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**The ‘Mixed Market’ and the lessons from the Serco UPW Fiasco**

**Whilst Napo members will welcome the Government U-turn which will see the transfer of Offender Management work to the NPS England and Wales by April 2021, the evidence against leaving Intervention services to the vagaries of the market are writ large in the failure of the last experiment. *Ian Lawrence and Sarah Friday report…***

On the 6th February 2014 Chris Grayling, then Secretary of State for Justice, announced to Parliament that he intended to terminate Serco’s Community Payback (London) contract by the end of that year. This followed an earlier award to SERCO of the entire Unpaid Work Service in 2012 with the intention that it should deliver this until at least the autumn of 2016.

The decision came after compelling evidence that Serco’s approach to delivering this critically important intervention regime had been a mixture of disorganisation and financial ineptitude. The flaws in service delivery were also graphically exposed in a BBC2 ‘Newsnight’ feature involving ‘whistle-blowing’ Napo members. They told of serious failings in the contract and embarrassing examples of community service projects not being properly supervised due to staff shortages, along with serious inaccuracies in the reporting of offenders who had failed to turn up at their appointments. By now, none of this came as a surprise to Napo members who were well aware of the Serious Fraud Office investigation involving SERCO, where allegations of ‘tagging the dead’ to falsely record the numbers and names of people wearing an electronic tag were in need of some answers.

In March 2013 Napo wrote to Michael Spurr following Chris Grayling’s statement to the Justice Select Committee that the Serco contract had produced savings of 40% since its commencement. Napo demanded to know how this figure was arrived at. We also asked for a costing of the work carried out prior to the transfer on legal and consultancy advice and the time spent by NOMS and then London Probation staff time in drawing up the bid. Michael Spurr’s reply was that the 40% figure was a re-working of the often repeated MoJ claim that the contract was to save the taxpayer £25 million (37%) over the life of the four-year contract, and that he could not reply to our questions on costing due to ‘commercial confidentiality’.

In the May/June 2013 edition of Napo News, Pat Waterman then Greater London branch chair and Sarah Friday Napo National Official co-authored an article: ‘Lessons learnt from the part privatisation of London Community Payback’ in which they highlighted the scale of job losses. Pat wrote: “Over 300 LPT staff were transferred to Serco on 30October. However, no sooner was the ink dry on the trade union recognition agreement when Serco announced its plans to make 99 redundancies by way of a severance scheme”, adding: “The scale of the job losses arising from the privatisation of London CP is one of the most devastating things about it, with nearly 200 jobs being cut from a pre-privatisation total of around 550 (including about 100 casuals)”. In addition to the above job cuts in June 2013 Serco made a subsequent round of 10 redundancies – this time to managerial grades (senior and field managers).

In December 2013**, Napo General Secretary Ian Lawrence, commented on the** Serco decision to withdraw from the MoJ competition to become a primary provider of probation services, (due to the SFO investigations into their activities as well as another outsourcing giant G4S). Ian said: “D**espite their clear transgressions, both companies may still be allowed to work with other potential suppliers to support the Governments’ objective of achieving a diverse market in Probation”, adding that: “We will now be using this as further evidence to parliamentarians that both companies have proved themselves to be unfit for purpose in terms of their contracts within the justice sector”.**

The pressure was mounting, and by the end of 2014, the 129 full time equivalent staff had been subject to a messy transfer from SERCO into the newly created London CRC (Community Rehabilitation Company). The MoJ claimed that this move would assist the national Transforming Rehabilitation programme, but most commentators believed it was because the Government wanted to downplay the news of abject failure, especially as the announcement appeared as a footnote in a wider MoJ announcement.

**Exposing the myth of the ‘mixed - market’**

Clocks forward to the present; where it appears that this Government has not only failed to heed the lessons of the past, but seems intent on repeating them. The mantra that there is still a market for Interventions and Programmes in the face of all empirical evidence to the contrary is pushing credulity to its absolute limits.

The past failures of Serco, along with those of a vast majority of CRCs (that’s the companies not our members who have worked damn hard to keep them afloat) as evidenced in reports by the Chief Inspector for Probation, the National Audit Office and two parliamentary select committees, have not exactly concentrated the minds of people who ought to know better in number 102 Parliament Street.

It seems that money is no object when it comes to presenting Interventions as some sort of second-rate accoutrement to a client’s contact with probation. In the face of what we know to be an extremely sceptical response to new contracts by current CRC owners, the MoJ spin machine has gone into overdrive. The GOV.UK portal regularly spewing out unintelligible material extolling the so-called benefits of a probation mixed-market to would be purchasers. Some have confided to Napo that the prospect has about the same allure as the ‘snake oil’ once peddled by travelling Wild West salespeople.

Anyone can see that whatever wheels Grayling thought were on his TR bandwagon came off a long time ago. Even before he embarked on his gargantuan personal disaster he could have seen, (but chose not to) that the London Serco CP experiment was its X-rated prequel. The privatisation of London Community payback (just like TR) was a scandalous waste of public money, it seriously impacted on public safety and, in the view of the Probation trade unions, is still in breach of an International Labour Organisation convention on forced labour.

**Napo will simply not settle for the significant victory that we secured on 16th May, and we have wasted no time in doubling our campaigning efforts to fix probation. Our ultimate objective is to see *all* probation work under public control with not-for-profit third sector partners providing the additional assistance that worked so well for clients and the taxpaying public before the TR disaster divided a once gold standard service.**