

Stephen Nathan presents the latest news and views on prison privatisation

STOP BUILDING PRISONS

The House of Commons justice committee has called for a significant reduction of the prison population by 2015 and a more “prudent, rational, effective and humane” use of resources to shift the focus of expenditure away from incarceration and towards rehabilitation and prevention. The committee noted that: “When public spending needs to be cut major expenditure commitments - such as the prison building programme - require even more rigorous scrutiny than usual.” It recommended that the Ministry of Justice publish the estimates of the financial impact of both the existing prison building programme and the new building programme, on the rest of the criminal justice system. Committee chairman Alan Beith MP also said that “a demand-led policy of building ever more prisons places is being fuelled by political and media pressure for more and longer custodial sentences, diverting resources away from measures which are also more likely to prevent future crime.”

As the *Financial Times* 14 January 2010 noted “curtailing the prison-

building programme would be bad news for private sector companies such as Serco and G4S, which hope to pick up the contracts.”

While the justice committee’s report made no specific recommendations regarding the continued and expanding role of the private sector, it mentioned that one contribution suggested that private prisons should be considered a viable alternative to public sector run prisons. However, “this positive view of private prisons was in the minority. Most [posters] objected to their use because they believed that it will generate more pressure to build more prisons to the detriment of other rehabilitation alternatives, and that the prisons are best operated by the public sector.”

Cutting Crime: the case for justice reinvestment,
www.publications.parliament.uk/pa/cm200910/cmselect/cmjust/94/94i.pdf

BOND WITH PETERBOROUGH

Short-term male prisoners held in Kalyx-run HMP Peterborough are to be the pioneers for yet another new privatisation scheme. Through a £5 million Social Impact Bond

(SIB) the Treasury will provide investors with a return on their money if reoffending rates are reduced as a result of services provided by the St Giles Trust, a London-based charity, and similar organisations.

Some 3,000 prisoners will receive intensive support over a six-year period while in prison and after release.

The bond will be run jointly by the ministry of justice and Social Finance, an ethical investment organisation described by the *Guardian*, 19 March 2010, as “a private organisation set up by a group of City grandees in 2007.” Social Finance will raise up to £5 million to fund the project.

Announcing the scheme Jack Straw, justice secretary, said: “Through the SIB scheme Social Finance and its investors will be targeting interventions at short-term prisoners. I remain committed to cutting crime and ensuring safer communities in England and Wales.”

The bond, the first in the world, will pay variable returns to investors over eight years; a minimum of

7% per year if targets are hit rising to a maximum of 13% per year. But if reoffending rates are not reduced by at least 7.5% then the return could be zero.

According to a Social Finance media release “if successful, Social Impact Bonds could develop into a new asset class that aligns social and financial returns and brings in new capital to address social problems”.

Social Finance’s chief executive David Hutchison, former head of UK investment banking at Dresdner Kleinwort, said that investors in the bond would be organisations that believed in the ability of third sector organisations to stop people committing crimes. He told *Social Enterprise*, 18 March 2010 that: “If these organisations don’t achieve a reoffending reduction of 7.5% then the investors risk losing all their money, so it’s people who have a strong conviction of their effectiveness and certainly a number of trusts and foundations who have supported the work of these organisations in the past and found them effective. The trouble is these organisations have never had sustained funding to allow them to operate at scale over a long period of time – the exciting thing is with this project they have six years funding.” He added: “This

is all about a journey to understand the effectiveness of these interventions and the returns that can be generated.”

Mr Hutchison also said that if the bond is successful investors will receive payments after four, six, and eight years with the final social impact measurement being completed two years after the bond finishes.

Rob Owen, chief executive of the St Giles Trust told the *Financial Times* 19 March 2010 that the bond is “a funding revolution.”

Meanwhile *The Economist*, 23 March 2010, claims that the social impact bond label is “a misnomer” arguing that: “social-impact special-purpose vehicle would be more accurate though also less marketable given the current widespread suspicion of financial engineering, especially by governments engaging in off-balance sheet financing.”

* HMP Peterborough opened in March 2005 and is the country’s only prison for men and women who are held separately. In the fourth quarter of 2005/6 the prison was first reported at level 2 in the prison service’s performance rating system. It has been at level 2 - ‘requiring development’ - throughout 2008/9 and

2009/10 to date. Following a visit in July 2008 the chief inspector of prisons noted that although the prison had made progress since the previous inspection “there was insufficient provision for the specific needs of short-term prisoners, women lifers and young adults.”

* Three prisoners found guilty of the manslaughter of another prisoner in his cell at HMP Peterborough in September 2008 were each sentenced to nine years in February 2010.

HARNESS THE PROFIT MOTIVE

“Harnessing the profit-motive to desirable outcomes through payments-by-results while keeping process requirements to a minimum” is the key to improving prisoners’ rehabilitation, according to the Social Market Foundation (SMF).

The think-tank’s recent report also calls on the government to “contract-out all offender management for sub-12-month prisoners.” According to the SMF, the “Moj should contract out responsibility for the entire prisoner journey, from incarceration to resettlement to one public, private or third-sector provider in each region of England and Wales for all offenders sentenced to prison terms of less than 12 months.”

Providers would be paid for achieving reductions in two-year reconviction rates, receiving a two-part tariff. The first element would be paid for achieving the secure and humane incarceration of each offender and the second part would be paid conditional on offenders not being reconvicted. The second part of the payment would be staged, with providers being rewarded every six months for up to two years if the ex-offender has not been reconvicted. "In addition to easing possible cash-flow problems for providers this approach would mean that providers are also rewarded for reducing the frequency of offending – a socially valuable interim goal – not just for stopping it entirely."

The SMF adds that this model "offers the prospect of introducing private investment into the offender management system at a time when departmental spending will be slashed... and if implemented we can expect to see a substantial reduction in recidivism, offering immediate cost reductions for the criminal justice system of up to £1bn per year."

Calling for the prisoner population to be split between short and long-term offenders the SMF also argues that the five proposed 1,500 bed PFI prisons "can and should be dedicated to prisoners

who receive sub-12-month sentences – currently some 9,000 at any one time." They also argue that: "despite the proven potential of public services commissioned on this basis, payment-by-results is not a simple 'out of the box' solution. rather, it requires careful system design that allows those who take on the risks and potential rewards to have sufficient control over the offender management journey for real risk transfer to occur. Previous attempts to suggest a model for linking payments to reduced recidivism have failed to propose a workable model because they are imposed on the existing prison system, which frustrates any attempt to transfer sufficient control and therefore accountability. Without addressing the fundamental problem of prisoners in perpetual motion around the prison estate, we will fail to crack the problem of how to strengthen accountability for reducing recidivism. In addition, previously suggested models have usually been too small a scale for the MoJ ever to be sure whether, in paying for apparent good outcomes, it is rewarding real achievement or just a statistical anomaly."

Prison Break, Tackling recidivism, reducing costs, Social Market Foundation, March 2010, www.smf.co.uk

ASHFIELD THE MODEL?

Serco-run Ashfield YOI has been described as "an

educational establishment with fences," by Dominic Grieve, shadow justice secretary, who believes that it should be used as a blueprint for youth prisons. According to the *Financial Times*, 15 February 2010, "his team is also examining whether a Tory government should bring in private companies to run all young offender institutions."

NEW PRISON PLANS

Plans for the proposed 1,500-place private prison to be built on the site of the former Runwell Hospital have been submitted to Chelmsford Borough Council by the Ministry of Justice. Meanwhile, in February 2010 the ministry announced that a prison would not be built on the site of a former Ford factory in Dagenham. The decision not to proceed was taken after considering environmental concerns and local residents' views.

As well as the already identified site at Runwell the hunt for other sites is focused on London, north-west England, West Yorkshire and North Wales. The government has contracted-out the location search. According to Maria Eagle: "No decision has yet been made about where these new prisons will be built. We hope to have a final shortlist of potential sites ready for publication before the summer. Before

the publication of this shortlist, there will be a consultation with local members of Parliament and planning authorities to achieve the most open and transparent process possible. A full public consultation will be conducted before any planning application for a prison is put in, (*Hansard, 16 March 2010*).

According to Jack Straw, the estimated capital cost of constructing five 1,500-place prisons at 2008-09 prices is “around £1.2 billion, excluding VAT and site purchase costs,” (*Hansard, 2 December 2009*).

According to Maria Eagle, the five new prisons “are currently planned to be provided on an uncrowded basis,” (*Hansard, 4 March 2010*).

RYE HILL REPORT

In her latest report on Rye Hill the chief inspector of prisons noted that against three of the four tests for a healthy prison – respect, purposeful activity and resettlement – the establishment was “still not performing sufficiently well.” On safety Rye Hill was performing “reasonably well.”

Prior to this inspection in July 2009 G4S-run HMP Rye Hill had been inspected on three previous occasions since it opened in 2001. Each time the chief inspector “raised serious concerns about

safety at the establishment and expressed concern about the ability of staff to maintain order and control.” On the last visit in 2007, the chief inspector was “sufficiently concerned to call on the National Offender Management Service to send in a team of experienced senior and middle managers to assist the new director to stabilise the prison and support the glimmers of improvement that we had identified. In the event, this had not proved necessary, and this unannounced full follow-inspection found that G4S had worked hard to ensure that the prison was now a safer place. However, there remained much more still to do.”

Amongst the latest findings “reception remained a poor facility and induction relied too heavily on prisoner orderlies. The level of assaults had reduced, as had the number of positive drug tests, and staff now had less need to resort to use of force. Both suicide prevention and violence reduction policies were comprehensive, but there was scope for further improvement and nearly half the prisoners still reported having felt unsafe.”

Staff “remained stretched” and this “limited the quantity and quality of interactions with prisoners. This was reflected in the survey.

I here remained a need for managers to be much more visible on the wings in order to support their staff and address the concerns of prisoners. The personal officer scheme was functional, and the incentives and earned privilege scheme continued to be inconsistently applied. Accommodation was generally good, but ventilation remained poor. Some work had begun on the wider diversity agenda, but Muslim prisoners felt disadvantaged and there was inadequate support for the large number of foreign national prisoners. The chaplaincy provided an effective service. Healthcare had improved but there were still areas that required action.”

Time out of cell was “good” and access to work and education had improved, but “much of the available work was mundane and the full range of educational needs of prisoners was not being met. The library remained a poor facility, and there were no opportunities to gain accreditation in physical education. Overall, there was still too little purposeful activity for a training prison.”

Rye Hill holds a large number of prisoners serving indeterminate sentences for public protection. But this was “not sufficiently recognised in the resettlement strategy or provided for in its

management structures.” There were also many category C prisoners who were “frustrated by their inability to move on to more suitable prisons.” Although offender management arrangements were now in place, “the size of offender supervisor caseloads limited contact with prisoners. More support was needed for indeterminate sentenced prisoners. There had been some improvement in work on most resettlement pathways, but there remained scope for further development.”

The chief inspector concluded that: “Rye Hill has had a very troubled history since it opened. On three previous occasions we have reported fundamental failings in safety and identified a worryingly overstretched staff unable to ensure order and control. To the credit of G4S and senior managers, this inspection found a more stable and better managed prison, with evident improvements in safety. However, staff remained hard pressed and a great deal more work will be required in a range of areas if Rye Hill is to become an effective training prison.”

* Rye Hill has had four full-time directors since it opened. A Rectification Notice was issued on 14 December 2005, which was rescinded on 10 March 2006. A second Rectification Notice was issued on 2 August 2007 and lifted on 23 November 2008.

Report on an unannounced full follow-up inspection of HMP Rye Hill, 6-10 July 2009, published 2010, www.justice.gov.uk/inspectorates/hmi-prisons

PARC IMPRESSIVE

Parc young people’s unit was described as “impressive, with a safe and purposeful environment and a focus on resettlement” by the chief inspector of prisons following an inspection of the G4S-run unit in June 2009. “While we point to a number of areas for further improvement the unit now makes an important contribution to the Welsh criminal justice system.” The report was published in December 2009.

www.justice.gov.uk/inspectorates/hmi-prisons

PRIVATISED PRISONERS

Private prisons held 11.17% of the prisoner population of England and Wales as at 26 February 2010. Of the total 83,925 prisoners 9,375 were held in 11 privately managed prisons.

(Monthly Bulletin, February 2010).

PERFORMANCE RATINGS – I.

Alan Duncan MP asked the secretary of state for justice whether his department produces prison performance tables with more precise rankings, data and detail than the Prison Quarterly Ratings published on his departmental website. Maria Eagle replied: “Formerly prisons were ranked on their performance in the prisons weighted scorecard. However, this formed only one element of the final ratings for prisons. A new prison rating system was introduced for 2009-10, but the version used to produce the ratings for Quarter 1 did not lend itself to the production of a performance table. The system

has been refined and will produce for internal use by NOMS prison rankings as part of the package when Quarter 2 ratings are published.

The new system produces initial quarterly assessments based on available data. Additional factors, such as escapes and recent inspection results, are then taken into account in the final ratings by an independent external moderation panel which includes a non-executive representative and is chaired by the director of criminal justice group in the department. For this reason the final quarterly ratings published by the Department may differ from the data-driven rankings produced by NOMS,” **(Hansard, 25 November 2009).**

PERFORMANCE RATINGS – 2

Prison performance ratings for Quarter 3, 2009/10 were as follows:

There were no performance

Prison	Level
Altcourse	4
Ashfield	3
Bronzefield	3
Doncaster	2
Dovegate	3
Forest Bank	3
Lowdham Gr.	4
Parc	3
Peterborough	2
Rye Hill	3
Wolds	3

changes from the previous two quarters.

Published 24 March 2010, www.justice.gov.uk

CHIEF INSPECTOR'S ANNUAL REPORT

The latest annual report by the chief inspector of prisons made few specific references to the performance of private prisons. Between 1 September 2008 and 31 August 2009 the following private prisons were inspected: Dovegate (Cat. B), Parc (children and young people's unit), and Rye Hill. In the same period reports were also published on Ashfield, Lowdham Grange, Dovegate (TC), Parc (adults and young adults) and Peterborough (men and women).

The healthy prison and establishment assessments were:

Prison	Safety	Respect	Purposeful activity	Resettlement
Parc	3	2	2	3
Ashfield	3	3	4	3
P'boro' w	3	2	3	2
P'boro' m	3	2	3	3
D'gate (B)	3	3	3	2
L'dham Gr.	3	3	3	2
D'gate TC	3	3	3	2

Key: 1-performing poorly; 2 - not performing sufficiently well; 3 - performing reasonably well; 4 - performing well.

The outcome of recommendations assessed in follow-up inspection reports published in 2008-09 were:

Prison	Recommendations	Achieved	Partially achieved	Not achieved
P'boro' m	218	81	69	68
Parc	155	62	44	49
L'ham Gr.	109	50	32	27
Ashfield	122	64	26	32
P'boro' w	226	91	75	60

HM Chief Inspector of Prisons for England and Wales, Annual Report 2008-09, 23 February 2010, www.justice.gov.uk/inspectorates/hmi-prisons

OPERATING COSTS?

Figures released under the Freedom of Information Act on 20 August 2009 showed the cost of private prisons for 2008-09 as £285.69m, with individual costs as follows:

Altcourse £44.15m
 Ashfield £23.07m
 Bronzefield £23.06m
 Doncaster £23.84m
 Dovegate £26.37m
 Forest Bank £27.56m
 Lowdham Grange £18.56m
 Parc £41.63m
 Peterborough £30.58m
 Rye Hill £17.53m
 The Wolds £9.34m

However, less than two months later an answer to a parliamentary question from Clare Short MP gave the operating costs (direct net expenditure) of privately managed prisons in 2008-09 as £309.9m, £24.22m more than the figures released under the Freedom of Information Act. Only the cost of Ashfield was the same in both sets of figures.

Altcourse £46.76m
 Ashfield £23.07m
 Bronzefield £26.02m
 Doncaster £29.16m
 Dovegate £27.86m
 Forest Bank £28.52m
 Lowdham Grange £20.61m
 Parc £44.93m
 Peterborough £32.41m
 Rye Hill £18.66m
 The Wolds £11.91m
 (Hansard, 9 December 2009).

COST CUTTING

In the House of Lords Baroness Stern asked the government whether they propose to reduce the running costs of contracted-out prisons at the same level as reductions being made in the public prison service. Lord Bach, the parliamentary under-secretary of state, Ministry of Justice replied: "Services provided by prisons run by private sector operators are stipulated and priced within a contract and therefore cannot be varied in the same way as public sector prisons, without agreement between the authority and the contractor. Directors of Offender Management will be looking at opportunities for disinvestment at contracted prisons within their regions and negotiating with the providers where appropriate," (*Lords Hansard, 14 December 2009*).

TENDER COSTS

The tendering process for new prisons planned at Maghull, Merseyside and Belmarsh West, London, has cost at least £2.4m, according to information released by the Ministry of Justice under the Freedom of Information Act. However, this sum only includes "the cost of professional advice (including legal, financial, insurance and technical advisors, as well as Partnerships UK) up to

the appointment of a winning bidder, on the procurement of the prisons at Maghull and Belmarsh West." The £2.4m does not include "NOMS staff costs, nor does it include the costs in relation to site purchase and obtaining outline planning consent and demolition and remediation of the site at Belmarsh West." A breakdown of the costs for each prison was "not available" as the tendering process for both prisons was run simultaneously. As at the date of the information release, 16 November 2009, the ministry also noted that: "the tendering process has not yet concluded and there will be further costs to be incurred up to contract signature."

SERCO'S BANKS

The current economic turmoil has not prevented banks from recognising that PFI prisons are good business. Seven banks reportedly bid to provide the £150 million finance for each of Serco's new prisons at Maghull and Belmarsh West. The company has appointed four banks.

KALYX EXTENDS

Kalyx-run HMP Forest Bank now has 264 additional places bringing the total capacity to 1,424. HMP Bronzefield's new extension comprising 58 single, nine double and one disabled person's cell was officially opened in January 2010.

PRIVATE OVERCROWDING

The average number of prisoners held in overcrowded accommodation in privately-run prisons between April and October 2009 included: Altcourse 891
Doncaster 761
Dovegate 95
Forest Bank 666
Lowdham Grange 89
Parc 315
Peterborough 216
Wolds 101
(*Hansard, 7 January 2010*).

CLEARSPRINGS OUT

ClearSprings' contract to operate 200 bail hostels in England and Wales has not been renewed by the government. Even though prisons minister Maria Eagle stated that the company was now operating satisfactorily, an initial three-year contract to provide a maximum of 740 bed spaces has been awarded to Stonham, a housing charity. According to its website Stonham has 22,000 staff across the country and describes itself as "England's largest provider of housing and support for vulnerable and socially excluded people." Formerly the Stonham Housing Association it is now part of the Home Group that has an annual turnover of £230 million, manages some 52,000 homes and provides care and support services to 20,000 people across the UK each year. The new contract will commence on 18 June 2010.

David Howarth MP asked the secretary of state for

justice what plans he has to review the bail accommodation contract with ClearSprings and how many complaints have been received about ClearSprings from (a) the public, (b) probation services and (c) local authorities since June 2007. Maria Eagle replied: "My Right Hon. Friend, the then Minister of State for Justice (David Hanson), made a written statement to the House on 13 May 2009, *Official Report*, column 54WS, announcing that the government intend to re-tender the contract for Bail Accommodation and Support Service (BASS) on the expiry of the current contract on 17 June 2010. A new contract is scheduled to be awarded at the beginning of February 2010."

But the minister was "unable to provide information about the number of complaints about ClearSprings as this could be provided only at disproportionate cost. The Ministry of Justice has received a substantial volume of correspondence about the BASS and it would require checking each item of correspondence separately at both local and national level to determine whether it was a complaint," (*Hansard, 11 January 2010*).

More than 30% of residents accommodated in ClearSprings accommodation breached the terms of their

residence agreements between June 2007 and November 2009. Figures released in answer to a parliamentary question showed that 1,305 out of 4,136 residents (31.5%) on bail or home detention curfew, (*Hansard, 28 January 2010*).

The amount paid to ClearSprings from the start of the contract to 31 December 2009 was £14.8 million, (*Hansard, 8 March 2010*).

PROBATION CONTRACT WASTE

Incompetent maintenance contracts let by NOMS has led to work costing four to five times more than the previous system when local contractors carried out the work, according to NAPO. The union's recent report concluded that since probation maintenance contracts were centralised and privatised two years ago there have been numerous cases of contractors traveling hundreds of miles to fulfill simple tasks, causing delays and increased costs. "It is quite clear that millions [of pounds] are being wasted by NOMS on incompetent maintenance contracts, excessive bureaucracy and the overuse of consultants ... it is costing four to five times more than it did when contractors were hired from round the corner. This is the price of centralisation and privatisation."

Waste and Excessive Bureaucracy, NAPO, December 2009,

STCs – RESTRAINT SECRETS

Asked if the Secretary of State for Justice will place in the Library an unredacted copy of the physical control in care restraint manual used in secure training centres, Maria Eagle replied: "A copy of the redacted manual has been placed in the House Library. The redaction is necessary in order to remove sensitive security information, misuse of which could lead to injury to a young person in custody, to a member of staff, or to a member of the public attempting one of the holds or on whom a hold was attempted, (*Hansard, 11 January 2010*).

STCs – NO DATA

Replying to a parliamentary question asking what percentage of young offenders released from Medway Secure Training Centre have subsequently entered (a) full or part-time education, (b) full or part-time employment, and (c) full or part-time training in each of the last five years, Maria Eagle replied: "Data on the percentage of young offenders who were released from specific secure training centres and who returned to education, training and employment is not collected centrally," (*Hansard, 14 January 2010*).

A subsequent parliamentary question asking what percentage of young offenders aged

(a) 12-15 and (b) over 15 years released from Medway Secure Training Centre have been convicted of a further offence within 12 months of release in each of the last five years, Maria Eagle replied: "Data are not available for the reoffending rates of young offenders released from individual secure training centres. Individual establishment names are not included in the datasets used to produce the reoffending statistics. Information on the rates of reoffending for all young offenders aged 12 to 15 and 16 to 17 and released from custody (from young offender institutions, secure training centres or secure children's homes) is available, however, (*Hansard, 19 January 2010*).

(For more parliamentary questions and answers about Secure Training Centres see Hansard, 19 January 2010 Cols. 250W and 251W).

WORK IN PRISONS

In response to a parliamentary question from Chris Huhne MP asking about private contractors employed to run work in prison schemes, Maria Eagle replied: "there are a number of employer partnerships with private sector companies that provide employment and training activities within prisons with some offering employment on release. Some of these operate at an individual prison level and unless they wish to

expand their work to other prisons details would not necessarily be kept centrally. Those private sector organisations involved in work for prisoners include Cisco Systems, DHL, Timpson's, Travis Perkins, Trackworks, Pertemps People Group, A4e Ltd., Serco, and Speedy Hire.

In addition, a number of registered charities and public bodies help to provide education and training in prisons and many others provide work for prisoners in the form of contract services. There are also a number of companies that provide paid employment for selected low-risk prisoners in the community. There is also a corporate alliance network of over 100 employers committed to supporting the offender employment agenda in training and recruiting (ex) offenders.

The Learning and Skills Council has let contracts to A4e Ltd., CfBT, JHP Group, Kensington and Chelsea college, Lincoln college, the Manchester college, Milton Keynes college, Norton Radstock college, Prospects, Strode college, Tribal and Working Links to deliver education, skills training and careers information and advice services in public sector prisons and young offender institutions across England," (*Hansard, 1 February 2010*).

Cleveland will be the first police authority to contract-out the answering of 999 calls. As well as IT and some aspects of control room operations the two bidders for the contract have been asked to suggest proposals for contracting out other back office activities. The two shortlisted firms are Reliance/Capgemini and Steria. Several hundred police staff will be affected by the move aimed at saving £20 million over 10 years. Cleveland's chief constable, Sean Price, stated that he is looking for assurances that: "transferees to a private company would be employed under the existing terms and conditions, pension rights would be protected and they would have a guarantee of no compulsory redundancies for several years." He also claims that the public will benefit from the modern methods used by the private sector. But the Police Federation argues that privatisation will make policing less accountable.

CUSTODY SUITES INQUIRY

MPs have called for an urgent inquiry after a series of deaths and serious injuries to people detained in privately managed police custody suites.

The Independent Police Complaints Commission (IPCC) has recently

investigated the case of Gary Reynolds who suffered brain damage and permanent paralysis after being found in a coma in a Brighton police cell in 2008. The *Independent* 21 February 2010 alleged that the IPCC was critical of several assistants employed by Reliance Security, the company contracted by Sussex Police to run its custody suites. The newspaper also claimed that the IPCC also found serious shortcomings with Reliance staff in two earlier investigations in Sussex in 2005 and 2007, and that following a fourth investigation nearing completion the IPCC will make national recommendations in an attempt to improve services and accountability where policing duties are contracted out.

Currently Cleveland, Sussex, West Mercia, Warwickshire and Thames Valley police authorities have contracts with Reliance to provide custody officers who work under the supervision of police sergeants.

Neither contracts nor details of any remedial action taken after a serious incident are available for public scrutiny and the IPCC has no power to influence disciplinary action against privately employed staff.

Gary Streeter a Conservative member of the home affairs

committee told the *Independent*, "there needs to be more transparency in these agreements and clarity about who is responsible and accountable as this is going to be happening more and more as police budgets get tighter and forces contract out activities such as custody services and forensics. I will ask the committee to look at this as a matter of urgency."

A spokesperson for Reliance told the *Independent* "We have been operating in police custody facilities since 1999 ... and look after 225,000 detained persons in police facilities each year; many have underlying medical problems, injuries and mental health issues, and each has to be cared for individually. Although rare, adverse incidents do happen, and, in such events, Reliance co-operates fully with any subsequent investigation to ensure that it learns and acts upon any relevant lessons."

* Justice Support Services, a consortium comprising Reliance Secure Task Management Ltd, construction firm Kier and Uberior Infrastructure Investments - part of the Lloyds Banking Group will deliver six new police investigation centres for the Norfolk and Suffolk Police Authorities. Kier will build the centres and Reliance will provide

facilities management services under 30 year PFI concession contracts. This is the latest in a series of PFI deals involving police authorities.

MONEY GO ROUND - I

According to a recent Serco statement discussing the company's financial results for the financial year 2009, "the UK Government is looking to increase efficiency and productivity in offender management by putting some underperforming public sector prisons out to competition during 2010-11. We see substantial opportunities, driven by this need for greater efficiency and to achieve positive outcomes from detention. In the UK, the government has announced the commissioning of five new prisons, and the market testing of five existing prisons, and we also see opportunities in areas such as probation services, health, immigration, and asylum and refugee support services."

The company's operating review of its UK home affairs business also mentioned that in border security and control the company "extended our contract, known as Mycroft, to provide infrastructure and intelligence applications to the UK Border Agency and other Home Office agencies. The new contract

is valued at around £34m over its five-year term. Also in the UK, as part of the Trusted Borders consortium, we have now successfully delivered the first capability piece for e-Borders, allowing the processing of over 100 million passengers a year, and are providing infrastructure to support the next stages of this key programme. In our existing Cyclamen border security contract, while start up has taken longer than expected, we expect to complete the roll-out of this system, which will provide protection against the illegal importation of radioactive materials, in 2010. This leading edge capability, part of the UK Government's counter-terrorism strategy, will be operated by the UK Border Agency and maintained by Serco."

Serco was selected as preferred bidder for contracts to provide and operate two new prisons at Belmarsh West, London, and Maghull, Liverpool, with a combined value to the company of around £600m over 26 1/2 years. The company "expects to sign these contracts by summer 2010, and construction is expected to be completed in the second half of 2011."

At the company-run HMP Dovegate, "construction to add a further 260 cells and associated activity and other buildings was completed on budget and

ahead of programme, while similar works at HMP Lowdham Grange are nearing completion as expected. The high quality and value of the service we provide was also recognised during the year with HMP Lowdham Grange ranked fifth out of all 138 prisons in UK estate in the National Offender Management Service's Measuring the Quality of Prisoner Life survey, and Hassockfield Secure Training Centre being awarded the British Safety Council Sword of Honour for its health and safety performance."

Serco "also expanded other services in the home affairs market. We extended our electronic monitoring contract in England and Wales by two years, securing additional revenue of around £70m." **Serco stock exchange announcement, 26 February 2010.**

MONEY GO ROUND

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G4S, which claims to be the world's largest security company and the second-biggest private sector employer after Wal-Mart, and is bidding with NACRO to run the five new 1,500-place PFI prisons reported a 20% increase profit to £417.1 million for the financial year ended 31 December 2009. Since acquiring GSL in 2008 G4S increased the trading profit of that segment of its business from £23.7 million in 2007 to £41.3 million in the

financial year ended 31 December 2009.

According to the company's chief executive officer Nick Buckles, G4S' UK achievements during the year included: the turnaround of Oakhill STC; winning a contract to operate Brook House immigration removal centre; and extending its detention/escorting and electronic monitoring contracts.

G4S plc Preliminary Results, 12 months ended 31 December 2009,
www.g4s.com