



National Audit Office

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## **Report**

by the Comptroller  
and Auditor General

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## **Ministry of Justice**

# Investigation into Just Solutions International

# What this investigation is about

**1** Just Solutions International (JSi) was the commercial arm of the National Offender Management Service (NOMS), which aimed to help improve justice systems across the world by selling products and consultancy services. JSi was not a separate legal entity; it was a small team within the Commercial Development Group (CDG) in NOMS.

**2** According to its website, JSi operated as a specialist management consultancy helping private and public sector organisations improve their criminal justice sector activities through the provision of:

- consultancy advice to address existing problems or in the development of plans for improvement;
- accredited training and development of prison and probation officers and staff, in association with partners on policing and prosecution;
- design and delivery of internationally recognised intervention programmes for offenders and re-offenders; and
- licensing of NOMS-registered intellectual property for legal and controlled use by independent organisations and individuals.

**3** The Parliamentary Under-secretary of State for Prisons, Probation, Rehabilitation and Sentencing announced the closure of JSi to Parliament on 9 September 2015.

**4** Shortly after the announcement of its closure, we received correspondence raising concerns around the transparency of JSi activities and requesting that we investigate. This report sets out the result of our investigation. It records the underlying facts and does not assess the value for money of JSi. Appendix One sets out our methodology.

**5** The aim of this investigation is to:

- provide a definitive timeline for the establishment, activities and closure of JSi;
- explain the rationale for the structure of JSi and consider the current guidance for pursuing this type of wider market activity; and
- set out the costs incurred and revenue generated by JSi over the period it was operating.

**6** The report has three sections covering the **establishment; activities; and closure** of JSi.

# Summary

## Key findings

**7 Just Solutions International (JSi) was created in 2012 to exploit commercial opportunities arising from National Offender Management Service (NOMS) activities relating to IT, training and consultancy services.** The target market was primarily overseas governments originally facilitated through the Foreign & Commonwealth Office (FCO) then directly with overseas governments from 2014. JSi aimed to make a commercial return on work contracted from overseas governments.

**8 JSi was established as a brand within the NOMS Commercial Development Group (CDG) after the NOMS board rejected a proposal to establish JSi as a company.** A number of consultants were engaged from 2010 to 2014 to undertake pilots and develop business cases that formed the basis of JSi. We have set out a timeline of JSi in **Figure 1** on pages 6 and 7.

**9 In establishing JSi, NOMS followed the current guidance from HM Treasury, the National Archives and the Cabinet Office where this guidance was available.** This included: *Managing Public Money* (HM Treasury), which gives guidance on public bodies undertaking commercial services; the National Archives' guidance on best practice in information trading; and Cabinet Office guidance for sponsorship of public bodies including companies. However, this Cabinet Office guidance is limited because it does not cover the question of whether a company is the most appropriate form for new operations.

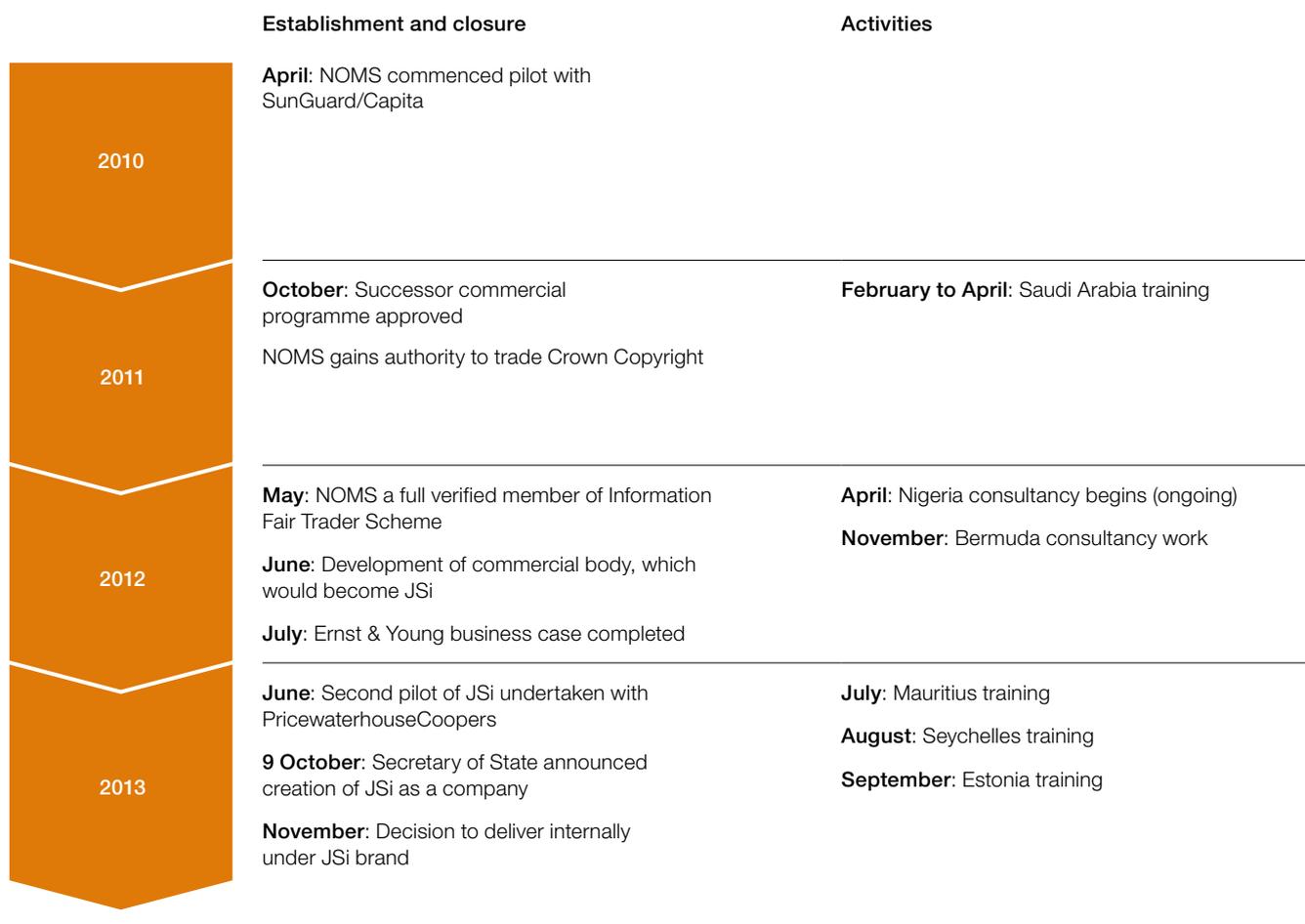
**10 The total income generated by JSi was less than £1 million.** The main contracts delivered by NOMS, under the JSi brand, between 2012 and 2015 were for training Royal Oman Police officers (£255,000), consultancy on prison design in Libya (£128,000) and contracts in Nigeria (£130,000), Australia (£89,000) and the Seychelles (£34,000).

**11 The cost of setting up JSi exceeded the income generated by completed contracts.** We estimate that JSi's costs were approximately £2.1 million from 2012 until its closure, including £239,000 on consultancy services. Therefore JSi made a net loss of approximately £1.1 million in this period. This is due, in part, to the decision to withdraw from prospective arrangements with Saudi Arabia and Oman. We also note that had JSi not been created, NOMS would have committed funding to support wider international engagement with countries to support FCO and wider Government objectives.

**12 In September 2015 the Secretary of State for Justice closed JSi and decided not to pursue any commercial activities in Oman. In October 2015 JSi withdrew from the bid for work with Saudi Arabia.** This followed the launch of a judicial review into JSi and significant media and political interest in the proposed work with Saudi Arabia. There were no financial penalties for withdrawing from contract negotiations with Saudi Arabia.

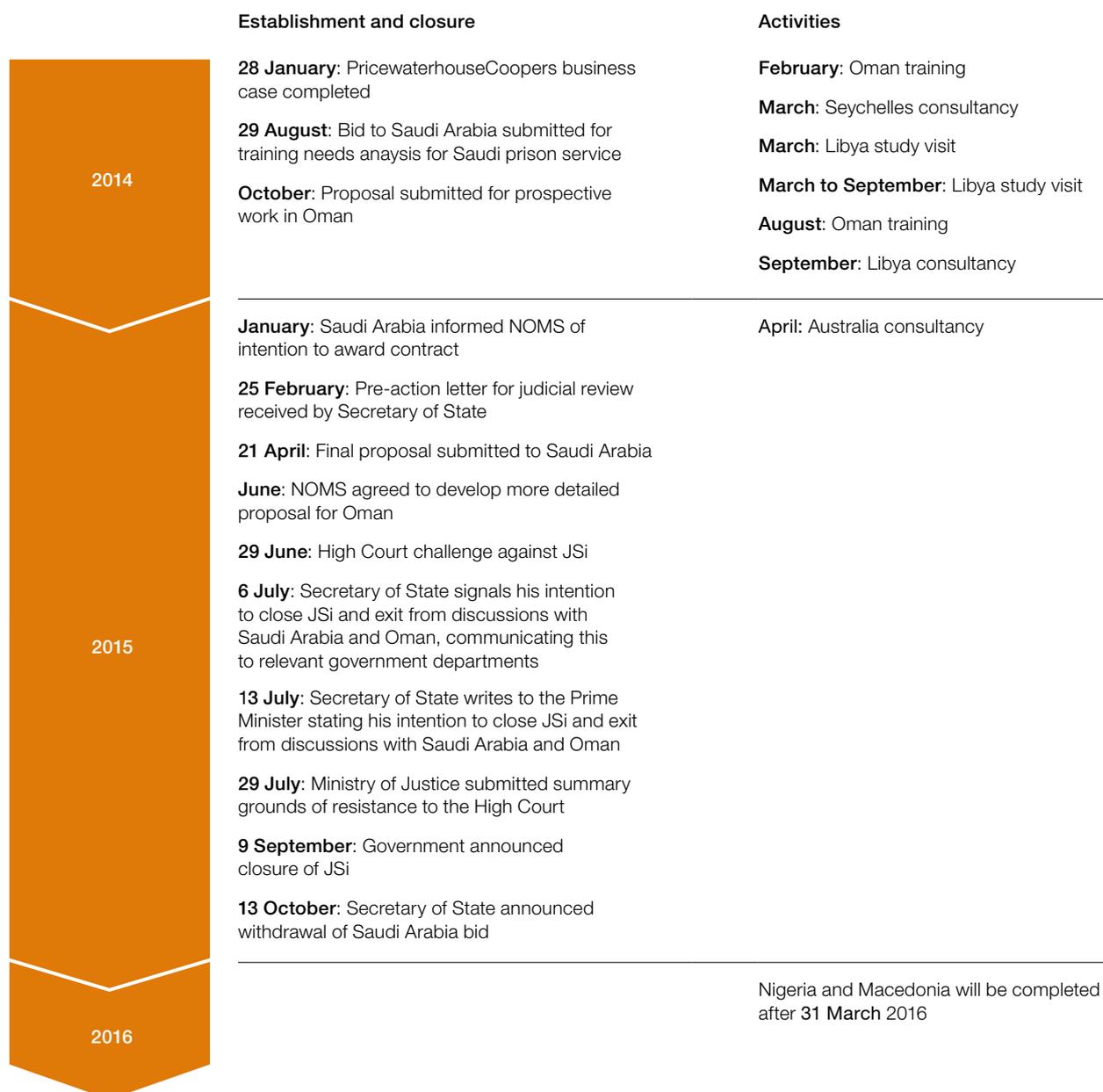
**13 JSi is now closed and NOMS does not plan to perform further work for overseas governments on a commercial basis.** NOMS will continue to receive visits and requests for assistance from overseas governments through FCO and other UK departments for the achievement of cross-government objectives.

**Figure 1**  
Timeline of JSi from establishment to closure



**Figure 1** *continued*

## Timeline of JSi from establishment to closure



Source: National Offender Management Service