



**HM PRISON
SERVICE**

Public Sector Prisons

Annual Report and Accounts 2005-2006



The Role of Her Majesty's Prison Service

Our Statement of Purpose

Her Majesty's Prison Service serves the public by keeping in custody those committed by the courts. Our duty is to look after them with humanity and help them lead law-abiding and useful lives in custody and after release.

Our Vision

- To provide the very best prison services so that we are the provider of choice.
- To work towards this vision by securing the following key objectives.

Objectives

- To protect the public and provide what commissioners want to purchase by:
 - Holding prisoners securely; and
 - Reducing the risk of prisoners re-offending
- To provide safe and well-ordered establishments in which we treat prisoners humanely, decently and lawfully; and

In securing these objectives we adhere to the following principles.

Principles

In carrying out our work we:

- Work in close partnership with our commissioners and others in the Criminal Justice System to achieve common objectives;
- Obtain best value from the resources available using research to ensure we offer the best correctional practice;
- Promote diversity, equality of opportunity and combat unlawful discrimination; and
- Ensure our staff have the right leadership, organisation, support and preparation to carry out their work effectively.



Annual Report and Accounts April 2005-March 2006

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Government Resources and Accounts Act 2000.

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Previous Reports

A photograph of a person in a grey hoodie walking away in a hallway with overhead lights. The person is seen from behind, and the hallway is dimly lit with a series of bright, horizontal light fixtures on the ceiling. The person is wearing a grey hoodie with 'HCS' on the back and light-colored pants. The background is slightly blurred, showing other people in the distance.

2004-2005 HC	193
2003-2004 HC	718
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2000-2001 HC	29
1999-2000 HC	622
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1992-1993 Cm	2385
1991-1992 Cm	2087
1990-1991 Cm	1724
1989-1990 Cm	1302
1988-1989 Cm	835
1987-1988 Cm	516
1986-1987 Cm	246
1985-1986 Cm	11
1984 Cm	9699
1983 Cm	9036
1982 Cm	9057
1981 Cm	8543
1980 Cm	8228
1979 Cm	7965
1978 Cm	7619
1977 Cm	7290
1976 Cm	6877

HM Prison Service
Cleland House
Page Street
London SW1P 4LN

July 2006

To the Right Honourable John Reid MP,
Her Majesty's Principal Secretary of State for the
Home Department.

HM Prison Service
Annual Report and Accounts
April 2005-March 2006

I am pleased to submit the Prison Service Annual Report
and Accounts for the period April 2005 to March 2006.

Phil Wheatley, CB
Director General of Her Majesty's Prison Service





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Foreword



The Service performed impressively during 2005-2006, despite the prison population reaching an all-time high and including a higher percentage of offenders serving sentences of four years or more and a greater number of prisoners with mental health and drug problems. Even with these challenges the Service achieved or exceeded 10 of its 13 Key Performance Indicator targets. Further detail on each of these is included in the body of this report but there are some results in particular that I want to highlight.

Protecting the public by maintaining security in our prisons and preventing escapes is at the heart of what we do and we do it very well. The level of escapes was the lowest since records began, with only three escapes from prisons. That is a notable achievement and we must not allow the significance of it to be overlooked. I am equally delighted to report that the number of self-inflicted deaths fell for the third year running and that we met our target for this Key Performance Indicator for the very first time. We will press on with our work in this area and with the remainder of our decency agenda.

Our contribution to shared efforts to reduce re-offending was also at a high level. With the exception of the sex offender treatment programme, all our targets that link to reducing re-offending targets were exceeded and the level of delivery for drug treatment programmes, general offending behaviour programmes and basic skills qualifications has been outstanding. We exceeded the drug treatment target by 39%, even after an increase in the target from the previous financial year. In addition, we met comfortably the targets set for providing discharged prisoners with accommodation and with a job, training or education place.

We are a Service working under pressure in a system that is under pressure, but I believe that this Annual Report & Accounts demonstrates that we more than coped with the challenges during 2005-2006. Ministers and the public should be reassured that the Service continues to strive for high levels of achievement and delivery.

Two handwritten signatures in black ink. The signature on the left is 'Phil Wheatley' and the signature on the right is another official's name, both written in a cursive style.

Phil Wheatley, CB
Director General





Where We Fit

Her Majesty's Prison Service ('the Service') is part of the wider Home Office. Since 1993, the Service has been an Executive Agency of the Home Office and that remains the case. Since June 2004, the Service has also been part of the National Offender Management Service (NOMS). NOMS is a huge enterprise spanning several organisations and around 70,000 staff. The Service accounts for about 68% of this figure and has a major part to play in helping NOMS to achieve its overall purpose and supporting goals. The Service's own Statement of Purpose and overarching objectives are entirely complementary (see inside of front cover). NOMS will introduce more consistent offender management and focus the effort to reduce reoffending by joining up efforts by prisons with similar efforts being made in the community. NOMS will also introduce a purchaser provider split within the overall structure. The Prison Service is now developing as a provider organisation and must be ready and able to play its part in delivering joined up offender management.

NOMS is not the only commissioner of services delivered in prisons. The Learning and Skills Council (LSC) will be responsible for commissioning skills training provision for prisoners, doing so in close collaboration with Regional Offender Managers (ROMs)¹. Primary Care Trusts (PCTs) are now responsible for commissioning health services and the Youth Justice Board (YJB) commissions services for juvenile offenders (under 18 years) including, in collaboration with the LSC, their learning and skills. The Prison Service also provides services for the Immigration and Nationality Directorate (IND), which commissions services at Dover, Haslar and Lindholme.

The Prison Service now receives funding from a number of different sources and manages a range of services and establishments for a range of different strategic partners. The Prison Service's responsibility as a provider is to ensure that it delivers the best possible services to meet the requirements of all its commissioners given the available resources.

1 In Wales, the Director of Offender Management commissions learning and skills as part of the general commissioning activity.



Performance against Key Performance Indicators during 2005-2006

Escapes

The number of Category A escapes and total escapes expressed as a proportion of the prison population.

Target:

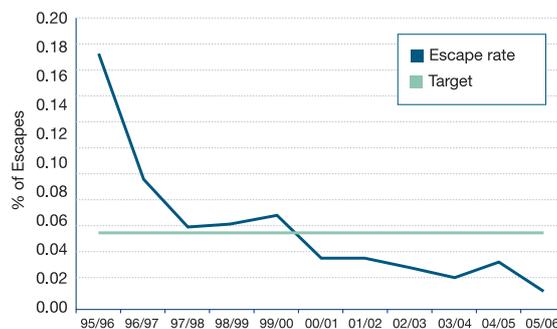
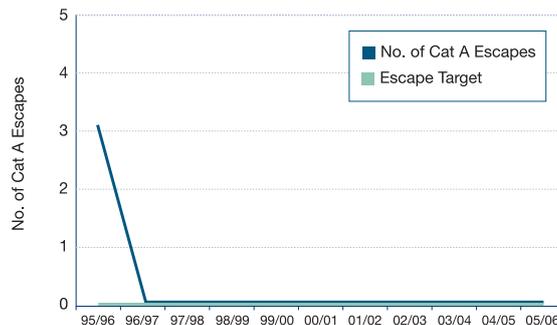
To ensure that no Category A prisoners escape.

Result

MET. No Category A escapes.

To ensure that the rate of escapes from establishments and escorts expressed as a percentage of the average prison population was lower than 0.05%.

MET. The escape rate was 0.01%.



Serious Assaults

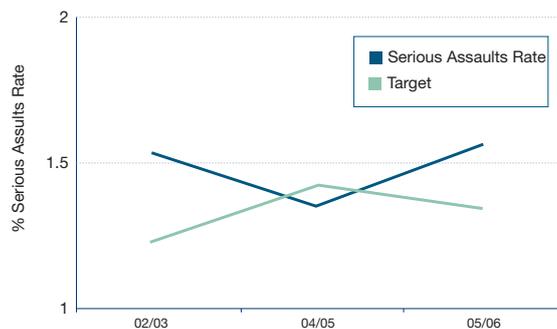
The number of serious assaults on staff, prisoners and others, expressed as a percentage of the average prison population.

Target:

To ensure that the number of serious assaults, expressed as a proportion of the average prison population, did not exceed the level recorded in 2004-2005 (1.47%).

Result

NOT MET. The total rate of serious assaults was 1.67%.



Self-Inflicted Deaths

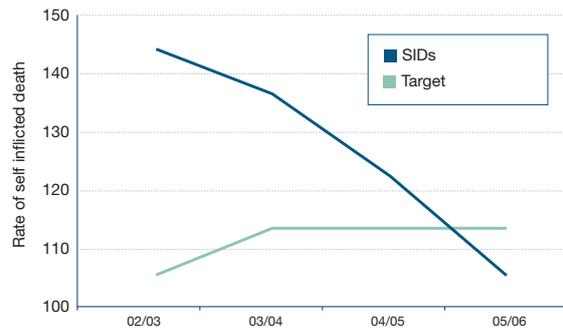
The rate of self-inflicted deaths per 100,000 of the average prison population.

Target:

To ensure that the rate of self-inflicted deaths in 2005-2006 did not exceed 112.8 per 100,000 of the prison population.

Result

MET. The rate was 98.9.



Mandatory Drug Testing (MDT)

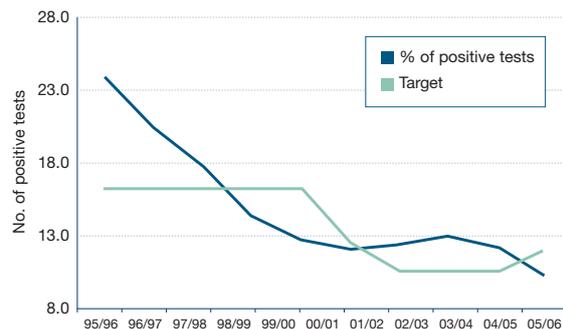
The rate of positive results from random mandatory drug testing.

Target:

To reduce the number of those testing positive from random mandatory drug tests as a percentage of the population compared to the 2004-2005 outturn (11.6%).

Result

MET. The rate of positive tests was 10.3%.



Accommodation

As a contribution to reducing re-offending, the Prison Service is seeking to increase the number of prisoners with accommodation arranged on release.

Target:

To ensure that 59,467 prisoners had accommodation to go to on release.

Result

MET. There were 69,706 accommodation outcomes.

Race Equality

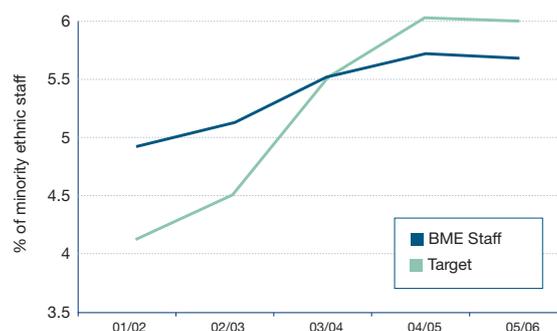
The proportion of black and minority ethnic (BME) staff.

Target:

To ensure that the number of BME staff represented at least 6.0% of the workforce by April 2006.

Result

NOT MET. 5.7% of staff were from minority ethnic groups.



Offending Behaviour

The number of prisoners completing programmes accredited as effective in reducing re-offending.

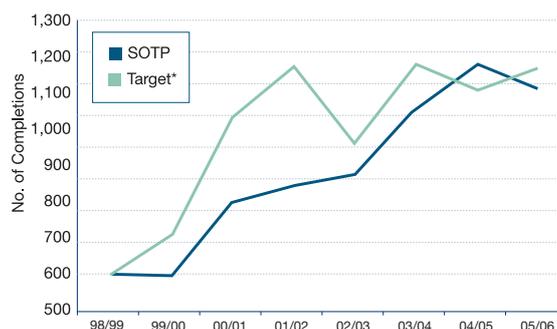
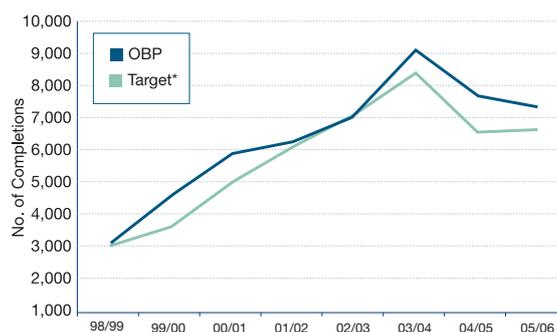
Target:

To deliver 6,590 accredited offending behaviour programme completions in 2005-2006, including 1,160 sex offender treatment programmes.

Result

MET. 7,445 OBPs completed.

NOT MET. 1,106 SOTPs completed.



*The target(s) prior to 2003-2004 are for the total prison system. All out-turns are public sector only.

Drug Treatment

The number of prisoners completing drug treatment programmes.

Target:

To deliver 5,250 drug treatment programmes.

Result

MET. 7,280 drug treatment programmes completed.

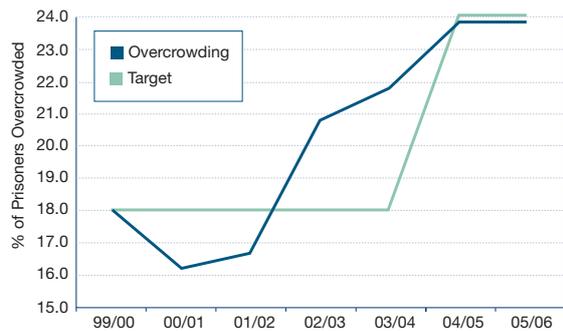
Overcrowding

The percentage of the prison population held in accommodation units intended for fewer prisoners.

Target: 24% of the average population.

To ensure that the percentage of the prison population held in accommodation units intended for fewer prisoners did not exceed

Result MET. The average rate of overcrowding was 23.7%.



Learning and Skills

The number of awards achieved by prisoners including basic skills and work skills.

Target: Prisoners to achieve:
 - 42,520 basic skills awards (including 13,250 at Entry Level, 18,020 at Level 1 and 11,250 at Level 2) and
 - 90,000 work skills awards.

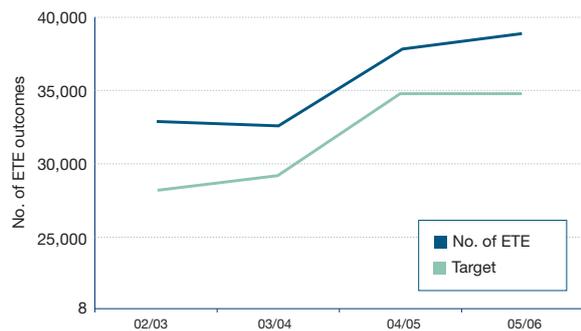
Result MET. Prisoners achieved 15,808 Entry Level awards.
 MET. Prisoners achieved 20,090 Level 1 awards.
 MET. Prisoners achieved 12,381 Level 2 awards.
 MET. Prisoners achieved 146,053 Work Skills awards.

Resettlement (ETE)

Prisoners discharged with an employment, training or education place, including FRESHSTART job outcomes.

Target: To ensure that 34,890 prisoners had an employment, education or training outcome on release in 2005-2006

Result MET. There were 38,996 ETE outcomes

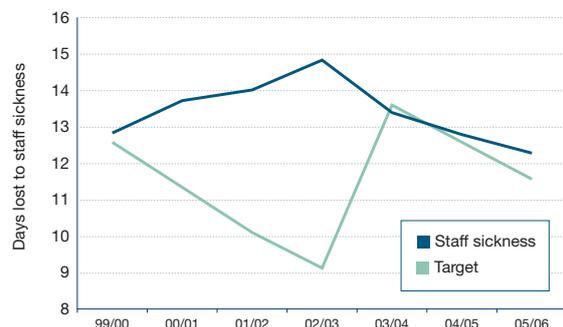


Staff Sickness

The average number of working days lost through sickness absence.

Target: To ensure that the average staff sickness in 2005-2006 was lower than 11.5 working days per person.

Result NOT MET. The average rate of staff sickness was 12.2 days per person.



The Planning Context



Population Issues During 2005-2006

The main difficulties created by population pressures and increased throughput are, firstly, the impact this has on time available for assessment and, secondly, the constant movement of prisoners to ensure sufficient places in local prisons to meet the needs of the courts. High throughput and frequent daily movement impact directly on regime delivery. These conditions divert staff resources and make it more difficult to maintain assessment of prisoners and allocation of prisoners to interventions.

The population of public sector prisons in England and Wales at the end of March 2006 was 69,220. Within this, there were 11,494 remand prisoners, 56,637 sentenced prisoners and 1,089 non-criminal prisoners. The number of 'young persons' (mainly aged 15-20) was 9,713 while female prisoners numbered 3,660. The population of adult males with short sentences (less than one year and including fine defaulters) was 5,302, while the number of adult males on longer sentences (four years and over) was 26,424. The population of adult females with short sentences, including fine defaulters, was 475, with those on longer sentences totalling 1,307. Additionally, there were 3,086 offenders on the Home Detention Curfew scheme (HDC) on 31 March 2006, including some persons released on HDC from private prisons.

The Prison Service introduced the new ethnic categories based on the 2001 Census of Population in March 2003. Excluding the small number of prisoners whose ethnicity is recorded under the old 1991 Census codes (550 prisoners at the end of March 2006), the prison population of public sector prisons at the end of March 2006 included 18,082 prisoners from minority ethnicity groups. Of those whose ethnicity was recorded 74 per cent were White, 16 per cent were Black or Black British, 7 per cent were Asian or Asian British, 3 per cent were of mixed ethnicity and 1 per cent from Chinese or other ethnic groups.

Finance and Resource Issues

The following table shows the resources available to the Prison Service in 2005-2006. It reflects the final position for the year, taking into account any in-year changes from that planned at the start of the year.

Table 1 – Prison Service Funding in 2005-2006

	£m
Administration (Gross)	89
Programme (Gross)	2,065
Administration and Programme Income	(361)
Net Resource Budget (DEL)	1,793
Capital (Gross)	46
Capital (Income)	(2)
Net Capital Budget	44

Notes:

1. Programme costs include all non-administration costs of the Service, including grants.
2. DEL stands for Departmental Expenditure Limit.

On 1 April 2005, a number of staff and associated costs were transferred from Prison Service Headquarters to NOMS headquarters. These transfers were associated with the transfer of responsibility for various policy functions and for the management of the prisons estate. This reduced the Prison Service resource budget by £577m. The largest single budget elements that were transferred were prisoner escort contracts (£133m), capital charges (£332m) and maintenance (£54m).

The funding for the Service in 2005-2006 reflected the outcome of the Home Office budget setting round, which provided additional funding for specific activities. The following Table 2 sets out the additional funds provided which are included in the totals in Table 1 above.

Table 2 – Breakdown of prisons funding

£m	Resource £m	Capital £m	Total £m
Additional Superannuation contributions	60		60
Phoenix programme	25	5	30
Drugs	8		8
Efficiencies	-19		-19
Inflation	57		57
Total	131	5	136

Note:

An additional £28m was provided by NOMS to the Prison Service during 2005-2006 for capital projects.

Objectives and Priorities for the Year



Main Priorities for 2005-2006

A real and obvious priority task for the Service in 2005-2006 was to prepare for the new NOMS-led environment of commissioning and contestability. In addition to the significant changes being introduced by NOMS and the opportunities and challenges these began to bring, the Service's main priorities remained consistent with its current strategy.

- **Ensuring Safe and Decent Conditions for Prisoners.** The ongoing drive to ensure decency in everything that the Service sought to accomplish with prisoners remained. In his keynote speech to the Prison Service Annual Conference 2005, the Director General underlined the fact that much of what the Service does and achieves is underpinned by delivery of the decency agenda. As part of the decency agenda, there was continued effort to do everything possible to reduce self-harm and self-inflicted deaths amongst prisoners.
- **Reducing Re-offending and Improving Prisoners' Prospects on Release.** Increasing public protection by reducing re-offending is at the heart of what the NOMS arrangements are designed to achieve and the basis for the Delivery Plan for Reducing Re-Offending. The Service sought to make a major contribution to the targeted reduction in re-offending.
- **Maintaining Order and Control.** The Service continued to give priority to operating well-ordered, well-controlled and safe prisons. This is a pre-requisite to the Service achieving its other objectives. Experience and research shows beyond doubt that positive and appropriate relationships between staff and prisoners, as well as effective regimes, are the key to success in this area.
- **Increasing Diversity and Equality.** The Service continued to drive forward with the action plan that was agreed with the Commission for Racial Equality (CRE) and sought to ensure full compliance with the Race Relations (Amendment) Act 2000. The Service also took action to comply with the Disability Discrimination Act 1995 and (Amendments) Regulations 2003, which came into force in October 2004.
- **Maintaining Security and Preventing Escapes.** As part of its wider public protection agenda, the Service took appropriate action to ensure that it maintained and improved its already excellent performance in maintaining security and preventing escapes and gave every priority to the targets and objectives agreed as part of the Delivery Plan for Preventing Escapes.
- **Improving Health Care.** The Service took the final action for Primary Care Trusts (PCTs) to take on responsibility for the commissioning of health care services from April 2006, working closely through the local partnership boards that were being developed. The delivery of high quality health care services (particularly mental health care) is a major factor in the success of programmes designed to reduce re-offending and improve resettlement.



Corporate enablers

None of the Service's objectives or priorities exists or can be pursued in isolation. One of the main objectives of strategic review and planning is to ensure that the range of approach and effort required remain balanced, synchronised and effective. This is achieved by placing an appropriate priority and emphasis on the key corporate enablers – those things that are vitally important in their own right as well as being the basis for achieving everything else. The Service took action to improve the focus on the following identified enablers.

- Staff are the most important asset of all. It is their contribution and performance above all else that decides whether the Prison Service operates successfully and achieves its objectives.
- Industrial Relations Policy.
- Public Relations Policy.
- Internal Communications.
- Partnership Working – This has been increasingly important but is even more so now in terms of contestability and links with the VCS² and SMEs³.
- Major Business Change.
- Finance/Resource Issues.
- Performance Improvement – The Service's own programme of performance improvement will provide the drive and energy to prepare the Service for increased contestability.

² VCS – Voluntary and Community Sector

³ SMEs – Small and medium-sized enterprises



The Approach to Delivery

The Service has a performance management framework comprised of national and local targets, national standards and delivery plans and the corporate change portfolio to translate its strategy and plans into practical action capable of achieving its objectives and priorities. The following sections elaborate on this and indicate the progress made against each of the objectives and priorities listed above.



Key Performance Indicators (KPI)

The Service's performance against its range of KPI targets is illustrated in the graphs shown earlier in this report. Given the challenges faced in 2005-2006, the Service performed strongly. It met ten of its thirteen top targets and failed to meet only three. This overall result was impressive given the population pressures on the Service through the year and the fact that most targets were toughened for 2005-2006. Population pressures tend to impact adversely on the level of regime that can be made available and individual case management and performance. They also lead to more prisoner movement and the likelihood that prisoners have to be held further away from their home area. Population pressures can also increase tensions within establishments. All of this affected several targets for resettlement and reducing re-offending during 2005-2006, as well as those linked to order and control. The results that were achieved do real credit to the efforts of the Service and its staff.

Performance Standards

The Service works to a range (currently 59) of Performance Standards. These cover the main Prison Service activities and provide the qualitative dimension to the overall performance management framework. There is a rolling review of Standards to ensure continued currency and applicability. Most Performance Standards are audited by the Standards Audit Unit (SAU) on the basis of 'critical baselines'. These are those elements of the Standards that are identified by the policy leads to be most significant in terms of under-pinning the policy to be complied with. The Security Standard, the Self-Audit Standard and certain specialist Standards are still audited in full by SAU. Establishments continued to self-audit all baselines in all Standards.

Delivery Plans

National delivery plans are a means of ensuring that Government policy is being carried through to implementation. They are based around specific and time-bound objectives and targets. At the highest level, delivery plans are managed from the Prime Minister's Delivery Unit. Below this, the main Government departments (in this case the Home Office) manage them. During 2005-2006 the Prison Service continued to contribute to the Delivery Plan for Preventing Escapes and the separate Delivery Plan for Reducing Re-offending, both co-ordinated by the National Offender Management Service. The Prison Service set in place clear arrangements for ensuring that work in support of the delivery plans commanded the priority and urgency needed to secure success and demonstrate achievement.



Corporate Change Portfolio

The Corporate Change Portfolio (CCP) is used by the Service to help ensure that agreed strategy and priorities are delivered effectively and efficiently via a co-ordinated set of programmes.

The Service has established a clear governance structure for planning and managing a CCP that flows from its Five-Year Strategy. The governance structure is led by the Change Programme Board (CPB), which has been operating for approximately two years and has developed an improved visibility of the change occurring across the Service. It is a sign of the maturity of the arrangements that during 2005-2006 the CPB commissioned an independent review of its approach and effectiveness. This is now producing increased focus on portfolio level issues, including refinement of a portfolio roadmap and overall critical path.

The Prison Service is a people-based business. The way that change is used to improve the organisation's performance is through the adjustment and improvement in behaviour by people as much as it is about systems and processes. Effective change is dependent upon hearts and minds. The portfolio of programmes seeks to reflect both the human aspects of change and the interdependencies between different activities impinging upon the intended outcomes of change.

Governance and Risk Management

The Service has clear and robust governance and risk management arrangements in place to frame and support its delivery of targets and objectives. During the year the Service re-structured a number of processes to give more focus to performance. The membership of the Board has been strengthened by the inclusion of non-executive directors. Risk management is a significant feature of the Service's approach to developing and implementing strategy. Key risks are periodically reviewed, evaluated and re-prioritised and risk management is an integral part of the business planning process and of programme and project management. The Head of Audit and Corporate Assurance continues to facilitate and support the ongoing process of reporting against key risks both at Board and Establishment level.





Deliverables for 2005-2006

The Service's assigned deliverables for 2005-2006 included the KPI targets agreed as part of the 2004 Spending Review and the delivery plans for Reducing Re-Offending and for Preventing Escapes. In addition, the Service defined a range of other deliverables via its Corporate Change Portfolio and Performance Improvement Strategy. The Service also continued to work within a framework of agreed and audited Performance Standards covering all of its main process and activities and designed to ensure high quality delivery of all our work.

All deliverables were taken forward on the basis of detailed timed actions in the relevant directorate, area, group, establishment or programme plans. Managers were required to use these detailed plans as the basis of personal performance plans for every member of staff. The planning process is designed to ensure that Service-wide targets and policies can be translated into specific tasks and objectives for each and every member of staff. One very specific deliverable was to produce a winning bid for the first contestability exercise to be run under the new NOMS commissioning arrangements. This led to the successful bid in respect of the cluster of prisons on the Isle of Sheppey.



Ensuring Safe and Decent Conditions for Prisoners

Keeping prisons safe, ensuring decency and affording prisoners dignity needs to run through everything the Prison Service does. This work was primarily taken forward through the Safer Custody Programme but has also been increasingly embedded within the work of other programmes and day-to-day work of Areas and establishments.

Action was focused on the target for ensuring that the rate of self-inflicted deaths in 2005-2006 did not exceed 112.8 per 100,000 prison population and the target to reduce the number of serious assaults as a percentage of the population compared to 2004-2005 outturn. The key progress towards these involved

- Setting up improved systems to learn from deaths in custody
- Further improvements in safer cell design and furniture
- Continued role out of ACCT (Assessment, Care in Custody and Teamwork)
- The first full year of prison violence reduction strategies

Key Performance Indicator for Self-inflicted Deaths (SIDs)

A good end to a remarkable year meant that the self-inflicted deaths rate for public prisons was not just met, but the 100 per 100,000 prisoners barrier was beaten for the first time for a financial year since 1992-1993 with an outturn of 98.9. However there is no room for complacency with this measure. This measure is a volatile one and it is as easy to lose ground as to gain it. Self-harm remains at very high levels and suicide and self-harm reduction must continue to be given high priority.

Although not a formal KPI target, management of self-harm remains an important strand of suicide prevention. ACCT has continued to be rolled out. It is early days yet but there does seem to be some early indications from prisons where ACCT has gone live that the recent rises in the number and rates of self-harm (also seen in the wider community) may be levelling off.

To support improved learning, the Prisons and Probation Ombudsman Unit in the Safer Custody Group was set up to learn from Prisons Probation Ombudsman investigations into deaths in custody, HMCIP reports and Coroners Rule 43 recommendations. Information systems have now strengthened to the point where a vast array of information and analysis is available, not just about those who die in custody but other potentially high-risk groups, such as those who self harm or assault. Also during the year the new cross Government Forum for Preventing Deaths in Custody was set up as a response to the Joint Committee on Human Rights (JCHR) Report on Deaths in Custody.

Safer cell standards are now fully embedded and the proportion of safer cells increases with each passing year. Improvements to the safer cell design have continued with a new anti-ligature safer cell window and the introduction of low cost whitewood anti-ligature furniture being developed, as well as a dual occupancy cell design. The development of safer bedding remains a challenge.



Key Performance Indicator for Serious Assaults

This target was not met. In retrospect the improvement seen in the public sector in 2004-2005 meant that a very tough target was set for 2005-2006. This could simply be a sign that the underlying (3 year) rates are levelling off with annual figures fluctuating around the average or that the benefits of the violence reduction strategy have yet to be realized. The change in population with relatively more remand prisoners is also believed to be a contributing factor.

This is the first full year of prisons implementing the violence reduction strategy. Many prisons are meeting this challenge and have in place robust strategies to improve personal safety. An operational review of the strategy is currently under discussion, with a revised Violence Reduction PSO 2750 due out in March 2007.

Key Performance Indicator for Overcrowding

This target was met. As expected, the proportion of the prison population being held in over-crowded conditions increased in 2005-2006 (up to 23.7%) but remained within the target of 24%. This increase can be explained by the rise in the overall population during the year.

Protecting the Public by Reducing Re-offending

The work of the Prison Service is a vital part of the Government's overall Delivery Plan for Reducing Re-offending. That delivery plan also spans the work of the Probation Service and Youth Justice Board, and has increasingly engaged other departments whose responsibilities bear on the factors which influence re-offending – including education, employment and accommodation. The aim is to maximise the opportunities of the controlled environment in prison to address what are often long-term and deep-seated problems – with drugs, lack of basic skills, attitudinal and behavioural issues – and to plan in a concerted way for prisoners' resettlement in the community.

Despite significant operational pressures during 2005-2006, particularly during the autumn of 2005 when the population rose dramatically, overall outcomes against the Reducing Re-offending Public Service Agreement (PSA) targets (Education, Offending Behaviour, Drug Treatment Programmes, Accommodation and Employment/Training/Education) for last year were impressive. With the exception of the Sex Offender Treatment Programme (SOTP) target, all Reducing Re-offending targets have been exceeded. The level of delivery of drug treatment programmes, general Offending Behaviour Programmes (OBP) and basic skills qualification was been outstanding. The results from some of the main strands of work to reduce reoffending are summarised in the following sub-sections.

Reducing Re-offending through Learning and Skills

New integrated education and vocational training delivery arrangements, planned and funded by the LSC were introduced on time in three development regions (NW, NE and SW) in August 2005. The Service continues to work collaboratively with NOMS, LSC, YJB and Probation Service colleagues to roll out the new arrangements across England by the end of July 2006. The Service played a full part in developing the proposals in the Green Paper 'Reducing Re-offending Through Skills and Employment', published jointly by the Home Office, Department for Education and Skills and Department for Work and Pensions in December 2005.

Key Performance Indicator for Learning and Skills

The targets were met. Prisoners achieved 15,808 Entry Level awards, 20,090 Level 1 awards, 12,381 Level 2 awards and 146,053 Work Skill awards.

Reducing Re-offending by Improving Resettlement

Key Performance Indicator for Employment Training or Education (ETE)

This target was met convincingly. The target was to ensure that 34,890 prisoners discharged during 2005-2006 had a job, training or education place (including FRESHSTART outcomes) to go to. There were 38,996 prisoners discharged with ETE outcomes⁴.

Reducing Re-offending by Improving Access to Accommodation

Key Performance Indicator for Accommodation

This target was exceeded by a significant margin. The target was to ensure that 59,467 prisoners were discharged with accommodation to go to on release. There were 69,706 accommodation outcomes.

Reducing Re-offending by way of Offending Behaviour Programmes

Key Performance Indicator for Offending Behaviour Programmes (OBP)

This target was met. The target was to deliver 6,590 accredited behaviour programme completions. HMPS did well to exceed the overall OBP target with 7,445 OBPs completed.

⁴ There were 76,196 reported final discharges from public sector establishments in 2005-2006. This figure cannot be compared directly with the ETE outcome because the latter includes some catch up data and FRESHSTART data.

Key Performance Indicator for Sex Offender Treatment Programmes (SOTP)

Unfortunately the Service missed the target for sex offender treatment completions by about 5%. The target was to deliver 1,160 sex offender treatment programme completions. The outturn was a total of 1,106 SOTPs completed. Because of the nature of the work this is always a challenging target, and this year difficulty retaining specialist staff and the loss of treatment accommodation because of security risks at one site had particular impact.

Chromis

The year saw the particular achievement of the accreditation by the Correctional Services Accreditation Panel of Chromis⁵, a pioneering treatment programme for violent psychopathic offenders developed by HMPS in the context of a partnership with the DSPD⁶ initiative.

Chromis is at the leading edge of effective practice with probably the most difficult group of offenders. The Correctional Services Accreditation Panel acknowledged the difficult environment in which the programme must be delivered (in DSPD units in Prison and in the Health Service) and commended the structured individualised approach of the programme and the exemplary standard of the application for accreditation.

The Service is now leading the world in this area of treatment with a genuine hope of being able to make a positive impact on the attitudes and actions of a particularly dangerous and difficult group of individuals.

Reducing Re-offending by Delivering Drug Treatment

Key Performance Indicator for Drug Treatment Programmes

This target was achieved and exceeded. The target was to ensure that 5,250 prisoners completed drug treatment programmes, which represented an increase of 41% over the target for the previous year. The outturn was 7,280 drug treatment programmes completed, representing an impressive 58% improvement in performance compared to 2004-2005.

CARATs

This target was met comfortably. The target was to ensure that 52,449 prisoners had a substance misuse triage assessment completed. This was exceeded, with assessments being carried out on 59,055 prisoners.

Key Performance Indicator for Mandatory Drug Testing (MDT)

This target was met. The target was to reduce the number of prisoners testing positive from random mandatory drug tests, as a percentage of the prison population, compared to the previous year's outturn. The rate of positive tests was 10.3% against a target of 11.6%

⁵ Chromis – This is not an acronym, simply the name of the programme. A chromis is a type of fish.

⁶ DSPD – Dangerous and Severe Personality Disorder

Parole and Licence Enforcement

Performance in collating parole dossiers domestic determinate sentence prisoners and sending them to the Parole Board by no later than 12 weeks before the prisoner's parole eligibility date (the earliest date when the prisoner could be released) was 74%. This compared with the target of 80% in the Parole Standard. It is not possible to provide performance details in respect of parole relating to prisoners liable to deportation from the United Kingdom.

In 2001 the House of Commons Select Committee of Public Accounts published a report about the early release of prisoners on parole. One of the Committee's conclusions concerned the timely processing of parole applications and referred to the fact that, in 1998-1999, the Parole Board's target for parole decisions to be notified two weeks before the parole eligibility date was met in only 58% of cases, leading to extra costs for the whole Prison Service, estimated at some £2.5million. The Committee noticed the subsequent improvements made by the Service and the Parole Board to reduce delays. To maintain the momentum of recent improvements, the Committee recommended that the Service should monitor the release dates of parolees against their parole eligibility dates, and publish the results together with an estimate of the cost of releasing prisoners late.

The Prison Service and Parole Board accepted the Committee's comments and acknowledged the Committee's recognition of the efforts made to reduce delays, and last year, for the fourth time, reported its findings in its Annual Report. During 2005-2006, 86% of prisoners were informed of the outcome of their parole review two weeks before parole eligibility date. Furthermore, 89% of prisoners were notified of the outcome of their parole review by their parole eligibility date. Of those prisoners awarded early release on parole in the fiscal year of 2005-2006, 81% were released on time. Based on the average daily cost⁷ of keeping a prisoner in custody and the average additional days spent in custody of those prisoners not released on time, this suggests that on an estimate, the total notional cost of late releases in 2005-2006 was £782k.

The Prison Service, National Offender Management Service and the Parole Board are committed to improving recent performance in relation to the early release of prisoners on parole.

On 4th April 2005, the recall provisions of the Criminal Justice Act 2003 were implemented. These had the effect of streamlining the recall provisions, and bringing almost all offenders subject to requests for recall, from that date onwards, under the provisions of the 2003 Act, both for the revocation and for any subsequent release.

The Home Office considers all requests for recall submitted by the National Probation Service and an executive decision is taken to revoke the release licence. Immediate recall requests are dealt with within 24 hours of the request being received, and emergency cases for high-risk offenders, within 2 hours of the request being received.

In 2005-2006 the Home Office recalled 8,678 offenders, as opposed to 8,262 the previous year. Of those, 98% of emergency recalls were dealt with within the deadline of 2 hours (against 100% target) and 89% of immediate recalls were dealt with on target, exceeding the target of 80%.

Recalls for offenders subject to the Home Detention Curfew scheme decreased this year to 2,632, down from 2,851 in 2004-2005, with 100% being dealt with within the 24-hour target.

⁷ The notional costs associated with the late release of prisoners on parole, whether held in public or contracted-out prisons, has been based solely upon the average cost to the Service of the delay in releasing prisoners on parole from public prisons.

Maintaining Order and Control

The maintenance of good order and control is a primary task for the Prison Service and one that has become of increasing significance as the Service has responded to the ever-increasing pressures of rising numbers held in custody.

Order and control was maintained through a variety of means including security intelligence systems, effective categorisation, co-ordinated population management, incentives and earned privileges schemes and consistent regimes. The primary emphasis was on maintaining positive relationships between staff and prisoners.

Increasing Diversity and Equality

The Prison Service remains committed to providing equal opportunity, promoting diversity, eliminating racism and other forms of discrimination and is determined to meet its moral and legal obligations to support staff and prisoners in all aspects of diversity and race equality. The following subsections report on some of the main strands of work during 2005-2006.

Race Action Plan

Following the conclusion of the Commission for Racial Equality (CRE) formal investigation into the Prison Service in 2003, Prison Service continued to take forward the Action Plan for race equality. The Plan looks to promote race equality and provide a new framework for change. Good progress was made, with Phase One of the Action Plan completed in 2005. The key priorities for tackling race issues have been incorporated into the Prison Service Race Equality Scheme.

Statutory Obligations

During 2005-2006, the Prison Service Race Equality Scheme was revised. This sets out how the Service will meet its general statutory duty under the RR (A) A 2000 to:

- Eliminate unlawful racial discrimination;
- Promote equality of opportunity; and
- Promote good relations between people of different racial groups.

The revised Scheme was published in May 2005 and gives details of the work the Service is undertaking to ensure full compliance with the Act (the scheme can be viewed on the Prison Service website at www.hmprisonservice.gov.uk/abouttheservice/racediversity).

An interim Prison Service Instruction was issued in September 2005 (pending a full review of the guidance), which provided essential, intermediate guidance to establishments on the compliance with legal obligations under the RR (A) A 2000 and tightened up mandatory requirements; it also set out guidance for establishments on the development of two new race equality Key Performance Targets.

As well as working to ensure compliance with the RR (A) A 2000, the Service has taken action to ensure full compliance with the Disability Discrimination Act 1995 and (Amendments) Regulations 2003, the Gender Recognition Act 2004, and Employment Equality (Sexual Orientation) Regulations 2003.

More than ever before, the Service is taking a proactive approach to helping establishments meet their legislative obligations. Support is being given to establishments in a number of key areas. Governors and Prison Service staff have made good use of support and interventions, such as training, race equality health checks, and advice on how to impact assess policies, functions and practices.

Performance Against the Target for the Proportion of Minority Ethnic Staff

This target was not met. At the end of the year, 5.7% of staff were from minority ethnic groups compared to the target of at least 6.0%. Black and Minority Ethnic (BME) representation has been rising gradually for several years. Progress has been made in employing almost 100 more BME officers in 2005 compared to 2004. However, the transfer of staff from Headquarters to NOMS in April 2005 and the continuing transfer of healthcare staff to Primary Care Trusts have had a negative impact on the numbers of BME staff directly employed by the Service.

The Prison Service monitors a range of employment functions, as required by the RR (A) A 2000 on a quarterly basis. A quarterly ethnicity review report is compiled from data obtained from the Personnel Corporate Database and recruitment monitoring forms. The Prison Service Management Board considers the report, and remedial action is taken, wherever it is appropriate to do so, to address areas of concern.

The information in the report also enables the Service to examine its progress in meeting the BME employment targets set by the Home Secretary in 1999. The eventual target is to reach a BME representation figure of 7.0% across the Service by April 2009.

At 95% the Prison Service is above the CRE minimum standard of 90% ethnicity declaration among its workforce and this compares favourably with other organisations. Line management will take forward local action to encourage greater representation in individual, outlying establishments.

The Prison Service has begun providing positive action programmes for non-operational staff in groups that are under-represented at more senior levels in the organisation. This will include programmes for BME staff at all levels. Further programmes for operational staff are under development. In 2005 the Prison Service launched a pilot recruitment campaign to select and develop fast-track senior managers. Following the success of this pilot, the Senior Prison Manager Programme will be repeated in 2006-2007.

Performance Management

During the year, new performance management procedures were introduced. These include key performance targets (KPTs) for race covering both prisoners and staff, and a requirement for all establishments to complete a quarterly race relations questionnaire for analysis and monitoring by headquarters.

Impact Assessments

All establishments have conducted impact assessments on the agreed seven prioritised areas of: Canteen, Catering, Complaints, Incentives & Earned Privileges Scheme, Good Order or Discipline, Use of Force, and Adjudications. Race and Equalities Action Group has conducted a quality assurance check on all of these. In the longer term, following training, Area Diversity Managers will undertake this role, thereby ensuring that ownership and responsibility is fixed firmly in the operational line.

Procurement Protocols

Procurement guidance was revised in October 2005 to include the requirement to promote race equality. External consultants trained procurement staff, and training included clarification of the Prison Service's obligations under the RR (A) A 2000.

Unacceptable Behaviour

The Service continues to operate a policy of zero tolerance towards staff who hold racist views. In 2005-2006 seven cases proceeded to formal disciplinary hearings. Of these one was not proven, four were issued with written warnings, one received a final written warning, and one member of staff was dismissed. The Prison Service was the first public sector organisation to make non-membership of racist organisations a condition of employment.

Disability

The final part of the Disability Discrimination Act (DDA) 1995 was introduced on the 1st October 2004 and has important implications for the Service. It increases prisoners' rights, access to all services and facilities under the DDA, and it also removes the exemption, which the Prison Service currently has for operational grades. The Service continues to deal with issues relating to disability, and the use of various reasonable adjustments across the Service are already understood and used. These allow for the retention of experienced staff and provide a wider perspective that can assist the Service in its work. As a Service there is a need to improve our handling of disability issues with regard to staff as well as prisoners and visitors. Further work needs to be done to raise awareness and knowledge about disability issues generally.

Staff Engagement

The Service benefits from the work of GALIPS, a staff support network for lesbian, gay, bisexual and transgender (LGBT) staff and RESPECT, the support network for black and minority ethnic staff. GALIPS has 1,530 members and RESPECT has 4,606 members.

Maintaining Security and Preventing Escapes

The maintenance of security and prevention of escapes is the first requirement for the Service. It is a dimension of the Service's work that requires constant attention and analysis and the Service's record last year (and in recent years) is testament to the level of vigilance that is maintained on the front-line and in policy and planning discussions. There has not been an escape by a Category A prisoner since October 1995 and this reflects the level of investment that goes into physical and procedural security arrangements. Action is planned and taken forward by way of the Delivery Plan for Preventing Escapes.

Performance Against the KPI Targets for Preventing Escapes

The targets were met. Escapes were again lower than target and there were no escapes of Category A prisoners. Category A prisoners are those who have been assessed as posing the greatest risk to the public, police or national security and for whom escape must be made impossible. The last Category A escape was in October 1995.

There were 3 escapes from prisons and 6 escapes from Prison Service escorts. The escape figures compare well against last year's outturn of 12 escapes from prisons and 6 from prison escorts. The annualised rate was 0.01%, which was well within the target of 0.05%. This is a significant achievement.

Improving Health Care

During 2005-2006 the final phase of the transfer of commissioning responsibility to PCTs was accomplished. PCTs are now the commissioners of prison health, but the Prison Service will remain a partner in all that takes place. The aim will be to ensure that prisoners have access to health care and health promotion that is comparable to that enjoyed by the rest of the community.

The Government is committed to an ongoing programme of work to improve the organisation and delivery of health services for prisoners. The overarching aims of work in this area are:

- To ensure that prisoners have access to the same quality and range of health services as the general public receives from the National Health Service (NHS);
- To facilitate efficient and effective use of Prison Service and NHS resources when delivering health care to prisoners; and
- To manage the transfer of resources from the Home Office to the Department of Health from April 2003 and commissioning responsibility to the NHS from April 2006.

The Prison Health Team whose function is to deliver these aims is an integral part of both Department of Health (DoH) and the Prison Service, with explicit joint ownership. It works in partnership with the National Assembly for Wales, and aims to develop and maintain effective working relationships with other statutory, private and voluntary bodies with an interest in prison health.

Prison Mental Health

There are 360 prison in-reach workers now providing mental health services for people with severe mental illness in 102 prisons. A project that aims to reduce waiting times and provide seamless transfers to hospital for those prisoners in the acute phase of a severe mental illness started in April 2005. *Procedures for the Transfer of Prisoners to and from Hospital Under Sections 47 and 48 of the Mental Health Act 1983* was issued as a Prison Service Instruction following a national consultation. It explains each stage of the transfer process. The number of people transferred to hospital under sections 47 and 48 of the Mental Health Act 1983 rose from 721 people in 2003 to 831 people in 2004.

A mental health awareness training package has been developed and produced specifically for Prison Service staff. A comprehensive support pack is included and has been sent to all prison mental health leads. It is particularly targeted towards meeting the training need of prison discipline staff, especially those involved with escort and reception duties.

Public Health

Prisons provide an opportunity to offer health promotion and harm minimisation programmes. Initiatives to improve the health of people in prison have built on earlier successes and include:

- Smoking – prisons have been working in partnership with the NHS on smoking cessation projects, with NHS support available for all prisons;
- Hepatitis B – 1,200 prisoners receive hepatitis B vaccinations each month – 40 per cent of those intravenous drug users in the wider community who report receiving one or more hepatitis B vaccinations received them in prison;
- Nutrition – in line with FSA⁸ and Departmental advice the Prison Service is revising nutritional standards for food in prisons. The service is also looking at reducing the levels of fat, salt and sugar in the food products it purchases and has piloted “5 a Day” fruit and vegetable schemes in prisons in the North West;
- Drug misuse – two thirds of injecting drug users have been in prison but only half have started injecting before they go to prison. A rap CD, ‘Music 4 Messages’, produced by the Department in November 2005, provides information on primary protection about Hepatitis C to young offenders. The London School of Hygiene and Tropical Medicine is evaluating it;
- Physical exercise – the ‘Walking The Way To Prison Health’ scheme has been successfully piloted in 10 prisons. This was identified as a health promotion activity from the wider community that could successfully be transferred to prisons.

Clinical Services to Substance Misusers

An integrated drug treatment system is being constructed – involving clinical, CARAT⁹ and treatment programme resources. Pathfinder prisons have been identified.

8 FSA – Food Standards Agency

9 CARATs – Counselling, Assessment, Referral Advice and Throughcare – part of the drugs strategy

Performance Monitoring Arrangements

A star rating system has been introduced to continue monitoring progress until prisons can be included in PCT performance monitoring arrangements. The system is based on hard statistical data and input from Chief Inspector and Independent Monitoring Board (IMB) reports as well as assessments from Healthcare Managers. Prison Health is working with the Healthcare Commission and HMCIP to develop performance monitoring arrangements for prison health services.

Improvements in IT and Better Access to Health Information

The Department of Health, NOMS, HM Prison Service and NHS Connecting for Health are taking forward a joint work programme to deliver a first class information system for all healthcare professionals working within the Prison Service.

New Health Care Facilities

There is an ongoing programme to deliver new and refurbished facilities across the estate in line with current Healthcare standards and within available budget.

Staff

The Service's 48,000 members of staff are its most important asset and the Service gives the highest priority to recognising and rewarding their efforts appropriately and to ensuring that they are well trained, well equipped, well-informed and well-led. This has been a busy year for the Service as it has looked to progress and consolidate its aims for Human Resources (HR) delivery and workforce reform and ensure the public sector Prison Service has a professional workforce capable of achieving continuous improvement. A major HR change programme, Our People Strategy, will be instrumental in delivering this work. Some of the elements of that strategy are reported on in the following sub-sections.

Listening to Staff

The Prison Service launched its biggest ever staff consultation exercise as part of the new People Strategy which recognises that staff are central to achieving our aims. 'Listen to Improve' is a consultation and involvement exercise held with Prison Service staff to actively involve and empower staff in a structured and meaningful way. The purpose is to highlight the areas for improvement and to use the information to develop a Local People Plan.

The Local People Plan will reflect an Establishment's needs, aims and actions to support and develop our people. Each plan will reflect the seven pillars of the 'Our People Strategy': enjoy; involve; communicate; recognise; empower; enable; and support. It will include the actions the prison will be taking under each of the seven pillars.

It is expected that all establishments will have a completed Local People Plan (LPP) in place by August 2006. The 'Listen to Improve' exercise will then be repeated each year to ensure ongoing staff engagement and involvement in these plans. As an additional benefit, if done effectively, Local People Plans will help achieve Establishment Investors in People accreditation.

The development of LPPs coupled with the evidence from the annual Staff Survey, provides an increasingly sound evidence base to improve front-line delivery through more effective leadership and staff management, properly targeted to meet local needs.

HR Change

A new HR Operating Model was agreed to enable the transfer of transactional services through the new Shared Service Centre (SSC) and shift the focus to strategic HR skills through the introduction of a new HR Business Partner in establishments. Personnel staff, area managers and governors have been fully engaged in the model's development, which will be implemented in the coming year.

The model incorporates the Phoenix HR project to redesign all HR processes and developing a new corporate HR system to support delivery of HR services through the new SSC in Newport, South Wales.

Improving Delivery

Despite this very heavy focus on HR change, the Service has also driven forward improvements in HR service delivery, including providing strong central support to prisons to drive down absence rates and improve staff representation levels from BME communities.

The Service continued with its programme of work to undertake race impact assessments of all HR policies and the introduction of the Quarterly Ethnicity Review (analysing the impact of HR policies and practices on BME staff) is now providing a much stronger evidence-base on the impact of HR interventions on BME staff.

Developing Staff and Future Leaders

The Prison Service has a number of schemes to recruit and retain high quality staff at all levels of the organisation and particularly to develop existing and prospective leaders.

The Intensive Development Scheme (IDS) identifies and progresses internal talent as well as attracting high calibre external candidates onto this fasttrack management programme. Retention rates for this scheme are over 95%. The Service successfully launched the new Senior Prison Management Programme, attracting experienced leaders onto an operational development programme to equip them to be senior operational managers within two years.

A re-written Prison Officer Entry Level Training (POELT) programme, now aligned to National Occupation Standards, was introduced and is now being delivered at the Prison Service College, Newbold Revel and 13 establishment venues.

Following feedback from staff, the appraisal system was simplified and implemented ahead of the 2006-2007 reporting year.

With the involvement of Operational Directors, the Service has embedded an initial approach to talent management and succession planning for senior operational managers, and developed proposals for a more strategic talent management and succession-planning framework, which will be implemented during 2006-2007.

The Service committed an additional £8million to develop a programme to professionalise its workforce through improved and accredited training for all grades, which will commence planning and implementation during 2006-2007. It will be rolled out over three years and will encompass:

- The development of a new suite of qualifications which are accredited and align to National Occupational Standards;
- The development of a mentorship framework;
- The re-launch of a fully resourced NVQ scheme; and
- An extensive reconfiguration of area-based learning and development with core curriculum activity, standard setting and robust quality assurance.

Job Evaluation

During 2005-2006, the Service began a significant piece of work to develop a new job evaluation system (JES). In October 2004, the Prison Service Management Board approved a full review of job evaluation in the Service, and a scoping study completed in March 2005 recommended the introduction of a universal JES to cover all but the most senior grades in the organisation.

A successful pilot in the Eastern Area helped develop and test a JES model to ensure the evaluations are accurate and properly reflect the work done in the Service. During 2006 the full range of jobs in the Service will be identified and analysed. Once the JES model is agreed, a new pay structure, linked to the ranking of jobs and a market survey will be negotiated with unions. Jobs will then assimilated onto the new pay structure. It is planned that the revised system for grading and reward will be implemented by April 2008.

Health and Safety

Over the past year, a strong focus at Board level on health and safety coupled with increased investment in this area has significantly enhanced the Service's health and safety performance. The introduction of area health and safety advisors together with a training programme for prison health and safety officers and the recruitment of externally qualified staff has been key in improving the management of health and safety across the Service. There were no Crown Improvement Notices or Crown Censures served on the Service in the past year.

The Prison Service has developed a positive working relationship with the Health and Safety Executive (HSE), which has helped them to better understand and appreciate the difficult environment prison staff operate in and re-focused their approach to monitoring health and safety in the Prison Service. Regular high-level meetings between the HSE and Prison Service Directors are helping to drive forward change.

The HSE have worked with the Prison Service over the last year on two major projects:

- Piloting the HSE new stress standards in two Prison Service Areas. A successful introduction of these standards could help reduce stress related problems in the Service; and
- Carrying out an investigation into the causes of slips and trips accidents, which is the highest cause of accidents in prisons. As a result of this work, the Service is currently taking forward a major initiative in five prisons to test out anti-slip shoes.

The Service is also a significant, committed and active member of the Ministerial Task Force on Health and Safety and Productivity and is developing a number of innovative approaches to the management of sickness absence. Substantial improvements in Occupational Health provision have been delivered by in-house Occupational Health advisors and through a re-focused contract, which has led to an overall reduction in sickness absence.

Industrial Relations

As a large organisation, the Prison Service works in partnership with a number of recognised Trade Unions and Staff Associations. Relationships with the recognised Trade Unions throughout the year have been good and have achieved some positive results, notably:

- The settlement of a long-standing Equal Pay claim between the Prison Service and the Public Commercial Services Union (PCS). This involved complex cases and required effective and professional negotiations to reach an agreement for the benefit of all parties;
- Working in partnership with all unions, the Service was able to prepare proposals for the improvement and reorganisation of the prisons on the Isle of Sheppey, which successfully met the contestability criteria set by Home Secretary; and
- Continued partnership at local and area level to ensure improved delivery and performance against our key targets.

In line with the Home Secretary's expectations, the Prison Service undertook negotiations with the Prison Officers Association (POA) on pay and workforce reform. Despite significant progress, negotiations finally stalled and have not currently been able to recommence although both sides are committed to achieving necessary change to maintain the public sector prison service's position as the provider of choice.

In recent months, the Prison Service and the POA have disagreed at a national level about the interpretation of the Joint Industrial Relations Procedural Agreement (JIRPA) and this dispute is currently the subject of ongoing discussion. However, the JIRPA has proven to be extremely successful when applied at local level (establishments) with the number of recorded disputes at an all-time low as local managers and branches work successfully to resolve disputes.

The Prison Service is committed to working with its other trade union partners, and is grateful that many difficult issues in a changing business environment have been successfully negotiated over the year.

Internal Communications

In a national organisation, with such a large number of staff, communications are vitally important. There has been a greater focus this year on planning internal communications to ensure that the information that staff receive is relevant, timely and appropriate. The Service's Internet site www.hmprisonservice.gov.uk continues to be developed following a successful re-launch and now provides an effective platform for recruitment across the estate as well as up-to-date information about the Service and its partners.

Partnership Working

Over the last five years in particular, the Service has adopted a more outward-facing approach to its work and sought to develop a range of partnerships with other organisations. Partnership working has become central to effective delivery. Obvious examples are the partnerships with the courts, the Probation Service (NPS), the Youth Justice Board, the Department of Health and the Department for Education and Skills (DfES). One new and important partnership is that produced from the close and effective joint working with partners from LSC, NOMS, YJB and NPS to roll out new learning and skills delivery arrangements. In addition, partnerships have been developed with a growing range of private and voluntary organisations.

The basis of the partnerships varies. Some are based on access to funding and specialist skills and others around contracts and the purchaser/provider concept. Another important driver has been the introduction of the national, inter-agency delivery plans, which have put a stronger focus on end-to-end planning and the joint pursuit of end outcomes. The joined-up approach has been taken a stage further by the creation of the National Offender Management Service.

Major Business Change

Corporate Change Portfolio

During 2005-2006, the Service has given priority to increasing visibility of the interdependency between its different change programmes and increasing its understanding of the impact of these activities on operational activity and resources. The need for visibility of the bigger picture and of the crosscutting impact of changes is a key objective for the Service.

The range of programmes included in the Corporate Change Portfolio (CCP) during 2005-2006 was as follows:

- **Phoenix** (including Finance, HR, Procurement and the National Shared Service Centre)

Phoenix is a programme of business transformation for finance, HR (personnel) and procurement, facilitated by an Oracle ERP system (Enterprise Resource Planning) and the implementation of a national Shared Service Centre (SSC) and six regional Procurement Service Units (PSUs).

In April 2005 following successful development and pilots, the Service rolled out the Oracle based centralised accounting system, replacing locally based systems. The system has performed well and overall feedback during the year was positive and encouraging for future plans.

Phoenix Procurement completed its system build, including an online catalogue of goods, and a rollout plan spanning 2005-2007 has commenced. PSUs were established at Corby, Wakefield and in the SSC building at Newport, South Wales. These were staffed with procurement specialists to assist in the procurement of non-catalogue goods and the management of local contracts. iProcurement was introduced to a range of staff within prisons including Stores personnel and Catering Officers.

Phoenix HR is still in the planning/build stages, as part of much wider business change plans to improve ways of managing HMPS personnel. Towards the end of 2006 pilots will be carried out, initially at HMP Stafford and the Personnel Directorate HQ.

Phoenix House, Newport South Wales was selected as the site for the Service's national Shared Service Centre and a rigorous implementation plan was followed during the year to achieve a target opening date of 02 May 2006. This target was achieved. The programme is now rolling out Finance/Procurement Shared Services to the estate. This work is due to complete in April 2007. Following the HR pilot, HR Shared Services will rollout through to early 2008.

■ C-NOMIS¹⁰

This is a NOMS-wide programme led by the National Offender Manager. It has major implications for the Prison Service and the Service continued to manage its own involvement on a programme and project basis, with the Director of Operations as the designated Senior Business Owner. C-NOMIS will replace LIDS¹¹ and IIS¹² and become the primary means by which the Service shares and exchanges data with other parts of NOMS. It is absolutely fundamental to delivering the concept of end-to-end offender management. The business case was completed and the roll out schedule planned.

■ Contestability and the Transition to NOMS

This programme evolved during the course of the year. It was introduced as the vehicle for ensuring the range of action needed to re-structure and reposition the Service for its revised role as part of NOMS. Efforts were made to relate this programme to the overall NOMS-level change programme being led from NOMS Centre.

This strand of the Corporate Change Portfolio was also developed as a vehicle to help drive the Service's response to the challenge of greater contestability in the prison system, building on lessons learned from the Service's own benchmarking programme.

■ The Prison/Health Partnership

This covered the development of the Prison/Health Partnership, the re-definition of responsibilities for prison health issues (with the focus on the transfer of responsibilities to Primary Care Trusts) and the processes and infrastructure needed to support these.

■ Implementing Race Equality

This is a major programme of work to improve the Service's delivery on racial equality. Action during 2005-2006 centred on implementing the action plan developed following the CRE investigation in 2003. It was predicated on the need for a top to bottom review of how the Service deals with race and issues that affect or may be affected by race or attitudes to race.

10 C-NOMIS – The planned new National Offender Management Information System

11 LIDS – Local Inmate Database System. A legacy application due for replacement

12 IIS – Inmate Information System. A legacy application due for replacement

- **Delivery Plan for Reducing Re-offending**

A reduction in re-offending is at the heart of the new NOMS arrangements. The delivery plan arrangements are looking for significant change and improvement over time. The increasing use of an end-to-end analysis will change the scope and focus of the Service's work and will inevitably add to the pressure to work across organisational boundaries.

- **The Resource Strategy Implementation Programme**

This subsumed the former Efficiency Strategy and associated programme of work. Innovation in this area will be vital to success for the Service in the changing NOMS environment.

- **Offender Learning and Skills**

This is a programme led jointly by DfES and the LSC, to produce a new integrated delivery model, replacing existing prison education contracts and current arrangements for the provision of learning and skills for offenders in the community. The programme has prefigured the NOMS changes, introducing as it does a system that smoothes the path to learning and skills provision in the community for offenders on release. The new system was introduced in three regions from August 2005, with the rest of England due to follow at the end of July 2006. Once the new delivery arrangements are live across England from August 2006, the programme will end. Further service delivery changes flowing from the Government's response to the Green Paper 'Reducing Re-offending Through Skills and Employment' will be taken forward the Home Office's reducing re-offending programme arrangements. Local arrangements will apply in Wales under the auspices of the Welsh Assembly Government.

- **Safer Custody and Violence Reduction**

This gives the basis for taking forward agreed strategy and then linking this to relevant aspects of current operations. The underpinning strategy was revised to frame the future shape and content of the programme. The programme was managed along delivery plan lines, with a focus on clear targets, milestones and trajectories.

- **Juvenile Estate (now Young People's) Programme**

The partnership with the YJB represents a major slice of the Service's activity and one that demands priority. It also represents a good deal of change and development, which demands the rigour of a programme and project approach. The relationship with the YJB represents a mature purchaser/provider model, which is extremely helpful in guiding approaches to the development of commissioning in NOMS.

- **People Strategy Programme**

As the section on corporate enablers makes clear, the Service relies entirely on its staff for success. This programme is designed to keep in view all those different changes that will impact on staff and all those things that need to be delivered to staff. It encompasses training and development needs, workforce planning, working environment, terms and conditions of service and the contribution that staff can make to the development of the organisation.

- **IT/Telephony Refresh Programme**

This tackled the refresh (or updating and /or replacing) of all workstations and associated software, the refresh of approximately 200 servers and necessary improvements to cabling across the entire Prison Service estate. There were significant practical implications for individual prisons and the work was managed carefully through a series of phased projects. Full rollout commenced in May 2005. The IT Refresh is a necessary precursor to the successful delivery of C-NOMIS. As part of telephony, pin numbers were introduced at Cardiff, Wayland and Lindholme. The telephony services at the national Shared Service Centre were all live in time for the opening of the Centre.

IT/Business Process Change

Information and communications technology and the associated business process change remains key to the development of the Service and to the introduction of processes to support effective offender management and the development of shared services for HR, finance and procurement.

The main actions and outcomes planned for 2005-2006 were to:

- Improve research and governance for the IT boards;
- Contribute to the definition of ICT strategy for the Service; and
- Contribute to the wider strategic framework for IT at the NOMS and Criminal Justice System (CJS) level

A revised governance process was introduced for the two main IT boards. Research on the business boards improved steadily over the period with a new mandate template introduced to streamline the governance process and a new team to address user needs. A high level ICT strategy was defined and will be refined further during 2006-2007. Formal protocols were established between the NOMS Offender Information Service and the Prison Service's own Information and Communications Technology Group to underpin the robust working links.

Finance/Resource Issues

During 2005-2006, the Prison Service has had to adapt to changes resulting from the transfer of some activities and the associated budget to the National Offender Management Service. These transfers reduced the Prison Service resource budget by £577m compared to the previous year.

During the year the Prison Service had to manage a number of pressures on its budget that were not funded. The High Security estate had to meet additional costs following the terrorist attacks in London in June 2005 and the higher fuel costs was a factor in all prisons.

The level of settlement of compensation claims continued to increase and, together with the associated legal costs, was an additional pressure on the Prison Service resources.

The outturn for the year, after eliminating costs for which the budget was held within the Home Office, was an overspend of £4.5million (0.25% of the budget). This overspend was managed within the overall budget delegated by NOMS.

The introduction of the new finance system, which includes Activity Based Costing, will enable the Service to analyse its costs in greater detail and should ensure that better use is made of the funds available. The first year's figures will form a base to review the costs against outputs and this will enable efficiencies to be identified and spend to be better targeted.

The capital expenditure within the Service is considerably lower than in previous years because property additions are now the responsibility of NOMS. Over 90% of the delegated budget of £44m for capital was spent, of which £13.5m related to the costs of setting up the new Shared Service Centre in Newport.

Performance Improvement

Following the Home Secretary's decision to postpone the planned Market Test of three prisons on the Isle of Sheppey, the Prison Service was invited to work jointly with Trade Unions to develop internal proposals for improving performance and value for money on Sheppey. The exercise challenged the Service to demonstrate what could be achieved by looking holistically at operations and service delivery in a cluster of establishments.

The Sheppey Improvement Test drew on lessons learned from the successful Performance Improvement and Performance Testing processes to produce innovative proposals that were accepted by the NOMS evaluation team. The exercise served as a model that will be adapted to help the Prison Service respond to further challenges from the NOMS Contestability agenda.

Benchmarking Programme

Elsewhere, the Benchmarking Programme continued to provide an effective framework for improving performance in other establishments. High Performing Prison status gave wider recognition to staff in establishments that delivered exceptional performance, with Bedford, Frankland, Usk, Whatton and Wayland all recognised in 2005. Dartmoor and Brixton were recognised as Most Improved Prisons. Establishments that had previously been Performance Tested continued to make good progress whilst Performance Improvement Planning (PIP) helped already decent establishments critically review their activities, with evidence of further improvement right across the range of performance indicators.

Lessons learned about the key factors that drive improved performance in establishments were fed into the continuous review of the Benchmarking approach and helped to shape the Prison Service People Strategy. The strategy will help the Service respond much more effectively to the leadership, communication and change management issues that are crucial to effective delivery.

Prison Performance Ratings

As planned, the Prison Service published a quarterly performance rating¹³ for each public sector establishment. The ratings are available from the Prison Service website at www.hmprisonservice.gov.uk. The improvement in establishment ratings since they were first published in 2004 reflects the general improvement in performance across the Service. At the end of 2005-2006 there were 26 public sector establishments at Level 4, 86 at level 3, 15 at level 2 and none at level 1.

¹³ All establishments are rated on a 1 to 4 scale. Level 4 is for excellent establishments delivering exceptionally high performance. Level 1 indicates poor performance. The rating is a professional judgement based on a range of qualitative and quantitative indicators.

Audited
Financial
Accounts
for the
year ended
31 March 2006

Management Commentary

Statutory Background

Her Majesty's Prison Service was established as an Executive Agency of the Home Office on 1 April 1993.

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by the Treasury and in accordance with a direction given by the Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

Statement of Purpose and Vision

HM Prison Service serves the public by keeping in custody those committed by the courts. Our duty is to look after them with humanity and help them lead law-abiding and useful lives in custody and after release.

Our vision is to provide excellent prison services so that we are the provider of choice.

Key Objectives

We protect the public by:

- holding prisoners securely and reducing the risk of prisoners re-offending;
- providing safe and well-ordered establishments in which we treat prisoners humanely, decently and lawfully;

and in securing these objectives, we adhere to the following principles.

Principles

In carrying out our work we:

- work in close partnership with others in the criminal justice system to achieve common objectives;
- obtain best value from the resources available using research to ensure effective correctional practice;
- promote diversity, equality of opportunity and combat unlawful discrimination; and
- ensure our staff have the right leadership, organisation, support and preparation to carry out their work effectively.

Performance against Key Performance Indicators (KPIs) during 2005-2006

An analysis of the KPI targets and results are summarised at the beginning of the Annual Report on pages 10 to 13.

The Planning Context, the objectives and priorities for the year and the Approach to Delivery are set out in the main body of the Annual Report. Detailed information on key targets and outcomes for the Deliverables for 2005-2006 can be found on pages 24 to 43.

Results for the Year

The Operating Cost Statement for the year is shown on page 61 together with the Statement of Recognised Gains and Losses.

On 1 April 2005, a number of activities of the Prison Service were transferred to the National Offender Management Service (NOMS). These included the Property Services Unit, Prisoner Escort and Custody Unit and most of the Resettlement Directorate. As a result of this the comparative figures in the Operating Cost Statement and the Balance Sheet have been restated to show the position for 2004-2005 as if the transfer had taken place a year earlier.

In addition, the Treasury have redefined the split between administration and programme costs within the Prison Service to show all "front-line costs" as programme costs. This change has also been reflected in the comparative figures.

Operating costs

The net operating cost for 2005-2006 stands at £1,831m, compared to the comparative figure for 2004-2005 of £1,649m. This represents an increase of 11.0% over the comparative figures for 2004-2005. Of this increase, staff costs increased by 6.5%, with other programme costs increasing by 5.4%.

NOMS have made no charge to the Prison Service for the cost of prison and other accommodation following the transfer of all property assets to them on 1 April 2005.

Balance Sheet

All land and building assets together with some other assets were transferred to NOMS on 1 April 2005. Comparative figures have been restated as at 31 March 2005.

The Balance Sheet and Cash Flow Statement are on page 62.

Post Balance Sheet Events

The Share Service Centre based at Newport, South Wales, became operational on 2 May 2006.

Payment of Creditors

In the year to 31 March 2006 the Prison Service paid approximately 468,000 trade invoices of which approximately 419,000 were paid within 30 days, representing 89.5% of all invoices processed during the year (89.8% in 2004-2005), against a target of 100%. This small reduction was due to the introduction of the final phase of the centralisation of accounts in April 2005, which saw an initial downturn in performance over the first quarter of the financial year. It is too early to anticipate what impact the roll-out of i-Procurement to the business will have on the process, although, ultimately it must lead to an improvement in prompt payment performance and a move closer to the target of 100%.

Sustainable Development

A sustainable development policy and strategy was introduced for the Prison Service in September 2003 to replace the previous greening operations policy. Implementation of the policy is overseen by the Sustainable Development Working Group, a sub-committee of the Prison Service Management Board, chaired by the Director of Finance and which meets quarterly. Membership includes senior representatives from those areas of the Prison Service with significant environmental impacts along with colleagues from the operational line. NOMS and the main Home Office are also represented and full details of the targets and achievements for 2005-2006 are published in a separate Annual Sustainable Development Report. The Prison Service is recognised as a leader in Whitehall in taking forward the Government's sustainable development agenda.

Future Developments

The approach to planning future developments is changing. Whilst the Prison Service's planned future developments still derive from its Five-Year Strategy, this itself is framed by the contribution the Service needs to make to the work of NOMS, the wider Home Office and the Criminal Justice System.

The main strategic priorities for the Service are: reducing re-offending; the decency agenda; maintaining order and control; race and diversity; security; prison health; and winning and maintaining business. A clear map has been established between the strategic priorities, the associated risks and the means of delivering these. This includes a corporate change portfolio of twelve strategic programmes.

A major new feature of planning and funding new developments is the Service's obligations to its various commissioners and partners. The arrangements with the Youth Justice Board and the Immigration and Nationality Directorate are already well established. The introduction from April 2006 of Service Level Agreements (SLAs) for each Prison Service Area as part of the NOMS commissioning model is a major development and will inevitably lead to a more local focus for defining future developments, with much of that agenda to be set by the Regional Offender Managers and the Director of Offender Management for Wales.

The expected developments relate to introduction of the offender management model, Custody Plus and other sentencing changes and action to implement regional reducing re-offending action plans. The NOMS Five-Year Strategy also signals possible changes to accommodation provision (now managed by NOMS) for certain sections of the prison population. In addition to this, the publication of the Contestability Prospectus will set out the intended future development of a more competitive market for the provision of offender management services and the likely implications of this for the Prison Service.

Research and Development

Research continues to play a vital role in enhancing policy development, programme evaluations and changing cultures through sound evidenced-based research.

Our processes for internal and external research have been overhauled over the last year with the creation of the National Research Committee (NRC) that provides support for external research proposals and ensures only high quality studies are undertaken. The NRC has built key relations with Research Development and Statistics Directorate, NOMS and the Department of Health to ensure our research processes are consistent and streamlined. Research undertaken in the last year has covered a variety of key topics with bullying, drugs and alcohol abuse and race relations being the most popular.

During 2005 and 2006 the Prison Service worked closely with Professor Alison Lieblich of the Prisons Research Centre (PRC), University of Cambridge. This area of study particularly looked at the dynamics between staff and prisoners and how this was linked to outcomes. This work included the further development of a Measuring Quality of Prisoner Life (MQPL) Staff Survey that assesses 'softer' issues of prison staff such as trust and feeling valued, and also professional orientation towards care and resettlement. The MQPL Staff Survey has been implemented across the Service.

Communications and Employee Involvement

The Service attaches great importance to communicating clearly with its staff using a number of channels:

The Prison Service Intranet continues to be an effective way of keeping staff informed, with 85% of staff replying to the National Staff Survey 2005 agreeing they have 'easy access to information on the Intranet'. A number of new websites have been developed, focusing on a variety of topics and all establishments are now publishing information on their local Intranet sites. The clear style and appropriate language used in Intranet news articles about Prison Officer of the Year 2005 was praised when they received a national Plain English Award. Work is currently underway to create a new, improved and more user-friendly Intranet for the Service.

Prison Service News (PSN) features all the latest news, views and developments from the Prison Service, including policy initiatives and emerging front line programmes. This year, PSN has provided in depth analysis on subjects as diverse as the 2002 Lincoln riot, Suicide Prevention and the Service's relationship with the media. It has ensured staff are kept informed on sometimes complex issues and was applauded for its clear and concise coverage of the launch of Offender Management. PSN also provides a valuable platform to highlight good practice and new developments to those outside the Service, with over 2,000 subscribers from the criminal justice system, media and voluntary sector.

The 'Forward Look' diary continues to help the Service plan its communications more effectively. It is proving to be a very effective tool to monitor messages being cascaded to staff and to advise on the timings of messages, and the most effective methods of communicating these to avoid busy transmission periods.

The Prison Service Internet site has continued its success with traffic to the site increasing by 58% on last year to 1.9 million visitors. Our recruitment pages have maintained their popularity with the number of individuals signed up to our email job alerts doubling to 30,000. The Internet team continues to work closely with Human Resources to ensure all jobs are advertised online, and we continue to support them in online recruitment campaigns.

The Prison Service Conference took place in February 2006 and was again themed 'Securing the Future'. Some important issues were covered this year including the emphasis on reducing re-offending and joined up offender management; the development of a broad resettlement agenda; the opportunity to make closer links with probation; more devolution to Governors to pursue these agendas and an increasing emphasis on local community links; big IT enabled change, C-NOMIS, OASys, Phoenix and increased understanding of the importance of staff training and development.

Employment of People with Disabilities and Equal Opportunities

The Prison Service continues to be a user of the '*Positive about Disabled People*' Symbol (✓✓) and as such uses the Guaranteed Interview Scheme for applicants to promotion/selection boards who meet the minimum criteria.

Our statutory duties under the Race Relations (Amendment) Act 2000 are to eliminate unlawful discrimination and to promote equality of opportunity and good relations between persons of different racial groups. The Prison Service remains committed to providing equality of opportunity, to promoting diversity, and to working towards the elimination of racism and other forms of discrimination. The Prison Service Associate Race Equality Scheme sets out the programme of work that the Service is undertaking from 2005-2008 to comply with the requirements of the Race Relations (Amendment) Act 2000.

Increasing black and minority ethnic staff (BME) representation and ensuring fairness and equality for all staff is one of the most important challenges facing the whole Service. Since the introduction of the Employment Targets in 1999 the Service has made good and steady progress towards a workforce that is representative of the communities that it serves. A range of positive action measures is being developed to ensure that this progress continues, and that black and minority ethnic representation at more senior levels also increases.

Audit

In accordance with the direction given by the Treasury, these accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM). The Certificate and Report of the Comptroller and Auditor General to the House of Commons is attached to the Accounts.

As Accounting Officer, I have taken all steps to ensure that:

- I am aware of any relevant audit information;
- the Auditor is aware of that information; and
- there is no relevant audit information of which the Auditor is unaware.

The Prison Board

The Director General was appointed by the Home Secretary in March 2003, under the terms of the Senior Civil Service Management Code.

The Director General's pay is determined under the rules set out in chapter 7.1, Annex A of the Senior Civil Service Management Code. Other members of the Prison Service Management Board are appointed by the Director General with agreement of the Chief Executive of the National Offender Management Service. Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 51 to 54.

At 31 March 2006 the following were members of the Prison Service Management Board:

Phil Wheatley	– Director General
Peter Atherton	– Deputy Director General & Director of High Security Prisons
Michael Spurr	– Director of Operations
Gareth Hadley	– Director of Personnel
Ann Beasley	– Director of Finance
Richard Bradshaw**	– Director of Prison Health
Beverley Thompson*	– Race Equality Adviser
Harry Carter*	– Legal Adviser
Simon Watts*	– Media Adviser
Ken Everett	– Secretary to the Prison Service Management Board

*Employed by the Home Office

**Employed by the Department of Health

Michael Winders served as Media Adviser until September 2005.

My thanks and appreciation is extended to all past and present members of the Board for their hard work and effort during this reporting year.

Phil Wheatley, CB
Agency Accounting Officer
11 July 2006

Remuneration Report

Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at www.ome.uk.com.

Service contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

The salary and pension entitlements of the most senior managers of the Prison Service which have been audited were as follows:

a) Remuneration

	2005-2006		2004-2005	
	Salary (as defined below) £000	Benefits in kind (rounded to nearest £100) £	Salary (as defined below) £000	Benefits in kind (rounded to nearest £100) £
Phil Wheatley <i>Director General</i>	140-145	–	130-135	–
Peter Atherton <i>Deputy Director General</i>	120-125	–	100-105	–
Michael Spurr <i>Director of Operations</i>	110-115	–	90-95	–
Gareth Hadley <i>Director of Personnel</i>	125-130	–	120-125	–
Ann Beasley <i>Director of Finance</i>	115-120	–	95-100	–

Salary:

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind:

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

b) Pension Benefits

2005-2006	Total accrued pension at age 60 at 31 March 2006 related lump sum £000	Real Increase in pension & related lump sum at age 60 £000	CETV at 31 March 2006 £000	CETV at 31 March 2005 £000	Real increase in CETV after adjustment for inflation & changes in market investment factors £000
Phil Wheatley <i>Director General</i>	60-65 plus lump sum of 185-190	0-2.5 plus lump sum of 2.5-5	1435	1154	36
Peter Atherton* <i>Deputy Director General</i>	50-55 plus lump sum of 135-140	2.5-5 plus lump sum of 2.5-5	1255	990	70
Michael Spurr <i>Director of Operations</i>	25-30 plus lump sum of 80-85	0-2.5 plus lump sum of 5-7.5	432	299	30
Gareth Hadley <i>Director of Personnel</i>	5 -10 plus lump sum of 25-30	0-2.5 plus lump sum of 2.5-5	177	121	26
Ann Beasley <i>Director of Finance</i>	30 -35 plus lump sum of 95-100	0-2.5 plus lump sum of 5-7.5	544	386	37

*Opted to join 'Classic Plus'

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (Classic, Premium, and Classic Plus). Pensions payable under Classic, Premium, and Classic Plus are increased in line with the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of Premium or joining a good quality "money purchase" stakeholder based arrangement with a significant employer contribution (Partnership Pension Account).

(i) Classic Scheme

Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

(ii) Premium Scheme

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80ths of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8ths of the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

(iii) Classic Plus Scheme

This is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

(iv) Partnership Pension Account

This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up to 25% of the fund as a lump sum.

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The CETV figure for 31 March 2005 will not be the same as the figure quoted last year as the factors used to calculate the CETV were revised during the year.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Phil Wheatley, CB
Agency Accounting Officer
11 July 2006

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, the Prison Service is required to prepare resource accounts for each financial year, in conformity with a Treasury direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Prison Service during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Prison Service, the net resource outturn, recognised gains and losses, and cash flows for the financial year.

The Home Office has appointed the Director General of the Prison Service as the Agency Accounting Officer, with responsibility for preparing the Prison Service's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the Accounts, the Accounting Officer is required to comply with the *Government Financial Reporting Manual (FReM)* prepared by HM Treasury, and in particular to:

- observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *FReM* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on the going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Prison Service's assets, are set out in the Accounting Officer's Memorandum issued by HM Treasury and published in *Government Accounting*.

Statement on Internal Control

1 Scope of Responsibility

As Agency Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Prison Service policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

I am a member of the National Offender Management Service (NOMS) Executive Board and have bi-lateral meetings with the Chief Executive of NOMS and with the Minister with responsibility for Prisons. The results of Prison Service risk reviews are shared with the Chief Executive of NOMS.

2 Purpose of the System of Internal Control

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of Prison Service policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Prison Service for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3 Capacity to handle risk

The Prison Service Management Board drives the risk management process. They review the key risks to the Prison Service on a quarterly basis (more often if necessary) and consider whether any new risks are emerging. The review involves an assessment of the effectiveness with which the systems in place to manage the risks are operating. The Board also assess the extent to which they have control over the management of the risk and in a number of cases have concluded that they have only partial control. There is a process in place whereby I, as the Director General, escalate key risks, over which the Board has only partial control to the NOMS risk register – if the Board are agreed that there is little more action they can take to reduce the likelihood of the risk materialising or its impact if it is realised. Action to manage the key risks, which were revised towards the end of 2005-2006 as part of the planning round and include the transition to NOMS and the ability to operate successfully in a contestable market, will continue to be addressed during 2006-2007.

A regular programme of risk awareness training, in the form of facilitated workshops is available to all staff and a description of the process is available on the Intranet. The ability to show compliance at managing risk is being built in to the National Development Grids, which will become part of the Skills Elevator.

4 The risk and control framework

The key elements of the risk management strategy are:

- corporate risks identified at workshops comprising all members of PSMB;
- agreed criteria for assessing likelihood and impact;
- risk owners identified at Director level for key risks responsible for reporting back to PSMB on what is in place to manage the risk and how well those systems and processes are working;
- risk owners assess how well the risk is being managed overall and, on the basis of actions proposed to improve risk management, forecast any change to impact and likelihood by the end of the next quarter;
- assessments – particularly changes – reviewed quarterly by the Board and agreed (or changed) following discussion and challenge;
- process for escalating risks up the management chain, and similarly, for down-rating risks;
- risk workshops held at least annually (or more often if necessary) to validate the risk register;
- a process for mapping Programme/Project risks against business risk registers.

Although operational risk management is well understood in the Prison Service, there are a number of ways in which business risk management is being embedded in the organisation:

- the requirement to identify, assess and evaluate key risks built into the planning guidance, meaning that key risks are being identified and managed throughout the Prison Service;
- the process followed by the Board is replicated at every level;
- maintenance of an organisation-wide register of key risks;
- a regular programme of facilitated workshops to identify and keep up to date the record of key risks facing the organisation;
- Internal Audit provide advice and guidance on the development and maintenance of risk registers as part of their audit activity.

5 Review of effectiveness

As Agency Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, and the executive managers who have responsibility for the development and maintenance of the internal control framework, Standards Audit Unit and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review and the effectiveness of the system of internal control by the Board, the Audit Committee, which includes four independent members (one of which chairs it), and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I have established the following processes to maintain and review the effectiveness of the system of internal control and risk management:

- a Management Board which meets monthly to consider the plans and strategic direction of the department (the Board comprises the senior members of the Agency). Three non-executive directors of the Change Programme Board attend the PSMB quarterly;
- annual assurance statements from each of my Directors covering the key systems for which they are responsible;
- regular reports by Internal Audit, to standards defined in the Government Internal Audit Manual, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement;
- bi-lateral meetings with the Head of Internal Audit to discuss emerging issues;
- regular reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key projects;
- a self audit process which requires all establishments, HQ groups and Area Offices to assess their compliance with applicable standards. The process is subject to review by Internal Audit and compliance is monitored by Standards Audit Unit;
- implementation of a robust prioritisation methodology for actions based on risk ranking and cost-benefit analysis;
- establishment of key performance indicators and regular review of performance against them;
- a report from the Chairman of the Audit Committee concerning risk management and internal control.

Internal Audit activity supports the Board's risk management framework and is focused on systems that are key to the achievement of Prison Service objectives, two of which were considered to be well controlled, Cash Security & Disbursement and High Level Budget Allocation. Although Internal Audit has reported weaknesses in control in a number of systems, there has been a significant increase in the number of systems rated satisfactory or better and far fewer systems rated as deficient. Where Internal Audit has highlighted weaknesses, comprehensive action plans have been agreed with Senior Managers. Progress towards their implementation has been actively monitored at Board level and by the Audit Committee who challenge senior managers who have failed to meet implementation deadlines. On the basis of work conducted during the year, the Head of Internal Audit was able to give a reasonable level of assurance that the internal control system (including financial control systems) during 2005-2006 was adequate to achieve objectives.

Phil Wheatley, CB
Agency Accounting Officer
11 July 2006

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Prison Service for the year ended 31 March 2006, on pages 61 to 78, under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective Responsibilities of the Agency, the Director General and Auditor

The Agency and Director General are responsible for preparing the Annual Report and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made there under and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the Financial Statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 56 to 58 reflects the Agency's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report which includes the unaudited part of the Remuneration Report, and the Management Commentary, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of Audit Opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Director General in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made there under by HM Treasury, of the state of the Agency's affairs as at 31 March 2006 and of the net operating cost, recognised gains and losses and cashflows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

14 July 2006

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Operating Cost Statement

	Notes	For the year ended 31 March 2006		For the year ended 31 March 2005 <i>(Continuing Activities)</i>		For the year ended 31 March 2005 <i>(as per published accounts)</i>	
		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Administration Costs							
Staff costs	2	57,664		60,701		82,339	
Other operating costs	4a	25,396		14,656		31,741	
Operating Income	5	(9,990)		(7,200)		(34,984)	
			73,070		68,157		79,096
Programme Costs							
Staff costs	2	1,440,782		1,346,936		1,357,543	
Other operating costs	4b	661,656		627,189		1,162,392	
Operating income	5	(345,036)		(393,152)		(395,507)	
			1,757,402		1,580,973		2,124,428
Net operating cost for the year			1,830,472		1,649,130		2,203,524

The figures for March 2005 – Continuing Activities, exclude the cost of activities that were transferred to National Offender Management Services (NOMS) with effect from 1 April 2005.

The published figures for 31 March 2005 have been re-classified to reflect the changes in administration and programme costs as directed by HM Treasury.

Statement of Recognised Gains and Losses

	Notes	For the year ended 31 March 2006		For the year ended 31 March 2005 <i>(Continuing Activities)</i>		For the year ended 31 March 2005 <i>(as per published accounts)</i>	
		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Revaluation of tangible fixed assets	15	2,005		(4,690)		(214,748)	
Donated assets	15	30		(3)		(3)	
Recognised gain/(loss) for the year		2,035		(4,693)		(214,751)	

Balance Sheet

	Notes	As at 31 March 2006		As at 31 March 2005 <i>(Continuing Activities)</i>		As at 31 March 2005 <i>(as per published accounts)</i>	
		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Fixed assets							
Tangible assets	6	103,008		75,059		5,234,662	
Investments	7	339		472		472	
			103,347		75,531		5,235,134
Current assets							
Stock	8	40,218		41,302		41,301	
Debtors	9	68,232		81,266		84,697	
Cash at bank and in hand	10	39,398		28,381		28,485	
		147,848		150,949		154,483	
Creditors: Amounts falling due within one year	11	(162,098)		(125,623)		(207,771)	
Net current (liabilities)/assets			(14,250)		25,326		(53,288)
Total assets less current liabilities			89,097		100,857		5,181,846
Creditors: Amounts falling due after more than one year	12	(14,456)		(15,459)		(15,458)	
Provisions for liabilities and charges	13	(68,925)	(83,381)	(49,713)	(65,172)	(49,713)	(65,171)
			5,716		35,685		5,116,675
Taxpayers' equity							
General fund	14		1,467		33,471		3,787,633
Revaluation reserve	15		4,207		2,202		1,329,030
Donated asset reserve	15		42		12		12
			5,716		35,685		5,116,675

The figures for March 2005 – Continuing Activities, exclude the assets and liabilities that were transferred to National Offender Management Services (NOMS) with effect from 1 April 2005.

Phil Wheatley, CB
Agency Accounting Officer
July 2006

Cash Flow Statement

	Notes	For the year ended 31 March 2006		For the year ended 31 March 2005 <i>(Continuing Activities)</i>		For the year ended 31 March 2005 <i>(as per published accounts)</i>	
		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Net Cash Outflow from operating activities	18a		(1,807,425)		(1,694,662)		(1,890,604)
Capital expenditure and financial investment							
Purchase of tangible fixed assets	6c	(40,127)		(10,994)		(247,314)	
Proceeds on disposal of tangible fixed assets	6b	682	(39,445)	153	(10,841)	5,646	(241,668)
Net cash outflow before financing			(1,846,870)		(1,705,503)		(2,132,272)
Net funding received from Home Office	18c	2,241,690		2,109,690		2,132,000	
Prior year funding from Home Office	18c	22,310		22,310		0	
Funding related to NOMS transactions		(385,987)		(426,830)		0	
Payments to the Consolidated Fund	18b	(102)		(208)		(208)	
			1,877,911		1,704,962		2,131,792
Increase/(Decrease) in cash	10		31,041		(541)		(480)

Notes to the Accounts

1 Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2005-2006 *Government Financial Reporting Manual* (FReM) issued by HM Treasury, and the Accounts Direction issued by HM Treasury. The accounting policies in the FReM follow UK Generally Accepted Accounting Practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Prison Service for the purpose of giving a true and fair view has been selected. The Agency's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets and stocks at their value to the business by reference to their current costs.

1.2 Land and Buildings

At 1 April 2005, freehold land and buildings previously held by the Prison Service was transferred to NOMS. Operating assets held under short leaseholds are not capitalised.

1.3 Other Fixed Assets

Other fixed assets, mainly equipment in excess of £5,000, are included in the Balance Sheet at cost and adjusted to their current cost value by the application of an appropriate index. These indices are taken from the Office for National Statistics publication entitled "The Economy".

Office furniture and prison cell furniture where individual items fall below the capitalisation threshold are capitalised at a standard value per item based on numbers of staff and prisoners.

1.4 Depreciation

Depreciation on assets is provided at rates calculated to write off the cost or valuation of the asset by equal installments over its estimated useful life. Lives for equipment including plant and vehicles are normally in the range 5-15 years.

1.5 Private Finance Initiative (PFI) Contracts

The Prison Service has entered into a number of PFI contracts. These contracts have been accounted for in accordance with Technical Note No. 1 (Revised), entitled *How to Account for PFI Transactions* as required by the FReM. Contract payments are apportioned between an imputed finance lease charge and a service charge. Where the balance of the risks and rewards of ownership of the PFI asset are borne by the PFI operator, the PFI payments are recorded as an operating cost.

1.6 Investments

The Prison Service holds a number of investments as a result of its trading activities. Quoted investments are valued at market value. Unquoted investments are valued on the basis of estimated realisable value.

1.7 Stocks and Work-in-Progress

Stocks for resale and work-in-progress are valued at the lower of cost and net realisable value. Consumable stocks are valued at current replacement cost which is not materially different from historical cost.

1.8 Pension Costs

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is non-contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. The Prison Service meets the cost of pension cover, provided for the staff employed, by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

1.9 Early Retirement Costs

The Prison Service is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The Prison Service provides in full for this cost when the early retirement programme is announced and is binding on the Prison Service. The Prison Service may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote.

1.10 Operating Leases

Payments under operating leases are charged to the operating cost statement as incurred. Future lease and other commitments, including operating costs under PFI contracts, are shown in the notes to the accounts.

1.11 Research and Development Costs

Expenditure on pure and applied research is treated as an operating cost in the year in which it is incurred.

1.12 Operating Income

Operating income is income which relates directly to the operating activities of the Prison Service. It comprises charges excluding Value Added Tax (VAT) for goods and services provided to external customers. It also includes receipts from the Youth Justice Board for the provision of places for juvenile offenders, from Immigration and Nationality Directorate for the provision of custodial services, from the Department for Education and Skills for the provision of education services and from the Department of Health, Primary Care Trusts and Welsh Assembly Government for the provision of healthcare services.

1.13 Administration and Programme Expenditure

The operating cost statement is analysed between administration and programme costs. Treasury definitions of administration and programme costs for the Prison Service have changed in 2005-2006 and comparative figures have been re-classified.

1.14 Notional Costs and Income

A notional charge, reflecting the cost of capital utilised by the Prison Service, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5% in real terms on all assets less liabilities, except for:

- (a) cash balances with the Office of the Paymaster General where the charge is nil;
- (b) liabilities for amounts surrendered to the Consolidated Fund for which no credit against the charge is allowed.

Notional amounts are also included as charges or income in respect of costs to the Prison Service borne by other Government Departments or organisations or vice versa.

1.15 Value Added Tax

Most of the activities of the Prison Service are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts stated are net of VAT.

1.16 Going Concern

The Prison Service is financed by supply estimates voted by Parliament. Its provision is included in line K of the Home Office Supply Estimate.

Approval has already been given for the 2006-2007 provision and there is no reason to believe that future funding will not be forthcoming. The financial statements have therefore been prepared on a going concern basis for financial reporting and asset valuation purposes.

2 Staff Costs

Staff costs consist of:

	2005-2006 £'000s	2004-2005 £'000s
Wages and salaries	1,152,993	1,140,093
Social security costs	87,125	86,716
Other pension costs	212,747	158,359
Staff on secondment, agency and contract staff	45,581	54,714
	1,498,446	1,439,882
	2005-2006 £'000s	2004-2005 £'000s
Administration related staff costs	57,664	82,339
Programme related staff costs	1,440,782	1,357,543
	1,498,446	1,439,882

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Prison Service is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation of the scheme was carried out at 31 March 2003 and details can be found in resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2005-2006, normal employer contributions of £205,872k were payable to the PCSPS (£152,815k in 2004-2005) at one of four rates in the range of 16.2 to 24.6 per cent of pensionable pay (25.6 per cent for Prison Officer grades with reserved rights). Employer contribution rates will change for 2006-2007. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred; and they reflect past experience of the scheme.

138 members of staff retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £167k.

In cases of Public Interest Transfers, staff may be entitled to benefits in kind including housing loans. The balance of housing loans outstanding at 31 March 2006 is shown within staff debtors in note 9.

3 Staff Numbers

The average number of whole time equivalent persons (including senior management) employed during the year was as follows:

	Admin	Programme	2005-2006 Total	2004-2005 Total
Administration	1,312	6,078	7,390	7,540
Industrial	63	3,314	3,377	3,295
Prison Officers	536	32,744	33,280	33,144
Specialist	214	4,157	4,371	4,628
	2,125	46,293	48,418	48,607

4 Other Operating Costs

The Treasury split between Administration and Programme costs has been redefined in 2005-2006 and the 2004-2005 numbers have been restated on the new basis.

4a Administration Costs

	Notes	£'000s	2005-2006 £'000s	2004-2005 (Re-classified) £'000s
Accommodation and maintenance costs		2,031		7,525
Rentals under operating leases		136		15
Contracted out services		12,433		13,280
Travel, subsistence and hospitality		3,662		2,258
Other staff related costs		2,946		1,785
Other costs		4,185	25,393	3,541
Non cash items				
Depreciation	6b	223		981
Profit on disposal of fixed assets	6b	(624)		(2,797)
Cost of capital charge		(22)		4,735
Auditor's remuneration		170		164
Payroll administration charges		256	3	254
Total other administration costs			25,396	31,741

Rentals under operating leases are in respect of office equipment. There was no auditor's remuneration for non-audit work.

4b Programme Costs

	Notes	2005-2006		2004-2005 (Re-classified)	
		£'000s	£'000s	£'000s	£'000s
Accommodation and maintenance costs		119,621		177,904	
Rentals under operating leases		2,286		2,236	
Contracted out services		199,377		318,078	
Finance charges		558		594	
Prisoner related costs		160,912		168,662	
Travel, subsistence and hospitality		14,138		15,999	
Other staff related costs		36,026		32,121	
Other costs		115,559	648,477	132,460	848,054
Non cash items					
Depreciation	6b	7,748		142,867	
Loss on disposal of fixed assets	6b	982		1,743	
Cost of capital charge		301		165,527	
Change in value of investments		133		218	
Payroll administration charges		4,015	13,179	3,983	314,338
Total other programme costs			661,656		1,162,392

At 1 April 2005 some activities transferred to NOMS (including the ownership and management of all land and buildings). The most significant costs that have transferred are listed below.

2004-2005 expenditure transferred to NOMS:

- Accommodation and maintenance costs: £72.2m related to maintenance; £28.2m related to business rates and rent
- Contracted out services: £126m related to escorts
- Depreciation: £136m related to buildings
- Cost of capital charge: £159m related to land and buildings; £9m related to working capital on assets under construction

Other changes:

- £30.5m relating to Probation Service costs was included in Other costs in 2004-2005. £31.2m costs in 2005-2006 have been reclassified as Contracted out services.
- NOMS made no charge to the Prison Service in respect of properties in 2005-2006.

5 Operating Income

	2005-2006			2004-2005		
	Appropriated in aid £'000s	Not Appropriated in aid £'000s	Total £'000s	Appropriated in aid £'000s	Not Appropriated in aid £'000s	Total £'000s
Administration income						
Youth Justice Board receipts	8,033	0	8,033	30,786	0	30,786
External sales of industries	812	0	812	0	0	0
Other income	694	101	795	3,755	157	3,912
Non cash items						
Notional income from Parole Board	350	0	350	286	0	286
Total administration income	9,889	101	9,990	34,827	157	34,984
Programme income						
Youth Justice Board receipts	109,790	0	109,790	113,866	0	113,866
Dept for Education & Skills receipts	86,689	0	86,689	100,974	0	100,974
Dept of Health receipts	4,186	0	4,186	94,598	0	94,598
Primary Care Trusts receipts	86,556	0	86,556	38,249	0	38,249
Welsh Assembly Government receipts	3,216	0	3,216	2,980	0	2,980
Immigration and Nationality						
Directorate receipts	4,079	0	4,079	0	0	0
European Social Fund receipts	13,916	0	13,916	9,373	0	9,373
External sales of industries	10,342	0	10,342	10,604	0	10,604
Other income	26,262	0	26,262	24,863	0	24,863
Total programme income	345,036	0	345,036	395,507	0	395,507
Total operating income	354,925	101	355,026	430,334	157	430,491

Youth Justice Board receipts cover the cost of provision of juvenile custody within the Prison Service. Department for Education and Skills receipts cover the cost of provision of education services purchased from Local Education Authorities and other contractors. Department of Health and Welsh Assembly Government receipts and receipts from PCTs cover the cost of the provision of healthcare.

Notional income from the Parole Board covers shared central services reflected in Prison Service operating costs.

Changes from 2004-2005:

- Income from the YJB is reduced as a result of some income being paid to NOMS.
- Income from DfES and in respect of Healthcare has reduced as providers meet more of the costs directly.

6 Tangible Fixed Assets

	Land £'000s	Buildings £'000s	Assets under Construction £'000s	Equipment £'000s	Total £'000s
Cost or Valuation					
At 1 April 2005	556,088	4,703,504	269,124	137,444	5,666,160
<i>Transfer to NOMS</i>	<i>(556,088)</i>	<i>(4,703,504)</i>	<i>(267,057)</i>	<i>(12)</i>	<i>(5,526,661)</i>
Restated at 1 April 2005	0	0	2,067	137,432	139,499
Additions	0	5,391	4,990	29,813	40,194
Disposals	0	0	0	(9,911)	(9,911)
Transfers	0	571	(1,083)	512	0
Assets transferred to NOMS in year	0	(5,962)	0	(16)	(5,978)
Assets received from NOMS in year	0	0	0	738	738
Indexation	0	0	0	3,020	3,020
Revaluation	0	0	0	(124)	(124)
At 31 March 2006	0	0	5,974	161,464	167,438
Depreciation					
At 1 April 2005	0	(367,088)	0	(64,410)	(431,498)
<i>Transfer to NOMS</i>	<i>0</i>	<i>367,058</i>	<i>0</i>	<i>0</i>	<i>367,058</i>
Restated at 1 April 2005	0	(30)	0	(64,410)	(64,440)
Charge in year	0	0	0	(7,974)	(7,974)
Disposals	0	30	0	8,841	8,871
Transfers	0	0	0	0	0
Assets Transferred to NOMS in year	0	0	0	4	4
Assets received from NOMS in year	0	0	0	0	0
Indexation	0	0	0	(1,039)	(1,039)
Revaluation	0	0	0	148	148
At 31 March 2006	0	0	0	(64,430)	(64,430)
Net Book Value					
At 31 March 2006	0	0	5,974	97,034	103,008
At 1 April 2005	556,088	4,336,416	269,124	73,034	5,234,662
At 1 April 2005 Restated	0	(30)	2,067	73,022	75,059

Land & Buildings Valuation

At 1 April 2005, all land and buildings were transferred to NOMS.

Some expenditure incurred by the Prison Service has been capitalised as building additions and have been transferred to NOMS in the year. This will be included in the net book value of buildings in the Home Office accounts. Expenditure on assets under construction incurred by the Prison Service in the year, will be transferred to NOMS on completion of the project.

Equipment

Equipment comprises Plant and Machinery, Motor Vehicles, Furniture and IT assets.

6a Common User Estate Property

Freehold properties occupied by the Prison Service which are part of the former Common User Estate have never been included on the balance sheet as they are considered to be assets of the Home Office. The Home Office has made no charge in respect of these buildings.

6b Depreciation and other charges in respect of tangible fixed assets

	2005-2006	2004-2005
	£'000s	£'000s
Depreciation based on cost or valuation	7,974	143,851
Depreciation on donated assets	(3)	(3)
Depreciation charged to Operating Cost Statement	7,971	143,848
Net book value of disposals	1,040	4,592
Proceeds on disposal	(682)	(5,646)
Loss/(Profit) on disposal of tangible fixed assets	358	(1,054)
Depreciation and other charges in respect of tangible fixed assets	8,329	142,794

6c Reconciliation of asset additions to cash flow

	2005-2006	2004-2005
	£'000s	£'000s
Fixed asset additions	40,194	247,478
Less: Discovered assets	(34)	(167)
Less: Donated assets	(33)	(0)
Cash purchases of fixed assets	40,127	247,311

7 Investments

	Quoted	Unquoted	Total
	£'000s	£'000s	£'000s
Balance at 1 April 2005	179	293	472
Movement in year	6	(139)	(133)
Balance at 31 March 2006	185	154	339

Quoted investments are stated at market value at 31 March 2006.

Unquoted Investments relate mainly to the value of milk quota and are valued at estimated realisable value at 31 March 2006.

These investments were acquired by the Prison Service (as a result of trading activities) at no cost.

8 Stocks and work-in-progress

	31 March 2006 £'000s	31 March 2005 £'000s
Industries and Farms		
Raw materials	988	1,075
Work-in-progress	2,409	2,495
Stocks of finished goods	1,061	1,930
	4,458	5,500
Consumables	35,760	35,801
	40,218	41,301

9 Debtors

9a Analysis by type

	31 March 2006 £'000s	31 March 2005 £'000s
Trade debtors	15,277	4,872
HM Government debtors	10,810	26,076
Staff debtors	734	679
Other debtors	7,595	15,661
Prepayments and accrued income	7,599	10,936
	42,015	58,224
Amounts falling due after more than one year		
Staff debtors	3,907	4,163
	45,922	62,387
Amounts due from Home Office undrawn funds		
	22,310	22,310
	68,232	84,697

Staff debtors due after more than one year represent amounts in respect of home purchase loans, which are repayable over periods up to twelve years. The total number of outstanding loans is 953 (1,044 in 2004-2005).

9b Intra Government Balances

	31 March 2006		31 March 2005	
	Debtors: amounts falling due within one year £'000s	Debtors: amounts falling due more than one year £'000s	Debtors: amounts falling due within one year £'000s	Debtors: amounts falling due more than one year £'000s
Balances with other central government bodies	33,120	0	47,499	0
Balances with local authorities	14	0	0	0
Balances with NHS	8,411	0	887	0
Balances with bodies external to government	234	0	0	0
	41,779	0	48,386	0

10 Balance at bank and cash in hand

	31 March 2006 £'000s	Movement £'000s	31 March 2005 £'000s
Commercial banks and cash in hand	1,073	(188)	1,261
Balances at OPG	38,325	11,101	27,224
Cash at bank and in hand	39,398	10,913	28,485
Overdraft	(25,594)	20,128	(45,722)
	13,804	31,041	(17,237)

The Office of HM Paymaster General (OPG) provides a current account banking service.

The overdraft shown above arises as a result of unrepresented cheques at the balance sheet date.

In addition, the Prison Service holds third party monies of £7,875k (£8,169k in 2004-2005), not included in the above balances. This relates to monies held on behalf of prisoners.

11 Creditors: Amounts falling due within one year

11a Analysis by type

	31 March 2006 £'000s	31 March 2005 £'000s
Trade creditors	72,723	81,398
Long-term liability due within 1 year	1,003	939
HM Government creditors	60	945
Other creditors	2,451	2,728
Accruals and deferred income	60,224	75,994
	136,461	162,004
Overdraft	25,594	45,722
Amounts due to the Consolidated Fund:		
-Consolidated Fund Extra Receipts (CFERs)	43	45
	162,098	207,771

The overdraft shown above arises as a result of unrepresented cheques at the balance sheet date.

Amounts due to the Consolidated Fund are based on the accounting conventions adopted for resource-based supply.

11b Intra Government balances

	31 March 2006		31 March 2005	
	Creditors: amounts falling due within one year £'000s	Creditors: amounts falling due more than one year £'000s	Creditors: amounts falling due within one year £'000s	Creditors: amounts falling due more than one year £'000s
Balances with other central government bodies	445	0	270	0
Balances with local authorities	1,010	0	359	0
Balances with NHS	563	0	316	0
	2,018	0	945	0

12 Creditors: Amounts falling due after more than one year

	31 March 2006 £'000s	31 March 2005 £'000s
Long term liability	15,459	16,397
Less due within 1 year	(1,003)	(939)
	14,456	15,458

The maturity of obligations is between 15 and 20 years. The total liability is repayable within the following periods:

	31 March 2006 £'000s	31 March 2005 £'000s
- in not more than 1 year	1,003	939
- in more than 1 year but not more than 2 years:	1,071	1,003
- in more than 2 years but not more than 5 years:	3,674	3,438
- in more than 5 years	9,711	11,017
	15,459	16,397

13 Provisions for liabilities and charges

	Early Retirement			Total £'000s
	Costs £'000s	Legal Claims £'000s	Other Claims £'000s	
Balance at 1 April 2005	9,825	34,288	5,600	49,713
Provided in year	786	48,311	0	49,097
Provisions not required written back	0	(13,277)	(1,710)	(14,987)
Provisions utilised in year	(3,419)	(8,589)	(2,890)	(14,898)
Balance at 31 March 2006	7,192	60,733	1,000	68,925

Early retirement costs

The Prison Service meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The Prison Service provides for this in full when the early retirement programme becomes binding on the Prison Service by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.8 per cent in real terms.

Legal Claims

Provision has been made for various legal claims including Equal Pay Claims against the Prison Service. The provision reflects all known claims where legal advice indicates that it is more likely than not that the claim will be successful and the amount of the claim can be reliably estimated. The figures represent the best estimate of the amount payable in respect of the claims indicated, as the claims are subject to litigation which would affect the time period of utilisation. Legal claims which may succeed but are less likely to do so or cannot be estimated reliably are disclosed as contingent liabilities in Note 21.

Other Claims

A provision has also been made for the closure of HMP The Weare. Previous provision for a VAT claim has now been utilised.

14 Reconciliation of net operating cost to changes in general fund

	Notes	£'000s	2005-2006 £'000s	2004-2005 £'000s
Net operating cost for the year			(1,830,472)	(2,203,524)
Notional Items				
Cost of capital charge Administration cost	4a		(22)	4,735
Cost of capital charge Programme cost	4b		301	165,527
Auditor s remuneration	4a		170	164
Payroll administration	4a & b		4,271	4,237
Notional income	5		(350)	(286)
Funding from the Consolidated Fund (Supply) current year	18c	2,264,000		2,132,000
Less: Funding for NOMS activities	18c	(469,835)	1,794,165	0
Transfer from revaluation reserve	15		0	37,186
Found assets	6c		34	167
Prior year assets transferred to NOMS			(5,080,990)	0
Land & Building Revaluation Reserve to NOMS			1,326,828	0
Income not appropriated in aid paid to Consolidated Fund	5		(101)	(157)
Net (decrease)/increase in General Fund			(3,786,166)	140,049
General Fund at 1 April 2005			3,787,633	3,647,584
General Fund at 31 March 2006			1,467	3,787,633

15 Reserves

15a Revaluation reserve

	2005-2006 £'000s	2004-2005 £'000s
Balance at 1 April 2005	1,329,030	1,580,964
Land & Building Reserve transferred to NOMS	(1,326,828)	0
Restated at 1 April 2005	2,202	1,580,964
Arising on revaluation during the year (net)	2,005	(214,748)
Transfer to General Fund	0	(37,186)
Balance at 31 March 2006	4,207	1,329,030

The revaluation reserve represents the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

15b Donated asset reserve

	2005-2006 £'000s	2004-2005 £'000s
Balance at 1 April 2005	12	15
Additions	33	0
Release to the Operating Cost Statement	(3)	(3)
Balance at 31 March 2006	42	12

The donated asset reserve reflects the net book value of assets donated to the Prison Service.

16 Operating commitments

Operating leases:

	31 March 2006		31 March 2005	
	Land and Buildings £'000s	Other £'000s	Land and Buildings £'000s	Other £'000s
At 31 March 2006 the Prison Service was committed to making the following payments during the next year in respect of operating leases expiring:				
-within 1 year	8	652	176	453
-between 2 to 5 years	441	1,275	1,163	1,213
-after 5 years	495	78	966	107
	944	2,005	2,305	1,773

Non-cancellable contracts:

	31 March 2006 £'000s	31 March 2005 £'000s
At 31 March 2006 the Prison Service was committed to making the following payments during the next year in respect of contracts expiring:		
-within 1 year	64,149	55,914
-between 2 to 5 years	29,325	57,496
-after 5 years	18,865	173,219
	112,339	286,629

With reference to the above tables for operating leases and other non-cancellable contracts, the following should be noted for 2005-2006:

Some leases and long term contracts are now within NOMS and have therefore been excluded from the figures at 31 March 2006. The figures for land and building operating leases and escort contracts are now managed by NOMS.

17 Capital commitments

Commitments for capital expenditure and major maintenance works for which no provision has been made in these accounts were as follows:

	31 March 2006 £'000s	31 March 2005 £'000s
Committed	0	152,000
Authorised but not contracted	17,554	453,000

18 Notes to the cash flow statement

18a Reconciliation of net operating cost to net cash outflow

	Notes	2005-2006 £'000s	2004-2005 £'000s
Net operating cost		(1,830,472)	(2,203,524)
Adjustments for non-cash transactions			
Non-cash administration costs	4a	3	3,337
Non-cash programme costs	4b	13,046	314,120
Non-cash income	5	(350)	(286)
Change in value of investments	7	133	218
		12,832	317,389
Adjustment for movements in working capital other than cash			
Stocks decrease	8	1,083	1,547
Debtors decrease	9	16,465	9,278
Creditors and provisions (decrease)	11-13	(7,333)	(15,294)
		10,215	(4,469)
Net cash outflow from operating activities		(1,807,425)	(1,890,604)

Movements in working capital other than cash exclude overdrafts and amounts due to Government funding.

18b Payments to the Consolidated Fund

	Notes	2005-2006 £'000s	2004-2005 £'000s
Surrender of prior year CFER	11	45	97
Surrender of current year CFER		57	111
		102	208

* CFER – Consolidated Fund Extra Receipts

18c Analysis of financing and reconciliation to the net cash requirement

	Notes	2005-2006 £'000s	£'000s	2004-2005 £'000s	£'000s
Funding from the Consolidated Fund (Supply) current year	14	2,264,000		2,132,000	
Funding drawn for NOMS activities		(469,835)		0	
Net funding received from Home Office for Prison Service activities			1,794,165		2,132,000
Less: NOMS expenditure		469,835			
NOMS funding required		(385,987)	83,848		0
Less: Amounts due to Consolidated Fund - received in prior year and paid over	18b		(45)		(97)
Less: Amounts due to Consolidated Fund - received in year and paid over			(57)		(111)
Less: Capital element of payments in respect of long term liabilities			(939)		(879)
Net financing			1,876,972		2,130,913
(Increase)/Decrease in cash	10		(31,041)		480
Net cash flows other than financing			1,845,931		2,131,393
Add: Capital element of payments in respect of long term liabilities			939		879
Net cash requirement			1,846,870		2,132,272

19. Related Party Transactions

The Home Office is regarded as a related party. During the year, the Prison Service provided custodial services to the Youth Justice Board and Immigration and Nationality Directorate (both part of the Home Office). In addition, the Prison Service received funding from other Government Departments for education, healthcare and resettlement services.

The Director General of the Prison Service and Chief Executive of the Youth Justice Board are related parties.

20. Financial Instruments

The Prison Service has no borrowings and relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

21. Contingent Liabilities

The Prison Service has contingent liabilities in respect of the following matters: Claims for injury to staff, prisoners and the public amounting to £11.4m (£7.3m in 2004-2005) have been indicated to the Prison Service, where the likelihood of a liability arising is possible but not likely. Other claims for compensation where it is more likely than not that a liability will arise have been provided for in the accounts – see note 13.

Other Contingent Liabilities reported to Parliament:

An indemnity of up to £50m, in respect of any one accident, has been given to the British Airports Authority (BAA). This is in respect of damage or injury caused to third parties arising out of the negligence of the Prison Service in its use of vehicles travelling airside for the repatriation of prisoners. The likelihood of a liability arising from these contingencies is considered to be remote.

22. Post Balance Sheet Events

There were no significant post balance sheet events to report.

23. Financial Targets

There were no key financial targets for the Prison Service.

24. Losses and Special Payments

The following losses and special payments are included within the Operating Cost Statement.

	2005-2006		2004-2005	
	Cases	£'000s	Cases	£'000s
Cash losses	500	8	809	275
Losses of accountable stores	3,066	557	3,091	700
Fruitless payments and constructive losses	144	22	69	30
Claims waived or abandoned	64	32	25	35
Special payments	3,648	16,589	3,178	9,196
	7,422	17,208	7,172	10,236

Special payments include 12 payments over £100,000 in respect of compensation claims by staff (7 in 2004-2005) and 9 compensation payments over £100,000 in respect of prisoners' claims (3 in 2004-2005).



Appendix 1

Statistical Information



Statistics Summary by Function

Function name	Certified normal accommodation	Total average population	Direct resource expenditure	Cost per prison place	Cost per prisoner
Male Category B	4,381	4,368	£113,376,341	£25,881	£25,959
Male Category C	21,047	21,141	£462,527,758	£21,976	£21,878
Male Dispersal	3,168	2,755	£139,093,932	£43,904	£50,491
Female closed	1,152	1,028	£39,870,588	£34,617	£38,788
Female local	2,170	1,842	£81,090,110	£37,366	£44,013
Female open	245	203	£5,867,334	£23,932	£28,974
Male closed YOI	6,717	6,423	£220,905,468	£32,887	£34,391
Male juvenile	1,089	1,018	£45,900,346	£42,143	£45,074
Male local	19,775	25,208	£631,052,773	£31,912	£25,034
Male open	3,486	3,151	£70,365,933	£20,183	£22,331
Male open YOI	317	240	£8,676,111	£27,413	£36,163
Semi open	1,733	1,515	£40,849,337	£23,571	£26,965
Prison Totals:	65,280	68,892	£1,859,576,031	£28,486	£26,993

Cost per prison place: (Direct resource expenditure/Certified normal accommodation)

Cost per prisoner: (Direct resource expenditure/Total average population)

Notes:

1. All figures are subject to rounding.
2. Establishments are categorised in these tables by their main role only. Establishments that have more than one role have been placed in the category that represents the primary or dominant function of the prison. For example, HMP Moorland is designated as a Category C adult establishment but includes a large young offender population. For this reason, performance of prisons within a category cannot be necessarily compared on a like for like basis. Further information on comparisons is available from Prison Service Planning Group.
3. All figures relate to public sector prisons only. No private sector prisons are included.
4. YOI refers to Youth Offender Institutes.
5. The Weare (Male Category C) closed in August 2005. Comparable cost information is not available and this data is excluded.

Male Category B prisons (8)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Albany	527	524	£12,221,048	£23,190	£23,326
Garth	633	645	£16,637,660	£26,284	£25,781
Gartree	609	467	£14,297,338	£23,477	£30,610
Grendon	560	528	£15,455,358	£27,591	£29,253
High Down	643	736	£17,149,123	£26,670	£23,295
Kingston	194	187	£6,067,896	£31,359	£32,521
Parkhurst	459	506	£15,588,058	£33,961	£30,781
Swaleside	756	774	£15,959,860	£21,111	£20,629
Totals:	4,381	4,368	£113,376,341	£25,881	£25,959

Male Category C prisons (36)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Acklington	882	857	£15,426,526	£17,490	£18,002
Ashwell	535	541	£10,981,083	£20,525	£20,304
Blundeston	420	459	£11,614,562	£27,654	£25,318
Buckley Hall*	350	233	£8,865,262	£25,329	£38,008
Camp Hill	513	586	£12,600,325	£24,562	£21,514
Canterbury	196	302	£7,207,344	£36,772	£23,839
Channings Wood	634	655	£14,139,203	£22,302	£21,581
Coldingley	370	387	£9,328,562	£25,212	£24,100
Dartmoor	598	613	£15,940,373	£26,656	£26,007
Edmunds Hill*	368	236	£9,242,349	£25,149	£39,093
Erlestoke	426	423	£9,246,349	£21,705	£21,872
Everthorpe	559	594	£12,166,957	£21,759	£20,483
Featherstone	599	608	£13,977,725	£23,335	£22,996
Guys Marsh	519	561	£10,885,800	£20,975	£19,407
Haverigg	558	554	£12,038,397	£21,574	£21,740
Highpoint	792	800	£14,614,862	£18,453	£18,263
Lancaster	159	239	£6,786,672	£42,683	£28,426
Lindholme	802	804	£20,883,600	£26,039	£25,988
Littlehey	664	694	£12,963,038	£19,532	£18,672
Maidstone	553	549	£11,711,099	£21,193	£21,332
Moorland	1,000	987	£21,422,590	£21,423	£21,703
Mount	704	706	£15,180,196	£21,563	£21,497
Onley	640	532	£16,046,985	£25,073	£30,187
Ranby	912	1,008	£21,575,467	£23,657	£21,401
Risley	1,034	1,062	£19,948,234	£19,289	£18,792
Shepton Mallet	163	183	£5,625,827	£34,444	£30,686
Stafford	680	674	£13,739,763	£20,206	£20,398
Stocken	595	613	£12,548,544	£21,090	£20,485
Usk\Prescoed	310	411	£8,827,651	£28,476	£21,470
Verne	552	580	£10,730,156	£19,439	£18,508
Wayland	657	700	£12,196,148	£18,563	£17,429
Wealstun	870	789	£16,580,406	£19,056	£21,019
Weare	399	230	N/A	N/A	N/A
Wellingborough	628	567	£13,926,042	£22,181	£24,583
Whatton	386	366	£11,195,791	£29,030	£30,604
Wymott	1,021	1,041	£22,363,870	£21,904	£21,476
Totals:	21,047	21,141	£462,527,758	£21,976	21,878

*Costs related to re-role from female to male establishments.

Male Dispersal prisons (5)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Frankland	733	707	£34,745,137	£47,401	£49,179
Full Sutton	599	589	£27,605,257	£46,086	£46,901
Long Lartin	599	440	£22,429,755	£37,445	£50,957
Wakefield	744	577	£25,031,868	£33,653	£43,351
Whitemoor	493	442	£29,281,915	£59,355	£66,224
Totals:	3,168	2,755	£139,093,932	£43,904	£50,491

Female Closed prisons (5)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Bullwood Hall	180	147	£7,867,059	£43,706	£53,548
Cookham Wood	130	170	£6,458,946	£49,716	£37,938
Downview	355	274	£10,221,267	£28,792	£37,349
Foston Hall	267	228	£8,588,927	£32,168	£37,602
Send	220	209	£6,734,389	£30,634	£32,273
Totals:	1,152	1,028	£39,870,588	£34,617	£38,788

Female Local prisons (6)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Brockhill	164	127	£6,349,383	£38,657	£49,832
Eastwood Park	315	287	£10,884,876	£34,519	£37,915
Holloway	544	435	£23,175,243	£42,608	£53,256
Low Newton	343	251	£10,259,835	£29,912	£40,849
New Hall	376	338	£15,703,042	£41,800	£46,470
Styal	428	404	£14,717,731	£34,387	£36,460
Totals:	2,170	1,842	£81,090,110	£37,366	£44,013

Female Open prisons (2)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Askham Grange	151	107	£3,520,629	£23,290	£32,877
East Sutton Park	94	95	£2,346,705	£24,965	£24,594
Totals:	245	203	£5,867,334	£23,932	£28,974

Male Closed YOI prisons (14)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Aylesbury	432	424	£14,108,954	£32,660	£33,269
Brinsford	477	460	£17,164,336	£35,984	£37,327
Castington	400	363	£14,034,139	£35,085	£38,653
Deerbolt	513	394	£13,605,713	£26,522	£34,554
Feltham	769	616	£34,766,960	£45,201	£56,486
Glen Parva	668	770	£21,779,142	£32,604	£28,269
Hindley	539	401	£16,698,018	£30,980	£41,684
Lancaster Farms	480	507	£16,316,422	£33,993	£32,156
Northallerton	153	192	£6,124,652	£40,030	£31,927
Portland	530	409	£12,824,727	£24,201	£31,356
Reading	190	283	£9,196,870	£48,405	£32,479
Rochester	392	385	£9,568,320	£24,409	£24,885
Stoke Heath	574	635	£19,100,734	£33,277	£30,072
Swinfen Hall	600	585	£15,616,481	£26,027	£26,691
Totals:	6,717	6,423	£220,905,468	£32,887	£34,391

Male Juvenile prisons (4)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Huntercombe	360	345	£15,258,095	£42,384	£44,226
Warren Hill	222	204	£10,437,376	£47,015	£51,080
Werrington	147	136	£7,092,748	£48,195	£52,185
Wetherby	360	333	£13,112,127	£36,423	£39,366
Totals:	1,089	1,018	£45,900,346	£42,143	£45,074

Male Local prisons (32)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Bedford	324	469	£11,164,059	£34,422	£23,808
Belmarsh	799	908	£38,414,970	£48,079	£42,323
Birmingham	1,121	1,413	£30,510,074	£27,217	£21,592
Blakenhurst	827	1,046	£19,287,623	£23,322	£18,442
Bristol	426	597	£18,201,893	£42,727	£30,476
Brixton	606	800	£22,444,330	£37,037	£28,050
Bullingdon	759	959	£21,185,406	£27,912	£22,083
Cardiff	525	740	£17,412,062	£33,187	£23,546
Chelmsford	441	576	£15,940,967	£36,147	£27,659
Dorchester	147	244	£7,012,195	£47,675	£28,768
Durham	575	760	£21,662,775	£37,663	£28,504
Elmley	753	981	£17,883,348	£23,749	£18,230
Exeter	316	514	£13,164,886	£41,661	£25,621
Gloucester	228	284	£8,659,679	£38,037	£30,501
Holme House	857	965	£21,438,833	£25,016	£22,218
Hull	807	998	£21,818,681	£27,034	£21,872
Leeds	806	1,194	£26,253,953	£32,593	£21,982
Leicester	206	345	£10,870,596	£52,770	£31,509
Lewes	458	526	£11,763,213	£25,684	£22,349
Lincoln	449	467	£14,077,730	£31,354	£30,124
Liverpool	1,164	1,325	£29,301,497	£25,173	£22,119
Manchester	961	1,234	£33,171,343	£34,518	£26,885
Norwich	589	775	£16,889,989	£28,692	£21,791
Nottingham	430	503	£14,080,191	£32,764	£28,011
Pentonville	921	1,163	£26,484,764	£28,757	£22,778
Preston	418	591	£16,592,458	£39,695	£28,063
Shrewsbury	182	294	£8,530,284	£46,870	£28,998
Swansea	248	407	£10,571,328	£42,626	£25,990
Wandsworth	1,113	1,438	£31,224,244	£28,054	£21,711
Winchester	473	691	£17,029,755	£36,029	£24,657
Woodhill	677	764	£29,322,789	£43,313	£38,393
Wormwood Scrubs	1,170	1,238	£28,686,858	£24,512	£23,177
Totals:	19,775	25,208	£631,052,773	£31,912	£25,034

Male Open prisons (8)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Ford	541	511	£7,615,456	£14,077	£14,905
Hewell Grange	176	158	£4,355,238	£24,769	£27,536
Hollesley Bay	330	272	£7,854,351	£23,801	£28,929
Kirkham	589	490	£14,343,705	£24,346	£29,248
Leyhill	517	449	£11,638,297	£22,497	£25,935
North Sea Camp	306	275	£5,857,898	£19,143	£21,289
Standford Hill	464	447	£9,332,054	£20,112	£20,858
Sudbury	563	549	£9,368,934	£16,641	£17,076
Totals:	3,486	3,151	£70,365,933	£20,183	£22,331

Male Open YOI prisons (1)

Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Thorn Cross	317	240	£8,676,111	£27,413	£36,163
Totals:	317	240	£8,676,111	£27,413	£36,163

Semi Open prisons (7)

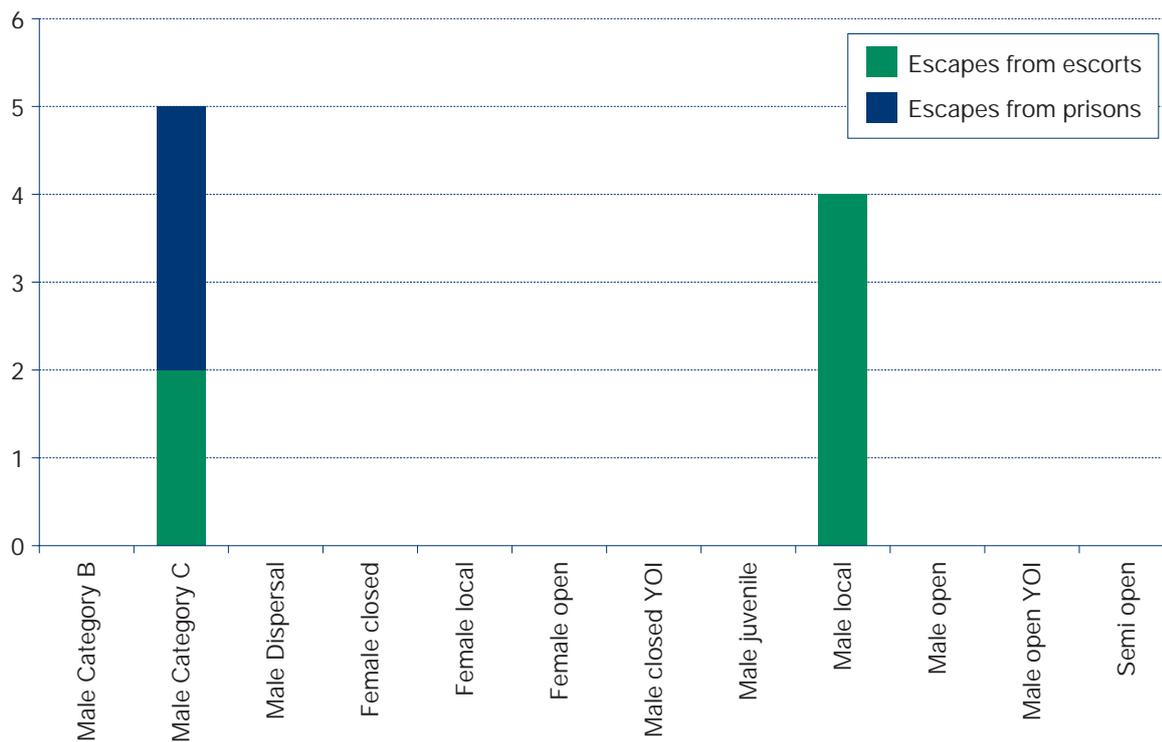
Establishment name	Certified normal accommodation	Average population	Direct resource expenditure	Cost per place	Cost per prisoner
Blantyre House	122	118	£2,842,381	£23,298	£24,105
Dover	314	284	£9,215,132	£29,316	£32,438
Drake Hall	315	277	£8,051,133	£25,559	£29,083
Haslar	160	133	£4,758,682	£29,742	£35,712
Kirklevington	223	221	£4,248,233	£19,050	£19,266
Latchmere House	207	194	£3,196,980	£15,444	£16,515
Morton Hall	392	289	£8,536,796	£21,796	£29,565
Totals:	1,733	1,515	£40,849,337	£23,571	£26,965

Key Performance Indicators by function

Escapes

Function name	Escapes from escorts	Escapes from prisons	Escapes total
Male Category B	0	0	0
Male Category C	2	3	5
Male Dispersal	0	0	0
Female closed	0	0	0
Female local	0	0	0
Female open	0	0	0
Male closed YOI	0	0	0
Male juvenile	0	0	0
Male local	4	0	4
Male open	0	0	0
Male open YOI	0	0	0
Semi open	0	0	0
Totals:	6	3	9

Total number of escapes by prison function



Mandatory Drug Testing (MDT)

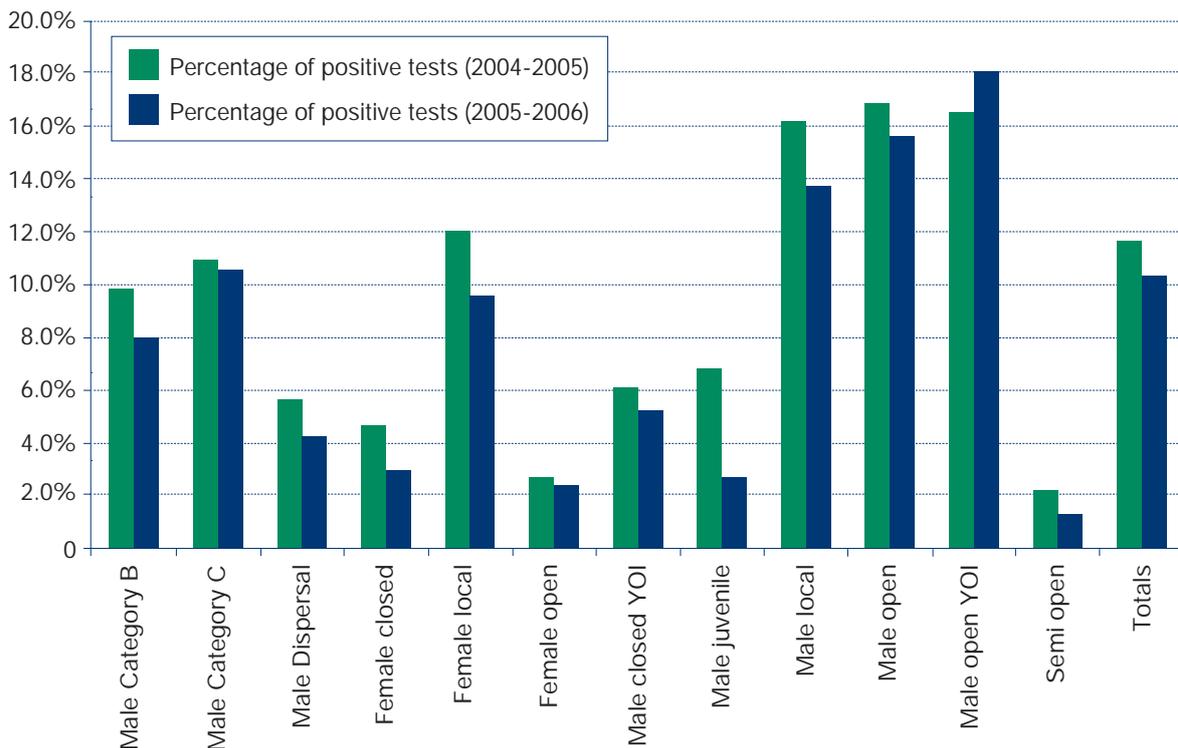
MDT figures 2005-2006

Function name	No. of mandatory drug tests	No. of positive results	Percentage of positive tests
Male Category B	3,124	251	8.0%
Male Category C	14,715	1,541	10.5%
Male Dispersal	1,735	73	4.2%
Female closed	1,175	34	2.9%
Female local	2,050	196	9.6%
Female open	252	6	2.4%
Male closed YOI	5,246	273	5.2%
Male juvenile	1,221	32	2.6%
Male local	17,112	2,346	13.7%
Male open	2,503	392	15.7%
Male open YOI	299	54	18.1%
Semi open	1,375	18	1.3%
Totals:	50,807	5,216	10.3%

MDT figures 2004-2005

Function name	No. of mandatory drug tests	No. of positive results	Percentage of positive tests
Male Category B	2,863	278	9.7%
Male Category C	14,530	1,584	10.9%
Male Dispersal	2,679	153	5.7%
Female closed	1,514	70	4.6%
Female local	1,955	234	12.0%
Female open	264	7	2.7%
Male closed YOI	5,426	327	6.0%
Male juvenile	1,184	80	6.8%
Male local	16,985	2,742	16.1%
Male open	2,343	394	16.8%
Male open YOI	327	54	16.5%
Semi open	1,414	30	2.1%
Totals:	51,484	5,953	11.6%

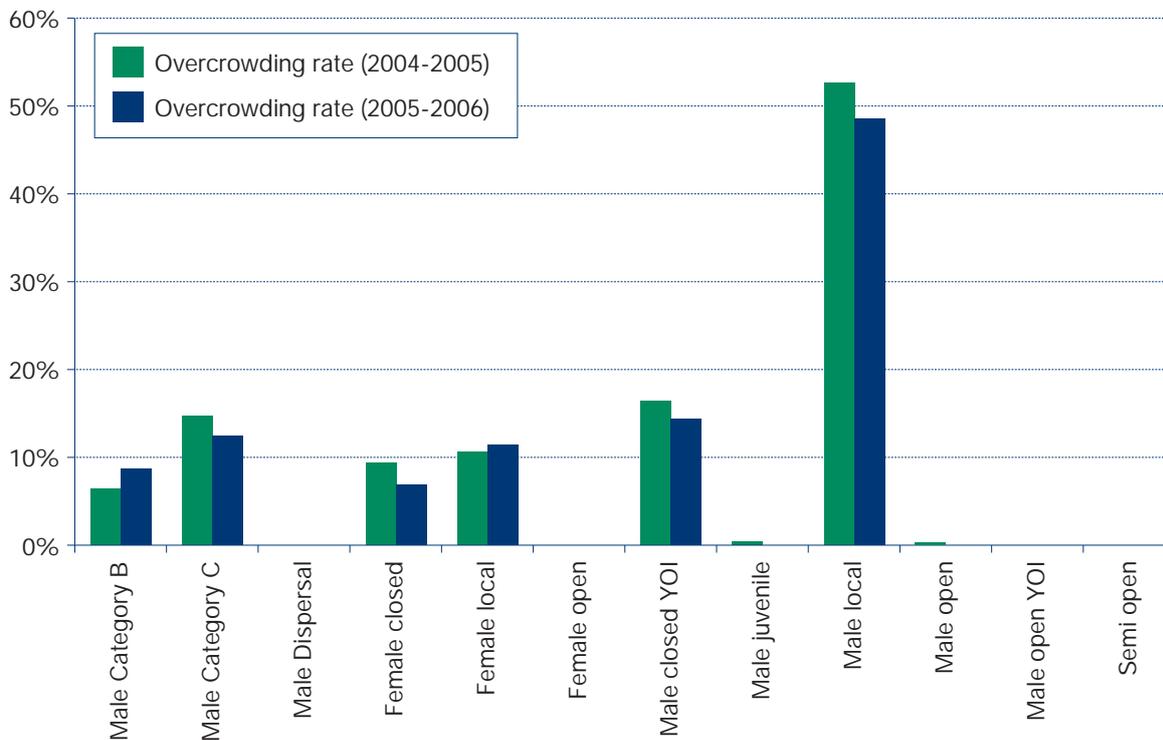
Rate of positive mandatory drug testing compared with last year by prison function



Overcrowding

Function name	Overcrowding target	Overcrowding rate (current year)
Male Category B	9.1%	8.7%
Male Category C	14.1%	12.4%
Male Dispersal	0.0%	0.0%
Female closed	10.1%	6.9%
Female local	12.9%	11.5%
Female open	0.0%	0.0%
Male closed YOI	15.4%	14.4%
Male juvenile	0.0%	0.0%
Male local	49.0%	48.1%
Male open	0.1%	0.0%
Male open YOI	0.0%	0.0%
Semi open	0.0%	0.0%
Totals	24.0%	23.7%

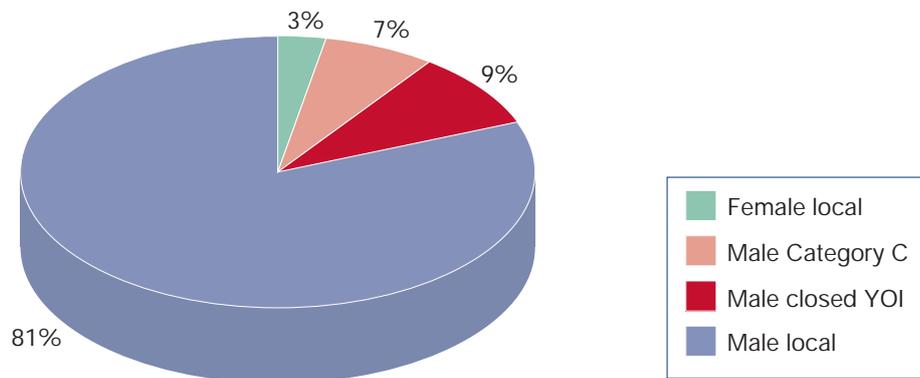
Percentage of overcrowding compared with last year by prison function



Self-inflicted deaths

Function name	Self inflicted deaths
Male Category B	0
Male Category C	5
Male Dispersal	0
Female closed	0
Female local	2
Female open	0
Male closed YOI	6
Male juvenile	0
Male local	55
Male open	0
Male open YOI	0
Semi open	0
Totals:	68

Percentage breakdown of self-inflicted deaths by prison function



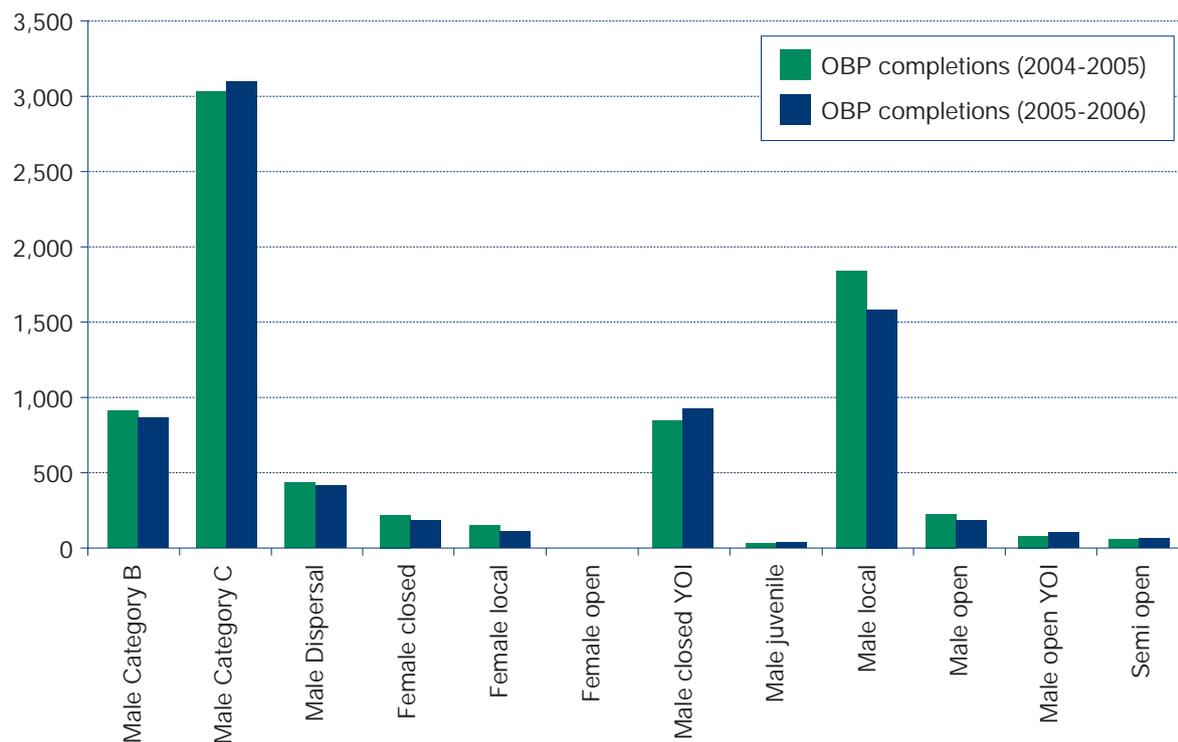
Offending Behaviour Programmes (OBP)

Function name	Annual target	OBP completions*	Percentage of target
Male Category B	743	809	109%
Male Category C	2,811	3,098	110%
Male Dispersal	464	417	90%
Female closed	152	162	106%
Female local	107	122	114%
Female open	0	0	-
Male closed YOI	867	861	99%
Male juvenile	36	45	125%
Male local	1,434	1,570	109%
Male open	153	166	108%
Male open YOI	90	113	126%
Semi open	70	83	119%
Totals:	6,927**	7,445	107%

* OBPs include Sex Offender Treatment Programmes (SOTPs).

** Prison Service annual target was 6,590.

Number of offending behaviour programme completions compared with last year by prison function

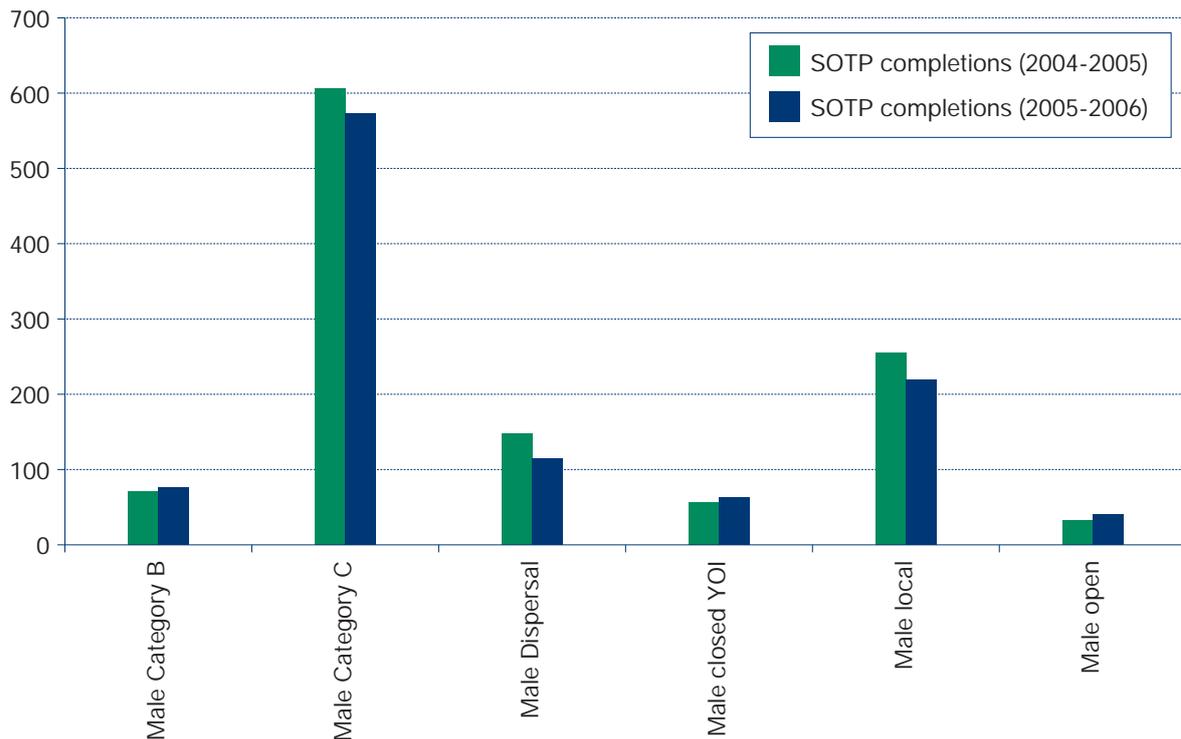


Sex Offender Treatment Programmes (SOTP)

Function name	Annual target	SOTP completions	Percentage of target
Male Category B	64	68	106%
Male Category C	584	592	101%
Male Dispersal	169	115	68%
Female closed	0	0	-
Female local	0	0	-
Female open	0	0	-
Male closed YOI	59	65	110%
Male juvenile	0	0	-
Male local	214	218	102%
Male open	40	48	120%
Male open YOI	0	0	-
Semi open	0	0	-
Totals:	1,130*	1,106	98%

* Prison Service annual target was 1,160.

Number of sex offender treatment programme completions compared with last year by prison function



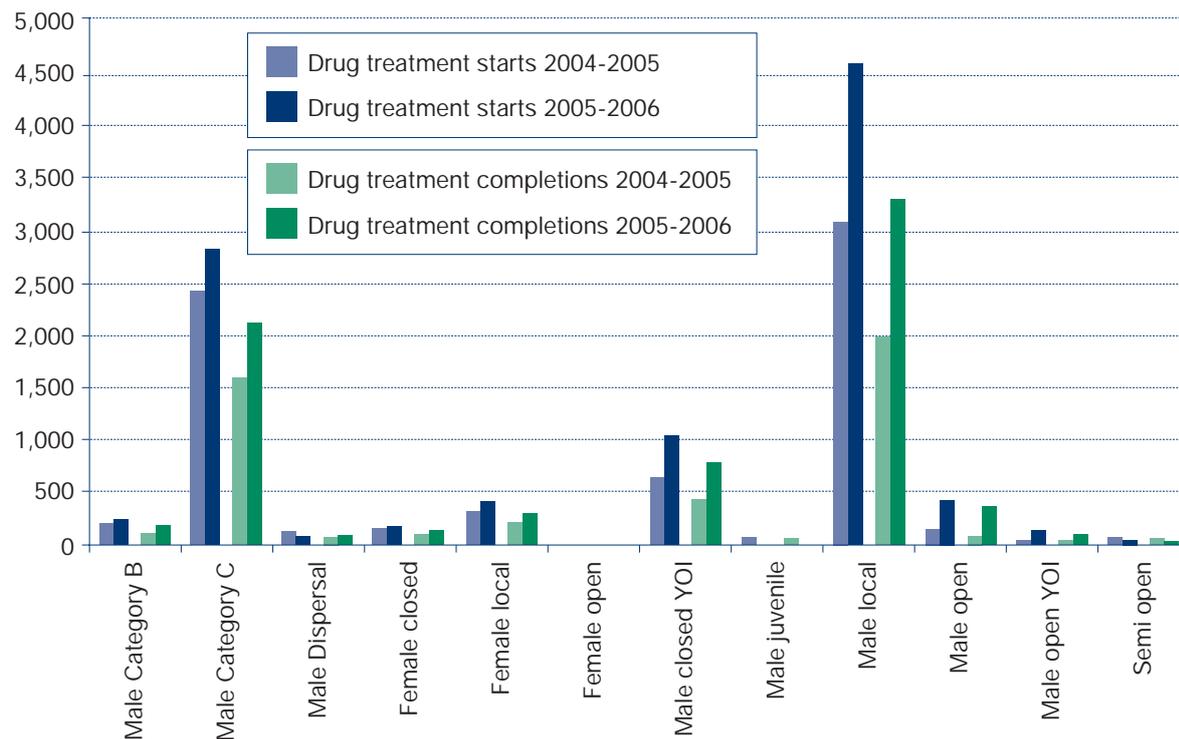
Note: function groups not shown here had 0 SOTPs.

Drug treatment programmes

Function name	Drug treatment starts target	Drug treatment starts	Drug treatment completions target	Drug treatment completions
Male Category B	284	242	180	172
Male Category C	2,808	2,813	1,803	2,112
Male Dispersal	90	80	70	67
Female closed	140	153	88	123
Female local	380	391	247	277
Female open	0	0	0	0
Male closed YOI	1,070	1,009	696	772
Male juvenile	0	0	0	0
Male local	4,659	4,572	3,009	3,286
Male open	506	429	329	363
Male open YOI	100	99	65	89
Semi open	40	33	24	19
Totals:	10,077*	9,821	6,511*	7,280

* Prison Service annual target was 8,075 starts and 5,250 completions.

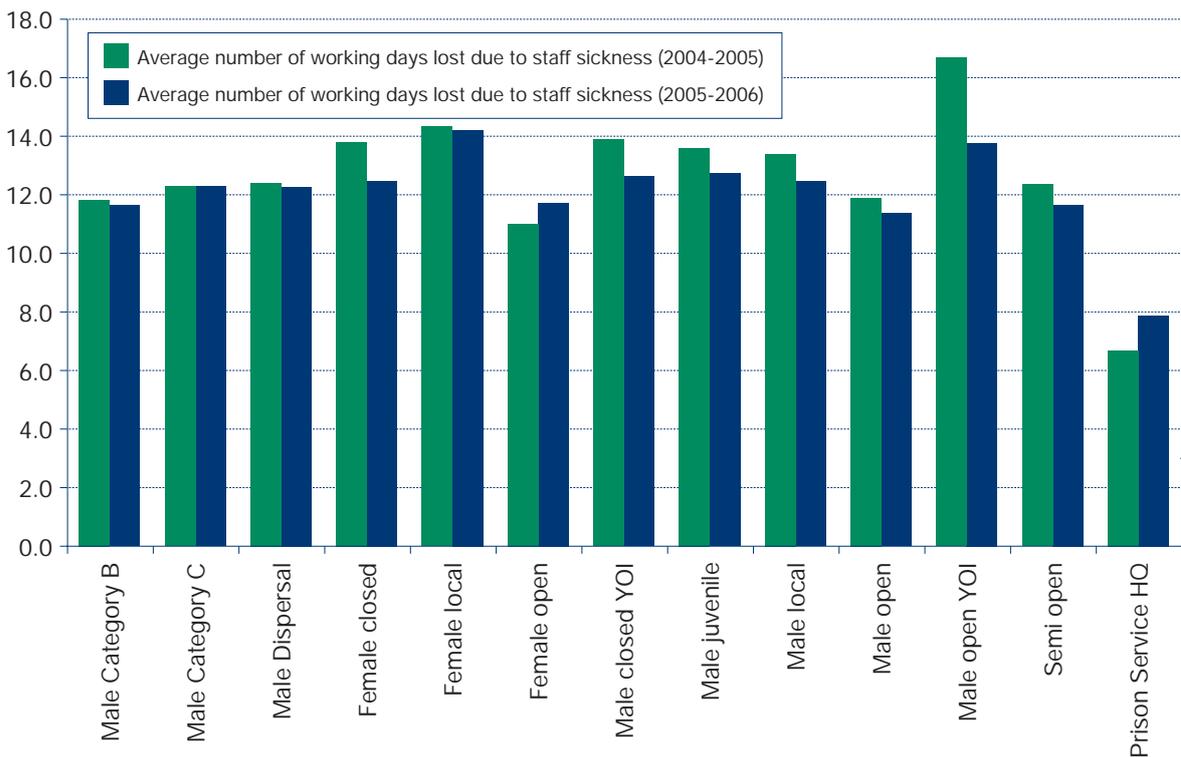
Drug treatment starts and completions compared with last year by prison function



Staff sickness

Function name	Total sick days (annual)	No. of staff in post (monthly average)	Average number of working days lost due to staff sickness
Male Category B	31,786	2,807	11.3
Male Category C	146,370	11,845	12.4
Male Dispersal	46,155	3,758	12.3
Female closed	12,047	967	12.5
Female local	29,660	2,062	14.4
Female open	1,846	157	11.7
Male closed YOI	70,499	5,513	12.8
Male juvenile	13,746	1,061	13.0
Male local	188,946	15,422	12.3
Male open	17,112	1,528	11.2
Male open YOI	3,039	222	13.7
Semi open	12,132	1,046	11.6
Prison Service HQ	15,871	2,030	7.8
Totals:	589,211	48,419	12.2

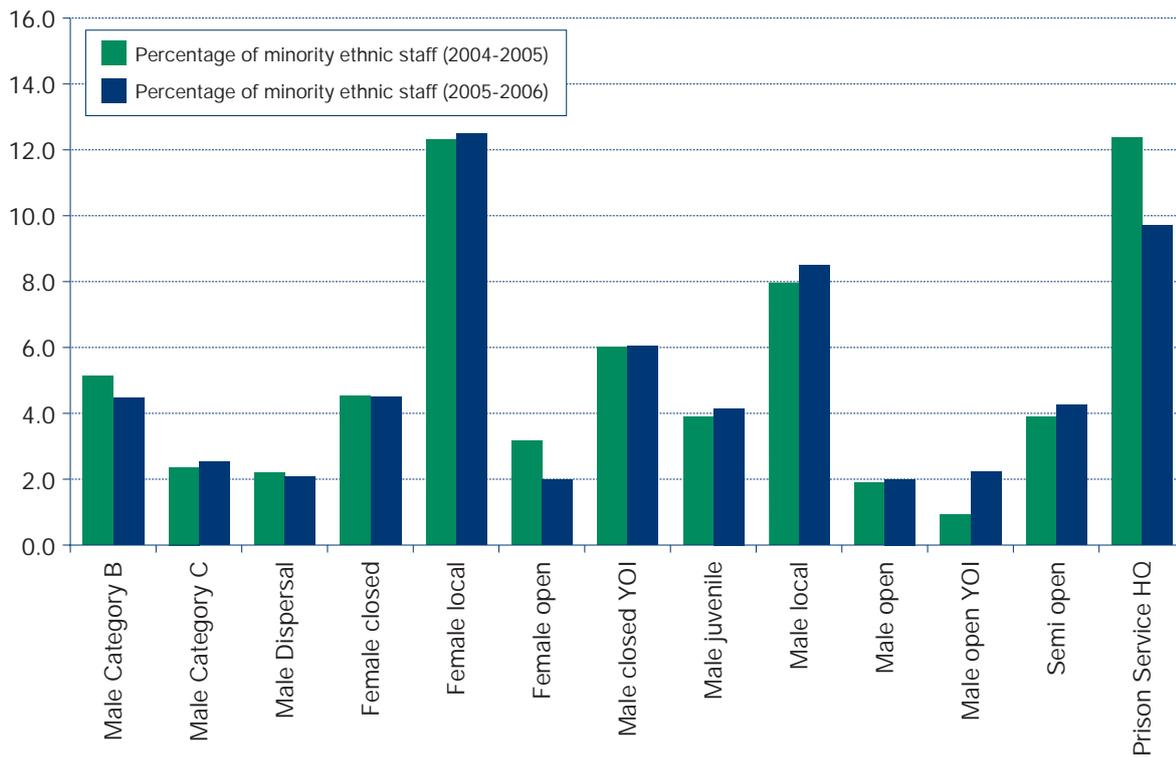
Average number of working days lost due to staff sickness compared with last year by prison function



Minority ethnic staffing

Function name	Annual target	No. of minority ethnic staff (end of Mar 06)	No. of staff in post (end of Mar 06)	Percentage of minority ethnic staff (end of Mar 06)
Male Category B	4.4%	126	2,893	4.4%
Male Category C	2.6%	309	11,989	2.6%
Male Dispersal	2.1%	78	3,789	2.1%
Female closed	5.0%	45	969	4.6%
Female local	12.4%	262	2,093	12.5%
Female open	3.6%	3	151	2.0%
Male closed YOI	6.1%	332	5,516	6.0%
Male juvenile	4.0%	47	1,089	4.3%
Male local	8.6%	1,308	15,459	8.5%
Male open	2.0%	31	1,526	2.0%
Male open YOI	0.9%	5	222	2.3%
Semi open	2.9%	46	1,053	4.4%
Prison Service HQ	N/A	207	2,125	9.7%
Totals:	6.0%	2,799	48,874	5.7%

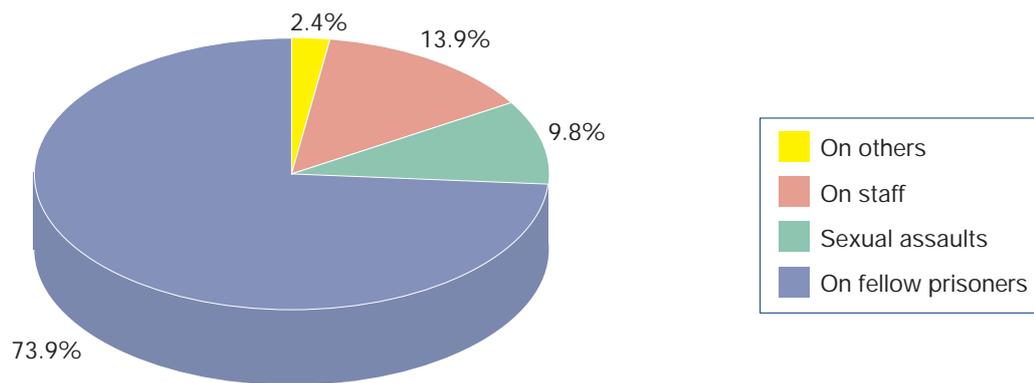
Percentage of minority ethnic staff compared with last year by prison function



Serious assault rate

Function name	Serious assaults					Total	Total assaults rate target	Total assaults rate
	On fellow prisoners	On others	On staff	Sexual assaults				
Male Category B	36	1	3	4	44	1.57%	1.01%	
Male Category C	237	7	20	28	292	1.44%	1.39%	
Male Dispersal	25	5	9	5	44	1.35%	1.60%	
Female closed	5	0	3	0	8	1.33%	0.78%	
Female local	15	0	11	4	30	2.33%	1.63%	
Female open	0	0	0	0	0	0.47%	0.00%	
Male closed YOI	175	2	39	8	224	3.06%	3.49%	
Male juvenile	30	2	9	1	42	3.54%	4.12%	
Male local	291	9	60	57	417	1.94%	1.65%	
Male open	9	0	0	2	11	1.06%	0.35%	
Male open YOI	2	1	0	0	3	3.79%	1.25%	
Semi open	2	0	1	1	4	0.39%	0.26%	
Totals	827	27	155	110	1,119	1.47%	1.67%	

Percentage breakdown of total serious assaults by assault type

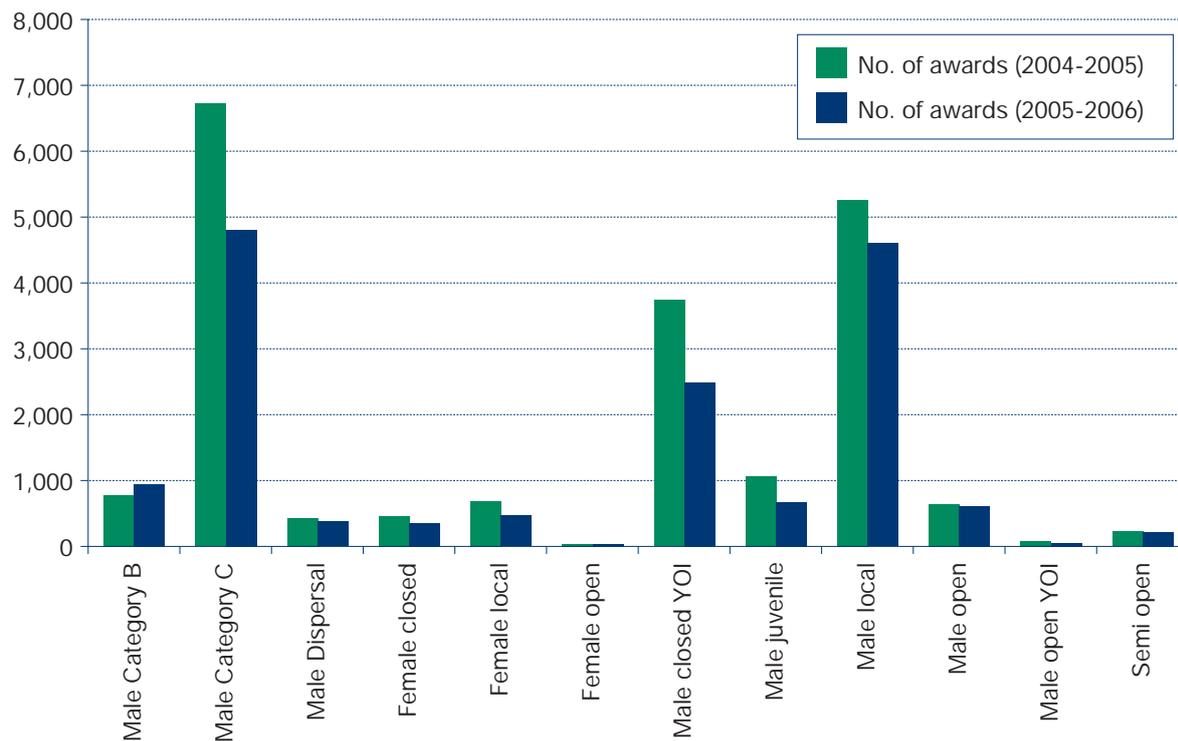


Basic skills awards: Entry level basic skills

Function name	Annual target	No. of awards	Percentage of target
Male Category B	629	910	145%
Male Category C	3,777	4,758	126%
Male Dispersal	370	378	102%
Female closed	354	354	100%
Female local	389	549	141%
Female open	40	43	108%
Male closed YOI	2,322	2,499	108%
Male juvenile	995	677	68%
Male local	3,730	4,717	126%
Male open	483	606	125%
Male open YOI	30	17	57%
Semi open	182	300	165%
Totals:	13,300*	15,808	119%

* Prison Service annual target was 13,250.

Entry level - number of basic skills awards compared with last year by prison function



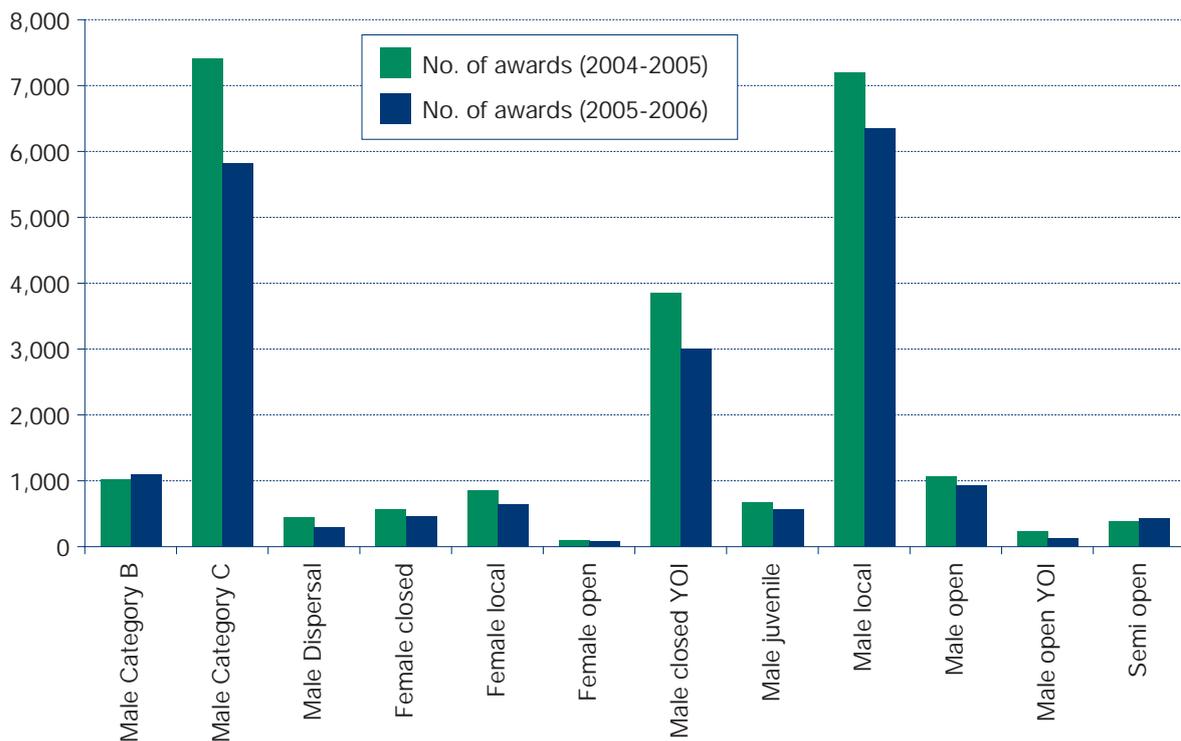
Note: Control of education in 3 areas was transferred to the Learning & Skills Council (LSC) in August 2005.

Basic skills awards: Level 1 basic skills

Function name	Annual target	No. of awards	Percentage of target
Male Category B	946	1,072	113%
Male Category C	5,168	5,916	114%
Male Dispersal	461	382	83%
Female closed	465	508	109%
Female local	545	650	119%
Female open	98	70	71%
Male closed YOI	2,864	3,007	105%
Male juvenile	657	643	98%
Male local	5,694	6,403	112%
Male open	737	944	128%
Male open YOI	77	57	74%
Semi open	299	438	146%
Totals:	18,012*	20,090	112%

* Prison Service annual target was 18,020.

Level 1 - number of basic skills awards compared with last year by prison function



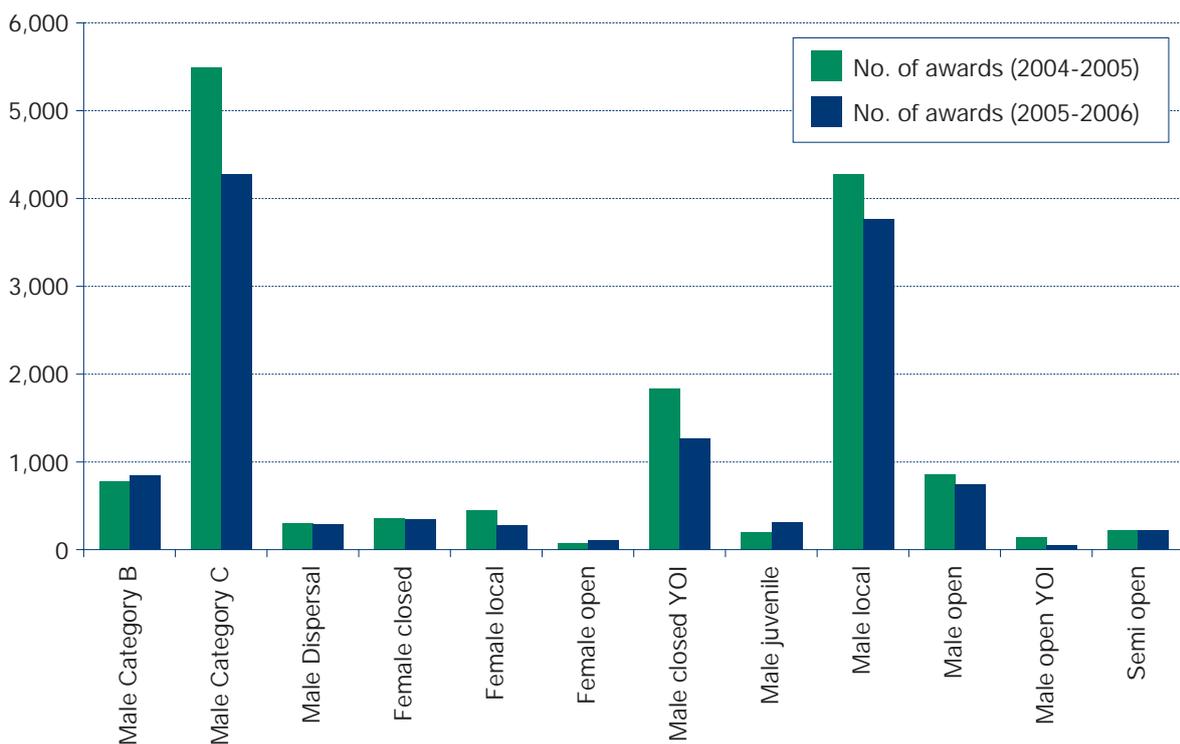
Note: Control of education in 3 areas was transferred to the Learning & Skills Council (LSC) in August 2005.

Basic skills awards: Level 2 basic skills

Function name	Annual target	No. of awards	Percentage of target
Male Category B	731	837	115%
Male Category C	3,964	4,302	109%
Male Dispersal	243	224	92%
Female closed	300	319	106%
Female local	237	241	102%
Female open	91	125	137%
Male closed YOI	1,323	1,225	93%
Male juvenile	243	324	133%
Male local	3,305	3,792	115%
Male open	601	720	120%
Male open YOI	46	45	98%
Semi open	199	227	114%
Totals:	11,282*	12,381	110%

* Prison Service annual target was 11,250.

Level 2 – number of basic skills awards compared with last year by prison function



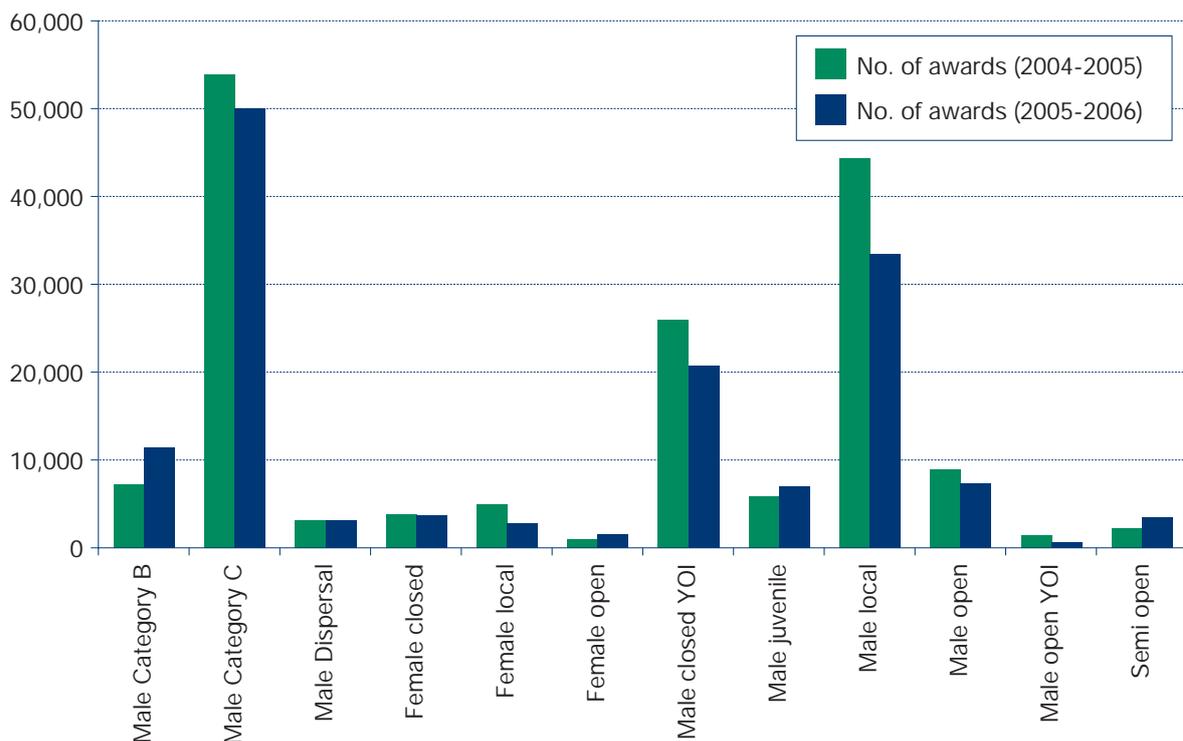
Note: Control of education in 3 areas was transferred to the Learning & Skills Council (LSC) in August 2005.

Basic skills awards: Work skills

Function name	Annual target	No. of awards	Percentage of target
Male Category B	4,822	12,250	254%
Male Category C	31,030	50,076	161%
Male Dispersal	2,423	3,243	134%
Female closed	2,065	3,753	182%
Female local	2,294	2,823	123%
Female open	869	1,297	149%
Male closed YOI	13,047	20,562	158%
Male juvenile	3,988	6,816	171%
Male local	22,645	34,067	150%
Male open	4,563	7,083	155%
Male open YOI	315	504	160%
Semi open	1,491	3,579	240%
Totals:	89,551*	146,053	163%

* Prison Service annual target was 90,000.

Work skills – number of awards compared with last year by prison function



Note: Control of education in 3 areas was transferred to the Learning & Skills Council (LSC) in August 2005.

Resettlement (education, training or employment outcomes)*

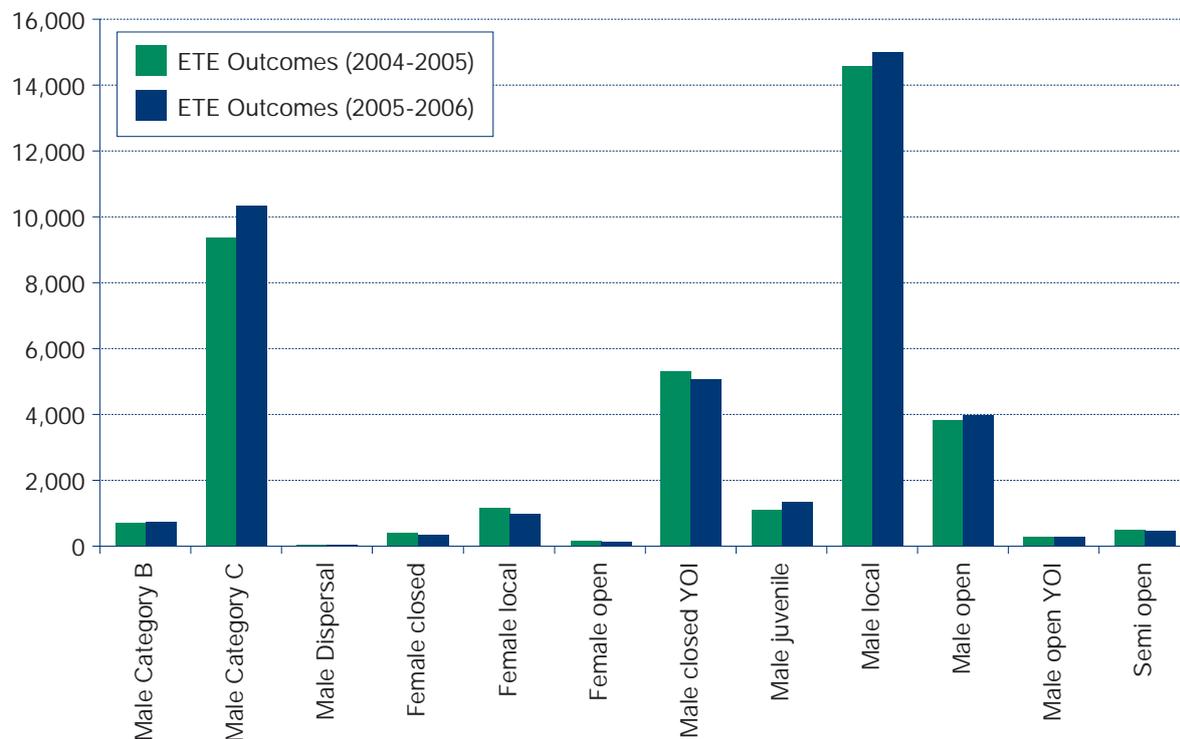
Function name	Annual target	ETE Outcomes	Percentage of target
Male Category B	682	761	112%
Male Category C	9,018	10,327	115%
Male Dispersal	46	40	86%
Female closed	366	414	113%
Female local	912	982	108%
Female open	115	107	93%
Male closed YOI	3,951	4,969	126%
Male juvenile	1,015	1,487	146%
Male local	13,883	15,039	108%
Male open	3,940	3,962	101%
Male open YOI	300	366	122%
Semi open	515	546	106%
Totals:	34,743**	38,996#	112%

* ETE outcomes include FRESHSTART job outcomes.

** Prison Service annual target was 34,890.

Includes an element of rounding

Number of prisoners with education, training or employment places upon release compared with last year by prison function

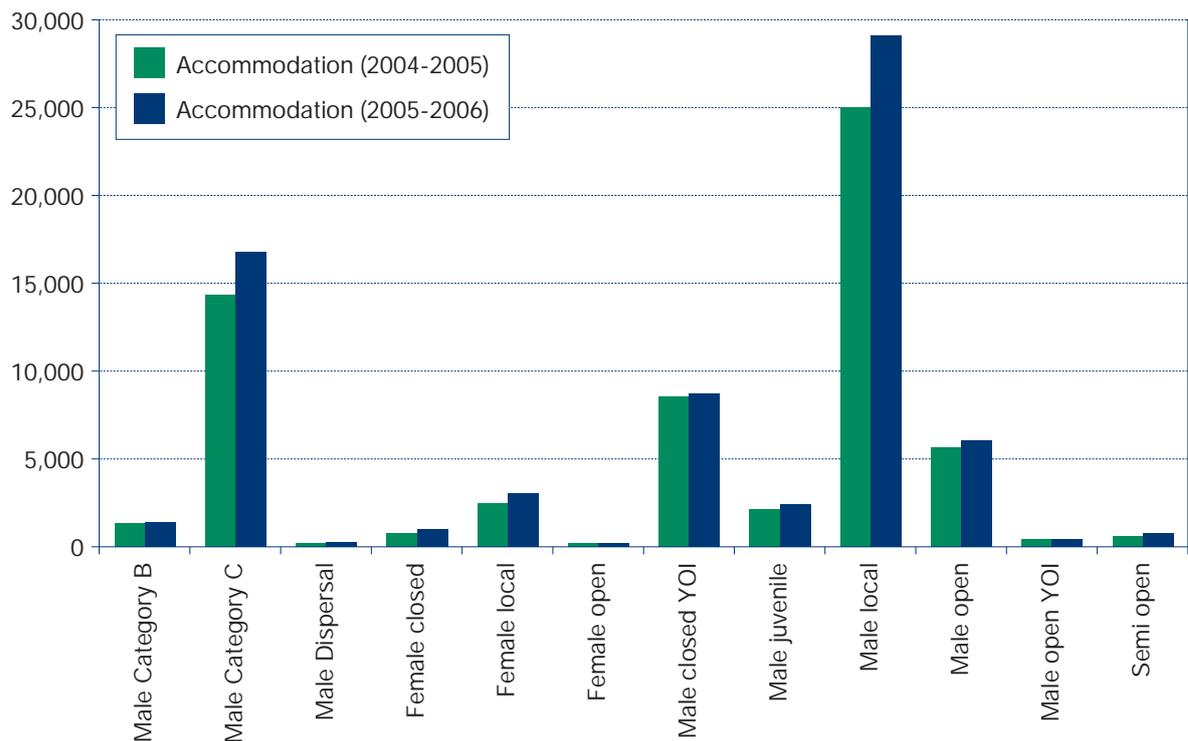


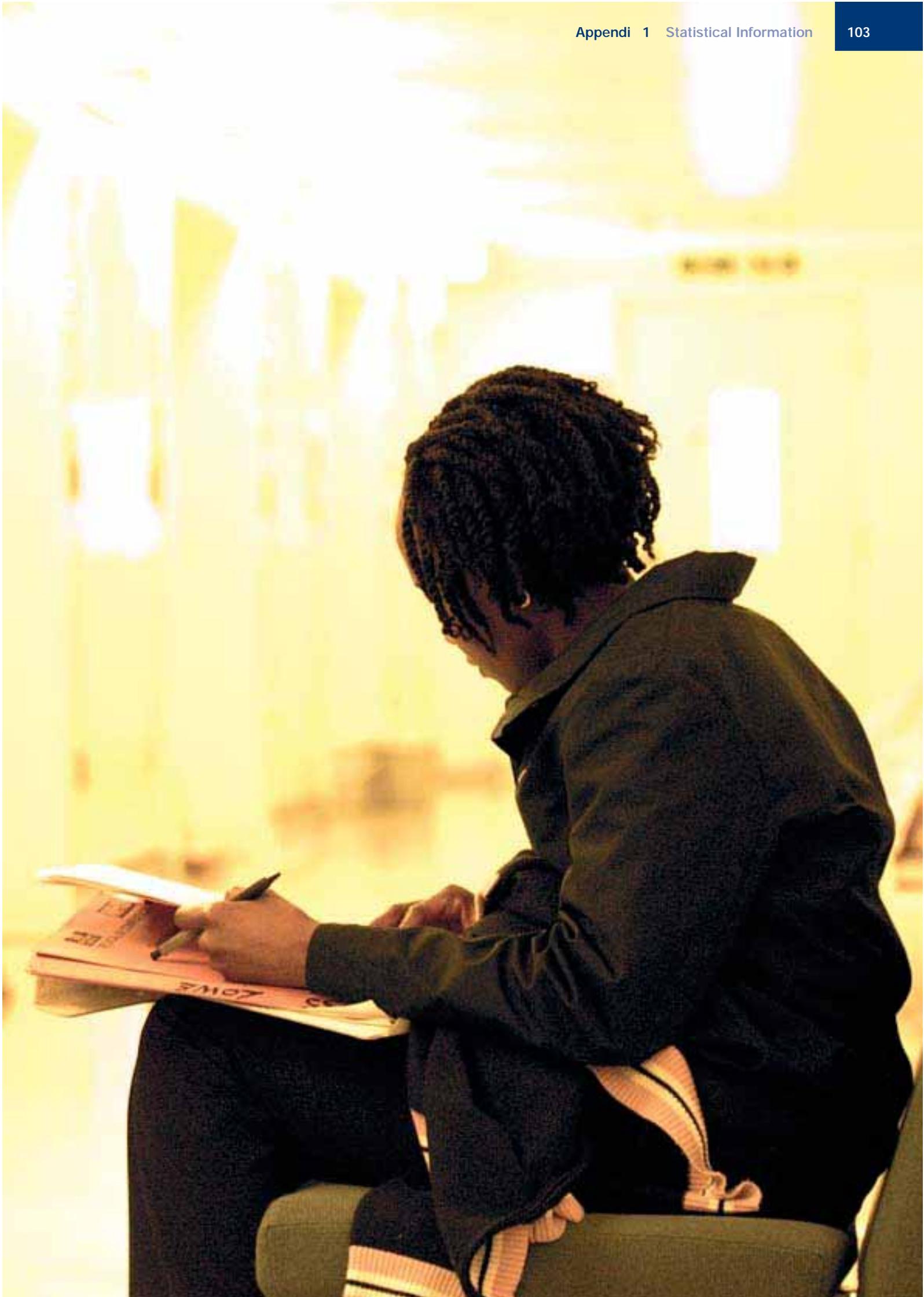
Accommodation

Function name	Annual target	Accommodation Outcomes	Percentage of target
Male Category B	1,252	1,414	113%
Male Category C	13,780	16,818	122%
Male Dispersal	115	119	103%
Female closed	897	1,002	112%
Female local	2,533	3,262	129%
Female open	207	195	94%
Male closed YOI	6,729	8,299	123%
Male juvenile	1,597	2,157	135%
Male local	25,453	28,831	113%
Male open	5,740	6,295	110%
Male open YOI	420	422	100%
Semi open	767	892	116%
Totals:	59,490**	69,706	117%

**Prison Service annual target was 59,467.

Number of prisoners with an accommodation place upon release compared with last year by prison function





Appendix 2

Recruitment

Recruitment into the Prison Service is carried out on the basis of open and fair competition with selection on merit in accordance with the Civil Service Commissioner's Recruitment Code.

A programme of internal recruitment audits is undertaken each year.

A statistical analysis of recruitment activity is provided below.



Use of permitted exceptions to open and fair competition

Extensions up to a maximum of 24 months of appointments originally made for a period of less than 12 months

1 Extension of an Executive Officer's appointment was made under this exception owing to the unforeseen extension of a key project on which the individual was working.

Recurrent short-term appointments

3 Recurrent short-term appointments at Operational Support grade were made because of projects running beyond schedule.

Re-appointments of former civil servants

22 Re-appointments were made for management/operational reasons in the following grades:

Operational Support Grade = 7

Prison Officer = 10

Manager = 1

Nurse = 3

Typist = 1

Appointments of disabled candidates under modified selection arrangements

33 appointments were made. These were as follows:

Administrative Assistant = 2

Administrative Officer = 5

Industrial = 4

Support Band Grade = 1

Operational Support Grade = 9

Psychological Assistant = 2

Trainee Psychologist = 1

Prison Officer = 9



Staff recruited between 1/4/2005 and 31/3/2006

Source: Personnel Database. Basis: Actual headcount (part-timers count as one)

Grade	Gender		Ethnicity			Disability			Total
	Male	Female	White	BME	No Data	Non Disabled	Disabled	Not Stated	
Principal Officer	2	1	3			1		2	3
Senior Officer	4	1	4		1	2		3	5
Officers	864	395	1050	104	105	570	4	685	1259
Senior Managers	10	9	11	1	7	4		15	19
Managers	67	85	117	12	23	51		101	152
Administrative	262	1009	1095	78	98	642	21	608	1271
Chaplains	24	9	15	9	9	12		21	33
Nursing Grades	52	200	189	50	13	131	1	120	252
OSG	1112	615	1502	117	108	1003	29	695	1727
Pharmacist	8	13	14	5	2	12		9	21
Psychological Assistant	34	206	198	21	21	111	3	126	240
Trainee Psychologist	3	17	17		3	14		6	20
Industrial	350	43	347	20	26	213	5	175	393
Instructional Officer	114	58	163	5	4	100	1	71	172
Catering Manager	4	1	4	1		3		2	5
Support Band Grades	14	65	71	5	3	44	3	32	79
Prof & Tech Officer	2	5	6	1		7			7
Storeperson / Officer	2		2			2			2
Grand Total	2928	2732	4808	429	423	2922	67	2671	5660

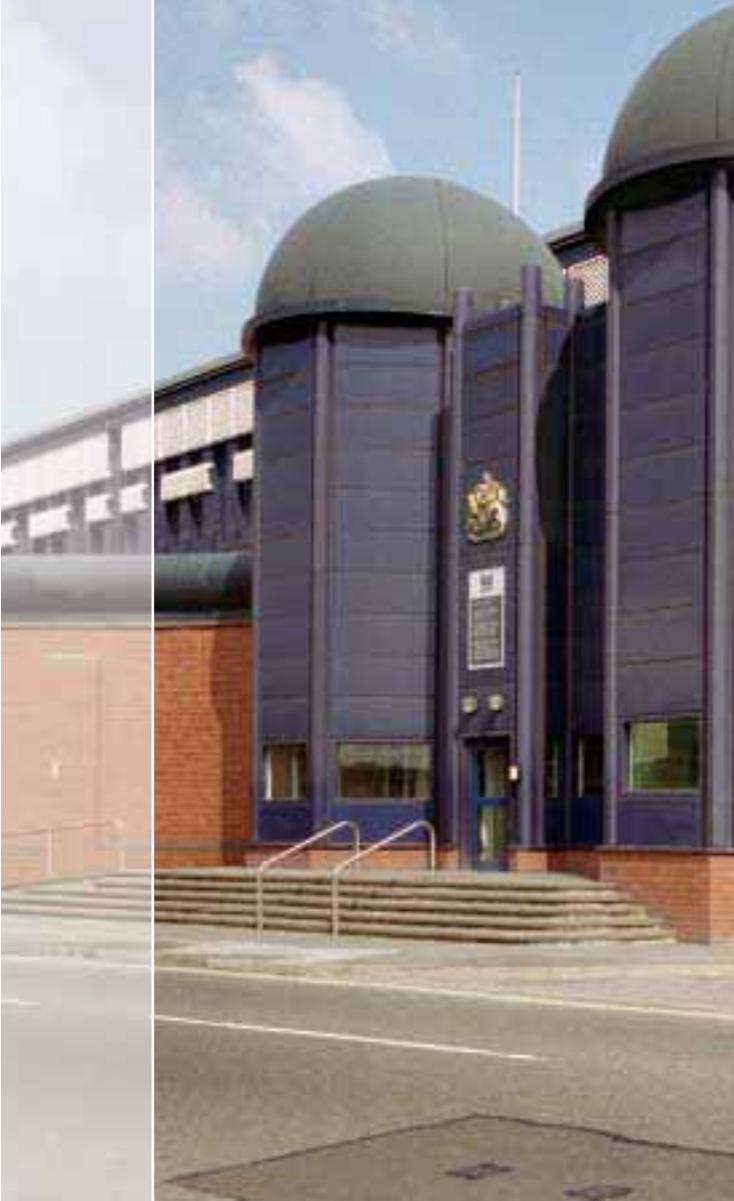


Appendix 3

Appendix 4

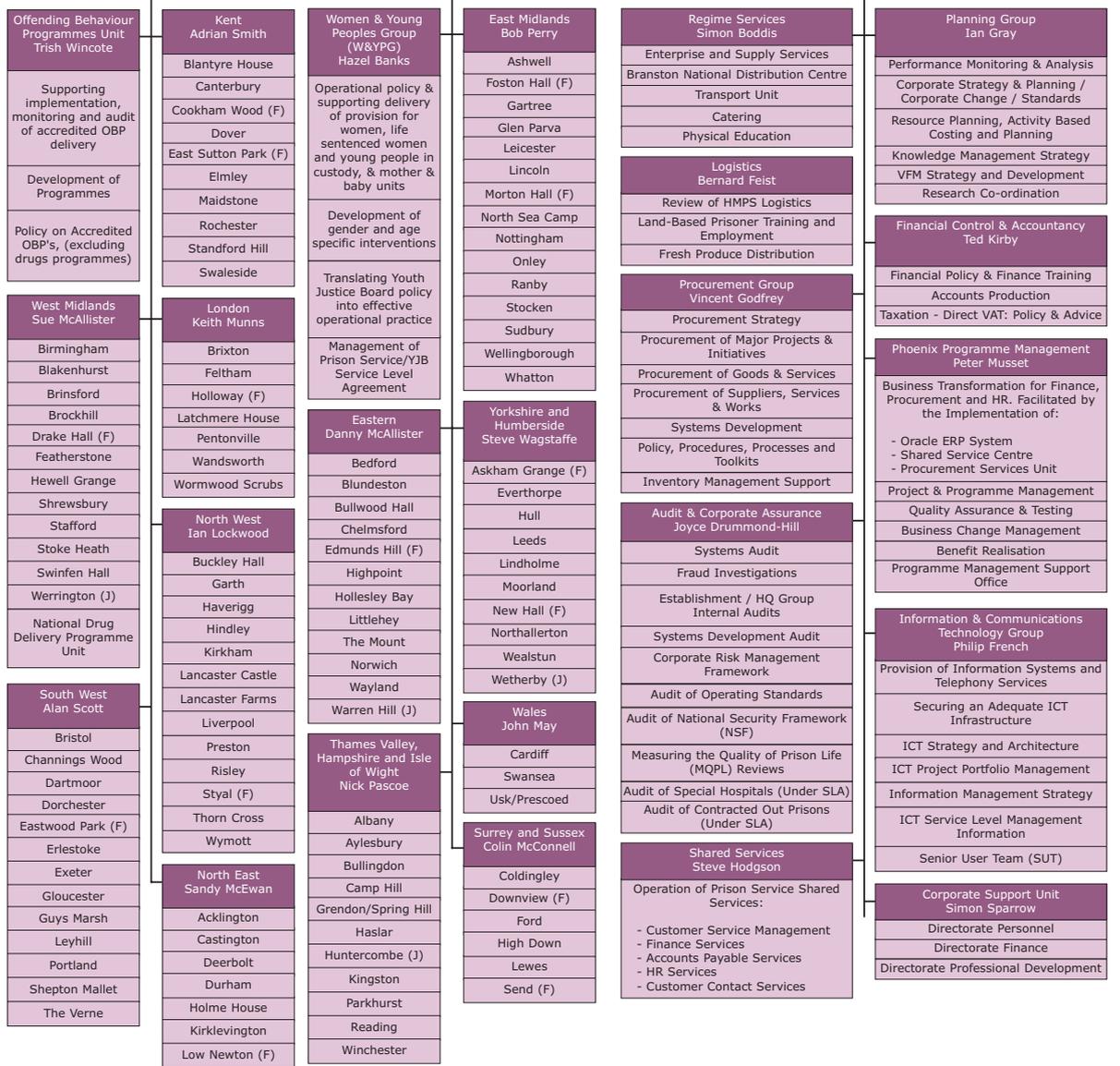
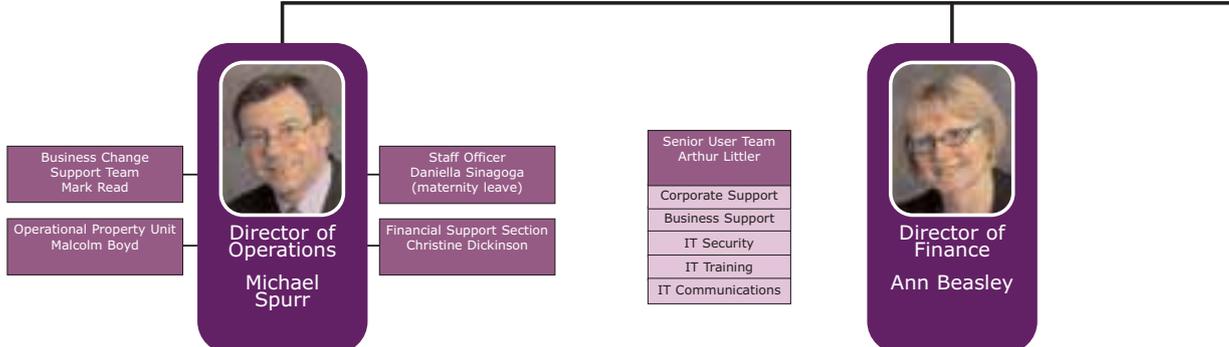
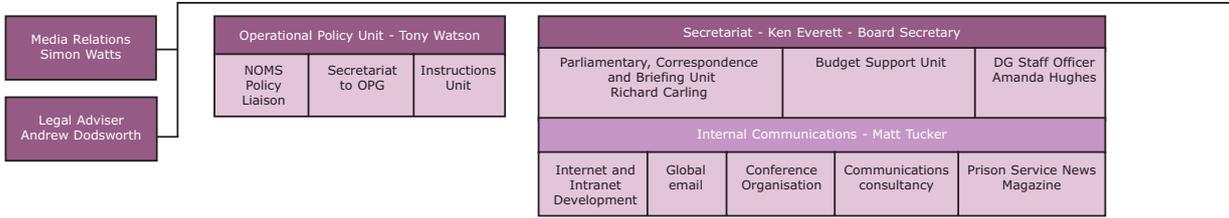
**The Organisation
of HM Prison Service**

**The Management
of HM Prison Service**





2006 The Organisation of HM Prison



The Management of HM Prison Service 2006

1

North East Sandy McEwan

Acklington
Castington (YOI/J)
Deerbolt (YOI)
Durham
Holme House
Kirklevington
Low Newton (F/YOI)

2

North West Ian Lockwood

Buckley Hall
Garth
Haverigg
Hindley (YOI/J)
Kirkham
Lancaster Castle
Lancaster Farms
(YOI/J)
Liverpool
Preston
Risley
Styal (F/YOI)
Thorn Cross (YOI/J)
Wymott

3

Yorkshire & Humberside Steve Wagstaffe

Askham Grange (F)
Everthorpe
Hull
Leeds
Lindholme (IRC)
Moorland
New Hall (F/J/YOI)
Northallerton (YOI)
Wealstun
Wetherby (J)

4

Wales John May

Cardiff (YOI)
Swansea (YOI)
Usk/Prescoed (YOI)

5

West Midlands Sue McAllister

Birmingham
Blakenhurst
Brinsford (YOI/J)
Brockhill (YOI)
Drake Hall (F/YOI)
Featherstone
Hewell Grange
Shrewsbury
Stafford
Stoke Heath (YOI/J)
Swinfen Hall (YOI)
Werrington (J)

6

East Midlands Bob Perry

Ashwell
Foston Hall (F)
Gartree
Glen Parva (YOI)
Leicester
Lincoln
Morton Hall (F)
North Sea Camp
Nottingham
Onley (YOI)
Ranby
Stocken
Sundbury
Wellingborough
Whatton

7

Eastern Danny McAllister

Bedford
Blundeston
Bullwood Hall
Chelmsford (YOI)
Edmunds Hill
Highpoint
Hollisley Bay
Littlehey
The Mount
Norwich (YOI)
Warren Hill (J)
Wayland

8

South West Alan Scott

Bristol
Channings Wood
Dartmoor
Dorchester (YOI)
Eastwood Park
(F/YOI/J)
Erlestone
Exeter (YOI)
Gloucester (YOI)
Guys Marsh (YOI)
Leyhill
Portland (YOI)
Shepton Mallet
The Verne

9

Thames Valle , Hampshire & Isle of Wight Nick Pascoe

Albany
Aylesbury (YOI)
Bullington
Camp Hill
Grendon/Spring Hill
Haslar (IRC)
Huntercombe (J)
Kingston
Parkhurst
Reading (YOI)
Winchester

10

London Keith Munns

Brixton
Feltham (YOI/J)
Holloway (F)
Latchmere House
Pentonville
Wandsworth
Wormwood Scrubs

11

Surre & Sussex Colin McConnell

Coldingley
Downview (F/J)
Ford
High Down
Lewes (YOI)
Send (F)

12

Kent Adrian Smith

Blantyre House
Canterbury
Cookham Wood
(F/J/YOI)
Dover (IRC)
East Sutton Park
(F/YOI)
Elmley (YOI)
Maidstone
Rochester (YOI)
Standford Hill
Swaleside

High Securit Prison Peter Atherton

Belmarsh (10)
Frankland (1)
Full Sutton (3)
Long Lartin (5)
Manchester (2)
Wakefield (3)
Whitemoor (7)
Woodhill (9)

Contracted Prisons

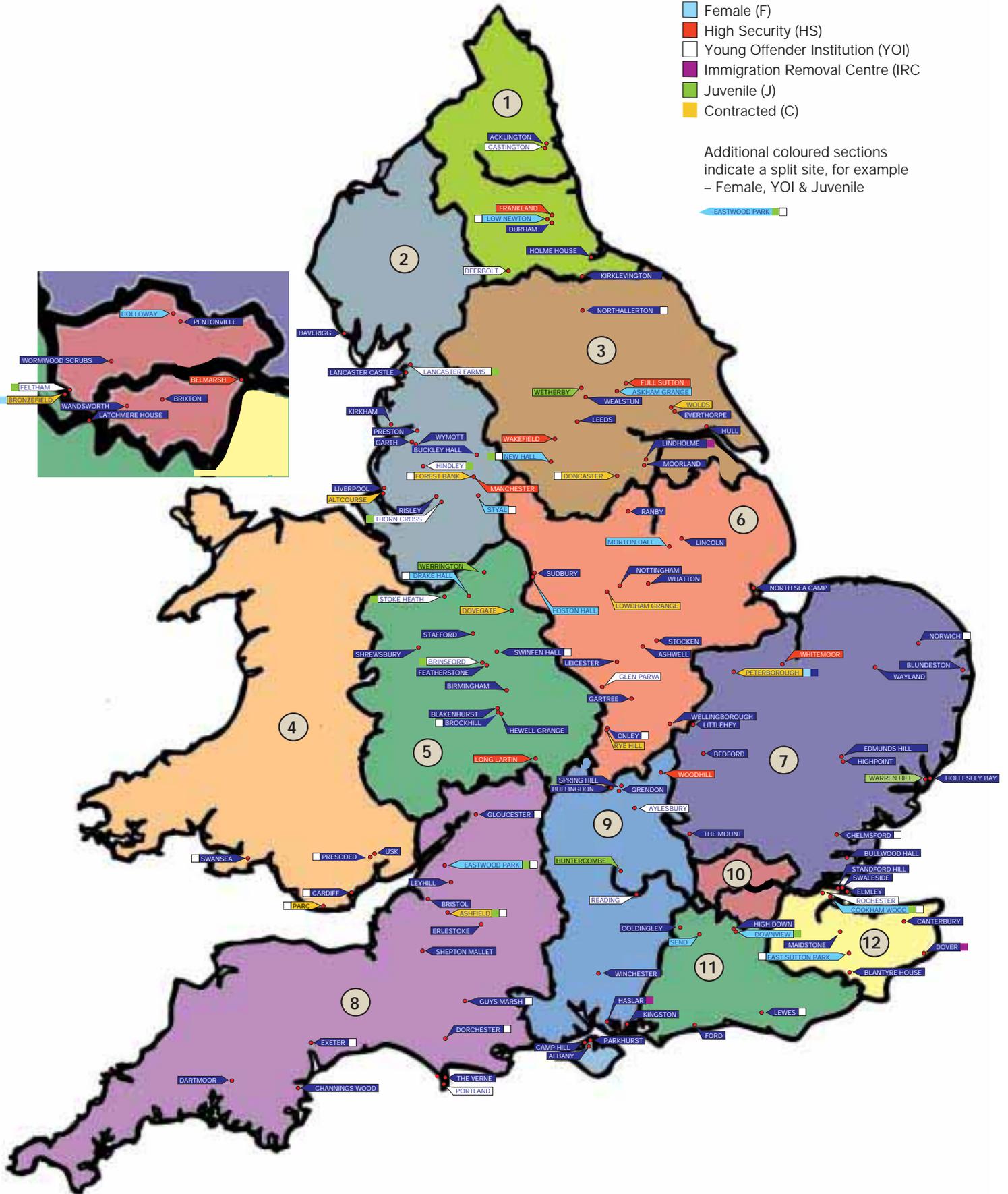
Altcourse (2)
Ashfield (8)
Bronzefield (10)
Doncaster (3)
Dovegate (5)
Forest Bank (2)
Lowdham Grange (6)
Parc (4)
Peterborough (7)
Rye Hill (6)
Wolds (3)

KEY

- Male (M)
- Female (F)
- High Security (HS)
- Young Offender Institution (YOI)
- Immigration Removal Centre (IRC)
- Juvenile (J)
- Contracted (C)

Additional coloured sections indicate a split site, for example
 – Female, YOI & Juvenile

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Appendix 5

Publications Relating to Prison Service Matters 2005-2006



Stationery Office publications

Prison Service Pa Review Body Report on England and Wales 2006

Published 31st March 2006 ISBN: 010167452X £3.00

Agreement between the government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Nicaragua on the transfer of prisoners: Managua, 6 September 2005

Published 10th March 2006 ISBN: 010676123 £4.00

Serving time: prisoner diet and exercise HM Prison Service

Published 9th March 2006 ISBN: 0102937192 £10.75

Annual report of HM Chief Inspector of Prisons for England and Wales 2004-2005

Published 3rd March 2006 ISBN: 0102937133 £19.50

Prison suicides and overcrowding: oral and written evidence, Tuesday 8 November 2005 Ms Frances Cook, Ms Pauline Campbell, Ms Deborah Coles, Ms Juliet Lyon and Mr Geoffrey Dobson; Rt Hon Baroness Scotland of Asthal QC, Ms Christine Knott, Mr Phil Wheatle and Mr John Bingham

Published 22nd February 2006 ISBN: 0215027604 £9.50

A Five-Year Strategy for Protecting the Public and Reducing Re-offending

Cm 6717

Published 9th February 2006 ISBN 0101671725 £9.50

The Prison (Amendment) (No. 2) Rules 2005

Published 16th December 2005 ISBN: 011073792X £3.00

The Young Offender Institution (Amendment) (No. 2) Rules 2005

Published 16th December 2005

Reducing re-offending through skills and employment

Published 15th December 2005 ISBN: 0101670222 £16.25

HM. Chief Inspector of Prisons for Scotland: report for 2004-2005

Scottish Executive papers 175 2005

Published: 27th September 2005 ISBN: 0108881679 £15.10

Scottish Prisons Complaints Commission annual report 2004-05

Published: 7th September 2005 ISBN: 0108881628 £9.10

Northern Ireland Prison Service annual report and accounts 2004/05: report on the work of the Northern Ireland Prison Service 2004/05

House of Commons papers 240 2005-06

Published: 24th August 2005 ISBN: 0102939098 £16.50

Northern Ireland Prison Service annual report and accounts 2003-2004: report on the work of the Northern Ireland Prison Service 2003-2004

House of Commons papers 804 2003-04

Published: 16th August 2005 ISBN: 010292547X £17.50

HM Prison Service annual report and accounts April 2004 – March 2005

House of Commons papers 193 2005-06

Published: 19th July 2005 ISBN: 0102933790 £24.00

Government response to the House of Commons Education and Skills Committee report – prison education

Cm. 6562

Published 9th June 2005 ISBN: 010165622X £8.00

The Prison (Amendment) Rules 2005

Statutory instruments 2005 869

Published: 1st May 2005 ISBN: 0143031554 £7.99

Treasurer minutes on the first, second and fourth reports from the Committee of Public Accounts 2004-2005: 1st report: the management of sickness absence in the Prison Service; 2nd report: tackling cancer in England: saving more lives; 4th report: improving the speed and quality of asylum decisions

Cm. 6496

Published: 7th April 2005 ISBN: 0101649622 £6.00

Prison education: seventh report of session 2004-05. Vol. 2: Oral and written evidence

House of Commons papers 2004-05 114-II

Published: 4th April 2005 ISBN: 0215023544 £22.50

The Regulator Reform (Prison Officers) (Industrial Action) Order 2005

Statutory instruments 2005 908

Published: 1st April 2005 ISBN: 0110726766 £3.00

Publications available from the Department of Health

**Prison health: escorts and bed catches 1st interim report September 2005
Prison Service, Department of Health**

[Electronic resource available on the Dept of Health website]

**Prison health: escorts and bed catches interim report No. 2 February 2006
Prison Service, Department of Health**

[Electronic resource available on the Dept of Health website]

Publications available from the Home Office

HMP Alban

Report on an unannounced short follow-up inspection of HMP Albany
25 – 26 October 2005
ISBN 1-84473- 879-5

HMP Belmarsh

Report on an unannounced full follow-up inspection of HMP Belmarsh
3 – 7 October 2005
ISBN 1-84473-865-5

HMP Blakenhurst

Report on a full unannounced inspection of HMP Blakenhurst
30 November – 9 December 2005
ISBN 1-84473-905-8

HMP Bristol

Report on a full announced inspection of HMP Bristol 10 – 14 January 2005
ISBN 1-84473-629-6

HMP Bron e eld

Report on an announced inspection of HMP Bronzefield 13 – 17 June 2005
ISBN 1-84473-747-0

HMP/YOI Bull ood Hall

Report on an unannounced short follow up inspection of HMP/YOI Bullwood Hall
13 – 15 December 2005
ISBN 1-84473-914-7

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Report on a full announced inspection of HMP Coldingley 14 – 18 November 2005
ISBN 1-84473-920-1

HMP Cookham Wood

Report on a unannounced short follow-up inspection of HMP Cookham Wood
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HMP & YOI Doncaster

Report on an announced inspection of HMP & YOI Doncaster 14 – 18 November 2005
ISBN 1-84473-886-8

HMP Durham

Report on an unannounced follow-up inspection of HMP Durham
(Women's Unit) 7 – 8 June 2005
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7 – 9 June 2005 by HM Chief Inspector of Prisons
ISBN 1-84473-768-3

HMP Gartree

Report on an announced inspection of HMP Gartree 9 – 13 May 2005 by HM Chief
Inspector of Prisons (2005)
ISBN 1-84473-674-1

HMP Forest Bank

Report on an unannounced short follow-up inspection of HMP Forest Bank
22 – 24 August 2005 by HM Chief Inspector of Prisons (2005)
ISBN 1-84473-770-5

HM/YOI Werrington

Report on an announced inspection of HM/YOI Werrington 1 – 5 August 2005 by
HM Chief Inspector of Prisons (2005)
ISBN 1-84473-796-9

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Report on an announced inspection of HMYOI & RC Brinsford 14 – 18 February 2005
ISBN 1-84473-648-2

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Report on an announced inspection of HMP Holme House 11 – 15 April 2005
ISBN 1-84473-671-7

HMP Hull

Report on an unannounced short follow-up inspection of HMP Hull 28 – 30 November 2005
ISBN 1-84473-884-1

HMP Kirklevington Grange

Report on an announced inspection of HMP Kirklevington Grange 18 – 22 July 2005
ISBN 1-84473-797-7

HMP Lancaster

Report on an unannounced short follow-up inspection of HMP Lancaster Castle
7 – 8 November 2005
ISBN 1-84473-871-X

HMP Leeds

Report on an unannounced full follow-up inspection of HMP Leeds
22–26 August 2005
ISBN 1-84473-846-9

HMP Lewes

Report on an unannounced short follow-up inspection of HMP Lewes
1 – 4 August 2005
ISBN 1-84473-853-1

HMP Lincoln

Report on an unannounced full follow-up inspection of HMP LINCOLN
12 – 15 September 2005
ISBN 1-84473-857-4

HMP Littlehe

Report on an unannounced short follow-up inspection of HMP Littlehey 5 – 7 December 2005
ISBN 1-84473-897-3

HMP Morton Hall

Report on an unannounced short follow-up inspection of HMP Morton Hall
5 – 7 September 2005
ISBN 1-84473-866-3

HMYOI Northallerton

Report on a full announced inspection of HM Young Offender Institution Northallerton
17 – 21 October 2005
ISBN 1-84473-882-5

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Report on a full announced inspection of HMP Norwich 7 – 11 March 2005
ISBN 1-84473-662-8

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ISBN 1-84473-647-4

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Report on a full unannounced inspection of HMP Parkhurst 4 – 8 July 2005
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HMP Pentonville

Report on a full announced inspection of HMP PENTONVILLE 31 January – 4 February 2005
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Report on an unannounced inspection of HMP Ranby 29 March – 31 March 2005
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Report on an unannounced inspection of HMYOI Aylesbury 6 – 10 June 2005
ISBN 1-84473-726-8

HMP The Verne

Report on an unannounced short follow up inspection of HMP The Verne
19 – 20 July 2005
ISBN 1-84473-731-4



HMP Stocken

Report on an announced inspection of HMP Stocken 16 – 20 May 2005 by HM Chief Inspector of Prisons
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Report on an announced inspection of HMP Shepton Mallet 11 – 15 July 2005 by HM Chief Inspector of Prisons
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Report on a full announced inspection of HM YOI Warren Hill 31 October – 4 November 2005
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ISBN 1-84473-727-6

HMP Woodhill

Report on an unannounced full follow-up inspection of HMP Woodhill 8 – 12 August 2005
ISBN 1-84473-858-2

HMP Wormwood Scrubs

Report on an unannounced short follow-up inspection of HMP Wormwood Scrubs
3 – 4 October 2005
ISBN 1-84473-856-6

Immigration Removal Centres

Dover Immigration Removal Centre

Report on an unannounced follow-up inspection of Dover IRC 18 – 21 July 2005
ISBN 1-84473-767-5

Haslar Immigration Removal Centre

Report on an announced inspection of Haslar Immigration Removal Centre
9 – 14 May 2005
ISBN 1-84473-719-5

Lindholme Immigration Removal Centre

Report on an announced inspection of Lindholme Immigration Removal Centre
16 – 20 January 2006
ISBN 1-84473-922-8

Thematic Reports and Research Publications

Parallel worlds: A thematic review of race relations in prisons

HM Inspectorate of Prisons
December 2005

Recalled prisoners: A short review of recalled adult male determinate-sentenced prisoners

HM Inspectorate of Prisons
December 2005

Joint Inspectorate Area Reports

The Joint Inspection of the Greater Criminal Justice Area inspected July 2005, report published February 2006. By, HM Inspectorate of Constabulary, HM Crown Prosecution Service Inspectorate, HM Inspectorate of Court Administration, HM Inspectorate of Prisons and Her Majesty's Inspectorate of Probation.

Thames Valley Criminal Justice Area Report of the Joint Inspection carried out during September 2005. By HM Inspectorate of Constabulary, HM Crown Prosecution Service Inspectorate, HM Inspectorate of Court Administration, HM Inspectorate of Prisons, HM Inspectorate of Probation and Victim Support Quality and Standards Unit. Published February 2006.



Appendix 6

Staff Recognition 2005-2006

May 2005

Golden Jubilee Medal

Baroness Scotland announced that Her Majesty the Queen had given consent for operational Prison Service staff to be awarded the Queen's Golden Jubilee Medal. The medal, produced by the Royal Mint, was awarded to operational staff who had completed five years service or more on 6 February 2002, the Golden Jubilee year.

June 2005

Queen's Birthday Honours

Staff from across the Service received awards in the Queen's Birthday Honours List 2005. MBE's have been awarded to the following Prison Service staff this year:

Paul Haughton

Chair of RESPECT, who has worked tirelessly in the Service to raise awareness of the needs of black and minority ethnic staff.

Keith Laverack

currently Operational Support Grade, HMP Full Sutton, previously an officer working in security, for services to security intelligence, providing protection to prisoners and staff.

Janet Parton

Administrative Officer, HMP Whatton, who has worked as an AO since 1983 and leads the establishment's care team and was involved in the Victim Support Scheme.

Michael Walsh

Senior Officer, HMP Nottingham, for 33 years service to the State.

Alma Mckenna

of the National Association of Official Prison Visitors (NAOPV), also received an MBE for services to NAOPV on a national, regional and local basis.

Prison Officer of the Year Awards 2005

The Service's prestigious annual performance recognition awards ceremony for 2005 was held at the Oulton Hall hotel in Leeds.

The overall winner was Terry Blane, Healthcare Officer from HMP Exeter.

Other category winners were:

Resettlement: Officer Steven Ryan, HMP Manchester.

Suicide Prevention: SO Irene Collins, HMP Downview.

Staff Support: SO Stephen Baran, HMP Swaleside.

Security: SO Alex Worsman, HMP Leeds.

Decency: EO Elaine Sparks, HMPYOI Feltham.

Diversity: Officer Chandrapal Sethi, HMPYOI Feltham.

Working with Young People: Officer Iain Craig, HMPYOI Feltham.

Lifetime Achievement: Senior Psychologist Margaret Newton, HMP Grendon & Springhill.

For the first time since its inception, three people from one prison, HMPYOI Feltham, won three of the categories.

November 2005

Prison Service scoops three Justice Awards

The Prison Service won three prestigious accolades in the 2005 Justice Awards, which recognise outstanding achievement from teams or individuals working in criminal justice agencies or the voluntary sector. The Service won three categories overall, following four individual members of staff and three groups reaching the final of the awards.

Sharon Berry, from HMP Dartmoor, received the award for 'Outstanding Contribution to Working with Offenders' for her work in setting up and expanding the 'Storybook Dads' scheme.

The Community Service Unit Team in Dorset won the category for 'Partnership of the Year: Best Example of Joint Working Across the CJS'. The Team works in partnership with the Tank Museum at Bovingdon Camp, the Prison Service Education, Training and Employment Department, the Probation Service and Weymouth College. Together they provide practical and education opportunities for offenders sentenced to Community Punishment Orders.

The No Way Trust from Humberside won the category for 'Outstanding Achievement in Engaging Communities'. The Trust is made up of Prison Service volunteers who give talks in schools and youth groups about avoiding crime.

January 2006

New Year's Honours list

The staff who received awards were:

MBE – James Neil Turver, Head of Resettlement, Kirklevington Grange

MBE – Carol Gledhill, Officer, New Hall

MBE – Athenson Seales, OSG, Long Lartin

MBE – Robert Howard, Officer Instructor, Liverpool

MBE – Vernon Leslie Naylor, Drugs Co-ordinator, North West Area Office

MBEs were also awarded to Rev Canon Elizabeth Jane Clay, Principal Chaplain from New Hall, Rev Canon Bryan John Gracie, Chaplain at HMP Birmingham and Jill Berliand who is a member of the Independent Monitoring Board at High Down.

March 2006

The Butler Trust Awards Winners 2006

The 2006 Butler Trust award winners collected their prestigious awards at a ceremony held at Buckingham Palace. The ceremony highlighted the outstanding achievements of individual staff and departments across the Prison Service who have been recognised as making an exceptional contribution to prisoner care.

Certificate Awards:

Toni Cash, Information, Advice and Guidance Manager, HMP The Verne

Derrick Edwards, Catering Manager, HMYOI Huntercombe

John Hewitt, Prison Officer HMP, Canterbury

Denise Woods, Project Director

David Everett, Deputy Project Director, Impact Project, North West Area Office

Steve Calvert, Safer Prisons Governor

Nik Foster, Suicide Prevention Co-ordinator, Safer Prisons Group, HMP Nottingham

Stephen Wakeman, Senior Officer Resettlement, HMP Birmingham

Anthony Watts – Bakery Manager, HMP Lindholme

Achievement Awards:

Paul Johnson, Prison Officer, HMP Grendon

Carolyn Woodcock, Co-ordinating Chaplain, HMP Lancaster Castle

Development Awards:

David Pemberton, Violence Reduction Co-ordinator, HMP Wormwood Scrubs

Court Escort/Court Custody Award:

Tony Plane, Senior Officer, HMP Manchester

Greening/Sustainable Development Award:

Paul Jackson, Gardens Manager

Mike Nicholls, Horticultural Craftsman

Michael Balls, Industrial Craftsman, HMP Blundeston

Health Improvement Award:

Steve Tutty, Clinical Manager

Fungayi Chandigere, Staff Nurse, Conibeere Unit, HMP Wormwood Scrubs

Diversity Award:

Darrell Hatfield, PO Caterer

Felix Tetteh, Catering Manager, Catering Department, HMP Brixton

Helen Hamlyn Foundation Award for Education and Skills Training Work with Young Offenders:

Peter Knight, Food Technology Teacher, HMPYOI Ashfield

Keith Bromley Award for Education and Skills Training:

Anita Archer, Education Manager, HMP Risley

Award for Excellence:

Kate Quigley, Senior Officer, HMP Brixton

Wates Foundation Award for Work with Female Offenders:

Noreen Higgins – Project Manager

Eleanor Griffin – Principal Officer, Family Centre, HMP Askham Grange

Terr Waite Award:

Michael Pykett, Head of Programmes

Simone Wakama, Trainee Forensic Psychologist

Offending Behaviour Programmes Team, HMP Whatton

Lord Woolf Award:

David Smith – Principal Officer

Linda Wallbank – Administration Officer, Resettlement 2 unit, HMP Kirkham



Appendix 7

Glossary of Terms



ABC	Activity Based Costing.
ACCT	Assessment, Care in Custody and Teamwork – the new care planning system for prisoners identified as at risk of suicide or self-harm.
BAA	British Airports Authority
BME	Black and Minority Ethnic
CARATs	Counselling, Assessment, Referral Advice and Throughcare – part of the drugs strategy
Category A	That category of prisoner posing the highest security risk. There are also Category B, C and D prisoners
CETV	Cash Equivalent Transfer Value
CCP	Corporate Change Portfolio
C-NOMIS	National Offender Management Information System
CPB	Change Programme Board
CRE	Commission for Racial Equality
DDA	Disability Discrimination Act 1995
DEL	Departmental Expenditure Limit
DfES	Department for Education & Skills
DoH	Department of Health
DSPD	Dangerous and Severe Personality Disorder
ERP	Enterprise Resource Planning System
ETE	Employment, Training or Education Outcome
FRem	Government Financial Reporting Manual
FSA	Food Standards Agency
GALIPS	Gays and Lesbians in the Prison Service (support network)
HDC	Home Detention Curfew
HMCIP	Her Majesty's Chief Inspector of Prisons
HMP	Her Majesty's Prison
HMPS	Her Majesty's Prison Service
HMYOI	Her Majesty's Young Offender Institute
HR	Human Resources
HSE	Health and Safety Executive
IDS	Intensive Development Scheme
IIS	Inmate Information System
IMB	Independent Monitoring Board
IND	Immigration and Nationality Directorate
IRC	Immigration Removal Centres
JES	Job Evaluation System
JCHR	Joint Committee on Human Rights
JIRPA	Joint Industrial Procedural Agreement
KPI	Key Performance Indicator
KPT	Key Performance Target
LGBT	Lesbian, Gay, Bisexual and Transgender

LIDS	Local Inmate Database System
MDT	Mandatory Drug Testing
MQPL	Measuring the Quality of Prisoner Life
NHS	National Health Service
NOMS	National Offender Management Service
NPS	National Probation Service
NRC	National Research Committee
NSSC	National Shared Service Centre
NVQ	National Vocational Qualification
OASys	Offender Assessment System
OBP	Offender Behaviour Programme
OCP	Office for Contracted Prisons
PCS	Public and Commercial Services Union
PCSPS	Principal Civil Service Pension Scheme
PCT	Primary Care Trust
PFI	Private Finance Initiative
PHOENIX	Oracle-based IT system and the associated programme of business change in the areas of finance, HR and procurement
PIP	Performance Improvement Planning
POA	Prison Officers Association
POELT	Prison Officer Entry Level Training
PPO	Prisons and Probation Ombudsman
PRC	Prisons Research Centre, University of Cambridge
PSA	Public Service Agreement
PSI	Prison Service Instruction
PSMB	Prison Service Management Board
PSN	Prison Service News
PSO	Prison Service Order
PSU	Procurement Service Unit
RESPECT	Prison Service network for minority ethnic staff
ROM	Regional Offender Manager
RR (A) A 2000	Race Relations (Amendment) Act 2000
SAU	Standards Audit Unit
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SOTP	Sex Offender Treatment Programme
SSC	Shared Service Centre
VCS	Voluntary and Community Sector
UKGAAP	UK Generally Accepted Accounting Practice
VAT	Value Added Tax
YJB	Youth Justice Board
YOI	Young Offender Institution

The Prison Service can be contacted at:
Cleland House, Page Street,
London SW1P 4LN
Tel: 020 7217 2661

You can visit the Prison Service website at:
www.hmprisonservice.gov.uk

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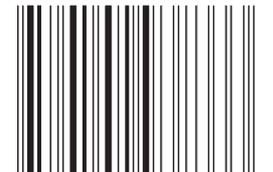
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