



Ministry of
JUSTICE

National Offender
Management Service

National Offender Management Service

Agency Framework
Document

April 2011

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1 Introduction

- 1.1 The National Offender Management Service (“the NOMS Agency”) is an executive agency of the Ministry of Justice (“the Department”), created in 2008.
- 1.2 The NOMS Agency has responsibility, on behalf of the Secretary of State for Justice (“the Secretary of State”)¹, for commissioning prison and probation services in England and Wales and directly managing offender management services including public sector prisons.
- 1.3 This Framework Document sets out the arrangements for the governance, accountability, financing, staffing and operation of the NOMS Agency, agreed between the Secretary of State and the Chief Executive of NOMS (“the Chief Executive”), and approved by the Chief Secretary to the Treasury.
- 1.4 The Department Operating Model places increasing emphasis on grouping and sharing resources to meet agreed priorities and support frontline delivery. The Framework Document reflects this model and the commitment towards reducing prescription and promoting local discretion and accountability.
- 1.5 This Framework Document will be reviewed formally every three years under arrangements agreed between the Secretary of State and the Chief Executive, but may be reviewed at any other time if they so wish.
- 1.6 Any amendments to this Framework Document must be agreed by the Secretary of State and the Chief Executive, and by Her Majesty’s Treasury (HMT).
- 1.7 Any departure from the provision of this Framework Document must be agreed in writing on a case-by-case basis between the Secretary of State, or delegate, and Chief Executive, and an HMT minister if appropriate.
- 1.8 Copies of this Framework Document and any subsequent amendments will be placed in the libraries of both Houses of Parliament. Copies will be available on the Department website.
- 1.9 Any questions concerning the interpretation of this Framework Document will be resolved, if possible, by agreement between the Chief Executive and the Permanent Secretary of the Department and, in default of agreement, will be referred for decision to the Secretary of State.

¹ The principal statutes for Prisons and Probation are the Prison Act 1952, Criminal Justice and Court Services Act 2000 and Offender Management Act 2007.

2 Aim and Objectives

- 2.1 The NOMS Agency role is to commission and provide offender management services in the community and in custody ensuring best value for money from public resources. The Agency works to protect the public and reduce reoffending by delivering the punishment and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.
- 2.2 The NOMS Agency will work collaboratively with providers and partners to deliver a Justice system making communities safer, preventing victims and cutting crime.
- 2.3 In delivering offender management services, the NOMS Agency will:
- commission services;
 - manage public sector prisons;
 - manage contracts in probation and with our private/third sector providers including private prisons;
 - deliver central system-wide operational services.

3 Roles, responsibilities and governance

Permanent Secretary

3.1 The Permanent Secretary is the Departmental Sponsor of the NOMS Agency.

3.2 The Permanent Secretary advises the Secretary of State on how well the NOMS Agency is performing.

3.3 The Permanent Secretary's responsibilities include:

- endorsing NOMS Agency impact indicators and Corporate and Business Plans before they are submitted to the Secretary of State;
- ensuring the NOMS Agency conforms to departmental policy and has the delegations and authorities necessary for effective delivery and continuous improvement.

The Chief Executive

3.4 The Chief Executive is appointed by the Permanent Secretary of the Department, using the usual civil service recruitment processes, and is accountable through the Permanent Secretary to the Secretary of State for performance of the NOMS Agency. Chief Executive remuneration will be agreed in accordance with the performance and reward arrangements for members of the Senior Civil Service.

3.5 The Chief Executive is responsible for the leadership of the NOMS Agency and its day to day management.

3.6 The Chief Executive's responsibilities include:

- efficient and cost-effective management of the NOMS Agency so as to ensure it achieves its outcomes;
- effective leadership of the staff of the NOMS Agency;
- preparing the Agency's strategy and business plans;
- developing structures which assign responsibilities and accountabilities in such a way that the NOMS Agency can effectively deliver its separate commissioning and delivery responsibilities;
- ensuring robust financial planning and a full understanding of the costs of the Agency's activities;
- ensuring that the NOMS Agency and the providers it commissions comply fully with all relevant legislative and corporate governance requirements.

3.7 The Chief Executive will advise the Secretary of State on matters relating to adult offender services including the operation of prisons and Probation Trusts.

3.8 The Chief Executive will consult the Secretary of State and the Permanent Secretary on the handling of operational matters which could give rise to substantial media, public, Parliamentary or Ministerial concern.

3.9 The Chief Executive is designated as Agency Accounting Officer by the Principal Accounting Officer of the Department and is accountable to that person and to Parliament for those responsibilities.

3.10 The designation and cessation of prisons is the responsibility of the Secretary of State under the Prison Act 1952 and will be delegated to the Chief Executive.

3.11 The Chief Executive is responsible for certifying that the operational prison estate is fit for purpose.

The Agency Board

3.12 The Chief Executive will establish and chair an Agency Board. Terms of reference and membership will be approved by the Permanent Secretary, who will also appoint Non-Executive Directors, on the recommendation of the Chief Executive, to bring external experience and challenge to strategic decision making.

3.13 The Agency Board will provide support and advice to the Chief Executive regarding strategic direction of the Agency. The day to day management

will be the responsibility of an executive management team and the Agency Board will receive reports as appropriate.

3.14 The Board's responsibilities include:

- defining the vision and values, culture and strategy of the NOMS Agency;
- agreeing appropriate Governance and internal controls;
- ensuring sound financial management and good value for money;
- managing financial and performance risks;
- supporting the executive management team.

Relationship with the Department and Other Bodies

3.15 The Department develops strategic policies under the direction of ministers. Those developing policy in the Department will consult the Chief Executive or appropriate Director on the operational impact of strategic policy changes that may affect the operation and delivery of prison and probation services.

3.16 It is the responsibility of the Chief Executive to implement the strategic policy set by the Department in the most effective manner.

3.17 The NOMS Agency will work collaboratively and openly with all

bodies, including other government departments, that have an interest in its work and with which the Agency can engage to deliver an efficient and effective service that protects the public and reduces reoffending.

Regulation

- 3.18 The NOMS Agency will report on progress against agreed objectives to the Departmental Board which is chaired by the Secretary of State.
- 3.19 The NOMS Agency will comply with best practice guidance and relevant reports of the Office of Government Commerce, the National Audit Office, the Audit Commission and the Wales Audit Office in its conduct of commissioning and competition activities. This is to ensure transparent commissioning decisions, competitive neutrality as between providers from all sectors and the even-handed application of comparative cost and performance benchmarks.
- 3.20 The Secretary of State receives reports from Her Majesty's Chief Inspector of Prisons on their independent inspections of prison establishments and from Her Majesty's Chief Inspector of Probation on their independent inspections of offender management. The Chief Executive will act in accordance with the protocol for the handling of the Chief Inspectors' reports.
- 3.21 The Secretary of State will appoint an Independent Monitoring Board (IMB) for every prison establishment to provide an independent assessment as to the humane and just treatment of those held in custody there and the range and adequacy of the programmes preparing them for release. The Secretary of State receives an annual report from each IMB and the designated minister will respond to such reports after taking advice from the Chief Executive.
- 3.22 The Secretary of State also appoints a Prisons and Probation Ombudsman (PPO) to consider complaints from prisoners and offenders either in custody or the community once internal procedures have been exhausted. The Secretary of State receives an annual report from the PPO which the Secretary of State must lay before Parliament. The PPO also has a standing commission to investigate and report on any death of a prisoner or a resident of Approved Premises. The Chief Executive will respond to recommendations from the PPO.

4 Accountability to Parliament

Parliamentary Select Committees

- 4.1 The Chief Executive and the Permanent Secretary or their delegates may be asked to appear before the Committee for Public Accounts concerning their respective Accounting Officer responsibilities.
- 4.2 Invitations received from other parliamentary committees relating to the NOMS Agency will be considered by the Chief Executive who will consult and advise the Permanent Secretary as appropriate.

Parliamentary Commissioner for Administration

- 4.3 The NOMS Agency is subject to the jurisdiction of the Parliamentary Commissioner for Administration (PCA).
- 4.4 The Permanent Secretary is the Principal Officer of the Department of Justice for the purposes of PCA referrals, but will normally delegate responsibility for handling any matters concerning offender management services to the Chief Executive.

Parliamentary Questions and Parliamentary Correspondence

- 4.5 The Chief Executive will advise Ministers as required in respect of Parliamentary Questions and Parliamentary correspondence addressed to Ministers on all offender management matters. The Chief Executive and other Agency staff may also respond direct to correspondence addressed to the Agency from an MP or peer on matters concerning delivery of offender management services.

5 Finance, performance and reports

Funding Allocation to the NOMS Agency

- 5.1 The gross spending of the Agency is funded by (i) delegated budget (net of income) from the Department; (ii) allowable income from other commissioners; and (iii) allowable income from sources other than commissioning.
- 5.2 The Department will provide an annual budget allocation to the Agency in line with agreed outcomes and levels of service. Where possible the Department will also provide provisional budget allocations for future years to inform forward planning.
- 5.3 The Permanent Secretary will through consultation reach agreement with the Chief Executive in respect of the allocation and on any significant in-year adjustments to the NOMS Agency allocation.
- 5.4 The Chief Executive may put forward proposals to the Permanent Secretary to seek additional funding above the financial allocation in exceptional circumstances.
- 5.5 At every stage of the allocation process the Department and the NOMS Agency staff will act openly and transparently, and ensure that the Chief Executive and the Permanent Secretary are fully apprised of all

aspects of the plans for allocation, both prior to and after allocation by HMT to the Department.

Financial Management

- 5.6 The NOMS Agency has responsibility for financial and management accounting and will provide information on its expenditure and its income to the Department and to the Treasury at such times, and in such manner, as is reasonably required.
- 5.7 The NOMS Agency will also share information with its delivery partners where appropriate.

Financial Delegations

- 5.8 The Principal Accounting Officer of the Department will delegate responsibility for all financial matters relating to the delivery of adult offender management services in writing to the Chief Executive. The Principal Accounting Officer will also formally designate the Chief Executive as Agency Accounting Officer.
- 5.9 The NOMS Agency will operate within the limits confirmed in the written delegations, which will be reviewed at least annually and set out in a formal delegations letter.
- 5.10 The Chief Executive is accountable for expenditure incurred within the Agency in delivering its services and for income it receives.

5.11 The Chief Executive, as the Agency Accounting Officer, has the right to approve all items of expenditure, use receipts (subject to departmental guidance), write off losses and make special payments which are within the provision of this Framework Document and are consistent with the Agency strategic and business plans. This is subject to the financial delegations, controls and approval processes set by the Department, HMT and the Cabinet Office.

5.12 The Chief Executive has responsibility for ensuring that the NOMS Agency can account for its assets.

5.13 The NOMS Agency change programmes will have effective governance arrangements agreed by the Chief Executive and the Department, through which expenditure on those programmes is managed.

General Accounting Rules

5.14 The NOMS Agency is subject to the rules and policies laid down by HMT in Managing Public Money, Consolidated Budgeting Guidance, Financial Reporting Manual and other accounting instructions that are issued from time to time.

Transparency Framework

5.15 The Chief Executive will work with the Department and other government department officials to agree input

and impact indicators, cost and the performance data for the NOMS Agency which will be made available to ensure principles of transparency are met.

5.16 The Chief Executive will put in place and maintain appropriate management systems that hold all providers accountable for delivering outcomes within agreed resources.

Risk

5.17 The NOMS Agency will maintain a risk management process in accordance with the guidance in HMT Managing Public Money and Management of Risk – Principles and Concepts and other official guidance that may be issued from time to time, and consistent with the Department's risk management policy, escalating risks as necessary.

5.18 The NOMS Agency will maintain robust contingency and business continuity plans and will review and test these on a regular basis.

Business Plan, Annual Report and Accounts

5.19 The NOMS Agency plans will be set within the context of the wider Department corporate strategy and the Transparency Framework to deliver objectives and outcomes set by the Secretary of State. The Chief Executive is responsible for the development of the Agency's long term corporate

plan and for ensuring that the NOMS Agency has integrated planning and performance arrangements in place.

5.20 Within the strategic direction set by this plan, the detailed activities for the NOMS Agency will be published in an annual business plan. The plan will include:

- the priorities and work programme for the year as derived from the NOMS Agency's corporate plans;
- impact indicators against which the Department will assess the NOMS Agency performance;
- the operating assumptions and budget on which the plan is based.

5.21 The corporate and business plans will be approved by the Secretary of State following endorsement by the Permanent Secretary.

5.22 The Chief Executive will prepare the Annual Report and Accounts for the NOMS Agency, in accordance with the guidance and accounting policy set out by the Cabinet Office and HMT.

5.23 The Annual Report and Accounts will be submitted to the Secretary of State following endorsement by the Permanent Secretary and audit by the Comptroller and Auditor General.

5.24 The Secretary of State will lay the Annual Report and Accounts in the House of Commons.

6 Agency staff

- 6.1 The Chief Executive will have delegated responsibility to set terms and conditions of employment and procedures which will apply to the NOMS Agency civil servants (other than Senior Civil Servant (SCS) grades).
- 6.2 The Permanent Secretary will give The Chief Executive the freedom to appoint to SCS pay band 1 but within a maximum number of SCS pay band 1 posts agreed each year. If additional posts are required above this limit, the Permanent Secretary's approval will be sought.
- 6.3 The Chief Executive will have delegated authority for pay bargaining for Agency staff up to equivalent of HMT Grade 6/Band A (excluding Fast-Stream posts), following HMT guidelines and requirements. The NOMS Agency will submit evidence to the independent Pay Review Body as applicable and implement pay changes in line with the Government's response to the Pay Review Body's recommendations. The Chief Executive will also advise the Secretary of State in regard to proposals for pay for probation employees, following HMT guidelines and requirements.
- 6.4 The Chief Executive will ensure that the pay and grading arrangements best meet the needs of the NOMS Agency, within any constraints outlined by Cabinet Office and HMT and taking into account repercussive impacts on the wider Department. The Public Sector Pay Committee will be consulted as appropriate.
- 6.5 The Chief Executive will ensure that the NOMS Agency will:
- maintain a workforce plan for offender services which includes ensuring all providers and staff meet appropriate competency levels and standards;
 - have a working environment in which diversity is recognised and valued. It will also comply with the requirements placed on it by law. Equality and Diversity policies will support business needs and objectives;
 - discharge all statutory health and safety requirements imposed on employers by relevant legislation and statutory bodies including Health and Safety and fire safety requirements.
- 6.6 The Chief Executive is responsible for ensuring that the necessary arrangements are in place for consultation with the Trade Union Sides at a national level and the appropriate local level and with other staff associations on issues affecting their membership.

7 Audit and assurance

Internal Audit

7.1 The Chief Executive is responsible for making arrangements for the provision of internal audit services for the NOMS Agency in accordance with Government Internal Audit standards and best practice set by HMT. Under the MOJ Operating Model this will be carried out by the Department as a shared service.

The Audit Committee

7.2 The Agency Board will appoint an Audit Committee as a sub-committee of the Board, in accordance with standards and best practice set by HMT, to support the Chief Executive as Agency Accounting Officer and advise on the agency's corporate governance and risk and control systems.

7.3 The Audit Committee will be chaired by a non-executive director.

7.4 The Chair of the NOMS Agency Audit Committee will ensure that effective arrangements for communication with the Department's Audit Committee are maintained.

External Audit

7.5 The Comptroller and Auditor General audits the NOMS Agency expenditure and income, examines their regularity and propriety and certifies and reports on the NOMS Agency Statement of Accounts.

7.6 The Comptroller and Auditor General sends copies of all management letters and correspondence relating to those letters to the NOMS Agency Finance Director, who draws issues of significance to the attention of the Board.

7.7 The Comptroller and Auditor General has access to the NOMS Agency books and records under the National Audit Act 1983, for the purposes of carrying out examinations into the economy, efficiency and effectiveness with which the NOMS Agency has used its resources and discharged its functions.

8 Shared services

- 8.1 The NOMS Agency will work collaboratively with a range of the Department's corporate functions.
- 8.2 A number of support functions will be provided as a shared service across the Department reflecting the MoJ operating model.
- 8.3 The operation of these services will be supported by a Memorandum of Understanding that sets out shared expectations of how the arrangements will work for efficient and effective delivery. Where expectations are not met, the Chief Executive and the Department's relevant Directors will discuss and agree action.
- 8.4 Any change to the range of shared services will be agreed by the Permanent Secretary and the Chief Executive and the Agency Framework Document will be updated.
- 8.5 When there is a significant change to the way services are delivered or provided then the Secretary of State and the Chief Executive will be consulted.
- 8.7 The Department will provide facilities for the NOMS Agency's headquarters from within its corporate estate.
- 8.8 The Department will manage the supply of the prison and probation estate and is responsible for investment, development and major maintenance of the estate to ensure it is fit for purpose to deliver the NOMS Agency's business objectives.
- 8.9 The NOMS Agency will be responsible for minor capital works and routine maintenance of the prison estate within the parameters of the funding provided by the Department as part of the overall financial allocation.
- 8.10 The NOMS Agency and the Department will work in partnership regarding the use of the prison and probation estate and will collaborate with other agencies in achieving the best use of resources and delivering services that meet the needs of the justice system and predicted demand levels.

Estates

- 8.6 The NOMS Agency will be responsible for developing its Estates requirements and for prioritising applications for investment.

Communications

- 8.11 The Department will set its wider communication strategy and the NOMS Agency will formulate its communications strategy in line with this.
- 8.12 Within this wider strategy, the Chief Executive will be responsible for communications issued to NOMS Agency staff, providers and stakeholders.

8.13 Media requirements and news handling will be managed by the Department's Press Office, with appropriate delegations to the Chief Executive in line with devolved responsibility.

8.14 NOMS Agency branding will be consistent and integrated with the Department's guidelines.

Finance

8.15 Finance policy and procedures and a range of transactional finance services will be provided by the Department.

8.16 The finance function within the NOMS Agency will deliver financial control, long term and in year business and financial planning and management.

Human Resources

8.17 The NOMS Agency should operate within the framework of the Next Generation HR programme in respect of the Expert HR Services being provided centrally across Government. All processing of HR transactions will be provided by the Department in accordance with requirements agreed between the NOMS HR Director and Director of Shared Services.

8.18 An HR function will remain in the NOMS Agency to deliver key business-specific services including Employee Relations Strategy, operational resourcing and succession planning,

Organisation Development and change management, HR Business Partnering and operational training.

Information, Communication and Technology Services

8.19 Infrastructure, including desktop and mobile computing as well as support for business applications, is provided to the NOMS Agency by the Department.

8.20 An ICT function will remain in the NOMS Agency as the intelligent customer identifying NOMS ICT business strategy and requirements and providing internal customer service activity.

8.21 In developing the plans for IT, the Agency will collaborate as appropriate with other agencies with the objective of achieving agreement on arrangements for the common management and use of IT.

Internal Audit and Assurance

8.22 The Department will provide Internal Audit and Assurance services to an annual plan agreed with the Chief Executive and The Agency Audit Committee.

Procurement

8.23 Procurement authority is retained at Department level and all procurement policy and support activities are provided as a shared service.

