



HM Prison &
Probation Service

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Anne Fox
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28 March 2023

Dear Anne,

2023/2024 budget allocations and the voluntary sector

Thank you for your letter dated 6 March regarding funding for the voluntary sector in the next financial year. Our partners in the sector play a critical role in enabling people in prison and on probation to receive the support they need to turn their lives around and reduce their risk to the public and it is something I am keen that we continue to invest in as much as we are able.

I understand you had a discussion with Matt Grey, Executive Director Reducing Reoffending, Partnerships and Accommodation about your concerns in more detail, but I wanted to take the time to write to you about progress in working through future years spending and how we continue to invest in the voluntary sector.

Following the commencement of the HM Treasury-commissioned Efficiency and Savings Review (ESR) we have, as an Agency, been required to review and scrutinise all our departmental committed delivery plans to identify possible savings, in order to ensure we are able to live within our means as we move into financial year 23/24 from April 1st. This exercise has taken place across all government departments, and we have worked carefully with the Ministry of Justice to make a strong case for continued investment in all our services.

This is in addition to an existing commitment to realise some significant efficiencies across the Agency by the end of the current spending review period (March 2025). At the same time, we are also being asked to make that money go further by expanding provision to new cohorts of people in prison and on probation and that requires us to make more difficult choices over how we balance our investment.

Following the Chancellor of the Exchequer's Budget on 15 March, the ESR remains ongoing with HMT and final budgets are yet to be set for future years. Again, I want to reiterate that, wherever possible, we are seeking to protect investment in the voluntary sector.

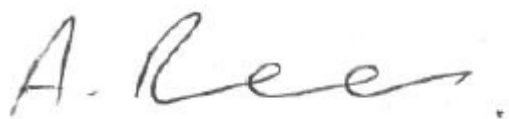
As you know, in light of these requirements, we have taken the difficult decision to pause progression of certain contracts and grant awards until we have greater certainty over our funding envelope. I do appreciate that this has been a cause for concern and anxiety for some of our partners, particularly those with only short periods of time left on their existing contracts; and I have asked Matt and his team to review these on a case-by-case basis.

Despite this, I do believe that this pause is important so as not to disadvantage any other organisations by committing spend in advance of knowing our total allocation, in the event there is less money available. We still expect to have a significant level of spend on Commissioned Rehabilitative Services (CRS) but we do not yet know the exact amount. However, we have now agreed that, within the overall CRS budget, we will maintain the same level of Regional Outcomes and Innovation Fund (ROIF) budget that we had in 22/23. Although this is less than we had originally expected to have for ROIF in 23/24 and beyond, this certainty allows regions to now continue with any awards – for instance, for grants for support from people from minority ethnic groups - that remain affordable within their regional portion of the ROIF budget. Regions will review their overall plans for their portion of the ROIF and proceed to award where possible and communicate where this will not be possible at this time.

Looking ahead, we are now actively planning for the future generation of CRS, ready for when the current contracts come to an end, and I am committed to ensuring we continue to effectively partner with the third sector and access their specialist expertise. I understand Matt offered a fuller briefing to Clinks and the wider sector on our plans for CRS and has invited you to join the programme's steering group to help ensure the voluntary sector has a strong voice in shaping the future design of the service. The team will be in touch in due course to take forward the work on this and discuss how we best engage with colleagues across the sector. I am grateful, as ever, for Clinks' support in this endeavour and your continued proactive support in helping us to engage with the sector.

We will be in touch as swiftly as we are able with any developments once budget allocations are confirmed and I look forward to our upcoming meeting.

Yours sincerely,

A handwritten signature in black ink that reads "A. Rees". The signature is written in a cursive, flowing style.

Amy Rees,
Chief Executive, HM Prison and Probation Service
Prif Weithredwr, Gwasanaeth Carchardai a Phrawf EM