harmonise personnel arrangements, IT for merged inspectorate) | £127k pa (IT network running costs, some IT savings in subsequent years – reduced licensing/provisioning) |
| 6 | A three inspectorate model (1 inspectorate as now, two mergers) | £1.8m (appointment and accommodation for 2 Chief Inspectors/ support offices, 2 option appraisals to harmonise personnel arrangements, IT for 2 merged inspectorates) | £254k pa (2 IT networks, some IT savings in subsequent years – reduced licensing/provisioning) |
| 7 | A two inspectorate model (1 inspectorate as now, merger of 4) | £1.5m (appointment and accommodation for Chief Inspector /support office, option appraisal to harmonise personnel arrangements, IT for merged inspectorate) | £254k pa (2 IT networks, some IT savings in subsequent years – reduced licensing/provisioning) |
| 8 | A single inspectorate model | £2.2m in the first year (HR, accommodation, Advisory Bd, IT) | £50 -£100k pa for Advisory Board; £318k pa IT network; some IT savings in subsequent years |

8 Equity and fairness

8.1 The proposed measure would not alter the current arrangements in respect of treatment of particular groups. By reducing the scope for duplication of inspection activity, it would minimise any additional work arising from inspections on the bodies concerned (including those in the private and voluntary sectors, such as privately operated prisons). By enabling inspection activity to focus more consistently on issues that cut across several CJS agencies, it would increase the prospect of improvement in services as experienced by the end user. Draft legislation will preserve a discrete function for inspection of closed custodial conditions, to provide assurance that those detained are treated decently and their human rights are respected.

8.2 Small Firms' Impact Test. It is not envisaged that this proposal will have a significant impact on small firms. The proposals will not impose any regulation or extra costs on small business. Where inspectorates do business with small companies, there may be some economies of scale to be achieved which could impact small business (either positively or negatively) although where inspectorates are aligned to parent Departments eg. for purchasing goods/services, any impact is likely to be very marginal.

8.3 Race Equality. As with other cross-cutting issues, a single inspectorate could facilitate more consistent scrutiny of race equality issues across the board, and provide a stronger point of engagement with the justice and community safety system for other bodies such as the Commission for Racial Equality.

8.4 The proposal has no impact on rural communities.

9 Competition assessment

9.1 No significant competition implications have been identified.

10 Devolution

10.1 Draft legislation will propose that the new inspectorate should have primary responsibility for inspecting in England and Wales only (with the exceptions noted below) and may inspect in other jurisdictions by invitation. It will propose arrangements for consultation with the Welsh Assembly Government where inspection in Wales might impinge on devolved matters (for example, in the area of community safety).

10.2 Draft legislation will also preserve the arrangement whereby the duty to inspect the Northern Ireland criminal justice system lies with the Northern Ireland Chief Inspector, who may delegate his functions to other inspectorates. He may therefore commission inspections from the new inspectorate where desired.

10.3 Draft legislation will make special provision in relation to inspection of the Northern Ireland Police Service. That will preserve the current position whereby HMI Constabulary, as well as the Northern Ireland Chief Inspector, has a duty to inspect the Northern Ireland Police Service.

10.4 The Northern Ireland Chief Inspector covers a large number of agencies, although not, as yet, the administration of the courts. HM Inspectorate of Court Administration has been invited to inspect court administration in Northern Ireland by the Northern Ireland Court Service. We will continue that arrangement.

10.5 The new inspectorate will be able to inspect in Scotland and Northern Ireland in relation to immigration matters. Immigration is a reserved matter.

11 Enforcement, sanctions and monitoring

11.1 The proposal requires primary legislation, which will be subject to scrutiny and debate by Parliament during its passage.

12 Implementation and delivery plan

12.1 Our proposed legislation will abolish the five inspectorates as statutory entities and create a single statutory entity, the new Chief Inspector. The new Chief Inspector's remit will continue (in modified form) that of the five, with the exception of inspection of CAF/CASS and some non-inspection functions of the police inspectorate, for which other arrangements will be made.

12.2 Legislative programming permitting, we are committed to implementing the new inspectorate from April 2007. The present plan envisages Royal Assent to the Bill in 2006 and commencement by order on a chosen date thereafter. The first step towards implementation would be recruitment of the new Chief Inspector .

12.3 We therefore propose to appoint the new Chief Inspector on a non-statutory, "shadow" basis as soon as the legislative outcome is secure enough to make that sensible. That will mean beginning recruitment on Royal Assent at the latest. The shadow Chief Inspector's job will be to begin management of the transition process, working with the existing five Chief Inspectors and officials in the Office for Criminal Justice Reform (OCJR), the Attorney General's Office, the Department for Constitutional Affairs and the Home Office) (with relevant skills in accommodation, HR and IT issues).

12.4 The Chief Inspector will be responsible for drawing up a communication strategy and will consult other stakeholders (e.g. officials in other Departments working on reform of other public sector inspectorates, inspected bodies, Trade Unions) as necessary on the transition process.

12.5 When the shadow Chief Inspector and Ministers consider that sufficient preparation has been done to enable publication of the plans and formal consultation on the programme, we will lay the order to bring the legislation into effect from an agreed date. The Chief Inspector may want to stage the take on of work on a sectoral basis. The legislation will allow a period during which the new inspectorate and the old inspectorates operate together.

12.6 Implementation of these proposals risks a possible loss of focus and expertise in relation to specific aspects of inspection. This is a particular risk for inspection of prisons and other custodial institutions, where on-site scrutiny of an area that is generally closed to public view is essential to ensure that human rights are not abused, though could apply equally to other aspects of the inspectorate's work. Legislation will provide a duty to inspect the treatment and conditions of those in custody, ensuring priority for these areas. It will be the responsibility of the Chief Inspector to ensure that focus and expertise is maintained during the transition process and after, in all aspects of the Inspectorate's business.

12.7 There are also the risks attendant on any change programme, of uncertainty for staff and stakeholders. These would be managed by the Chief Inspector and monitored through regular update reports to Ministers.

12.8 Timescales for establishing wide area networks can be lengthy and could delay full integration of the inspectorates. The benefits of co-ordination will not occur unless there is strong integration, driven by senior managers.

13 Post implementation review

13.1 Legislation will require the Inspectorate to report annually to the Secretary of State, the Lord Chancellor and the Attorney General on its performance. The Inspectorate would be subject to review in accordance with Cabinet Office guidelines (Guidance on carrying out end-to-end-reviews (OPSR May 2003)).

14 Summary and recommendation

14.1 The aims of inspection are to provide a spur for improvement of services and assurance about their safe and proper delivery. A rigorous, professional, independent inspection regime that adapts rapidly to changes in the system under scrutiny and to the changing public expectations that drive those changes is required to deliver those aims, and to ensure value for money from the sums spent on inspection.

14.2 All the options considered (aside from option 1) would incur some costs. In addition to the financial costs, there would be potential disruption to existing work, uncertainty for staff, additional management effort and organisational re-structuring. However, options 2-7 would effectively be only interim steps towards the Government's aim of a focused, joined up and

streamlined inspection regime that will provide the independent scrutiny required by Ministers and assurance for the public. The measures outlined in the policy statement and the draft legislation will enable the establishment of a single inspectorate that will highlight the perspective of the service user by providing a single fulcrum for assurance and improvement in every aspect of their experience of the delivery of the justice and community safety system. It will provide an enhanced capacity to challenge whether the system is, in practice, giving the public the best possible service, by looking more effectively at the system as a whole.

14.3 Whilst the alternative options would go some way towards achieving these aims, all would be likely to fall short of the real benefits that could be achieved by a single inspectorate. Option 8, a single inspectorate, is therefore the preferred option.

Declaration

I have read the regulatory impact assessment and I am satisfied that the benefits justify the costs

(This remains blank until the legislation is to be sent to Parliament. It then becomes a final RIA)

Signed

Date

Minister's name, title, department:

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The Government's ten principles of inspection²

The principles of inspection in this policy statement place the following expectations on inspection providers and on the Departments sponsoring them:

1. The **purpose of improvement**. There should be an explicit concern on the part of inspectors to contribute to the improvement of the service being inspected. This should guide the focus, method, reporting and follow-up of inspection. In framing recommendations, an inspector should recognise good performance and address any failure appropriately. Inspection should aim to generate data and intelligence that enable Departments more quickly to calibrate the progress of reform in their sectors and make appropriate adjustments.
2. A **focus on outcomes**, which means considering service delivery to the end users of the services rather than concentrating on internal management arrangements.
3. A **user perspective**. Inspection should be delivered with a clear focus on the experience of those for whom the service is provided, as well as on internal management arrangements. Inspection should encourage innovation and diversity and not be solely compliance-based.
4. **Proportionate to risk**. Over time, inspectors should modify the extent of future inspection according to the quality of performance by the service provider. For example, good performers should undergo less inspection, so that resources are concentrated on areas of greatest risk.
5. Inspectors should encourage rigorous **self-assessment** by managers. Inspectors should challenge the outcomes of managers' self-assessments, take them into account in the inspection process, and provide a comparative benchmark.
6. Inspectors should use **impartial evidence**. Evidence, whether quantitative or qualitative, should be validated and credible.
7. Inspectors should disclose the **criteria** they use to form judgments.
8. Inspectors should be **open** about their processes, willing to take any complaints seriously, and able to demonstrate a robust quality assurance process.
9. Inspectors should have regard to **value for money**, their own included:
 - Inspection looks to see there are arrangements in place to deliver the service efficiently and effectively.

² The Government's Policy on Inspection of Public Services, OPSR (2003)

- Inspection itself should be able to demonstrate it delivers benefits commensurate with its cost, including the cost to those inspected.
- Inspectorates should ensure that they have the capacity to work together on cross-cutting issues, in the interests of greater cost effectiveness and reducing the burden on those inspected.

10. Inspectors should **continually learn** from experience, in order to become increasingly effective. This can be done by assessing their own impact on the service provider's ability to improve and by sharing best practice with other inspectors.