HM Inspectorate of Probation

THEMATIC INSPECTION REPORT

'From Aspirations to Reality'

An Inspection of the Governance of Probation Areas by Probation Boards

From Aspirations to Reality

Foreword

The governance of the National Probation Service established by the Criminal Justice and Court Services Act 2000 grants powers and responsibilities first to the Secretary of State, exercised through the National Probation Directorate, and secondly to area Probation Boards. Much rests, therefore, on how the local Boards are working, both as regards their statutory responsibilities and their relations with the centre. In particular, there is the degree to which they bring to the service a local dimension and contribute to its meeting the needs of its local communities.

This is a generally positive report. It provides much of the supporting evidence for the views expressed in my Foreword to our Annual Report 2002/2003, paragraph 4, namely, that the restructuring of the service that has taken place since April 2001 has been accomplished 'remarkably smoothly'. We find that the Boards have established a clear identity for themselves. They have taken their new responsibilities seriously. They have generally exercised those responsibilities efficiently. And they have established largely good relations with the centre such that most Chairs and members have wished to be reappointed and have recently been informed that they mostly will be.

We nevertheless conclude that some tough questions remain which we think will need to be addressed during the next year or so. Though the Boards are functioning well, do they add value? We do not answer that question, partly because these are early days and the new structure has barely settled down, and partly because we do not think the nature of that potential added value has yet been sufficiently delineated. Questions remain though as to which aspects of probation policy should be determined locally and which centrally, whether areas currently have sufficient operational room for local decision making and whether Board members can effectively contribute to the process.

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From Aspirations to Reality

Acknowledgements

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Glossary of abbreviations

ACO	Assistant chief officer
ACOP	Association of Chief Officers of Probation
CJB	Criminal Justice Board
CLANs	Centrally Led Action Networks
CO	Chief officer
CPC	Central Probation Council
CPO	Community punishment order
DTTO	Drug Treatment and Testing Order
EEM	European Excellence Model
ETS	Enhanced Thinking Skills
HMCIP	HM Chief Inspector of Probation
HMIP	HM Inspectorate of Probation
HR	Human resources
IAPS	Interim Accredited Programmes Software
IT	Information technology
MAPPA	Multi-Agency Public Protection Arrangements
Napo	National association of probation officers
NPD	National Probation Directorate
NPS	National Probation Service
OASys	Offender Assessment System
PBA	Probation Boards' Association
PIP	Performance Inspection Programme
PSR	Pre-sentence report
SLA	Service level agreement
SSR	Specific sentence report
YMCA	Young Men's Christian Association

1. AIMS, OBJECTIVES AND CONTEXT OF THE INSPECTION

Background

1.1 Probation Boards were established under Section 4 of the Criminal Justice and Court Services Act 2000, the founding legislation for setting up the NPS from 1 April 2001. The NPS was divided into 42 areas, each with a Probation Board responsible for the delivery of probation services in the area. Their aims, as defined in the legislation and in the NPD's subsequent *Management Statement and Financial Memorandum for Local Probation Boards,* were to have regard to:

- the protection of the public

- the reduction of offending

- the proper punishment of offenders

- ensuring offenders' awareness of the effects of crime on the victims of crime and the public

- the rehabilitation of offenders.

1.2 In the debate on the proposed Bill in the House of Lords in July 2000 the Home Office Minister Lord Bassam stated that the new local Probation Boards would be more representative (of their local communities) and would have a key role to play in working with others to develop effective local approaches to crime reduction. The Boards would be fully accountable for service delivery in their areas. The structure was one where firm leadership and direction from the centre would be appropriately complemented by the work of groups of local people on Probation Boards who were committed to crime reduction, the effective supervision of offenders in the community and the protection of the public.

1.3 The Home Office stipulated that each Board should have 15 members, which made them smaller than most of the previous Probation Committees. The Chair was to be a three year paid appointment, accountable through the Director General to the Home Secretary, the commitment required being of about two days per week. One of the other members would be appointed by the Lord Chancellor from among the judges of the Crown Court. The CO of the area would be a full member of the Board although, as the accountable officer, they also had a separate direct responsibility to the Director General for the area's performance.

1.4 The Chair and other Board members were recruited by the NPD through advertisement and open competition, with the aim of creating a group of representatives of the wider community. This was again different to Probation Committees, whose membership had come mainly from magistrates appointed directly by their local benches.

1.5 Members were expected to be able to make a commitment of between two and five days a month to their work, which would involve attending Area Board Meetings, and meetings with individuals and associations, the CO, staff and others. They would be paid for their work on an hourly basis. The recruiting literature identified a total of 65

core competencies that members would have to demonstrate in relation to accountability, strategic direction, equal opportunities, quality assurance, stewardship of resources, employment of staff, local responsivity, decision making, communication and working collaboratively. The relevant advertisement stated that they be would be required to identify imaginative ways of engaging with the local community, while taking responsibility for overseeing the delivery of services and ensuring the efficiency, cost-effectiveness and continuous improvement of their area's work.

1.6   Boards were to be the employers of the staff in their probation areas, with the exception of the CO who would be appointed and employed by the Home Office. They would have key responsibility for overseeing the area's performance and its financial management. However, probation service property in the area would in future all be centrally owned and be managed by the NPD. The same also now applies to all IT assets.

1.7   As with the Chair, Board members were appointed for three years, the majority from 1 April 2001. Although there has been much uncertainty about the processes for reconstituting Boards and reappointing Chairs and other Board members from April 2004, these have now been announced by the NPD and are referred to at the end of this report.

1.8   The PBA is a separate body from the NPD and the NPS, being the national employers' organisation for Boards. Like the NPS it also came into being in April 2001, when the CPC and ACOP ceased to exist. The PBA communicates between and on behalf of Boards, aims to encourage good local governance, undertakes national pay negotiations for the service, and advises Boards on industrial relations, resources and employee management and good employee care. The PBA is funded from direct contributions by its member Probation Boards, depending on the size of the probation area concerned. As the national employers' organisation its constitution, objectives and funding were discussed with the Home Office before being finally agreed.

1.9   The PBA produces annually a detailed *Handbook for Probation Board Members* which provides further guidance to Boards on their role. It states that they have a particular role for ensuring that services are provided, local arrangements and services represent good value for money, and the area is meeting national requirements, including the achievement of good performance and the meeting of targets. All services should be provided by the most cost-effective means, either by directly employed staff, partnerships, contracting out, or collaboration with other areas. The Handbook states that Board members should strive to:

- operate effectively – with a clear grasp of duties, powers, procedure and appropriate conduct

- understand local and national probation organisation and functions and subscribe to probation values

- manage information and exercise judgement in its use and exhibit political awareness and adaptability to changing circumstances

- understand their duties as an employer – including the requirement to demonstrate anti-discriminatory practice

- import a community view towards their area

- retain an ambassadorial outlook supporting the service and their area.

Aims and objectives of the inspection

1.10   In September 2002 HMCIP wrote to the Director General, Board Chairs and COs to say that, as part of the current inspections to assess the implementation of the Criminal Justice and Court Services Act 2000, we intended to undertake a thematic inspection of Boards' corporate governance during the coming autumn. The working definition of corporate governance taken from The Audit Commission would be:

'the systems and processes by which Probation Boards lead, direct and control their functions and relate to their communities and partners.'

1.11   The aims of the inspection were to:

- assess the extent to which Probation Boards are directed, overseen and supported in their work by the NPD

- examine and assess how Boards are delivering their statutory responsibilities for the governance of probation areas, balancing local, regional and national priorities in respect of the protection of the public, the reduction of reoffending, the proper punishment and rehabilitation of offenders, and ensuring offenders' awareness of the effects of crime on victims and the public

- assess how Boards are making best use of the resources available to them and delivering value for money

- promote best practice and make recommendations for improvement where necessary.

1.12   Within the above the inspection's objectives were to assess the effectiveness and efficiency of the:

- leadership provided by the NPD in relation to Probation Boards' governance responsibilities, including the methods used to hold Boards and COs to account for the performance of their areas

- quality, timeliness and frequency of the information and guidance provided to Boards by the NPD

- role of the regional manager and the regional structure in the governance of probation areas, including promoting collaboration between different Boards

- Boards' implementation and review of the NPS strategic and business plans and implementation of national policies

- action taken by Boards to develop and implement probation area strategic and business plans and whether required outcomes have been achieved

- quality of the performance and financial information available to Boards – nationally, regionally and locally – about the work of their areas, how it is used to improve performance and how this is reported on to the NPD

- attention given by Boards to race equality and wider diversity issues, both as employers and in their work with offenders and victims

- links between Boards, sentencers, and other criminal justice partners, stakeholder representation on Boards, and how these have been used to assist Boards' delivery of their statutory responsibilities

- Boards' achievements in work in partnership with other voluntary and statutory organisations and with the local community.

Inspection standards and criteria

1.13   Because the NPS has adopted EEM as its vehicle for self-improvement, we decided that the standards and criteria for inspecting Boards would be based on the five EEM criteria of leadership, policy and strategy, people, partnerships and resources, and processes. Development of the standards and criteria was assisted by the participation of The Audit Commission and the Home Office Audit and Assurance Unit. The findings described in Chapters 3-7 of this report are written using that framework, with each standard and criterion separately listed.

1.14   The standards and criteria were sent in advance to each of the probation areas included in the fieldwork. Following each of the visits a completed schedule of questions and responses was sent to the Board Chair and CO, as well as a shorter list of identified strengths and areas for improvement. The final version of each of these documents, as agreed between HMIP and the area, was then sent to the NPD regional manager.

The inspection process

1.15   Within the NPD interviews took place with the Director General and with the Strategic Heads responsible for corporate management, interventions, policy, public protection, performance and planning, finance and estates, IT and HR. The Heads of Diversity and Communications were also interviewed, as were each of the regional managers.

1.16   Between November 2002 and January 2003 pairs of inspectors visited ten probation areas, one in each of the NPS regions. These were Cambridgeshire, Cheshire, Kent, London, Northamptonshire, Northumbria, South Yorkshire, West Mercia, Wiltshire and Dyfed-Powys. The selection was also based on the wish to ensure there was an appropriate mix of metropolitan and shire county areas, of different size areas, and to include some that had been the subject of amalgamations. Each inspection visit included meetings with the CO and Board Chair, other Board members, senior and middle managers and groups of staff, the latter including staff-side representatives on local consultative committees. Because courts are a major consumer of the services for which the Board is responsible, we also asked to meet the local Magistrates' Courts Chief Executive.

1.17   As well as the actual inspection visits we wrote to the remaining 32 Board Chairs inviting them to take part in a structured telephone interview lasting approximately an hour with a member of the inspection team. Most Boards took up the opportunity and in the majority of cases the interview took place with the Chair themselves.

2. KEY FINDINGS

2.1 **Standard 1: Leadership:** Although the Director General had provided strong visible leadership through her visits to probation areas, there was a need for the NPD to make a greater contribution to the work of Boards now that the NPS had become better established and for a more mutually supportive and complementary relationship to be created. Board business plans were already reflecting both the national agenda and relevant local issues, although Boards still needed to develop effective ways of engaging with their local communities. Most Boards had clear working structures and systems that provided clarity about the split between strategic and operational matters. More Boards needed to establish systems for reviewing aspects of their expenditure and ensure it was delivering value for money, while keeping their demands on senior managers for information within manageable limits. There was a need for the NPD to establish a more equitable system for funding areas' expenditure on Board activity.

2.2 **Standard 2: Policy and strategy:** The NPD's approach to policy formulation was responsive to the Government's priorities and was seen by Boards as a vital foundation of the new organisation. Boards had in turn developed a systematic approach to area planning, strategy development and policy review, with arrangements for consultation with key stakeholders generally well established. Audit and inspection reports were being used to improve performance. There was a mixed picture with regard to regional collaboration.

2.3 **Standard 3: People:** Most probation areas had an HR or workforce planning document that was linked to the business plan. The number of minority ethnic staff in the NPS's total workforce already exceeded the Home Secretary's long-term target and a significant number of Board members were from ethnic minorities. Boards needed to ensure that all staff received regular supervision and were subject to an annual appraisal. Boards were giving appropriate attention to health and safety issues, but the situation was complicated by the NPD's facilities management contract. There was a mixed picture about the operation of disciplinary, capability and grievance procedures and their communication to staff.

2.4 **Standard 4: Partnerships and resources:** With so much of their budget being determined centrally, Boards' opportunities to exercise effective governance of their finances needed to be maximised. All areas were exercising proper monitoring and control of expenditure, but the allocation of resources needed to be more clearly linked to the objectives in the business plan. Most areas had reviewed some or all of their partnership contracts, but more work was required to confirm that they were delivering value for money. There was good evidence of areas' joint working with other criminal justice agencies and with service providers.

2.5 **Standard 5: Processes:** The NPD was having a positive effect on improving service delivery in many areas. Boards were receiving regular performance reports, although there was still insufficient evidence of them using the information they contained to reform business processes and effect improvements. London's resource allocation

model was a good example of a systematic approach to resource deployment. All Boards were able to demonstrate sound financial processes and were developing a framework for managing business risk. In all of the areas visited attention was being given to fair access to services for minority ethnic and female offenders, though there was only limited information as to whether it was being delivered.

3.   STANDARD 1: Leadership

Description of Standard 1:

The Board leads the area by setting policies and procedures and providing resources necessary to perform its statutory duties, achieve performance targets and meet the associated needs of the local community.

Criteria:

1. *The NPD exercises clear and effective leadership which enables the Board to carry out its responsibilities.*

2. *The Board has:*
    (a) *agreed a vision, plan and targets for the area that reflect Home Office and NPS aims and the needs of the local community and local stakeholders;*
    (b) *set objectives to ensure that these are being delivered.*

3. *The Board has ensured that:*
    (a) *roles and responsibilities of Board members and staff are clear and agreed;*
    (b) *the organisation has clear structures, lines of accountability and defined codes of conduct;*
    (c) *decision-making processes and delegation arrangements are explicit.*

4. *The Board can demonstrate that it has an active commitment to:*
    (a) *learning;*
    (b) *implementing change;*
    (c) *evaluating;*

    to ensure continual improvement of service and performance.

5. *The Board has:*
    (a) *demonstrated a commitment to value diversity, promote race equality and eliminate discrimination in the services it provides;*
    (b) *required that all policies and procedures promote diversity issues to eliminate discrimination;*
    (c) *taken steps to implement its responsibilities under the Race Relations (Amendment) Act 2000.*

6. *The Board ensures that all its services are cost-effective and provide value for money.*

3.1   The chapter considers leadership as a function of the NPD, enabling Boards to fulfil their responsibilities, and Boards' own leadership within their areas. The criteria include Boards making a plan that is consistent both with national aims and the needs of the local community and stakeholders. The Board should have a defined role and the organisation of the area should be clear, with explicit decision-making arrangements and objectives to achieve the aims of the plan. Boards should be committed to learning, to valuing diversity, and to ensuring continual improvement of service, cost-effectiveness and value for money.

> **Criterion:** *The NPD exercises clear and effective leadership which enables the Board to carry out its responsibilities.*

3.2   The Home Office had put an enormous amount of time and energy into setting up Boards and appointing Chairs and several hundred Board members, against a tight timetable in the months before the NPS came into being. Since then they had received less direct attention and this was acknowledged by the Director General. However, this needed to be seen in a context where the NPD's main priorities had necessarily been to establish the new organisation, with probation areas delivering to the national agenda and their COs seeing themselves as part of the national leadership team. This was being accomplished through the Director's bi-monthly meetings bringing all the COs together, her annual programme of visits to all probation areas, a national system of regular performance monitoring against key targets, greater attention on COs who were not seen as performing well and the creation of performance improvement teams focusing on those probation areas falling furthest short of achieving the national objectives.

3.3   The Director General was firmly of the view that the NPD now needed to give equivalent attention to Board Chairs and, through them, to the work of the Boards themselves. A similar structure of meetings and contact during visits to areas was being created. It was recognised that Boards were still relatively new bodies with their members getting to know the probation service, and even those of them who had previously sat on Probation Committees having to establish a different relationship with the centre. However, she had been concerned, in at least some of her contact with Board members, about their lack of awareness of the major issues currently facing the NPS. One of the NPD Strategic Heads also commented that the need to set up a rapid selection of Board members might not always have produced the right mix of skills and there was a particular need to increase members' ability to analyse and interpret quickly the information that they received. This was despite the fact that many members brought with them substantial previous experience of work in such areas as finance, HR and public relations and the management of statutory, voluntary and private sector organisations.

3.4   The NPD also expected Boards to deliver a number of key tasks at a local level that could not be managed as effectively from the centre. These were:

- effective strategic planning and financial management

- being good employers of their staff

- monitoring performance and holding local managers to account for the delivery of services and the achievement of required objectives

- raising the profile of the probation service in the local area by publicising its work and representing the NPS in meetings with other organisations.

3.5   The NPD had already taken an active role in promoting diversity issues to Boards and not just on matters related to race. This was to be commended. Some 14% of Board members selected were from minority ethnic groups, which was a considerably higher figure than would have been the case in the previous Probation Committees, and again a significant achievement. The NPD had supported minority ethnic members by setting up a national forum that enabled them to meet together from time to time. This had been a welcome initiative.

3.6   Many Board members made other positive statements about NPD leadership, especially in respect of the initial setting up of Boards and preparing them to take on their legal responsibilities from April 2001. The presence and influence of the Director General, particularly at early Chiefs' and Chairs' Seminars, and the responsivity of some NPD senior managers, all received praise. There was positive reference to the clarity of information provided to Boards about what they were expected to achieve at the time they were established.

3.7   In contrast, there was disappointment at the lack of NPD investment in Boards' subsequent activity. This was added to by the fact that many Board members, who wished to exercise a strong approach at a local level, believed that they could not do so because of the considerable demands on their probation area coming from the centre. Even those Boards that were more accepting of central leadership spoke of their probation areas being 'over directed'. This conflicted with the understanding on which members had been recruited and the description of their future work they had been given at the time (see paragraph 1.5).

3.8   Boards were critical of how the centralisation of the management of estates and IT had been implemented, as well as its principle, and some would have preferred to retain responsibility for the work. A frequent complaint was that costs were higher than previously and quality and effectiveness had been reduced. Similar issues had featured in the way Boards had engaged with their staff in the recent industrial dispute over workloads with Napo. The union was officially in dispute with the employers (the Boards) but everyone recognised that it was a national issue that the NPD needed to manage and resolve. Again, this provided an example of where local decisions were very dependent on those made at the centre which some Boards found frustrating.

3.9   We take the view that, while the current frustrations and tensions are perhaps inevitable within a new and untested structure where there are considerable pressures both on the NPS and the NPD, it is essential that they now be resolved and joint work taken forward. In that respect, the increased attention now being paid by the NPD to Boards' activity is to be welcomed, including the work to be undertaken on the appraisal of both Board Chairs and individual members. It is important for each party to recognise their respective responsibilities, for Boards to have a clear view about the unique contribution the NPD believes they are in a position to make and how they can implement it, and for the two parties to complement each other in their work.

> **Criterion: *The Board has:***
> (a)   *agreed a vision, plan and targets for the area that reflect Home Office and NPS aims and the needs of the local community and local stakeholders;*
> (b)   *set objectives to ensure that these are being delivered.*

3.10   Most areas had developed a vision statement and all had a business or area plan based on the national template. Boards are in any case required to submit their local plans to the NPD for approval.

3.11   Boards' plans generally contained measurable objectives. Two good examples were those from Cambridgeshire and Northamptonshire where objectives were supported by action or project plans with considerable detail, which enabled clear tracking and

measurement of progress. Some areas (including Cambridgeshire and South Yorkshire) had developed their business plan into action or project plans that identified resource requirements and attempted to prioritise the work over the year. However, there were also concerns that the volume of initiatives, the short timescales set by the NPD, and the general size of the workload made detailed plans into a 'wish list', rather than something that could be implemented. This increased the risk that they could fall into disuse.

3.12   There was some agreement from Boards that the national planning template left little room for a local perspective. For Boards regarding themselves primarily as implementers of the NPD agenda, this was of less concern than for those who were keen to develop a local profile and considered that scope for this should be built into the template. Some Boards compromised by using the template, whilst ensuring that part of the plan dealt with local issues. A good example of this was the business plan produced by the Cheshire Board. Other areas were still establishing networks with the local community that could be used to inform the future planning process. The fact that some Boards were able to work very effectively within the current model was nevertheless a good demonstration of strong local leadership adapting to the national agenda.

3.13   All Boards were struggling to engage with their local community as part of the setting of objectives, not least because of difficulty identifying its nature, boundaries and representatives. One response was to focus on contact with local councillors who had an obvious representative function. Another was to invite members to sit on local crime and disorder partnerships and promote the work of the probation service via councillors, local authority departments and other criminal justice agencies constituting their membership. However, there was also disagreement in some probation areas about this work being an appropriate function for Board members, rather than a CO or ACO responsibility. It was possible that these uncertainties were inevitable with Boards being relatively new organisations who still needed to develop their own role, vis-à-vis their probation areas, before beginning to look outwards. However, given the important local representational role envisaged for Boards by the Home Office, it was essential that these issues be better addressed now that the Boards were becoming more firmly established. This role had also been emphasised by the PBA both in its *Handbook for Probation Board Members* and its February 2003 paper *Public Involvement in Probation: An Introduction for Probation Boards*.

3.14   In general Boards described little interest by the media in their work, unless there was a local issue which had a direct bearing on public protection issues; for example, in one area the proposed relocation of a probation office (although even in these cases the interest was more in the work of the probation service, rather than specifically in the work of the Board). All this had hampered the development of effective public relations strategies at a local level and some Boards would have welcomed a national communications strategy to assist them. This was now being given attention by the NPD, but might have been helpful at an earlier stage. There also seemed to be little enthusiasm from members of the public to attend Board meetings, even when Boards had ensured that notices of their meetings had been publicised.

3.15   Boards were generally clear that sentencers constituted their main stakeholder. There were usually strong relationships and good communication systems between probation areas and their local courts, and these had often predated the Board's establishment.

Boards were also required to have a judge as one of their members, although in practice their attendance was often sporadic. This was partly due to pressures of court schedules, although in some instances it appeared that judges, while valuing liaison at the Board, did not wish to form part of the formal governance structure of the probation area. However, where the judge did attend regularly (South Yorkshire was a good example of this), they were viewed as strong supporters of the service, with specialist knowledge and the ability to make a positive contribution.

3.16 It had been agreed that the initial membership of Boards would include some people from the former Probation Committees. However, continuing members who were magistrates had been selected following application through the national recruitment process rather than by local nomination. This meant that there was no formal representation of the magistracy, though the members would obviously carry out this function to some extent. There were concerns from the courts in at least one area about insufficient liaison between magistrate members and their colleagues on the local benches, and this needed to be attended to if an effective working partnership between Boards and magistrates' courts was to continue.

> **Criterion: *The Board has ensured that:***
> (a)   ***roles and responsibilities of Board members and staff are clear and agreed;***
> (b)   ***the organisation has clear structures, lines of accountability and defined codes of conduct;***
> (c)   ***decision-making processes and delegation arrangements are explicit.***

3.17 The NPD had published the *Management Statement and Financial Memorandum for Local Probation Boards* in May 2001. This identified the key tasks set for the Board as a whole, as well as outlining the specialist roles and responsibilities of the Audit Committee, the Chair, CO, Board secretary and treasurer. The NPD had also devised a code of conduct for Board members, which was eventually published in February 2003. These were described as having informed local thinking and a good starting point for Chairs and COs in establishing and developing the ways in which Boards were to operate.

3.18 Some Boards (such as Hertfordshire) had gone on to produce their own documents which further described individual roles and responsibilities. These varied in detail, but were valued by both Board members and senior managers. Others (including Cheshire, Northumbria and Kent) had clear arrangements for using members' existing expertise in areas such as HR, IT and finance. These recognised the importance of not undermining staff roles, but also enabled Board members to make an active contribution to the development of strategy in these areas.

3.19 The Chair, with the assistance of the CO, had a key role to play in setting the overall tone of governance within the area and enabling the Board to have a positive influence on the way it was managed. The ability of the individual in post was a vital determinant of how well they were able to do this. Most Chairs recognised the importance of establishing a clear structure for monitoring the area's performance and agreeing and reviewing policies. Where such structures were working effectively, Board members had an enhanced sense of ownership of the organisation they had joined and a confirmation that they were making a positive contribution to its work.

3.20 Probation Boards are unusual and possibly unique amongst similar bodies in having the Chief Executive, the CO, amongst their membership. The latter is appointed by the Home Secretary and has a separate accountability to the centre for operational performance. Although there was potential for conflict of interest in this situation, the inspection found that in almost all cases good working relationships existed with clear role boundaries and delineation of responsibilities between the Board and the CO, and the Chair and the CO.

3.21 There was evidence of some Board members wanting to extend their role to become involved in operational and not just strategic matters. This had the potential to create problems, although those discovered during the inspection had been satisfactorily resolved and had actually been a good opportunity for learning. The Cheshire Board had published a helpful document, the *Board Framework,* defining its responsibilities and aspirations in relation to these matters and the need to work in partnership with its staff. Chairs in general recognised the need for members to get to know the area and to understand the work of the service, but there was also a need to hold them to a line which stopped short of operational management.

3.22 The structure set out in legislation required every Board to establish an Audit Committee with the NPD's *Management Statement and Financial Memorandum for Local Probation Boards* defining its task as 'to assist the Board's Accountable Officer (the CO) in discharging his/her responsibilities'. Boards had interpreted these requirements somewhat differently, with the resulting arrangements reflecting local priorities and preferences. In some areas the responsibilities were mainly carried out by the Board itself, with the Audit Committee operating essentially in an advisory capacity. In others all Board members were also members of the Audit Committee and took corporate responsibility. There were also different models for Audit Committees, some with broad performance responsibilities, but others with a tighter remit focused on financial matters. A further difference was areas with specialist performance committees.

3.23 Boards also had different arrangements for their sub-committees. Some only had the Audit Committee, whilst others had a range of further meetings, referred to variously as working groups or policy development groups, covering a range of topics and reporting back to the Board. Some groups comprised both Board members and senior managers and there were also examples of hybrid cross-grade groups with other area staff (for example in Cheshire and Dyfed-Powys). It was positive that Board members were able to bring specialist knowledge from outside the probation service to such groups. The additional bonus was that learning acquired from area staff could then be taken back to the Board itself.

3.24 In some areas (including Cheshire, Dyfed-Powys and Kent) individual sub-committees had clear remits and responsibilities, with defined delegation levels and the requirement to report to the full Board at each meeting. The arrangement ensured that the Board was aware of the range of business being addressed, whilst more detailed (and therefore perhaps more manageable) ownership of key issues was invested in fewer members. One area had published a meeting structure setting out the connections and reporting lines between other groups and the Board. Hybrid groups working without clear terms of reference, roles and purpose seemed to make less progress. Participation by each member in at least one sub-committee provided greater interest and involvement in the

work of the area, as well as making members better known to senior managers. This was also likely to contribute to better working relationships generally.

3.25 Boards had different arrangements for the offices of secretary and treasurer, with these duties most frequently being carried out either by a member of staff from the area or by a representative of the local authority. Some Boards had established entirely separate and independent arrangements which had the advantage of the office holders not being line managed by the CO, or (in the case of the local authority) being part of a much larger organisation where probation matters might not be given a high priority. However, whatever arrangements were in operation, national guidance was available in the *Management Statement and Financial Memorandum for Local Probation Boards* as a further safeguard. A Board meeting observed in one probation area during the inspection provided good evidence of appropriate specialist advice being given by the secretary and treasurer to assist the Board's decision making.

3.26 There were also varying arrangements for other senior managers to attend meetings of the Board. In at least one area, all business went through the CO and ACOs were not included at meetings. Elsewhere, ACOs attended for agenda items linked to their responsibilities, presenting reports and answering questions. Most commonly though ACOs' attendance was required for relevant items, and they were then welcome to attend the whole meeting if they so wished. Invariably members recognised that ACOs were busy and did not wish to add to their workload unnecessarily. Nearly all ACOs commented that their experience of being held to account was more challenging than under the previous Probation Committee arrangements and so their reports needed to be sharper and supported by evidence. On balance they probably welcomed this.

3.27 Despite these positive comments and the acknowledgement that Boards had begun to add value to the business of the area, a number of ACOs expressed concern regarding the extra workload placed on them by needing to provide reports and other information in this way. The workload was also inequitably spread and was higher in areas with small management teams where ACOs had larger spans of control.

3.28 The budget for Board expenditure is determined locally rather than centrally and, in reality, it is unlikely to vary greatly regardless of the area's size, so that smaller ones have to spend proportionately more, as well as the extra demands on their ACO time. This suggests that it would be preferable for the NPD to make an equivalent annual flat-rate payment to all probation areas to meet the cost of Board's operations.

> **Criterion: *The Board can demonstrate that it has an active commitment to:***
> **(a)   *learning;***
> **(b)   *implementing change;***
> **(c)   *evaluating;***
> **to ensure continual improvement of service and performance.***

3.29 The inspection produced considerable evidence of Boards' active commitment to learning, both for themselves and their staff. Training events for Board members had been organised in relation to new national initiatives such as OASys or MAPPA. All areas had also provided local training events for members about the work of Boards to supplement the initial training provided by the NPD and PBA, and some were now

developing Leadership Models as part of improving the work both of the Board itself and of their senior management team. In one area regular Board meetings were alternated with specific training events (an example had been training in financial risk management). Boards were anxious too that their staff should be provided with sufficient training to deliver an effective service. However, some frustration was expressed that most staff training time now had to be related to the important national agenda (for example in relation to OASys or accredited programmes) leaving little scope for local initiative.

3.30 Some Boards were able to demonstrate the value of learning to implementing change, one example being developing the accredited programmes agenda to provide training to all staff on the principles underpinning What Works. Other Boards had formally evaluated existing policies and others had specific plans to do so. Initial project plans were seen related to this, which included information about the ownership of plans and the resource requirements.

3.31 All areas had completed their second EEM self-assessment and had recorded an improved score, with one of the areas visited (West Mercia) receiving the highest national score, and with all the resulting reports being considered by the Board. Most Boards referred to HMIP inspection and audit activities having improved the area's performance, this demonstrating a willingness to engage with information about performance and take remedial action.

> **Criterion: *The Board has:***
> (a) ***demonstrated a commitment to value diversity, promote race equality and eliminate discrimination in the services it provides;***
> (b) ***required that all policies and procedures promote diversity issues to eliminate discrimination;***
> (c) ***taken steps to implement its responsibilities under the Race Relations (Amendment) Act 2000.***

3.32 The NPD had published the *Scheme to Promote Race Equality* in July 2002 and this had been adopted by areas as a model for developing action plans to meet the requirements of the legislation. The NPD rightly intended that there should be consistency of practice across all probation areas, with Boards then introducing some degree of local focus to complement this.

3.33 The Boards in all the areas visited were able to show evidence of valuing diversity and working towards eliminating discrimination. This was to be commended. Typical examples of good practice were:

- active participation in the 'Diversity Week' organised by the Home Office and the NPD

- use of an impact assessment model to evaluate the diversity implications of all the area's policies

- the appointment of diversity managers (for example in London, Northamptonshire and South Yorkshire) to develop plans and good practice and ensure that policies thoroughly addressed the diversity agenda

- policies on recruitment and practice that addressed diversity issues

- diversity training, with Board members often leading the way in this

- cross-grade working groups, some of which included Board members

- time for minority ethnic staff to attend relevant support groups

- having a specific Board member to lead on diversity issues who also represented the probation service on the local Race Equality Council.

3.34　Although this was an impressive list, we still encountered staff during the inspection who had been on training courses but were failing to grasp that diversity was something that needed to permeate all aspects of the organisation and its work. This reinforced the importance of the Board and senior managers continuing to focus on the diversity agenda to ensure that it was fully bedded down into all day-to-day practice.

3.35　Some areas (such as Cambridgeshire and Cheshire) had also begun to address wider definitions of diversity such as disability. Cheshire, for example, had set up good recruitment processes for people with disabilities. However, COs, Chairs and Board members generally needed to ensure that extending the range of issues in this way did not result in race equality receiving less attention.

3.36　In Dyfed-Powys, there was clear evidence of work done by the Board to ensure it met its requirements under the Welsh Language Act 1993, and this had been replicated in the other Welsh probation areas. The Board had also been involved in reinforcing the importance of Welsh language issues to the NPD.

> **Criterion: *The Board ensures that all its services are cost-effective and provide value for money.***

3.37　Some Boards were able to demonstrate that they had carried out a formal review of specific aspects of their business to ensure that value-for-money principles were applied and, where they did not, had made appropriate changes. Audit Committees and internal and external audit arrangements were generally looked to for guidance on ensuring value for money had been provided. However, some areas, particularly those that had been subject to amalgamation, were taking time to develop information systems for the collection of relevant information.

3.38　In practice value-for-money reviews tended to be conducted in response to particular issues, such as the expiry of contracts, rather than being part of a comprehensive programme. An example was victim contact work in Cheshire, which had initially been the responsibility of a partner organisation but, following the review, the area had brought the service in-house, saving money and improving quality. Similarly instead of paying staff an essential car user allowance and providing pool cars, West Mercia had introduced a 'spot hire' system, resulting in a net saving on transport costs. However, where relevant, it was also important to recognise the potential impact of such changes on staff. In West Mercia, the development had taken place in the context of amalgamating two areas, already a period of significant change, and it was part of the process for harmonising staff codes and conditions. Other areas had tried to introduce similar arrangements but had met considerable resistance.

Overall findings for Standard 1: Leadership

Strengths

- The leadership, influence and visibility of the Director General and the priority she had given to visiting probation areas.

- Key leadership from the NPD on diversity issues that had been replicated by much activity within probation areas.

- Many Board members brought with them valuable experience from their previous areas of activity that would be of benefit to the probation service.

- There were examples of Board business plans that reflected both the national agenda and relevant local issues.

- Most Boards had clear working structures and systems that provided clarity about the split between strategic and operational matters.

- Boards demonstrated a considerable commitment to learning, both for themselves and their staff.

Areas for improvement

- The NPD needing to make a greater contribution to the development of Boards now that the NPS had become better established.

- The NPD and Boards recognising the appropriate responsibility and strengths of the other in delivering central or local leadership and developing a complementary working relationship.

- All Boards needing to develop effective ways of engaging with their local communities.

- Participation by judges and magistrates in the work of Probation Boards that properly represented the work of the courts.

- Boards needed to ensure that their demands for reports and other information did not present an excessive burden on senior managers, especially in smaller probation areas.

- The need for a more equitable system within the NPD for funding areas' expenditure on Board activity.

- More Boards needed to establish systems for reviewing aspects of their expenditure to ensure it was delivering value for money.

4.   STANDARD 2: Policy and strategy

Description of Standard 2:

The Board's policies and strategies are consistent with relevant legislation, national aims and the needs of local stakeholders.

Criteria:

1.   *The NPD develops and implements policies and plans which enable the Board to carry out its duties.*

2.   *The Board ensures that the planning process establishes a clear framework for the local delivery of services. (All policies must safeguard immediate operational and organisational priorities as well as addressing medium and longer-term horizons.)*

3.   *The Board can demonstrate that:*
      (a)   *national, regional and local strategies and priorities are promoted effectively to local stakeholders and communities;*
      (b)   *local stakeholders and communities have been consulted in order to inform strategic planning and policy development;*
      (c)   *results are shared openly with staff and local stakeholders, reporting as required to the NPD;*
      (d)   *the public and local stakeholders have easy access to relevant information under the terms of defined protocols.*

4.   *The Board ensures that the findings of relevant inspections and audits, including national thematic inspections, inform the local planning process.*

5.   *The Board develops opportunities for regional collaboration as part of the strategic planning process.*

6.   *The Board collaborates with local stakeholders and with other probation areas in the region to enable the joint monitoring of shared initiatives.*

7.   *The Board ensures that performance is monitored with reference to race, gender and any other diversity variables that may be appropriate in the local context, and that information is used to improve practice.*

8.   *The Audit Committee carries out detailed scrutiny of all aspects of performance including financial management.*

9.   *The Board demonstrates transparency in conduct and decision making.*

10.   *The Board has ensured that the area complaints policy is published widely and that all complaints are logged and thoroughly investigated.*

11.   *The Board has provided support for 'whistle-blowing' by staff in complete confidence and without fear of retribution.*

4.1   The chapter examines the extent to which the NPD and Boards have developed policies and strategies that are consistent with legislative requirements, support the achievement of national aims and reflect the needs and aspirations of local stakeholders and communities. Strategies to implement policy have to be effective in both urban and rural contexts and be sensitive to issues of diversity around gender, ethnicity, culture and disability.

> **Criterion: *The NPD develops and implements policies and plans which enable the Board to carry out its duties.***

4.2 There was much evidence that the NPD's approach to policy formulation was responsive to the Government's priorities and it was seen by Boards as a vital foundation of the new organisation. The strength of the centre, especially the Director General and Strategic Heads, and its determination to define policy, were evident through the production and promotion of documentation, particularly relating to performance. Leadership forums, and the willingness of the Director General and Strategic Heads to visit local areas, provided personal channels for critical decisions to be examined and discussed. Many of the centre's key policy developments were strongly supported by Boards, particularly the direction offered by *A New Choreography* and the standard application of the EEM framework. The NPD/PBA training pack for new members and the business plan template had also been well received. Many Board members were positive about the attendance of Strategic Heads and other senior personnel at some of their meetings.

4.3 There was less evidence that the NPD was responsive to local proposals or concerns going in the other direction. There were comments from Boards that communication often felt as if it was only from the centre to areas and not the reverse. Boards cited examples of a lack of response from the NPD when local concerns were articulated and there were complaints of delays in getting advice, which hindered local decision making or resulted in them looking elsewhere for guidance. However, all Boards accepted that some gaps in national policy had been unavoidable as the NPD sought to establish both itself and the NPS. They also said that regional managers were often a valued conduit of communication and there had been examples of them promoting areas' interest to the centre and sometimes securing additional resources. Areas also mentioned helpful telephone or personal contact with various staff in the NPD, for example on a potentially difficult issue such as the proposed opening of new approved premises.

4.4 Board members accepted that much policy had to be formulated at the centre, even defining and accepting their own role as 'the NPD on the ground', but still described the NPD approach as being one of restrictive micro-management. There was evidence of unresolved tensions between the need for central policy development to establish national consistency and the frustration of members who felt that they had the expertise to develop policy that would be more responsive to local needs. Boards wanted to do more than develop local strategies for implementing policies and procedures finalised in London and saw their local agenda as increasingly circumscribed.

4.5 Members also complained of a sense of 'initiative overload'. The urgent need to get the new organisation up and running and the many priorities of different NPD managers had on occasion led to a proliferation of instructions, newsletters, circulars and other documentation being produced. It was recognised that this was confusing to the recipients, including Board members who were still relatively unfamiliar with the NPS. Improvements had subsequently been made in the way in which documents were sent out to make it more systematic and to try to reduce the number generally. This was to be welcomed.

4.6   The NPD operates a structure of CLANs, involving regular meetings of selected Board members with NPD Strategic Heads and other staff, probation service senior managers and representatives of HMIP. These offered the potential for two-way policy development between the centre and probation areas. There were some examples of these working well, with Board members contributing both through their personal expertise and their local knowledge and feeding back relevant issues to their own local area. However, many Boards and Board members were not involved in these processes, which were sometimes described as too bureaucratic and narrowly focused. The NPD has in any case recently reviewed the CLANs system because of doubts about its effectiveness.

> **Criterion: *The Board ensures that the planning process establishes a clear framework for the local delivery of services. (All policies must safeguard immediate operational and organisational priorities as well as addressing medium and longer-term horizons.)***

4.7   Each Board had produced a business plan for approval by the NPD (see Chapter 3). Targets in plans were consistent with national requirements, their priorities further reinforced by the performance link arrangements through which the NPD rewards or penalises satisfactory or unsatisfactory performance. Boards had introduced bottom-up planning arrangements to share drafts of plans with teams and middle managers. This encouraged some local determination of strategy, although the extent of this was necessarily limited, as it could not impact significantly on determining key priorities or critical targets, already defined by the Government's requirements and the NPD.

4.8   There was a clear strength to the disciplined and structured process whereby Boards scheduled their annual cycle of business planning and performance and policy review. In most cases it was supported by significant performance monitoring, with Boards taking a lead in defining their own information requirements. Sub-committee structures could also examine resource and workload issues in some detail, then reporting back to the full Board. There were good examples of members adding value to in-house strategy development groups, working alongside local staff in the process and taking useful information back to the Board arena.

4.9   Not all planning arrangements were sufficient to ensure that services were delivered in a consistent manner with enough staff in place to do this. Some Boards were aware of resource discrepancies between local teams and their workloads, but had chosen to address these reactively as and when problems arose, rather than through proactive relocation strategies. Others, such as London, had established a Resource Allocation Model 'to provide a basis for a blue sky approach to resource allocation and planning', cross-referenced with their workload priorities.

4.10   A few areas were having difficulty in delivering some basic services to the required time-limits, the most obvious example being the preparation of court reports. Many Boards were also still engaged in establishing priorities and workload management agreements with local staff-side representatives, in the face of threatened industrial action. This process had been lengthy and problematic, reflecting the pressure from the centre to deliver improved performance across a wide range of service delivery areas, but this having to compete against many demands on the resources available.

> **Criterion:** *The Board can demonstrate that:*
>
> (a)   *national, regional and local strategies and priorities are promoted effectively to local stakeholders and communities;*
>
> (b)   *local stakeholders and communities have been consulted in order to inform strategic planning and policy development;*
>
> (c)   *results are shared openly with staff and local stakeholders, reporting as required to the NPD;*
>
> (d)   *the public and local stakeholders have easy access to relevant information under the terms of defined protocols.*

4.11   For many Board members consultation with the local community was part of their *raison d'être,* something that was also reinforced by the need to produce customer and society results as part of their EEM assessment. They saw themselves in part as the voice of their local community, trying to shape the delivery of an important local service and hold management to account for its performance. Some readily identified consultation with local stakeholders and communities as an area for improvement, although we found that areas' links with critical stakeholders such as the police and courts to be relatively strong (often as a result of Boards inheriting effective structures and systems from the previous Probation Committees).

4.12   Stakeholders were consulted during the planning cycle, for example through the distribution of the draft area business plan, with an invitation for feedback. Sometimes key stakeholders (the police were again a good example of this) were invited to speak at Board meetings and South Yorkshire had organised a stakeholder conference to which other organisations were invited. Boards' annual reports were distributed to other organisations and included information about structures, performance and targets. Probation Boards were also optimistic that the new area CJBs would provide additional impetus in the development of shared objectives, partnership working and joint performance monitoring with other agencies.

4.13   All Boards had some members who were sentencers and there were examples of formal arrangements for them to report on policy development or performance results to their colleagues on the bench. Areas provided good examples of how Board discussions and policy-making had benefited through access to the sentencers' perspective. Sometimes this meant that a potential conflict of interest had to be managed, for example when workload pressures around PSR report preparation had to be prioritised. We found that, while it seemed impossible for Board members to abandon their sentencer role fully, in general such tensions were managed productively.

4.14   Links with the public and local communities were less strong (see Chapter 3). Many Boards had worked hard to maximise the opportunity for the public to attend meetings, for example through newspaper advertising and holding them in different parts of the area. They had also developed clear arrangements to distinguish between the management of public and private business. Overwhelmingly though these strategies had produced a disappointing response.

4.15 Some Boards were considering innovative approaches to their local communities. These included:

- attending the established meetings between the police and representatives of the community and ensuring issues around the work of the probation service were included on the agenda

- working together with other criminal justice agencies to promote policies and priorities to local communities through a series of 'Road Shows' (Northamptonshire)

- working with the courts in a national initiative to increase public interest in criminal justice issues and community sentencing (Northumbria).

4.16 Links between Boards and their staff were generally well established though, as might be expected, the CO usually took the lead role in making the necessary arrangements. They included:

- formal communication with staff-side or union representatives

- CO or area newsletters

- Board members working on time-limited groups alongside staff

- visits by the CO, Chair or Board members to team meetings

- various other forms of written or electronic communication.

> **Criterion:** *The Board ensures that the findings of relevant inspections and audits, including national thematic inspections, inform the local planning process.*

4.17 Whilst all Boards expressed a commitment to learn from the results of inspections and audits, and take remedial action where required, the reality was a pattern of response which differed according to their type. Generally, the Audit Committee undertook the initial receipt and scrutiny of audit reports and fed issues to the Board as appropriate. In most cases this methodical approach was a continuation of good practice established under the previous committees. It meant that they had a solid foundation of probity and were able to be sure that adequate financial controls were in place. In most areas it was apparent that the Audit Committee, informed by the Board treasurer or senior finance manager, was able to exercise some influence over the audit agenda. However, a few areas were less confident about being proactive in this way, which could mean that the issues they saw as important would be given lower priority.

4.18 HMIP's previous area inspection programme (PIP) and its audits of accredited programmes identified improvement targets for areas and included follow-up inspections to assess whether their recommendations had been implemented. Boards valued this structure and much evidence was seen of the findings being incorporated into the business planning process, including identification of priority action points and monitoring of performance improvements. Two areas particularly referred to PIP inspections as having been a catalyst for changing their culture and performance. It was less clear whether the findings of HMIP's thematic inspections were always universally addressed, especially when the area was not one of the areas visited during the actual inspection and it did not therefore receive an individual report on its performance. There were suggestions that it would be preferable for HMIP to produce short, user-

friendly performance bulletins, to summarise findings from published thematic reports. This has now been implemented.

4.19   There were some comments, and indeed complaints, about the extent of inspection and audit activity to which areas were now subject which added to the performance monitoring arrangements already undertaken by the NPD. There was also a direct cost to areas for the internal audit work undertaken, the extent of which was predetermined by the Home Office, and over which Boards had no control. It was thought that all these arrangements could be streamlined and better coordinated.

> **Criterion:** *The Board develops opportunities for regional collaboration as part of the strategic planning process.*

4.20   There was a mixed picture in respect of this criterion. Several areas had established regional working relationships prior to the setting up of the NPD and the appointment of regional managers. Indeed some would have preferred those contacts and their control of them to continue. However, others had since collaborated to achieve regional shared objectives, the process being facilitated by the regional manager. A good example had been in Wales where the regional manager had worked with Boards to establish appropriate and effective working links with the National Assembly. There were also positive views about the ability of regional managers to develop useful contacts with the Government Offices for the regions, access additional funding and develop useful contacts with partnership agencies.

4.21   Many examples of bi-lateral cooperation were also apparent, often between areas seeking to study good practice in those achieving high performance. Such an approach had been encouraged by the publication of comparative performance information by HMIP and later by the NPD.

> **Criterion:** *The Board collaborates with local stakeholders and with other probation areas in the region to enable the joint monitoring of shared initiatives.*

4.22   The NPD regularly produced comparative data about areas' performance, including regional averages. Other than this, there was little evidence of performance monitoring arrangements between areas or between an area and its criminal justice partners, except for the monitoring of partnership contracts or arrangements, such as one area's joint evaluation via crime and disorder partnerships.

4.23   In most areas the new local CJBs had begun to meet. They were supported by joint appointments of performance improvement officers, and Board Chairs and COs were optimistic that they would be a productive vehicle for developing shared targets and approaches. In London these arrangements were well advanced as the Criminal Strategy Board had already agreed 'joined up' objectives to which all the agencies were committed.

> **Criterion:** *The Board ensures that performance is monitored with reference to race, gender and any other diversity variables that may be appropriate in the local context, and that information is used to improve practice.*

4.24   The NPD had produced a model template for areas to complete to demonstrate that they were meeting their responsibilities under the Race Relations (Amendment) Act 2000. Areas had also been invited to bid for additional funding to support aspects of the Act's implementation. The NPS's 2003 Diversity Conference had been a very effective arena for different areas to describe their progress so far and for the resulting learning to be disseminated.

4.25   The majority of performance information collected by areas is determined by the NPD, and does not require all the diversity variables possible to be monitored. However, all areas differentiated either HR or service delivery data by race and gender and, in all areas but one, the resulting information was reported to the Board. Cheshire and Northamptonshire were examples of a strategic approach to the monitoring of diversity, with performance information differentiated by gender and ethnicity. Other good practice included:

- information in Cambridgeshire on the recording of assessments on black offenders and the use of CPOs for female offenders

- the production of PSR concordance information in Dyfed-Powys to assess any disparities between proposals and outcomes for different groups of offenders

- South Yorkshire's clear identification of the Board's information requirements, which included information on aspects of diversity.

4.26   Ethnicity data on staff recruitment by areas were routinely collected by the NPD, which produced regional performance figures, measured against national targets. However, the collection arrangements were still unreliable, and they were further hampered by the transition to the new race and ethnic monitoring codes so that coverage was not yet 100%. Inevitably this meant that the collated monitoring information was incomplete and therefore limited in value.

> **Criterion:** *The Audit Committee carries out detailed scrutiny of all aspects of performance including financial management.*

4.27   We found that the majority of Audit Committees scrutinised spending arrangements, making best use of independent audit reports and ensuring probity. This was a significant strength. In many areas the Board structure did not require the Audit Committee to progress further, and reserved the broader linkage of resource deployment and outcomes for its own scrutiny. There were exceptions, for example in Northumbria and Cheshire, where the Audit Committees went beyond financial matters to scrutinise other aspects of performance such as partnerships, performance and risk management, to highlight strengths and weaknesses. This was to be encouraged. In other areas specific performance management or scrutiny panels took on this role, but without the fundamental focus on efficient resource deployment.

> **Criterion: *The Board demonstrates transparency in conduct and decision making.***

4.28   All Boards expressed a commitment to transparency, although in reality this was more towards their staff and major stakeholders than to the general public and the media. There were clear distinctions between public and private business in Board meetings. Other evidence of transparent conduct and decision making included the:

- declarations of interest by members

- publication of agendas, minutes and policies to staff

- distribution of minutes of meetings to partners in the statutory and voluntary sector.

> **Criterion: *The Board has ensured that the area complaints policy is published widely and that all complaints are logged and thoroughly investigated.***

4.29   The NPD had published a complaints policy that all areas were required to follow and there was much evidence of its application by Boards. Complaint log files were maintained, systems for investigation were in place, and details of outcomes were reported, all of this being supplemented by a basic summary in the annual report. Some comprehensive and independent complaints investigations had taken place, together with management action to avoid recurrence of the deficiency. Some Boards collated trends and patterns, as well as using complaints as an opportunity to learn and to review working practices. A good example had been a hostel property issue In London, the report of which had led to working practices being amended. This type of evaluation would be more difficult to achieve in smaller probation areas where the volume of complaints was likely to be proportionately lower, and there is a case for arranging the wider dissemination of lessons learned in this way beyond the originating area.

4.30   The inspection methodology did not evaluate the publication of the complaints policy, although COs stated that appropriate posters were displayed and leaflets given to offenders at induction.

> **Criterion: *The Board has provided support for 'whistle-blowing' by staff in complete confidence and without fear of retribution.***

4.31   Some areas had formally adopted specific whistle-blowing policies and, for example, in Dyfed-Powys, Cheshire and Northamptonshire there was clear evidence that staff were aware of them. In other areas the issue was addressed by implication through broader anti-corruption or anti-fraud policies. Elsewhere local policies were still in draft format or were not yet in existence. There were no examples in the areas visited of staff having initiated the policies.

Overall findings for Standard 2: Policy and strategy

Strengths

- The NPD's approach to policy formulation was responsive to the Government's priorities and was seen by Boards as a vital foundation of the new organisation.

- Information and instructions to Probation Boards was now being sent out in a more systematic and coordinated way.

- Local business plans supported NPD policies and reflected the Government's priorities.

- Boards had developed a systematic and integrated approach to area planning, strategy development and performance review.

- Arrangements for routine consultation with key stakeholders were generally well established.

- Arrangements were in place to respond to the findings of audit and inspection in order to improve performance.

- The majority of Audit Committees scrutinised spending arrangements, making best use of independent audit reports and ensuring probity.

- All Boards demonstrated a commitment to transparency in their conduct and decision making.

- Systems were firmly established to log and investigate complaints.

Areas for improvement

- The NPD needed to show greater responsiveness to local proposals and concerns.

- Many Boards were still engaged in establishing priorities and workload management agreements.

- There was a mixed picture with regard to regional collaboration.

- Some areas were not achieving 100% completion of basic race and ethnic monitoring for offenders under supervision.

- There is no system for Boards to learn of the outcomes of complaints in other probation areas.

5. STANDARD 3: People

Description of Standard 3:

The Board manages, develops and releases the knowledge and full potential of its staff at an individual, team-based and organisation-wide level, and plans these activities in order to support its policies and strategies and the effective operation of its processes.

Criteria:

1. *The NPD has an HR strategy that is clear and understood and models best practice to Boards.*

2. *There is an HR policy/strategy linked to the business plan which ensures that:*
   (a) *the recruitment and assignment of staff is aligned to the needs of the organisation and its key responsibilities;*
   (b) *staff are provided with appropriate training and learning opportunities to enable them to perform effectively and contribute to the objectives of the organisation.*

3. *The Board operates with full regard to race equality and wider diversity issues in its own internal operation and as an employer.*

4. *There are arrangements for all staff to be supervised in their work and to be subject to an annual appraisal which reviews their performance, identifies future work and developmental objectives, and links these to the area business plan.*

5. *There are formal and informal channels of communication between the Board and its staff which enable their involvement in the development of the business plan and new policies and procedures.*

6. *Staff are provided with acceptable and safe working conditions, satisfactory conditions of employment and clear information about their responsibilities.*

7. *Disciplinary, capability and grievance procedures are clear, well understood and properly managed.*

8. *The Board has a published and transparent arrangement for recognising staff achievement.*

5.1 The chapter describes the Board's duty as the employer and the extent to which staff are recruited, allocated and supported to achieve the area's responsibilities. It considers the NPD contribution to HR and the relevant area policies and procedures.

Criterion: *The NPD has an HR strategy that is clear and understood and models best practice to Boards.*

5.2 Boards made positive comments about the helpful foundation established by *A New Choreography* which identified becoming a first-rate employer as one of the organisation's key stretch objectives. However, they were more critical of the subsequent NPS HR strategy which was felt to lack sufficient clarity and not take account of local experience and expertise. There was also concern that there had not been swifter progress in introducing tools for workload measurement, which eventually had to be organised locally. It was generally known that the NPD's HR section had

experienced considerable difficulties in recruiting sufficient staff (something acknowledged to us by the Strategic Head). However, the view was also expressed that it was now beginning to manage its work more effectively and take a positive lead from the centre.

5.3   The NPD's national performance targets included some that related to HR matters, these being reducing the rate of sickness absence and achieving the Home Secretary's targets for the recruitment of minority ethnic staff. Of the areas visited in the inspection Cambridgeshire, Cheshire, London and South Yorkshire had all exceeded the target for the proportion of minority ethnic staff in the workforce. Probation statistics to be published for the year ending December 2002 will show that minority ethnic staff constituted 10.5% of the total workforce, which was already above the target of 8.4% set to be achieved by 2009. In contrast, the national target of ten days or fewer average sickness days absence per employee was only achieved by Cambridgeshire during 2002/2003, although Dyfed-Powys, London and Northumbria all recorded near misses.

> **Criterion: *There is an HR policy/strategy linked to the business plan which ensures that:***
>
> **(a)   *the recruitment and assignment of staff is aligned to the needs of the organisation and its key responsibilities;***
>
> **(b)   *staff are provided with appropriate training and learning opportunities to enable them to perform effectively and contribute to the objectives of the organisation.***

5.4   An HR policy and/or workforce planning document was in place or in development in most areas, although this was a particularly challenging and complex task for those that had amalgamated. Not only would there be a minimum of two previous policies (five in the case of London), but progress was further complicated by changes in senior management, the need to consult with the unions and the change of overall strategic approach brought about by the establishment of the NPS. However, West Mercia had already successfully used amalgamation to combine existing policies, as well as promoting the new identity of the area to its staff.

5.5   Where Boards had a policy or workforce planning document in existence, this was linked to the area's business plan. Some Boards had experienced recruitment problems and in all areas the assignment and movement of staff was crucial to ensure work was done and performance targets achieved. Areas with acute staff shortages had set up mechanisms, such as workload measurement tools, to enable staff to move to teams with the highest pressures.

5.6   As mentioned in paragraph 3.29, Boards regarded the majority of staff training as centrally determined, for example about national developments such as What Works and OASys. They complained that the training was not always well synchronised and this had an adverse impact on their ability to maintain service delivery. All areas had arranged some local delivery of training events, for example about diversity and management training. A number of areas had also been successful in gaining the Investors in People Award, which emphasises the need for staff to be given the necessary training to do their job effectively.

> **Criterion: *The Board operates with full regard to race equality and wider diversity issues in its own internal operation and as an employer.***

5.7 The Boards provided striking evidence of the recognition given to diversity by the NPD and NPS. While none of the Chairs of the previous committees had come from a minority ethnic background, efforts to recruit widely had resulted in the appointment of six minority ethnic Board Chairs. There were also currently 84 minority ethnic Board members, a figure estimated to be approximately double that of Probation Committees. These appointments provided potentially important role models for staff, other criminal justice agencies and the local community.

5.8 We found that diversity was high on Boards' agendas and there was evidence of active involvement in the promotion and monitoring of relevant issues, with Chairs and COs often taking the lead. This was demonstrated by:

- diversity sub-committees to monitor Board performance, for example in the recruitment, retention and progression of minority ethnic staff

- diversity training for Board members and staff

- the appointment of diversity managers

- staff support groups

- mentoring arrangements for minority ethnic staff.

5.9 Some Board sub-committees included representatives of outside agencies such as the local Race Equality Council, while others had achieved minority ethnic representation by recruiting cross-grade groups of staff. Local initiatives included communication with travellers in Cambridgeshire, attention to Welsh language issues in Dyfed-Powys and the production of a joint criminal justice agency Race Equality Action Plan in West Mercia. Boards said that they found diversity to be a wide-ranging agenda and considered that they needed to do more, for example providing access and adaptations for people with disabilities. However, their abilities here were constrained by the centralised ownership of buildings and IT equipment.

5.10 There were some good examples of local initiatives for recruiting minority ethnic staff, with all the NPS regions achieving the national target. These included:

- West Mercia's use of local radio stations

- South Yorkshire's mobile exhibitions about the work of the probation service

- Cheshire organising a similar exhibition with other criminal justice agencies. An example of their good practice was a joint recruitment conference which aimed to widen the recruitment base for all of the partners. Similarly, West Mercia had participated in a joint criminal justice Race Equality Action Plan.

> **Criterion: *There are arrangements for all staff to be supervised in their work and to be subject to an annual appraisal which reviews their performance, identifies future work and developmental objectives, and links these to the area business plan.***

5.11 All areas had arrangements for staff supervision and appraisal, but both senior managers and staff acknowledged that these were not always adequate. In the best performing

areas appraisal reports were being completed as required on some 80% of staff. Elsewhere the figure was as low as 45%, while some areas simply did not have monitoring systems in place to show how they were performing. A number of reasons were given for such varied results. The amalgamating areas had been given the formidable task of harmonising up to five different systems. In others there was dissatisfaction with the existing scheme, or the appraisal procedures had been inconsistently applied by the responsible managers without appropriate remedial action being taken.

5.12   Where appraisal systems were working well, they were linked to the area business plan. Cheshire and South Yorkshire, for example, had a performance management policy which made an explicit link between the area's targets and the action plans in individual appraisals. However, generally appraisal was a process that needed more attention, not only at a national level by introducing one model for the whole service, but also by ensuring procedures were universally implemented, with this demonstrated through satisfactory completion rates.

> **Criterion: *There are formal and informal channels of communication between the Board and its staff which enable their involvement in the development of the business plan and new policies and procedures.***

5.13   Formal channels of communication were seen in all of the areas visited, mainly achieved electronically via e-mail, with the most common example being the circulation of the Board minutes. Area policies, newsletters, staff surveys and staff conferences were also commonly available electronically on areas' Intranets, with amendments sometimes usefully announced by e-mail to individual members of staff.

5.14   In all areas Boards held formal meetings with staff through the local consultative committee or its equivalent, though these varied in frequency, in one area only meeting annually. The full forum was sometimes interspersed with more frequent informal contact between staff and the CO and/or the HR ACO. One example of this was West Mercia, where the CO had brief fortnightly meetings with staff-side representatives. All concerned had found these valuable in reviewing conditions of employment to reconcile differences existing prior to amalgamation. The arrangements in London also differed in that, although the staff-side had a formal relationship with the Board, most contact was with senior managers at Local Joint Panels. In some areas too, there was contact between Board members and their staff through the hybrid member/staff groups described earlier (paragraph 3.23).

5.15   Staff in some areas raised issues including:

- meetings being cancelled by management

- confusion about whether the whole Board was involved, or just the CO, Chair and another member

- lack of confidence in the Board's independence because the CO had a powerful presence.

Whatever the arrangements for communication, it was essential that avenues were planned and regular, and demonstrably open and transparent.

5.16   Other forms of communication included visits by Board members to field offices, CPO work projects, hostels and prisons. For the larger areas office visits were especially resource intensive, but nevertheless the London CO had visited every site in the first year, which required up to three visits per week. Members in Cheshire and Northumbria were linked to specific units or parts of the area. Staff welcomed such visits, preferring them to be regular and planned, rather than one-off events as part of members' induction. Members valued the opportunity to witness the services being provided, gaining knowledge and understanding of the issues faced by staff and the circumstances in which they worked, so adding value to their employer function.

> **Criterion: *Staff are provided with acceptable and safe working conditions, satisfactory conditions of employment and clear information about their responsibilities.***

5.17   All areas had sub-committees with Board, management and union representation responsible for health and safety issues. Often the same members sat on the Health and Safety Committee and the local consultative committee. Dyfed-Powys was an example of an area taking the issue particularly seriously and it had engaged an independent consultant to audit and prioritise need.

5.18   Some Boards expressed concerns about their ability to meet this criterion, as a result of the NPD's facilities management contract. As employers they were clearly responsible for the health and safety of their staff, but this was in a situation where they neither owned nor managed the premises in which the latter had to work. A number of Boards, for example, expressed concern that the need to make reductions in office space to meet NPD accommodation requirements would result in deteriorating health and safety standards. In contrast though, it was one of the NPD's stated intentions that areas should focus on the amount of unsuitable property they currently occupied and take action to move staff into accommodation that was more appropriate for a modern organisation. We take the view that providing safe working conditions for staff remains a priority legally and morally for both Boards and the NPD and that the parties need to establish a clear understanding of each other's roles and effective strategies that enable them to work together to create safe working environments.

5.19   As already mentioned (paragraph 5.3), staff sickness levels are one of the two national performance measures relating to HR issues and all areas had given attention to trying to reduce their absence figures, as well as looking at the impact of these on performance. Several areas offered enhanced facilities such as staff counselling, occupational health and healthcare facilities, or had negotiated reduced membership fees for health clubs.

> **Criterion: *Disciplinary, capability and grievance procedures are clear, well understood and properly managed.***

5.20   There was a mixed picture with regard to the operation of disciplinary, capability and grievance procedures and how much these met the criterion. Staff in some areas were well informed and confident that the procedures would be properly instigated and implemented. However, others said that they were time-consuming and inaccessible, or that they were too readily used, or that managers were not confident about their implementation. In one of the amalgamated areas first line managers gave differing

accounts of whether the old procedures still applied, whereas in fact new ones had now been introduced.

5.21　The inspection showed some good examples of Board members and probation area managers making sure that they operated separately to ensure that the Board maintained a proper independent role in appeals against the procedures. However, it was also apparent that many Board members would benefit from further training in these matters. One Board, for example, had intended that its disciplinary and capability appeal panels would only comprise of members of its HR sub-group, who would have some experience and knowledge of the issues. In practice though members had become involved in panels mainly according to their availability and had been briefed as and when required.

> **Criterion: *The Board has a published and transparent arrangement for recognising staff achievement.***

5.22　None of the Boards inspected had a published and transparent arrangement for recognising staff achievement. There were ad hoc arrangements in place and a number of areas had identified it as an area for improvement. COs said they would usually write to individual members of staff thanking them for their work, if they became aware of something somebody had done particularly well. In turn staff generally appreciated any arrangement for recognising their achievements. This was an opportunity for the Board as the employer to be actively and positively involved in the work that people were doing. One member commented that the centre is "all stick and no carrot" and that this was an opportunity to make amends. HMIP's *Annual Report 2001/2002* (paragraph 13) suggested that the NPS was perhaps not as good as it might be at recognising 'the innovative, dedicated and effective work which probation staff deliver week in, week out'. It suggested that such efforts be recognised through a national award scheme similar to that provided for prison staff by the Butler Trust.

5.23　Other ways of recognising staff achievement were awards for long service, recording the appreciation of staff achievement in the minutes of Board meetings and schemes for staff to nominate colleagues for the High Sheriff's Prize. West Mercia had hosted a ceremony for individuals who had achieved external awards, such as the National Vocational Qualification, and this had been very well received.

Overall findings for Standard 3: People

Strengths

- *A New Choreography* had identified becoming a first-rate employer as one of the NPS's key objectives.

- National performance targets appropriately included HR objectives related to the recruitment of minority ethnic staff and the reduction of sickness absence.

- The number of minority ethnic staff in the NPS's total workforce already exceeded the Home Secretary's long-term target.

- Most probation areas had an HR policy or workforce planning document that was linked to the business plan.

- A significant number of Board members were from ethnic minorities and diversity issues were high on Boards' agendas.

- Communication between Board members and staff was generally good, with clear roles and boundaries.

- Boards were giving appropriate attention to health and safety issues, though the situation was complicated by the NPD's facilities management contract for probation area premises.

- Various arrangements were in place for recognising staff achievement, although there was still a need for national recognition of outstanding work.

Areas for improvement

- HR issues had been insufficiently managed from the centre, although the situation was now improving through the appointment of more staff by the NPD.

- More Boards needed to achieve the national target for reducing sickness absence.

- Boards needed to ensure that all staff received regular supervision and were subject to annual appraisal.

- There was a mixed picture about the operation of disciplinary, capability and grievance procedures and their communication to staff.

6. STANDARD 4: Partnerships and resources

Description of Standard 4:

The Board has policies, practices and procedures in place which ensure its external partnerships and internal resources are planned and managed to support service delivery.

Criteria:

1. *The NPD has policies, practices and procedures and national agreements in place which support the Board in carrying out its duties.*

2. *The Board has established, between the relevant agencies, suitable protocols (SLAs or contracts) which:*
   (a)   support the annual plan;
   (b)   fully accommodate diversity issues.

3. *The Board ensures that the area works with its partners to:*
   (a)   improve the services provided;
   (b)   maximise value from the resources available.

4. *The Board's financial resources are:*
   (a)   allocated to support policy and strategy;
   (b)   monitored to ensure that public money is spent in the most effective and responsible manner.

5. *The Board ensures that all assets are recorded and regularly accounted for.*

6. *The Board has a technology strategy, making best use of the in-house and NPS wide systems available.*

6.1   The chapter considers the policies, practices and procedures to develop and identify partnerships with other agencies, and also to allocate resources that support service delivery. The criteria include evaluation of the support of the NPD to Boards to enable them to carry out their duties. Areas are expected to have suitable means of identifying and monitoring their arrangements with partner agencies, including diversity requirements. They are expected to use all their resources, not just financial ones, together with their partners to improve services and maximise value for money.

Criterion: *The NPD has policies, practices and procedures and national agreements in place which support the Board in carrying out its duties.*

6.2   Previous chapters of this report have commented on the need for the NPD and Probation Boards to establish a more supportive and collaborative relationship, but it was not surprising that some of the tensions already described were also evident in the critical area of the allocation and management of resources.

6.3   The size of each area's budget is determined by a national formula of which staffing and staff related costs have historically taken up approximately three-quarters. Of the

remainder, a substantial number of items are now determined by the NPD. These include:

- deductions or recharges for nationally managed contracts, such as estates, facilities, insurance and IT management

- aspects of service delivery, such as drug treatment and accommodation for offenders

- nationally organised staff training.

6.4 The central determination of a significant percentage and the scope of Boards' budgets has inevitably reduced their capacity to respond to local needs, establish initiatives, commission services and consequently exercise effective governance. In some ways it was difficult to reconcile many aspects of the current situation with the original intentions of Board members ensuring the cost-effectiveness of the NPS in their area. While recognising the need for strong financial management from the centre and national priorities to be properly resourced, Boards' opportunities to exercise governance of their finances also needed to be maximised.

6.5 Many Boards were also aggrieved about the additional audit requirements necessitated by their probation area becoming part of a national organisation. Although these were required by the Home Office, with the NPD having no choice about their implementation, it was the Boards that had to pay for them. In many cases too they were far lengthier than the internal audits to which the previous Probation Committees had been subject. Some Board members were also concerned that, despite having the legal responsibility for the local delivery of services, it was not the Board's task to sign off the end-of-year accounts, something which they saw as being potentially critical of their integrity and competence.

> **Criterion: *The Board has established, between the relevant agencies, suitable protocols (SLAs or contracts) which:***
> *(a)   support the annual plan;*
> *(b)   fully accommodate diversity issues.*

6.6 The areas visited had agreed various partnership arrangements to support and enhance the local delivery of services. Partners included other criminal justice agencies and relevant statutory bodies, as well as service providers within the private and voluntary sector. The contracts or SLAs with these bodies were expected to be consistent with the area plan, and to include the recognition of the value and promotion of diversity. Most areas had reviewed at least some of their contracts and partnership agreements since the inauguration of the NPS and others had included it in their work programme for the coming year.

6.7 All the areas had established good working links with local criminal justice agencies, most particularly the police and the courts, and were also beginning to meet with them through the new CJBs. In London there were additional older arrangements for similar bodies to the CJBs to be established in each of the Boroughs. The CJBs were identifying work programmes as well as issues that might impede progress, such as the different targets and performance indicators to which the agencies were subject. Some probation area protocols with criminal justice agencies were very detailed, such as that between

Cambridgeshire and the courts, which aimed to increase the use of SSRs. Others were very wide-ranging, for example that for the London-wide executive group planned response to street crime.

6.8 Areas also had protocols for joint work with other statutory bodies such as local authorities and Primary Care Trusts. West Mercia had used the amalgamation of the area as an opportunity to review and develop these protocols, with specific reference to diversity, and this had had a significant part in the establishment of the area's new identity. Examples of such joint work in operation also included MAPPA in every area (in London these being negotiated separately in each Borough) and the systems in place locally for the supervision of DTTOs.

6.9 The inspection identified a range of service providers who worked with areas to support their local plan. In Wiltshire, for example, extensive partnership agreements were in place dealing with employment and basic skills, domestic violence, accommodation, drug and alcohol provision, victim contact and the provision of CPO projects focused on community safety. Other examples included Cambridgeshire's contract with the YMCA to supply mentors for black offenders, and Cheshire's use of the Connecting Communities organisation to work with offenders with literacy and numeracy problems. Cheshire had identified an individual Board member to take a lead on partnership matters and also monitored partnership contracts carefully in relation to diversity, to ensure that there was equal access to the facility in relation to race, age and gender.

> **Criterion:** *The Board ensures that the area works with its partners to:*
> *(a)   improve the services provided;*
> *(b)   maximise value from the resources available.*

6.10 The inspection identified many examples of good practice in joint working with partners that were contributing to improvements in services. These included:

- the partnership strategy in Dyfed-Powys which was based on a comprehensive analysis of offender need, as well as a staff survey of partnership effectiveness

- the quarterly review of partnership contracts in Kent

- the draft partnership plan in London which focused on social exclusion, including attention to substance misuse, employment and accommodation

- partner agencies in Cheshire being invited to give presentations at Board meetings

- Board members in Northumbria being members of the management committees of relevant voluntary organisations

- annual reviews by Wiltshire of all partnerships to assess their contribution to the objectives in the area's business plan.

6.11 Progress towards measuring the value of the resources available from partnership arrangements was mixed. As a result of monitoring expenditure and utilisation, Dyfed-Powys had capped expenditure in some cases, had continued contracts with those partnerships providing a good service, and would be further exploring value-for-money issues in the forthcoming business plan. The Audit Committee in Cheshire had similarly

begun to meet with partnerships to monitor costs against performance. Other areas were less advanced. One had found that its inherited partnership contracts might not be providing value for money, but had not yet incorporated partnership matters into the overall area strategy. The Northamptonshire Board expressed the view that the small size of the area budget limited its scope to maximise the value of partnerships, while in London pressures on the budget had restricted the opportunities for further development.

6.12 Some areas had also begun to identify other sources of matched funding to support their objectives; for example West Mercia's and London's participation in bids to the European Social Fund for a project to mentor short sentence prisoners.

Criterion: *The Board's financial resources are:*
(a)   *allocated to support policy and strategy;*
(b)   *monitored to ensure that public money is spent in the most effective and responsible manner.*

6.13 We evaluated the link between areas' objectives and the allocation of resources. None of the areas appeared to have introduced an explicit and comprehensive mechanism for ensuring that the budget was distributed appropriately, linked to the objectives in the business plan. However, most had a commitment to developing this approach, and Kent, London and Cheshire were in the process of implementing a Resource Allocation Model.

6.14 All areas had evaluated at least some specific aspects of their expenditure against value for money and delivery of objectives. These included:

- a review of the Board secretary's services in Cambridgeshire

- Cheshire's decision to withdraw from the local authority's financial systems and bring them in-house

- Northumbria's participation in the North-East Regional Purchasing Consortium.

Other areas acknowledged that they had not yet sufficiently integrated financial and policy planning, but had nevertheless identified this as an area for improvement.

6.15 Despite these comments, it was clear that all areas were exercising proper monitoring and control of expenditure by means of the treasurer's reports to the Audit Committee or Board. Internal and external auditors' reports led to action plans, with Boards taking a close interest in their outcome. We inspected audit reports and confirmed that monitoring by, or on behalf of the Boards ensured probity, even where a link between the levels of expenditure and the effectiveness of the outcomes had yet to be established.

Criterion: The Board ensures that all assets are recorded and regularly accounted for.

6.16 The NPD's *Management Statement and Financial Memorandum for Local Probation Boards* required them to maintain an accurate and up-to-date register of their assets. These were in place in about half the areas visited, with others monitoring their assets

through their accounting procedures. It was clear that some areas did not see a need to give this a priority, taking the view that they did not have property that required registering, and that this was now a matter for the NPD.

Criterion: *The Board has a technology strategy, making best use of the in-house and NPS wide systems available.*

6.17   A formal and comprehensive IT strategy was in place in most areas, with limited policies elsewhere, for example related to the use of e-mail. Areas had generally taken the view that IT matters were centrally determined and, as with their premises, had consequently felt constrained in their ownership and management of the IT systems in operation.

Overall findings for Standard 4: Partnerships and resources

Strengths

- Most areas had reviewed some or all of their partnership contracts.

- There was good evidence of joint working with other criminal justice agencies.

- The inspection identified a range of service providers working with areas to support the local plan and many examples of good practice in relation to joint working.

- All areas were exercising proper monitoring and control of expenditure.

Areas for improvement

- Boards' opportunities to exercise effective governance of their finances needed to be maximised.

- In general more work was required by Boards to confirm that partnership contracts were delivering value for money.

- Areas' allocation of resources needed to be more clearly linked to the objectives in the business plan.

7. STANDARD 5: Processes

Description of Standard 5:

Processes are in place to enable the Board to fulfil its statutory function.

Criteria:

1. *The NPD has established clear and easily understood processes at a national and regional level that model best practice for Boards.*
2. *The Board has ensured that:*
   (a) *monitoring, review and evaluation of each delivered service is undertaken rigorously and systematically in order to improve performance;*
   (b) *performance data, reports and benchmarks are used to initiate review and appropriate remedial action.*
3. *The Board has a consistent and systematic approach to external comparison and benchmarking.*
4. *The Board uses sound processes to assess the scale and resource need of major changes and secure their implementation.*
5. *The Board has established processes for identifying business risk and taking corrective action.*
6. *The Board has ensured that fair access is available for minority ethnic and female offenders, including the option of separate provision where appropriate.*
7. *The Board has a clear policy and strategy for procurement that secures value for money.*
8. *The Board has reviewed existing contracts to ensure that they achieve value for money and promote service delivery.*
9. *The Board has established sound financial management processes.*

7.1 The chapter examines the extent to which Boards have established suitable and sufficient processes to achieve their key responsibilities. These include internal organisational systems, such as procurement and general financial management; as well as service delivery methods, that ensure there is a clear route from performance reports to real performance improvement.

Criterion: *The NPD has established clear and easily understood processes at a national and regional level that model best practice for Boards.*

7.2 As described in previous chapters there was again a mixed picture as to how the NPD was perceived by Boards as having met the criterion. The NPD was praised by some for providing early guidance, but criticised by others for not providing further support as time went on. In the main the NPD was complimented for promoting improved service delivery, including comparisons between relevant areas, and also for its willingness to adjust performance targets for accredited programmes. In other respects areas were more critical, describing the NPD as having had uncoordinated processes and communications, although this was now improving (see Chapter 4). A recurring

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dilemma for areas faced with a problem was whether to await a national solution or go ahead and devise a local answer. For example, one area had devised a code of conduct that was almost immediately superceded by a national policy. But managers in another area were frustrated to find that they could not use IAPS to undertake race and ethnic monitoring, and so would need to devise local arrangements for doing this.

7.3   A criticism already mentioned earlier in this report related to the arrangements for signing off the accounts for the year 2001/2002, the first year of Boards' operation. Several areas had been unhappy about disagreements between themselves and the NPD over aspects of the accounting arrangements. They also had reservations about the NPD's initial response which, in effect, required the CO to sign off the accounts despite the Board's reservations. The matter was eventually resolved, but it highlighted the need to clarify the relevant processes and the respective responsibilities of the different parties involved.

> **Criterion: *The Board has ensured that:***
> (a)   ***monitoring, review and evaluation of each delivered service is undertaken rigorously and systematically in order to improve performance;***
> (b)   ***performance data, reports and benchmarks are used to initiate review and appropriate remedial action.***

7.4   All the Boards visited were able to demonstrate that they consistently received relevant area performance reports, although the methodology varied. Some were produced in imaginative and attractive formats. In a large area such as London the focus was on the 'critical few' items, chiefly performance linked, while other Boards examined a wider range. Cambridgeshire had decided that the Board should receive national standards monitoring reports based on all their cases and not just on the limited nationally prescribed sample. All Boards also made use of the NPD's national performance reports.

7.5   In addition to receiving performance information in a consistent structured manner, there was evidence in each area that Board members used it to ask managers relevant questions. Some had done so by establishing a separate performance sub-committee and many managers testified to being asked challenging questions. One Board had made a visible commitment to reinforcing high performance by a member accompanying the ACO who was giving a presentation at a national conference.

7.6   What was less in evidence was how Boards ensured that these often detailed discussions resulted in remedial action. One success story nationally had been the gradual achievement of the target for DTTO commencements, but in other aspects of practice it was difficult to demonstrate that scrutiny by Boards had led to performance improvement. It was this shortcoming that meant that some Boards, whilst analysing relevant reports conscientiously, still had poor levels of performance recorded in the NPD's 'Weighted Scorecard'.

> **Criterion: *The Board has a consistent and systematic approach to external comparison and benchmarking.***

7.7   Most Boards could give good examples of comparing their own performance and/or processes with others, either within their own region or with similar probation areas elsewhere. They included:

- West Mercia's participation in a regional event to benchmark enforcement practice

- Cheshire and Northamptonshire benchmarking their work with a high performing, demographically similar area to themselves

- probation areas in the East of England jointly reviewing various roles and services (for example, the role of the Board secretary) operating within the region.

7.8   London was in a rather different position, being without an obvious external comparator. Here the system was to compare regularly both the resourcing and the performance of its own individual boroughs, an 'internal benchmarking' approach. This was another commendable example of good practice.

> **Criterion: *The Board uses sound processes to assess the scale and resource need of major changes and secure their implementation.***

7.9   We found a range of approaches both to project planning in general and to resource deployment in particular. Most Boards demonstrated a strategic perspective in their business planning, but particular examples of good practice were Cambridgeshire's level of formal project planning and Northumbria's arrangement of the Chair, CO and senior managers meeting weekly to review and plan key issues. The latter used a business tracking system to identify current work, the responsible manager and 'progress chaser', together with the deadline.

7.10   Areas employed various approaches to moving staff and resources to meet the changing needs of the organisation. These could result in short-term workload inequalities, which might be exacerbated by the geography of the area or the attitude of trade unions about the movement of staff. The resource allocation model operating in the London Probation Area was a good example of a more systematic and strategic approach to the deployment of staff and resources.

> **Criterion: *The Board has established processes for identifying business risk and taking corrective action.***

7.11   The need to develop a framework for managing business risk was taken seriously by all areas and specialist training of members and relevant managers had taken place in most. Formal policies and plans, with accompanying risk registers, had been adopted by some Boards (for example London, Northamptonshire and Wiltshire), and were in preparation in others (such as West Mercia). Northumbria had also appointed a risk manager, whose work included identifying the top ten risks to the area's business plan,

the preparation of a comprehensive risk register, information security, and other risk related activity.

> **Criterion:** *The Board has ensured that fair access is available for minority ethnic and female offenders, including the option of separate provision where appropriate.*

7.12 All areas were giving attention to providing minority ethnic and female offenders with fair access to services, but there was a variety of ways in which this was handled. One approach (for example in Northumbria) was to give such offenders an informed choice about whether they wished to attend an otherwise all-white or all-male group work programme or CPO work project. Another example was the formal policies in place in both London and Northamptonshire to provide appropriate additional support for minority ethnic and female offenders under the area's supervision.

7.13 It was more difficult to demonstrate that fair access was actually being delivered as in most cases only limited information was available. Cheshire was a good example of an area collecting data to compare the progress of minority ethnic and female offenders in separate and mixed groups, but this tended to be the exception. In some cases data collection had been hampered by an incomplete transition to the new race monitoring codes, or the absence of a unified offender database. In one area, although it was the official policy that women could and should start the ETS group work programme, few did so in practice, partly because of the existence of a long-established non-accredited women's programme. The CO was taking steps to change this pattern.

> **Criterion:** *The Board has a clear policy and strategy for procurement that secures value for money.*

7.14 A number of areas commented on the increasing trend for goods and services to be procured nationally, limiting the scope for a local procurement policy and strategy. Nevertheless, all the Boards visited cited examples of tendering processes they had approved and were aware of the need to review and make systematic procurement arrangements. In some cases the policies had been inherited from the previous Probation Committees and therefore now needed review. However, amalgamated areas, such as West Mercia and London, had included the establishment of such a policy in their current business plans and could give practical examples of progress made.

> **Criterion:** *The Board has reviewed existing contracts to ensure that they achieve value for money and promote service delivery.*

7.15 As with procurement, most Boards gave examples of how they had reviewed and renewed existing contracts and also recognised that the process could be improved. Some had found it useful to distinguish between the task of ensuring procedures were in order, undertaken by the Audit Committee, and that of evaluating the benefits gained, carried out by operational staff.

> **Criterion: *The Board has established sound financial management processes.***

7.16   In all cases Boards were able to demonstrate sound financial management processes by referring to satisfactory internal and external audit reports.

Overall findings for Standard 5: Processes

Strengths

- The NPD was seen as improving service delivery, including providing comparative information about the performance of different probation areas.

- Boards were receiving regular relevant performance reports and were asking managers challenging questions about them.

- There was good evidence of Boards' use of external benchmarking.

- London's resource allocation model was a good example of a systematic approach to resource deployment.

- All Boards were addressing developing a framework for managing business risk.

- In all of the areas visited attention was given to fair access to services for minority ethnic and female offenders, though there was limited information as to whether it was delivered.

- In all cases Boards were able to demonstrate sound financial management processes.

Areas for improvement

- There was insufficient evidence of Boards using performance information to reform business processes and improve performance.

- Most Boards only had an incremental approach to resource deployment in response to changing business needs.

- All Boards needed to adopt policies for procurement and for reviewing existing contracts to ensure that they achieved value for money.

8. THE FUTURE DIRECTION FOR BOARDS

8.1   Although there have been variations in practice in different probation areas this report gives a positive picture of what has so far been achieved by Probation Boards. The new arrangements for the governance of the service have been introduced remarkably smoothly and are functioning in a fashion which reflects much credit on the efforts of most of the actors involved. The work of many Boards is inevitably still at a largely developmental stage, though some have moved on from that point. The report has identified many strengths and examples of good practice in the operation of individual Boards that we would wish to see widely replicated.

8.2   The NPD has decided that Board members, including Board Chairs, who wish to be considered may be reappointed for one further term from April 2004, subject to a satisfactory report on their performance. The reappointment process requires Board members to demonstrate revised competencies related to corporate responsibility, organisational excellence, valuing and enabling diversity, ambassadorial duties, and working with people. All Boards are also to retain their existing membership of 15. In response the overwhelming majority of Board Chairs and members have asked to be reappointed. All of the above is likely to minimise disruption, enable experience and skills to be retained and provide continuity to the work of Boards so that all can move beyond the initial, developmental phase and begin to fulfil their broader potential.

8.3   While the above represents a certain vote of confidence in the present arrangements, we take the view that in the longer-term these will have to be justified against more rigorous criteria. Although their own direct costs are relatively small compared with the overall NPS budget (mainly comprising the payments to the Board Chair and members, and the costs of the secretary and treasurer functions), they do not include the additional hidden cost of senior management time required to attend and service often frequent Board meetings (through, for example, the production of reports, and the extra workload placed on area administrative staff). There is also a further cost at the centre arising from the NPD needing to communicate with Boards, be involved in the recruitment and selection of members, and include time with Boards in the visits to probation areas by its senior managers.

8.4   Boards will need to be able to demonstrate that they bring an added value to the work of probation areas that is more than could be provided by the NPD and the area's own management structures. There is currently a view, held among some senior managers at the centre and some COs locally, that though the Boards are engaging well with the performance-related tasks described at various points in this report, they are *not* demonstrably adding value. That is, that their contribution is seldom material when it comes to explaining either the better or poorer than average performance of the areas to which they are attached. Or, to put the matter another way, that if the Boards did not exist, other structures and processes could very easily take over their responsibilities at probably lower cost. We do not endorse this view but neither have we found evidence to contradict it.

8.5   Our working assumption is that, having established new arrangements for the governance of the NPS, the Government will not seek fundamentally to alter them until they have had a chance to prove their mettle. We do not think that point has yet been reached. We assume, therefore, that the Boards have several years ahead of them in which to demonstrate that they can fulfil their potential.

8.6   The advantage and the difference that Boards bring should be that they represent a different constituency to both the national leadership operating from London and the internal probation service perspective of the area's local managers and staff. Major reasons for the establishment of Boards was for them to reflect the diversity and concerns of the community they serve, appreciate the community's needs and promote greater community engagement. This inspection has found only limited evidence of these characteristics and achievements to date. Boards need to consider whether they should be seeking greater opportunities to do all these things, through representational work, through the development of strategies to publicise the work of the service in their area, and through promoting probation service matters in other organisations and groups to which members belong or have access to. Boards also need to form their own view of the other organisations and individuals they see as representing the local community and the methods by which the perceptions and expectations of that community will and should influence and affect the work of the probation service. This is a particular issue where information about the good practice of individual Boards needs to be disseminated widely and, as the Boards' representative organisation, the PBA has a role to play in this respect.

8.7   Boards are of course also the direct employers of their probation area's staff. The latter may frequently be feeling under pressure from day-to-day contact with difficult or chaotic and sometimes dangerous offenders, with the appropriate expectations that they should be providing effective supervision, challenging offending behaviour, meeting the requirements of national standards and protecting the public. Against this background Boards have a key role to operate as good employers, for their staff to have clear policies and procedures to which to work, for the physical conditions of the job to be satisfactory and safe, for unsatisfactory practice to be attended to and for good work to be rewarded.

8.8   The demands from the Government to develop a strong NPS within an effective correctional services structure will inevitably continue to make it difficult for a specific dimension to be brought to the work that reflects the needs of the local community. A persistent theme from this inspection, which we echoed in our A*nnual Report 2002/2003* (paragraphs 11-18), is that by adopting a particular view of how effective performance is best achieved, the NPS may be in danger of becoming overly centralised, with too little operational room for manoeuvre being given to probation areas and their Boards. The challenge for both Boards and the NPD is to ensure that such local considerations do not get lost within the framework of national developments and, as part of this, for Board members to be a key part of the process of the NPS being linked to the communities it serves. This means that if Boards are to develop their potential, the local dimension still needs to be given greater scope and encouragement.