



HM Prison & Probation Service

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Dear Anne,

I am committed to supporting better outcomes for the people in our prisons and on probation, and we know the likelihood of ex-offenders reoffending is significantly decreased if they have a home, a job and access to healthcare.

To achieve this, it is important that we have the full involvement of the voluntary sector, including charities and social enterprises. I recognise that the sector has been under pressure for some time, and this brings additional load and concern for you all.

I also understand that the uncertainty of our current financial situation has not helped, and I do want to be as frank as I possibly can in relation to funding and spending reviews.

In all candour, there are several pressures and risks that will need managing through the Spending Review period.

That will mean some difficult choices – but at the same time, the Sentencing Review and longer planning horizon gives up opportunities to think about the services we deliver and commission and how we maximise the impact of that investment. I am looking forward to working with you to help us think through how we respond to those challenges.

Finance and Funding

On 30 October, we concluded phase 1 of the Spending Review, which set departmental budgets for 2024-25 and 2025-26. We are currently finalising the allocations process to set internal budgets for 2025-26 across MoJ with an expectation for this activity to be finalised in early 2025.

HM Treasury (HMT) formally launched phase 2 of the Spending Review on 11 December, which will set budgets for the remainder of this Parliament: Resource Departmental

Expenditure Limit (RDEL) budgets from 2026-27 to 2028-29 and Capital Departmental Expenditure Limit (CDEL)) budgets from 2026-27 to 2029-30).

We will work constructively with HMT throughout this process, including undertaking a zero-based review of departmental budgets.

We expect the overall spending review process including phase 2 to conclude in Summer 2025.

The Dynamic Purchasing System (DPS)

DPS is a route to market which allows establishments to post Invitations to Tender for activity they wish to procure. Whilst there is a budget allocated to each prison, the Governor does have the ability to top that budget up with their own funds if they so wish. The DPS is designed to support education activity only.

I welcome that the role of the voluntary sector in delivering education services has increased since the start of the DPS. Around half the contracts awarded last year were to voluntary sector organisations.

I am keen that the voluntary sector role continues to grow but recognise that organisations have been impacted by reductions in the DPS budgets. HMPPS recently shared indicative allocations with prisons for 2025/26 in order that they have as much notice as possible to plan their pipeline of activity for next year.

Some of the reduction in DPS funding next year is due to removing the budget for Careers Advice Information Advice and Guidance which will now be procured through national contracts. The HMPPS Education Group is working with prisons to support them in arrangements next year and will continue supporting the sector in navigating the DPS process.

Commissioned Rehabilitative Services (CRS)

HMPPS is reviewing the design and commissioning of these services to ensure that our future CRS services, a programme for which is currently underway, will more effectively deliver services to people leaving custody and align with wider services to best meet people's resettlement and rehabilitative needs.

There have been and will continue to be ongoing market engagement that includes voluntary sector organisations to help develop the future specifications.

The intention is to extend the current CRS contracts to ensure that there is a continuity of delivery until the next generation of contracts go live. Engagement is ongoing to agree these extensions to the CRS contracts which will also provide clarity to the many voluntary sector organisations that are part of providers supply chains.

Grants

HMPPS has awarded grants to a diverse range of voluntary organisations for over 15 years. In response recommendations from the voluntary sector, HMPPS increased the use of grants to commission support for people on probation and launched a dedicated Probation Grants Application Portal for new grants in July 2022.

All awards made from the CRS General Grant Scheme for support for people with shared protected characteristics or shared experiences or to promote rehabilitation and desistance are to not-for-profit organisations. To date, 32 awards for up to 36 months duration have been made by HMPPS.

We continue to work with the voluntary sector to simplify our contracting processes wherever possible, learning lessons from competitions and continue to work with the sector and via partnership boards, to improve how we use grants and contracts to maximise participation.

More broadly, I want to thank you and your members for all the extremely valuable work you continue to do in the criminal justice system. I value the expertise of the sector and take this opportunity to reassure you that we will continue to work together closely to ensure that that the people in our care get the best opportunities to turn their lives around.

As the festive season approaches, I want to finish by extending my warmest wishes to you and your members.

I hope you all get the chance to relax, recharge, and spend quality time with your loved ones over the festive period.

Yours sincerely / Yn gywir

A handwritten signature in black ink, appearing to read 'A. Rees'.

Amy Rees,
Director General CEO, HM Prison and Probation Service
Prif Weithredwr, Gwasanaeth Carchardai a Phrawf EM