

NORTHERN IRELAND PRISON SERVICE  
ANNUAL REPORT AND ACCOUNTS



INVESTOR IN PEOPLE

2007/08



# NORTHERN IRELAND PRISON SERVICE ANNUAL REPORT AND ACCOUNTS



NORTHERN IRELAND  
PRISON SERVICE

# 0708

Northern Ireland Prison Service Annual  
Report and Accounts 2007/08.

Presented to Parliament in accordance  
with the Northern Ireland (Modification  
of Enactments No.1) Order 1973 (S.I. 1973  
No. 2163), modifying section 5 of the  
Prison Act (Northern Ireland) 1953.

Ordered by The House of Commons to be  
printed on 16 July 2008.

HC 789 LONDON: The Stationery Office  
£18.55.

# NORTHERN IRELAND PRISON SERVICE ANNUAL REPORT AND ACCOUNTS

## **Crown Copyright 2008**

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned. For any other use of this material please write to  
Office of Public Sector Information, Information  
Policy Team, Kew, Richmond, Surrey, TW9 4DU or  
e-mail: [licensing@opsi.gov.uk](mailto:licensing@opsi.gov.uk)

# CONTENTS



NORTHERN IRELAND  
PRISON SERVICE

<b>FOREWORD</b>	04
<b>STATEMENT OF PURPOSE, VISION AND VALUES</b>	06
<b>PERFORMANCE AGAINST KEY TARGETS</b>	07
1. Security	08
2. Safety and prisoner health	11
3. Regimes and reducing re-offending	15
4. Staff and developing the Service	21
5. Finance, corporate governance and improving business performance	26
6. Looking ahead	29
7. Corporate social responsibility	30
<b>APPENDICES</b>	32
1. Prison population 2007-08	33
2. Average prisoner population by type of prisoner and prison receptions	34
3. Receptions by sentence length	35
4. Sentenced receptions by offence	36
5. Offences under prison rules and penalties	37
6. Pre-release home leave applications	38
7. Self-inflicted injuries and deaths in custody	39
8. Staff numbers and recruitment	40
9. Training delivered 2007-08	42
10. National standards for central government	43
11. Definitions	45
12. Addresses and contact numbers	46
<b>ACCOUNTS 2007-08</b>	
<b>DIRECTOR'S REPORT</b>	47
<b>MANAGEMENT BOARD REMUNERATION REPORT</b>	49
<b>MANAGEMENT COMMENTARY</b>	54
<b>FUTURE DEVELOPMENT</b>	59
<b>STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES (Statement on Internal Control)</b>	63
<b>THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF THE HOUSE OF COMMONS</b>	67
<b>FINANCIAL STATEMENTS</b>	69
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	72

# FOREWORD

## BY THE DIRECTOR



NORTHERN IRELAND  
PRISON SERVICE



It has been a challenging twelve months for the Prison Service, though in many ways a year of progress as we continue our programme of development and indeed transformation. Throughout the period, we have had to tackle a wide range of issues designed to improve services while continuing to deliver efficiencies and increasingly rigorous targets.

We achieved nine of the eleven key Performance targets which had been set for us. The absenteeism target was missed with a rate of 177 days per head, which is a significant increase on the previous year's figure of 14.54. This is very disappointing, bearing in mind the efforts that have been made, though again over half our staff had no sick leave. However, this issue is not unique to the Prison Service and robust action is being taken to address it, as set out in the Corporate and Business Plan published in April.

I am glad to report that the Cost per Prisoner Place has been reduced by over £9,000 per prisoner from the 2006-07 figures and, through continuing efficient deployment of resources, I am confident that we can reduce the figure further over the coming year.

Over the past year, we have seen real progress in the development of the prison estate for the needs of the 21st century. Last December Prisons' Minister Paul Goggins announced an investment of £70m to provide 400 extra places at Maghaberry and Magilligan Prisons over the next three years. He also announced the redevelopment of Magilligan prison on the same site.

For the first time in a decade we undertook significant recruitment with the introduction of new support grades, and I welcome all staff who joined the Service in the past year. We have also invested significantly in the development of existing staff to meet the challenges we face.

## FOREWORD BY THE DIRECTOR

During the year the Prison Service established a Preparation for Devolution Programme, containing eleven work strands. A wide range of activities have now been completed in readiness and work will be further progressed in preparation for when the Assembly requests it. In particular members of the Service will develop their understanding of devolution within the criminal justice context, in liaison with external stakeholders as appropriate.

As a Service we are fully conscious of our obligations to both staff and prisoners in respect of fundamental Human Rights and Equality issues and our policies are adopted to meet human rights compliance and to be in keeping with our obligations under Section 75 of the Northern Ireland Act 1998. We have appointed our first Equality adviser to complement the work of our Human Rights adviser.

In the past year two local authorities, North Down and Ards, conferred the Freedom of the Borough on the Service as an acknowledgement of our commitment, dedication and loyalty to the community. This was fitting recognition for the efforts of staff, past and present, throughout many difficult years.

Much of our work goes on behind closed doors though anyone who had the pleasure of watching the television documentary 'Sons of Ulster', which was broadcast in March 2008, will have gained more appreciation of the level of engagement that staff have with prisoners as they work with them to address their offending behaviour and prepare them for release.

Many challenges still remain, however, which we will address in moving forward. Ash House, the female prison which is located on the Hydebank Wood site, is the subject of close scrutiny and while welcome recognition has been given for improvements in the regime, there is more to be done. The Prison Service is playing a leading role in the development of a comprehensive strategy to address the need for appropriate services and interventions for women offenders, both in the custodial setting and in the community. This work is to be completed before the end of the year.

The recent transfer of lead responsibility for prison healthcare to the Department of Health Social Services and Public Safety will lead to improvements in the healthcare services we offer to prisoners, and will improve the linkages with the community. I look forward to working closely with Health Service colleagues to deliver healthcare provision for prisoners at a level akin to that which is available in the community.

The implementation of the Criminal Justice Order will place additional demands on the Service as we work with partner agencies to deliver enhanced public protection, including a fuller range of prisoner programmes.

The Prison Service of the past has always risen to the challenges it faced; I am confident that the Prison Service of the future will be no different.



**Robin Masefield**

**16 June 2008**

# STATEMENT OF PURPOSE, VISION AND VALUES



NORTHERN IRELAND  
PRISON SERVICE

## STATEMENT OF PURPOSE

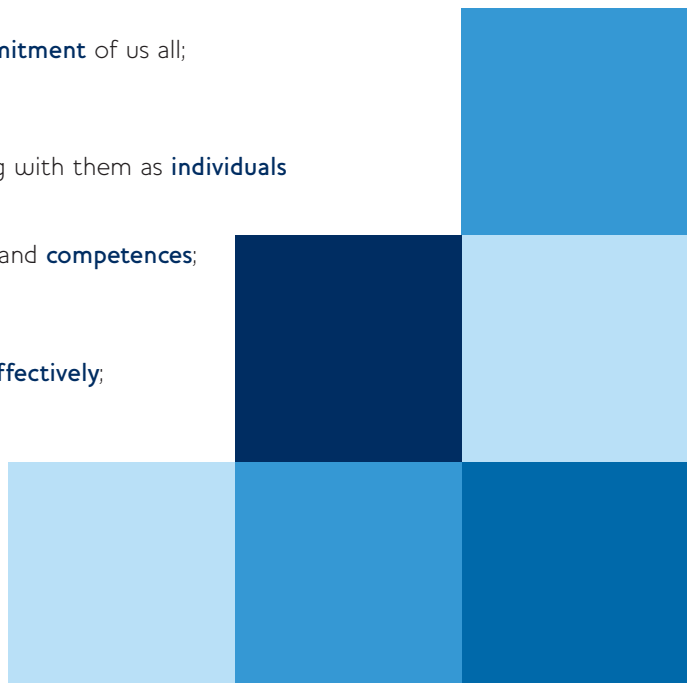
The Northern Ireland Prison Service, through our staff, serves the community by keeping in secure, safe and humane custody those committed by the courts; by working with prisoners and with other organisations seeks to reduce the risk of re-offending; and in so doing aims to protect the public and to contribute to peace and stability in Northern Ireland.

## VISION

To be recognised as a model of good practice in dealing with prisoners and to be valued and respected for our service to the community.

## VALUES

- Recognising that the Service requires the **commitment** of us all;
- **Leading** well and behaving with **integrity**;
- Upholding prisoners' **human rights** and working with them as **individuals** to become law-abiding;
- Ensuring that we each have the required **skills** and **competences**;
- Accepting **responsibility** and **accountability**;
- Managing resources, including our time, **cost-effectively**;
- Showing an **innovative** approach to our work;
- **Teamworking** and acting in **partnership** with other organisations;
- Demonstrating a commitment to **fairness**, **equality** and **respect** for each other and those we are in contact with.





# REVIEW OF PERFORMANCE 2007-08

## PERFORMANCE AGAINST KEY TARGETS

The Agency's Business Plan for 2007-08, produced at the beginning of the year, set out the key aims and targets for the Service in the coming year and took account of the Government's priorities. The Service also committed to the achievement of the NIO's PSA objective 6, target 3, "to ensure that the supervisory and custodial sentences imposed on offenders by the courts are delivered appropriately to protect the people of Northern Ireland and help reduce the risk of re-offending"; and PSA objective 7, target 4, "Value for Money - ensure that the annual cost per prisoner place in Northern Ireland falls to £82,500 by 2007-08."

The Service met 9 of its 11 key performance targets. A comprehensive programme of 31 development objectives was also set for the Service and of these 19 were achieved, 11 partially met and 1 not met.

KEY BUSINESS AREA	KEY TARGETS	OUTTURN
<b>SECURITY</b>	No escape for top and high-risk prisoners.	<b>Target Met</b> - No escapes.
	No more than 3 escapes per 1000 medium and low risk prisoners.	<b>Target Met</b> - No escapes.
<b>SAFETY AND PRISONER HEALTH</b>	The number of staff assaulted by prisoners is less than a ratio of 3 per 100 prisoners.	<b>Target Met</b> - Performance at 1.96%.
	The number of prisoners assaulted by prisoners is less than a ratio of 4 per 100 prisoners.	<b>Target Met</b> - Performance at 0.98%.
<b>REGIMES AND REDUCING RE-OFFENDING</b>	An average of at least 20 hours constructive activity* per week for each sentenced prisoner.	<b>Target Not Met</b> - Achieved 19.7 hours per week.
	An average of at least 10 hours constructive activity* per week for each remand prisoner.	<b>Target Met</b> - Achieved 11.2 hours per week.
	To ensure 87% of prisoners serving six months or more are working to a resettlement plan and that 97% of lifers work to a life sentence plan, including preparation of the plan, within the first six months of sentence.	<b>Target Met</b> - Performance at 94.2% for determinate prisoners. <b>Target Met</b> - Performance at 98.7% for life sentence prisoners.
<b>STAFF AND DEVELOPING THE SERVICE</b>	Each member of staff should receive an average of 5 training days.	<b>Target Met</b> - Each member of staff received an average of 6 training days.
	Reduce the rate of absenteeism to 13 days per head by 2007-08 with an overall reduction to 11 days by 2009-10.	<b>Target Not Met</b> - The average absenteeism for each member of staff was 177 days.
<b>FINANCE, CORPORATE GOVERNANCE AND IMPROVING BUSINESS PERFORMANCE</b>	Lay the Annual Report and Audited Accounts before Parliament prior to the summer recess.	<b>Target Met</b> - The Annual Report and Audited Accounts were laid in Parliament on 11 July 2007.
	Ensure the average cost per prisoner place does not exceed £82,500.	<b>Target Met</b> - The actual cost per prisoner place was £81,254.

\* Time out of cell for separated prisoners has not been included in this years outturn figure, however, this averages at 3 hours per day.

# CHAPTER 1: SECURITY



NORTHERN IRELAND  
PRISON SERVICE



# CHAPTER 1: SECURITY

## STRATEGIC AIMS 2007-08

Our aim is to maintain a proportionate level of security for all those in our custody, whether in a prison establishment, at court or elsewhere and to integrate security management to better inform and support the safety of all the people in our prisons.

### DEVELOPMENT OBJECTIVES 2007-08

To implement the revised procedures for security classifications and manage arrangements for the allocation of prisoners between establishments by 31 March 2008 - **Objective Met**

*The Service undertook a security re-categorisation exercise as part of the process of ensuring sufficient flexibility in the future prison estate and a new system, based on the risk prisoners pose within the prison system and in the community, was introduced in November 2007. Work has now been completed to introduce the new system and to align the previous top, high, medium and low risk categories to a set of new categories; Categories A-D. Category A is allocated to highly dangerous offenders for whom escape should be made impossible, through to Category D, for those who can reasonably be trusted to be accommodated in open conditions. Current prisoners are in the process of being re-categorised and prisoners committed to prison from November 2007 are categorised under the new system.*

To fully implement, in accordance with the action plan, the Prisoner Escorting and Court Custody Service arrangements and introduction of Prison Custody Officers by December 2007 - **Objective Partially Met**

*The Prisoner Escorting and Court Custody Service (PECCS) was established in February 2007 and the new arrangements are now fully embedded. Efforts to recruit new Prisoner Custody Officers were largely successful with the first group of recruits appointed in May 2007. A rise in the volume of court business and the resignations of some Prisoner Custody Officers who transferred under TUPE arrangements to the Service from Resource (formerly known as Maybin), however,*

*meant that we were not able to redeploy as many Prison Officers back to prison establishments as originally planned. A further recruitment campaign was launched in November 2007 and the new recruits commenced their induction training at the Prison Service College in May 2008.*

*Service Level Agreements for the provision of the escorting and custody arrangements have been developed in conjunction with each of the prison establishments and became fully operative at the end of April 2008. During the first full year of operation, there have been no escapes from PECCS custody.*

To develop and implement systems to provide statistical analysis on population growth taking into account new Public Protection legislation by 31 March 2008 - **Objective Met**

*During 2007-08, the Northern Ireland Prison Service, along with colleagues in the NIO and Probation Board for Northern Ireland, collated a range of information and developed statistical modelling programmes to estimate how the new public protection legislation would impact on the criminal justice system including the effect on the prison population. This information was then used to calculate the additional resources the criminal justice agencies required over the next comprehensive spending review period to implement the new arrangements. The population projection also helped inform decisions on the future development of the adult male estate.*

*Similar work was undertaken for the female prison population and used to inform the development of the Strategy for the Management of Women Offenders.*

*We will continue to monitor the situation and revise our projections accordingly.*

# CHAPTER 1: SECURITY

To complete the roll out of Prison Record Information System (PRISM) at all prison establishments by 31 March 2008 - **Objective Met**

*The introduction of PRISM, which is a computerised prisoner record information system designed specifically for the Service, has been one of the biggest change programmes to be undertaken by the Service. Roll out of the system has been fully implemented across all Prison Service sites and the system is accessed by approximately 500 staff each week day.*

## HIGHLIGHTS

### Use of Passive Drugs Dogs

At the Director's request, the Prisoner Ombudsman carried out a review of the use of passive drugs dogs at all prison establishments and the Young Offenders Centre. The review included consideration of the arrangements for the training and monitoring of the use of the drugs dogs and whether any change in operational methods, policies or practices would improve their use and ultimately minimise the amount of drugs being brought into prison establishments. The review took account of the views of prisoners, their visitors and representative groups.

The Prisoner Ombudsman's Report supported the use of passive drugs dogs and concluded that their use in the Service is broadly comparable to that of other prison jurisdictions. The Report included 22 recommendations which are currently being implemented to enhance the use and management of the passive drugs dog system.



# CHAPTER 2: SAFETY AND PRISONER HEALTH



NORTHERN IRELAND  
PRISON SERVICE



## CHAPTER 2: SAFETY AND PRISONER HEALTH

### STRATEGIC AIM 2007-08

Our aim is to maintain a humane and caring environment where all persons are safe and to promote and improve the health and social well being of all.

#### DEVELOPMENT OBJECTIVES 2007-08

To evaluate the Assessment Care in Custody and Teamwork (ACCT) procedures following the review of Suicide and Self-harm by September 2007 - **Objective Met**

*The Assessment Care in Custody and Teamwork (ACCT) model was evaluated and the Service has decided to adopt this model to replace the existing prisoner at risk procedures currently in use for the prevention of suicide and self-harm among prisoners. ACCT is an accredited programme which provides prisoners, who are at risk of suicide and self-harm, with multi-disciplinary support and care and is already widely used in other jurisdictions. The NIPS evaluation shows there are additional benefits over and above existing procedures. Approximately 100 staff have already received training on suicide awareness and prevention. Training will be promoted further during 2008-09.*

To develop a corporate strategy for safer custody management, taking into account the "Expectations" document, by 31 March 2008 - **Objective Not Met**

*This objective was not achieved due to staff resources being transferred to another project. However, establishments have taken forward initiatives in the interim period. For example, staff at Magilligan are establishing a security/safer custody team and one of their first tasks is to consider the benefits associated with a pro-active approach in building up a psychological profile of prominent prisoners by identifying, monitoring and predicting their behavioural patterns. Maghaberry have for a number of years had a Safer Custody Group in place to identify and monitor prisoners with behavioural problems to identify underlying causes and relationship problems.*

To implement the recommendations of the review of voluntary drug testing arrangements, in accordance with the agreed action plan, by 31 March 2008 - **Objective Partially Met**

*Evaluation reports on the drug testing arrangement have been prepared and an analysis of the saliva tests trial is currently being carried out.*

To have in place clinical governance structures at regional and establishment level by March 2008 - **Objective Met**

*An infrastructure has been established to support the implementation and delivery of clinical governance through both regional and local clinical governance committees which were set up in early 2007 and meet regularly. The Regional NIPS Clinical Governance Committee, with representation across both healthcare and non-healthcare, now provides a forum to raise awareness of key clinical governance issues through to the Prison Service Management Board and back to local establishment level. With the transfer of lead responsibility for Prison Healthcare to Health and Personal Social Services on 1 April 2008, early links were established with the South Eastern Health and Social Care Trust, and these partnership arrangements will be developed during implementation. Key clinical governance risk areas have been identified. Work is underway in the areas of mental health, medicine management and chronic disease management ensuring that development occurs within a governance framework.*

## CHAPTER 2: SAFETY AND PRISONER HEALTH

To monitor the distribution and future use of healthcare resources transferred to Health and Personal Social Services - **Objective Met**

*A Partnership Board has been established with representatives of the Prison Service, the South Eastern Health and Social Care (HSC) Trust and the Eastern Health and Social Services Board (EHSSB). This body will manage the partnership arrangements between the three bodies and will monitor the quality and the level of healthcare services provided to the prison population against the resource requirements agreed and set out in the Partnership Agreement.*

To monitor the continuing implementation of the McClelland Report Action Plan and in conjunction with DHSSPS to assess and develop the agreed recommendations flowing from the Bamford Review of Mental Health and Learning Disability with specific reference to the Forensic Services - **Objective Met**

*With the transfer of responsibility for prisoner healthcare from 1 April 2008 the agreed recommendations from the McClelland Report have now been implemented. DHSSPS has the lead role in the assessment, development and implementation of recommendations flowing from the Bamford Report. We are working with them to ensure that we have access to resources and are consulted on and aware of policy developments which impact on the prisoner population.*

To support the implementation of policy and to agree appropriate and relevant healthcare standards for the delivery of healthcare services in prison in association with recognised HPSS standards - **Objective Partially Met**

*The Partnership Board established as part of the transfer of healthcare arrangements is responsible for developing and agreeing prison healthcare policy and standards as part of the Partnership Agreement.*

To review the training opportunities made available through HPSS for the personal and professional development of healthcare staff - **Objective Partially Met**

*Some training opportunities have been identified and staff allocated appropriately although not at the anticipated level due to the delay in formally transferring responsibility.*

To develop a strategy for the management of women in custody, including gender specific policies for Hydebank Wood Prison, according to the agreed timescales - **Objective Partially Met**

*In November 2007, Minister Paul Goggins commissioned the development of a holistic Strategy for the Management of Women Offenders. A comprehensive study is underway to identify and address the key priorities in relation to the treatment of women offenders, to look at issues such as reducing offending, providing alternatives to custody and provision of appropriate community supervision including community-based facilities. It is also addressing the need for a gender-specific approach to custody, and exploring options for a new purpose-built women's prison. To help inform the strategy a four day partnership consultation event involving the NIO's Criminal Justice Directorate, the Prison Service and the Probation Board for Northern Ireland was held in Hillsborough Castle in April 2008. A final Report on the strategy is due to be submitted to the Minister by late summer.*

### HIGHLIGHTS

#### Healthcare Award

In February 2008, three members of the Healthcare Team at Maghaberry Prison, won top honours in the mental health section of the Annual Northern Ireland Healthcare Awards Ceremony, organised by Northern Ireland Medical Review. Their work primarily related to the management of depression and anxiety within the prison context. It has raised the profile of the range of mental health issues being dealt with in the prison system and has helped inmates to address problems relating to their mental health underpinning the rehabilitation of many offenders, which contributes to our aim to safeguard society.

#### Books on Prescription

In July 2007, Magilligan Prison launched a Book Prescription Scheme. The scheme is the first of its type in Northern Ireland and has the support of health care professionals from across Northern Ireland. The Scheme provides prisoners with books, CDs and DVDs on a wide range of ailments including depression, self esteem issues, sleeping problems, obsessive compulsive disorder, addiction, anger, mood swings and bereavement, to aid the patient's understanding of their particular condition

## CHAPTER 2: SAFETY AND PRISONER HEALTH

and help them address these problems. The innovative scheme complements the traditional method of prescribing. In particular, it allows individuals to self help by taking more control of their own lives, leading to improvements in the patient's physical, psychological and emotional well-being.

### **Programme for Inmates with Attention Deficit and Hyperactivity Disorder**

During the year, Hydebank Wood Young Offenders Centre and Prison ran a pilot programme to work with prisoners suffering from Attention Deficit and Hyperactivity Disorder (ADHD).

The Governor, in conjunction with the Centre's Probation Manager, contacted the Northern Ireland Attention Deficit and Hyperactivity Disorder support centre, who agreed to run a six session self awareness programme on the effects of the disorder.

Three offenders were identified to take part in the pilot, which included six self awareness sessions on the effects of the disorder, and will be followed up by three cognitive behaviour therapy sessions. The programme will be evaluated by Queen's University, Belfast before a decision is taken whether to roll it out across the Service.





# CHAPTER 3: REGIMES AND REDUCING RE-OFFENDING



NORTHERN IRELAND  
PRISON SERVICE



## CHAPTER 3: REGIMES AND REDUCING RE-OFFENDING

### STRATEGIC AIM 2007-08

Our aim, in partnership with other criminal justice organisations, the Probation Board and an increasing range of external agencies in both the statutory and voluntary sectors and the business community, is to assist family re-integration and help reduce re-offending by providing prisoners with relevant skills, activities, services and resettlement programmes.

### DEVELOPMENT OBJECTIVES 2007-08

To promote the Resettlement Strategy by initiating a multi-agency sub group to enhance closer working at community level by 31 March 2008 - **Objective Met**

*A Multi-Agency Steering Group is now in place to promote the Resettlement Strategy. The Group has also developed a Resettlement Pathways Strategy in conjunction with other agencies at community level. This is currently being consulted on and will be published in early summer 2008.*

To implement the revised Progressive Regimes and Earned Privileges Scheme (PREPS) system by June 2007 - **Objective Met**

*A review of the Progressive Regimes and Earned Privileges Scheme was carried out during 2007-08 to provide a corporate framework for establishments to ensure there is a consistent approach to deciding whether prisoners should be allocated to the Basic, Standard or Enhanced regimes. Implementation of the revised Scheme in all prison establishments commenced spring 2008.*

To continue to work with other criminal justice organisations and plan for the implementation of new legislation introducing a range of sentences for public protection and the extension of MASRAM by 31 March 2008 - **Objective Met**

*The Criminal Justice (Northern Ireland) Order 2008 (CJO) introduced a range of new public protection sentencing options including indeterminate and extended custodial sentences. The legislation also provided for the Secretary of State to issue guidance to assess and manage more effectively*

*the risk posed by certain persons in the community to include sexual and violent offenders. The existing Multi Agency Sex Offending Risk Assessment and Management (MASRAM) will be replaced with new Public Protection Arrangements (PPANI).*

*The Northern Ireland Prison Service worked closely with colleagues in the Probation Board for Northern Ireland and the Criminal Justice Directorate of the Northern Ireland Office to identify the likely impact of the legislation.*

*A CJO implementation team is established to develop the strategies, practices and procedures needed to implement the new sentencing options.*

*The Northern Ireland Prison Service continues to work with the sub groups of the current Northern Ireland Sex Offender Strategic Management Committee (NISOSMC) to revise the policy and practice manual for the introduction of new Public Protection Arrangements Northern Ireland (PPANI) due to come into effect on 1 October 2008 and put in place training for those staff tasked with managing relevant offenders.*

To assist prisoners to gain employment on release, by taking forward the implementation of the Learning and Skills agenda and ensuring that essential skills tuition in Literacy, Numeracy and ICT support vocational and employability programmes are provided - **Objective Met**

*The Service has recently recruited a Learning and Skills Adviser from a local further education college to lead this work in prison establishments. NIPS will also link into and avail of resources from education and support services in the community to reduce learning deficits and prepare offenders to seek and compete for employment opportunities.*

## CHAPTER 3: REGIMES AND REDUCING RE-OFFENDING

To implement the Chaplains Review recommendations - **Objective Met**

*The Chaplains Review produced 25 recommendations which have been agreed with the Chaplains and Heads of Churches and are in the final stages of implementation. The revised procedures provide clarification of the role of chaplains, introducing lead chaplains in each prison and also putting in place revised terms and conditions for their employment as chaplains.*

In exploring radical initiatives in relation to women offenders, we will take forward with the Probation Board for Northern Ireland, the proposal for a purpose built centre for women offenders which will provide both hostel facilities and day centre services - **Objective Met**

*The Northern Ireland Prison Service is working with the NIO Criminal Justice Directorate and the Probation Board for Northern Ireland to take forward the concept of a women's centre which will address issues around reducing offending, diversion and the provision of appropriate supervision and support for women offenders in the community.*

*The development of a Northern Ireland pilot for a women's centre is still under consideration although Criminal Justice Agencies have agreed in principle the need for such a facility. Discussions have since taken place about the key elements that might be included in a pilot centre for Northern Ireland, to be established as a test-bed for developing and refining a range of women-specific services to meet the needs of women offenders.*

*The working group has also undertaken preliminary work on site identification.*

### HIGHLIGHTS

#### Resettlement Strategy

During the year, the Criminal Justice Inspector Northern Ireland (CJINI) undertook an inspection of the Service's Resettlement Strategy, at a stage when the Strategy had been operational for nearly three years, to determine how well the Strategy was being delivered across the prison estate, and between the Service and its partner

agencies, and to inform the way forward. The Review Report identified a number of areas of good practice but also highlighted a number of areas for improvement. The report made 19 recommendations mainly relating to the custodial aspects of the Strategy and ways to create a more positive environment for resettlement. All the recommendations were accepted and an action plan was developed which is currently being implemented. The Report can be viewed on the Prison Service website [www.prisonservice.gov.uk](http://www.prisonservice.gov.uk).

#### Restorative Justice

In September 2007, the Service hosted a major conference examining the benefits of using restorative practice to help repair the harm crime causes to victims and offenders. The Conference brought together a number of criminal justice and non-statutory organisations to share their experiences and highlighted five main strands: victim/offender mediation; victim awareness; improving relationships; making reparation to the community and facilitating resettlement and re-integration.

Since 2003, when the Northern Ireland Prison Service launched its Prisoner Release Victim Information Scheme, over 300 applications to join the Scheme have been received from victims of crime. The majority of these are victims of sexual offences and murder. The Service has already facilitated a small number of successful mediation conferences involving victims or their representatives and offenders.

#### Training and Employment

Vocational Training (VT) and Employment in the Service aims to facilitate and equip those who can, to compete for vacancies in the labour market on release. It also plays an important part in helping to raise motivation and self esteem in assisting those individuals who wish to prepare to return to work. A range of workshops spanning joinery, plumbing, Braille development, industrial cleaning, horticulture and the information communication technology sectors are available in the three prisons. All vocational programmes have external accreditation such as AQAs, City & Guilds or NVQ Level 2.

## CHAPTER 3: REGIMES AND REDUCING RE-OFFENDING

### Hydebank Wood

During 2007-08, Vocational Training at Hydebank provided a core activity to the working day in a prison environment with the introduction of two new activities to the daily programme, namely, Pottery/Art and Ceramics which have generated a high degree of interest. A combined approach by the Grounds Department and the Plumbing Workshop is presently transforming the Centre's forecourt from a bland unattractive area by installing planters, paving, ornamental and architectural structures as well as a small seating area for the benefit of staff, inmates and their families. Carpentry & Joinery trainees manufactured book cases for cafes and restaurants in the North Down area, for displaying donated books for sale. The money raised is used to provide respite for "Young Carers" of dependant parents or siblings.

Trainees have also raised money for charitable organisations during the year and cheques were presented to the founder of the Shine a Light Charity, the Marie Curie Cancer Care Centre and the Rape & Sexual Abuse Centre.

### Maghaberry

Maghaberry Training & Employment workshops have made good progress with a new integrated system whereby prisoners remain in the workshop area for the full day. The Plastering workshop undertook a large project at the prison hospital to improve the exercise yard for both patients and staff. The trainees who carried out the plastering project were previously trained and accredited in Painting and Decorating allowing them to take ownership of the complete project by painting and decorating the new finished plaster work. This attracted favourable comment from the external verifier for the Construction Industry Training Board during inspection visits.

During the year the garden workshop completed many projects including planting the new REACH garden which is used by a number of prisoners who have particular behavioural and coping problems. Prisoners from the Carpentry and Joinery workshops completed projects for the Prison Arts Foundation including the building of portable folding seating/staging for drama group spectators, and also 60 dining tables for prisoners' dining halls and picnic tables for Martin/Wilson house areas

which accommodates life sentence prisoners for use during family visits. Work was also carried out for the Dog Section to help support simulated training exercises. The Braille workshop continued to provide excellent support to all sectors of the local community. Projects this year have included the translation of the Holy Bible, the Church Of Ireland Hymn Book 'New Version', Book Binding, Curriculum Examination and Assessment (Examination Board) and novels into Braille large print for Libraries. The Wheelchair Workshop provided opportunities to the prisoners who are transferred to Martin/Wilson houses in the last 3-5 years of their sentence to provide refurbished wheelchairs to third world countries in partnership with community groups.

### Magilligan

The Training & Employment Workshops at Magilligan offered a wide range of training courses throughout the year. All these courses were accredited through AQA, City & Guilds or CITB, with the exception of the new Microsoft Desktop Technicians course. To facilitate online testing for this qualification, Magilligan had to become an authorised Prometric Testing Centre - this has the added advantage of enabling other workshops to avail of this facility. With the help of British Telecom this workshop went live in August 2007 and since then there has been a 100% pass rate. During the year many of the Workshops were involved in project work within the prison:

- Painting visits reception
- Conversion of stores buildings to workshops
- Cleaning of new Alpha 50 bed unit prior to occupation
- Weekly cleaning schedule of main visits and regular cleaning of staff office accommodation by the Industrial Cleaning party
- Manufacturing of new furniture for Alpha and the female unit in Hydebank Wood
- Refurbishment of security fencing in and around existing compounds
- Refurbishment of staff and prisoner accommodation
- Landscaping both inside and outside the prison
- Construction of pathways and decorative brickwork
- Construction of Boardroom tables for Magilligan and NIPS Headquarters

Project work provided excellent training as it provides real work experience for workshop trainees; it also had the added benefit of making a substantial saving to the establishment maintenance budget. This year has also

## CHAPTER 3: REGIMES AND REDUCING RE-OFFENDING

been an opportunity to develop training opportunities for prisoners in Foyleview, a semi open prison, with the transfer of two Vocational Instructors to this area, relocating some of the Cottage Industries and in the inducting, assessing and allocating of prisoners to the various work parties that are associated with the Foyleview complex. Prisoners have gained experience in general maintenance skills, sign printing, laundry, catering and landscaping. This has added greatly to the overall operation of Foyleview and to the ambience of the Prison as a whole.

### EDUCATION

#### Hydebank Wood

The Education Centre continues to measure and monitor performance to provide training to support the educational and personal development of the inmates at Hydebank. During the year the Unit was inspected by the Department of Education and Learning. The report identified a number of areas for development. NIPS has now employed a senior member of staff from the Further Education sector to help with the development of the Learning and Skills agenda and to address the shortcomings identified by the Inspectors.

70% of the male population test below Level 1 in Literacy. This statistic represents a serious problem and a major challenge for the Education Department. At the other end of the progression route, there is one student studying for 'A' Levels and 2 doing Open University (OU) courses. In addressing the continuing high level of dyslexia among the prisoners at Hydebank, the Education Department introduced "Touch Type, Read and Spell", a multi-sensory computer aided course for students with spelling, reading and/or writing difficulties. Prisoners responded positively to using this programme and are now happy to move on to more traditional classes -which has not always been the case. The Education Department has also sought to address other educational deficits and have run successful Job Seeking Skills and Preparation for Employment courses which attract Entry Level 3 and Level 1 accreditation. Other classes include 'My Identity', 'The Criminal Justice System', and 'Rights and Responsibilities'. Cookery, Craft, Leathercraft and Music played a huge part in the programme overall.

The Education programme for the female population is similar to that on offer to young offenders, although the percentage of women who fall below Level 1 Literacy is much lower than for young offenders. Essential Skills were offered to those who need help and there is a highly successful Book Club facilitated by a teacher. Three females are currently studying with the OU and have been making excellent progress.

#### Maghaberry Prison

During the year, the Education Department completely restructured the Initial Assessment Procedures undertaken with new committals. They have also entered into a partnership with Skillbuilders which offers computerised and integrated tracking system which automatically monitors a student's progress. Given the increase in the number of Foreign Nationals NIPS now employ a full-time English for Speakers of Other Languages teacher. With around 70 foreign nationals imprisoned in Maghaberry this is a welcome addition. Maghaberry have also responded by providing development opportunities for staff in working with Foreign Nationals who do not speak English as a first language.

Maghaberry has continued to lead the Grundtvig project which brings together educationalists from across Europe. The Project recently concluded and in doing so published two information booklets specifically aimed at foreign nationals released from Maghaberry and from the courts. The project also launched a website containing a range of lesson materials for teachers teaching Foreign Nationals. Topics covered include human rights, citizenship, responsibilities, healthcare, accommodation and financial matters. During the year the Education Department has, in partnership with the Curriculum Examination and Assessment, run an Essential Skills ICT pilot at levels one and two and a Skills for Life pilot at entry level. Four students have gained Essential Skills ICT at level one and three students have gained a level two pass. The library maintains close contact with Lisburn City Library to help maintain a fresh selection of good stock, and Bright Books of Rochdale, one of the Book and Tape club sponsors in England has provided sponsorship. There were a total of 6456 visits to the library in 2007-08 and a total of 10463 items were issued during the year.

## CHAPTER 3: REGIMES AND REDUCING RE-OFFENDING

### Magilligan Prison

At Magilligan, good progress continued to be made and work continues with prisoners assessed on arrival and assisted towards reaching a higher level over a six week period; this is particularly important given that the majority of population have short term sentences.

A range of courses are available from essential skills to accredited courses such as GCSE English and Maths, a full range of Open University courses, computer studies and creative writing and art. Toe by Toe, a programme funded by the Shannon Trust is delivered on a one to one basis using a mentor and a mentee. It is designed to help the non-reader and so far, results have been most encouraging. Other programmes such as Business Studies and SAGE Accounts are delivered according to demand. Prisoners are also offered accreditation in the form of Unit awards in pottery and art. Work in both classes is of a high standard and students are encouraged to submit their work for the Koestler Awards.

### Koestler Awards

Top quality works of art, crafts and literature produced by prisoners were on show in September at the annual Koestler Exhibition in London. A total of 26 prisoners received either prizes or commendations at the annual awards. One prisoner from Maghaberry received first prize for a magnificent matchstick model of a Harley Davidson and rider.

A Magilligan prisoner won the Lifespan Trust Outstanding Award with his watercolour "After the Storm", while a female inmate from Hydebank Wood picked up the Margaret McDonald Outstanding Award for her photograph: "Table for Two at HM Pleasure".

The Koestler Trust for Prison Arts organises an annual competition and exhibition of arts from UK prisons, young offender institutions, secure units, high security psychiatric hospitals and immigration removal centres.

### Garden Show Ireland

In June green-fingered inmates from Maghaberry Prison assisted in making the Royal Society for the Protection of Birds (RSPB) display garden at Garden Show Ireland which was based at the Secret Garden in Hillsborough.

The prison also constructed and supplied plants for the flower beds at the walled garden and 500 hanging baskets made up from plants grown from seed in the horticultural unit were on sale at the show.

Following on from this achievement, prisoners working in Maghaberry's horticultural unit intend to display their own garden at this year's show.

### Duke of Edinburgh Awards

Olympic pentathlete gold winner Dame Mary Peters visited Magilligan Prison in May to present Duke of Edinburgh awards to both staff and prisoners. Approximately 30 sectional certificates were bestowed to prisoners participating in the scheme who took part in personal development activities or programmes to enhance their training and employment potential on their release. In working for the award, prisoners were required to develop their self esteem, provide a service to others and demonstrate qualities such as responsibility, reliability, initiative and community awareness.

Following on from this success, the Prison Service College held a Duke of Edinburgh Award conference in September attended by Prison Service officials and representatives from the Probation Board and Juvenile Justice Agency. The Conference highlighted that the Scheme was a significant element in the Service's resettlement programme.

# CHAPTER 4: STAFF AND DEVELOPING THE SERVICE



NORTHERN IRELAND  
PRISON SERVICE



## CHAPTER 4: STAFF AND DEVELOPING THE SERVICE

### STRATEGIC AIM 2007-08

Our aim is:

To have the right number of staff on duty at the right time and deployed effectively;

To develop staff equipping them with the right skills to do their job;

To support staff as they respond to organisational change flowing from Blueprint and offer development programmes to enable them to meet the challenges;

To continue to develop a workforce plan to meet our staffing needs and reduce our costs;

To maximise staff attendance, promoting and supporting staff welfare, health and morale;

To have positive employee relations.

### DEVELOPMENT OBJECTIVES 2007-08

To implement, in line with the target dates, the actions in the Human Resource (HR) Strategy and the Diversity Strategy - **Objective Met**

*The Service has developed a HR Diversity Strategy aimed at valuing and encouraging diversity within the Service to ensure an inclusive and supportive working environment for all staff. The Service is facing many new challenges which require staff to have a more diverse set of skills, experiences and attitudes in order to meet business needs. Through the progression and implementation of this Strategy the Service will look at ways of developing these skills by unlocking potential and by working together towards a new and all encompassing Northern Ireland Prison Service which has the confidence of its staff and also the wider community it serves.*

*On 12 May the public consultation period will close and the Service will then officially launch the Strategy Document titled 'Make a Difference'.*

*A programme of Diversity Roadshows, Awareness Training and Discussion Forums are planned during May and June for all staff.*

*The aims and targets of the Strategy form the basis of a comprehensive Action Plan with some 80 recommendations for staff across the Service which will contribute to overarching targets identified in this area.*

*In addition to developing the Diversity Strategy a number of positive measures have been taken in 2007-08 to widen recruitment and selection eligibility, support staff work-life balance opportunities and improve the training staff receive, to ensure that the focus is on being more responsive to the future challenges faced by the Service. Ongoing evaluation of our processes has been a significant input into the development of the strategy and will allow for continual progress across the scope of HR functions.*



## CHAPTER 4: STAFF AND DEVELOPING THE SERVICE

To implement the Management Development Scheme including formal training, development postings and mentoring, with ongoing evaluation of each element - **Objective Met**

*The pilot Management Development Scheme continues to be a prime focus as candidates have successfully acquired their NVQ Level 3 in custodial care plus the ILM Introductory Diploma in Management. The five candidates continue to work across a range of posts developing their new skills.*

*The second phase of the scheme will be implemented during 2008-09 when the current candidates will be joined by Senior Officer Grades identified through a selection procedure.*

To recruit staff in line with the requirements of the Service - **Objective Met**

*Recruitment Competitions have taken place during 2007-08 for Prison Custody Officers, Senior Psychologists/Psychology Assistants, Nursing Officers and Teachers. There is a current campaign ongoing for Operational Support Grades. This is a new grade introduced as part of the strategy for ensuring that trained prison officers are more effectively deployed in engaging with prisoners, while other support roles are carried out by appropriate grades.*

To deliver a rolling programme of training to meet the future needs of the Service as defined by Blueprint in line with the published programme - **Objective Met**

*The Prison Service Training College has developed and implemented a rolling programme of training to meet the needs of new and existing staff. The programme is designed to be flexible to meet emerging needs however it allows the Service to plan in advance for intensive and important training programmes. The programme has been developed further to ensure best use of resources.*

*Of particular note was the Main Grade Officer Development Programme which was delivered towards the end of the year. The 2 day programme was specifically designed to prepare officers to meet the challenges of a modern prison service.*

To review the implementation of the Staff Performance Management System and adjust as necessary by November 2007 - **Objective Partially Met**

*A Focus Group was set up to seek the views of staff on the performance management system for prison and non-prison grades. Meetings were held in each of the prison establishments, Headquarters and the Prison Service College. Recommendations from that work will help to inform future arrangements and training requirements.*

To prepare the Service, its staff and former staff for the Billy Wright Inquiry - **Objective Met**

*The Billy Wright Inquiry public hearings commenced in May 2007. The Service is providing support as appropriate.*

To prepare staff appropriately for devolution and ensure that business continuity is maintained throughout any process of change - **Objective Met**

*The two Governments concluded in the St Andrew's Agreement in 2006 that implementation of that Agreement should allow the Assembly to request devolution of policing and justice functions by May 2008. The Assembly established a committee to explore the issues (including reaching a view on the timetable for devolution) and reported on 11 March 2008. The report confirmed the Committee's acceptance of the transfer of those matters proposed by the NIO in a 2006 Discussion Paper, however, did not give a date on which such a transfer should take place, but encouraged further discussion between the Government and the parties on this point. The report was debated in the Assembly on the same date and that report was subsequently submitted to the Secretary of State. In the meantime, the Secretary of State indicated that work should be done to enable devolution in May 2008 and on receiving the report the Secretary of State has decided that work should continue to pave the way for future devolution of policing and justice.*

## CHAPTER 4: STAFF AND DEVELOPING THE SERVICE

*During the year the Prison Service set up a Preparation for Devolution Programme containing eleven work strands, under the Director's leadership, to prepare the Service for devolution. A wide range of activities have now been completed and work will be progressed as far as is practicable in preparation for devolution when the Assembly requests it. In particular the Prison Service will further develop our understanding of how devolution will operate within the prison context and take the opportunity to engage with the parties on the challenges and issues that the new administration may face in relation to prison matters.*

### HIGHLIGHTS

#### Freedom of the Borough

The courage and sacrifice of Northern Ireland Prison Service staff was recognised on 29 September when North Down Borough Council conferred on the Service its highest honour - the Freedom of the Borough. At a special ceremony in Bangor Town Hall the Mayor of North Down, Councillor Dr Stephen Farry MLA, praised the dedication and commitment shown by the Prison Service over many years of serving the people of Northern Ireland. The Director signed the Register of Freeman and gifts were exchanged between the Council and Prison Service at a civic luncheon.

On 29 February, the Service was further honoured by Ards Borough when its members officially became 'Freemen'. Over 150 representatives of the Prison Service including past and serving officers and widows gathered for a ceremony in Newtownards at which the organisation officially received the Freedom of the Borough from the Mayor of Ards. The Service became the eleventh recipient of the Freedom of the Borough of Ards since the honour was first granted in 1948.

#### Recognising Outstanding Work

This year, staff from the Prison Service received three top Butler Trust awards for their outstanding achievement from the Princess Royal at Buckingham Palace.

One of the top development awards was presented to a Governor and Principal Officer who were responsible for the development, implementation and policing of protocols and procedures in relation to the legislation of the Regulation of Investigatory Powers Act 2000 (RIPA).

An art teacher in Magilligan received a certificate award for her achievements and commitment to prison education through the medium of art. In 2001, she began delivering art therapy programmes on a voluntary basis at Magilligan and later, on the recommendation of the Prison Inspectorate, undertook to become a qualified art therapist and successfully completed an Art Therapy Master's Degree. To date she has delivered 12 programmes to 196 prisoners.

The Head of Education at Magilligan also received a certificate award for his work to expand the prisoner education programme for Magilligan and for the wider prison estate. In particular, his work on introducing the Video Conferencing and Networking Project for Magilligan received a national recognition award. The project takes the form of a 'virtual classroom' and allows prisoners to access, via a computer link, a wide range of courses delivered by the North East College in Ballymena. In association with the College he secured European Funding to support the project. This programme is integral to prisoner preparation for release as it provides modern industrial employment skills which are directly transferable to the workplace. He was also responsible for introducing a writer in residence to Magilligan which resulted in the publication of two books of prisoner's poetry and prose.

In addition five members of staff were awarded MBEs and OBEs in the New Year and Birthday Honours in recognition of their contribution and dedication to the Service and also for serving the wider community on a voluntary basis.

#### Criminal Justice Awards

Prison Service staff were recognised at the Criminal Justice Awards 2007 held at the Wellington Park Hotel in June. The scheme recognises and celebrates exceptional achievement among staff and volunteers working across the criminal justice sector in Northern Ireland in partnership with local communities.

An Officer working within the Resettlement Team at Maghaberry won an individual award in recognition of his work in developing strategies to assist Prisoners with coming to terms with their prison sentence, custody plan and resettlement plan.

## CHAPTER 4: STAFF AND DEVELOPING THE SERVICE

Meanwhile, the NIPS Prison! Me! No Way! Team from Magilligan Prison received a commendation for outstanding contribution to engaging with local communities.

### Churchill Award

A tutor at the Prison Service College has been given a prestigious award from the Winston Churchill Fellowship Trust. The Trust exists to provide fellowships to allow British citizens to broaden their knowledge of the people and countries they visit as well as enhancing their subject skills to enable them to make a more effective contribution in their employment or community.

The tutor was awarded a Travelling Fellowship Award for his work in Rehabilitation of Offenders. He intends to travel to Denmark and New Zealand later this year to look at various programmes for dealing with offenders and will write a thesis on 'Developing Positive Regimes for Life Sentence Prisoners'.

### Investors in People

The Prison Service College successfully gained accreditation against the stringent Investors in People standard for work life balance. Work life balance is about achieving the Prison Service corporate objectives while at the same time enabling staff to achieve and maintain a balance between work and home life. Within Northern Ireland only nine organisations have achieved this standard, three of these organisations are Prison Service establishments; Hydebank Wood Young Offenders Centre and Prison, Magilligan Prison and the Prison Service College.

The Service was recognised as meeting the Investors in People Recruitment and Selection Model standard which was awarded in March 2008. The assessment looked at the extent to which recruitment and selection is in line with, and supports, corporate strategies and business needs. The Northern Ireland Prison Service is one of only three organisations in Northern Ireland to hold the standard.

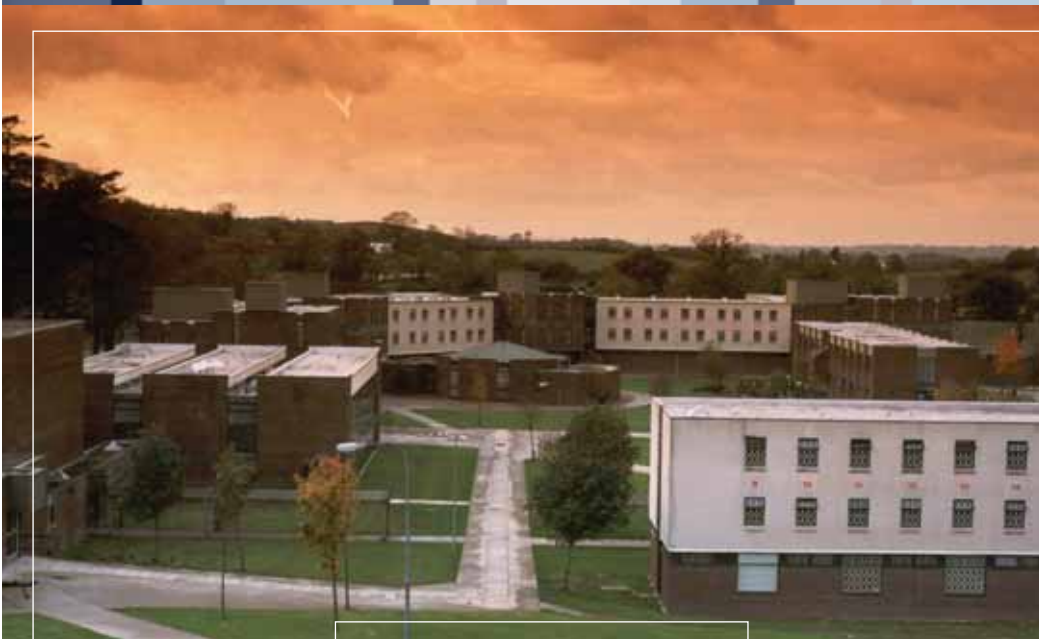
### Pay and Efficiency Package

In April a three-year pay and efficiency package, agreed between Prison Service Management, the Prison Officers' Association and the Prison Governors' Association, was introduced to help take the Service forward through the introduction of new types of staff, enhancements to regimes and reduction in running costs. Upfront efficiency was achieved by the reduction of the equivalent of 151 staff.

# CHAPTER 5: FINANCE, CORPORATE GOVERNANCE AND IMPROVING BUSINESS PERFORMANCE



NORTHERN IRELAND  
PRISON SERVICE



## CHAPTER 5: FINANCE, CORPORATE GOVERNANCE AND IMPROVING BUSINESS PERFORMANCE

### STRATEGIC AIM 2007-08

Our aim is:

To improve value for money and reduce the cost per prisoner place;

To improve business performance and awareness of costs and outputs by internal and external benchmarking;

To increase the professionalism and use of best practice in support functions;

To continue to rationalise and use IT in support of business gains;

To develop the Prison Service estate in line with business and strategic need.

### DEVELOPMENT OBJECTIVES 2007-08

To progress necessary changes to primary and secondary legislation, including amendments to the Prison Act (NI) 1953 and to Prison Rules - **Objective Met**

*The Criminal Justice Order (CJO) 2008 which introduces new measures for public protection and the sentencing and assessment of dangerous violent and sexual offenders was taken through Parliament at the end of April 2008. A number of amendments have been made to the Prison Act (Northern Ireland) 1953 which will come into effect on 1 July 2008, including minor miscellaneous changes concerning medical officers and amendments to better control, regulate and modernise prison security. Amendments to the laws on assisting a prisoner to escape and conveyance of prohibited articles in to or out of prison including drugs, weapons, mobile phones, satellite phones and cameras are also provided.*

*An Order in Council along with a Criminal Justice (Northern Ireland Consequential Amendments) Order 2008 were laid with the CJO, to allow the new prison sentences to be transferable across UK jurisdictions and to accommodate the new title of the Parole Commissioners in a number of regulatory instruments and to make amendments to the House of Commons Disqualification Act 1975; the Crime (Sentences) Act 1997; the Freedom of Information Act 2000; and the International Criminal Court Act 2001. Changes to the Prison Rules have been identified and are being effected.*

*Central to the preparations for devolution of policing and justice powers to the devolved administration has been the drafting of legislation to enable devolution when the Assembly requests it and we have contributed to the drafting of illustrative Orders to make changes to the statute book to ensure effective transfer of prison matters to the appropriate authorities.*

To produce an overall strategy for human rights compliance and promote across the Service - **Objective Partially Met**

*The objective to produce a strategy for human rights compliance was expanded to produce a human rights strategy on all aspects of human rights within the Service, including compliance, policy making, training and awareness raising. This Strategy is being developed and will be issued for consultation in the coming year. In relation to the promotion of human rights across the Service, a guide to the Human Rights Act for prison staff in Northern Ireland has been produced for all prison service staff.*

To complete an audit of policy and prepare a programme of policy development by 31 March 2008 - **Objective Partially Met**

*An initial audit of policies and procedures has been completed and the policy matrix will be updated as required. Work on the programme of policy development has been prioritised particularly the need to develop the strategy for female offenders.*

## CHAPTER 5: FINANCE, CORPORATE GOVERNANCE AND IMPROVING BUSINESS PERFORMANCE

To develop a performance management framework with a range of indicators fully embedded in the management information system by 31 March 2008 - **Objective Partially Met**

*A draft performance management framework has been developed. Implementation of the Framework and the development of PRISM information and monitoring will be progressed during 2008-09.*

To implement the Prison Service Equality and Diversity Strategy according to the action plan by 31 March 2008 - **Objective Partially Met**

*A NIPS Equality Adviser was appointed in March 2008. The Service is setting up and reconstituting equality committees across the Service with a view to driving forward the equality agenda liaising with diversity colleagues and the Prison Service College.*

### HIGHLIGHTS

#### Prison Estate

On 18 December, Prisons Minister Paul Goggins announced a comprehensive plan for the provision of prison places in the adult male estate in Northern Ireland over the next ten years. The two stage comprehensive strategy includes an immediate investment of £70m over the next three years to provide 400 extra places at Magilligan and Maghaberry prisons, alongside work to develop a detailed plan for a brand new 800 place prison on the site of the existing Magilligan Prison. The initial phase will cater for development of, on the Maghaberry site, of a facility capable of meeting the population pressures over the next four to five years. The second phase is the design and procurement exercise for a phased redevelopment for Magilligan Prison with procurement and delivery from 2011 onwards. The redevelopment will differ significantly from the existing prison in relation to the type and category of prisoner it will accommodate as well as in design. The current prison accommodates short-term adult male sentenced prisoners but the replacement prison will have the operational flexibility to accommodate a larger range of prisoners.

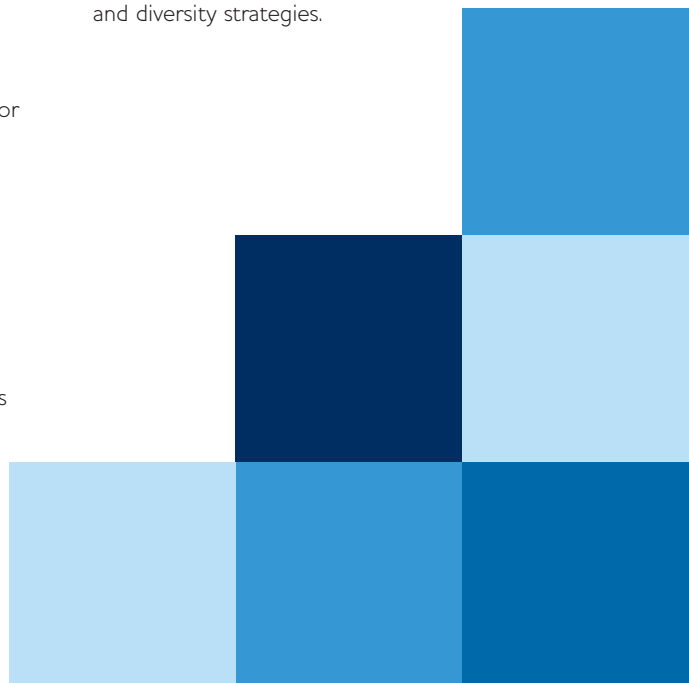
# CHAPTER 6: LOOKING AHEAD



NORTHERN IRELAND  
PRISON SERVICE

There are a number of challenges facing the Prison Service in the coming year. These include:-

- Playing a leading role in the implementation of the Criminal Justice Order, ensuring the Service's processes and programmes are geared up for the public protection sentences and the extension of the MASRAM arrangements to include violent offenders;
- Preparing the detailed business case with appropriate procurement procedures for the phased redevelopment of Magilligan and completing the design and procurement process for the future development at Maghaberry to meet the needs of the rising male population;
- Implementing the strategy for the management of women in custody including further development of gender-specific policies for Hydebank Wood Prison;
- Developing and implementing a corporate strategy for safer custody;
- Implementing the Prison Service Learning and Skills Strategy to reduce learning deficits, qualify and prepare offenders to seek and compete for employment opportunities on release;
- Implementing the accepted recommendations and action plans from the various reports and inspections completed in 2007-08;
- Ensuring the Service is prepared for devolution and for effective continuing business thereafter;
- Having in place a comprehensive programme of training designed to meet the development needs of staff to deliver their future responsibilities, with particular emphasis on active engagement and rehabilitation of prisoners;
- Supporting the Service, its staff and former staff, for the Billy Wright Inquiry and assisting the inquiry team with their requests for information;
- Implementing the human resource and diversity strategies.



# CHAPTER 7: CORPORATE SOCIAL RESPONSIBILITY



NORTHERN IRELAND  
PRISON SERVICE

This year, for the first time the annual report contains a chapter on Corporate Social Responsibility (CSR). The Prison Service has many achievements in this area, so it is appropriate to present them together. The Service is committed to increasing engagement with wider society. Specifically it is also committed to operating in a socially, economically and environmentally responsible manner to make a positive impact on society and the environment whilst maximising value for its stakeholders.

## EMPLOYEE AND ENVIRONMENTAL ACTIVITIES

The Service's CSR intentions are delivered through its staff, prisoners, suppliers, the environment and the community. Some examples of activity over the past year and approaches which reflect these include:

- Provision of a safe and healthy working environment and adherence to integrated standards on hygiene and sanitation, fire safety and health and safety;
- Ongoing implementation of the Service's Sustainable Development Policy and Action Plan aimed at reducing energy and water consumption, and using renewable energy where practicable within the prison estate;
- Development of a Biodiversity Implementation Plan which will be taken forward this year;
- Adoption of a sustainable transport policy;
- Introduction of a safe disposal of all hazardous or environmentally damaging substances policy;
- Recycling of approximately 20% of all waste at HMP Maghaberry;
- Integration of social and environmental considerations into procurement contracts;
- Development of a Diversity Strategy aimed at valuing and encouraging diversity within the Service to ensure an inclusive and supportive working environment for all staff and prisoners;
- Design and delivery of a Main Grade Officer Programme to prepare officers to meet the challenges of a modern prison service;
- Piloting of a Management Development Scheme aimed at providing opportunities for staff to develop them as future managers with the second phase of the scheme due for implementation during 2008-09;
- Promotion of the Work Life Balance Policy across the Service.



## CHAPTER 7: CORPORATE SOCIAL RESPONSIBILITY

### VOLUNTARY AND CHARITABLE WORK

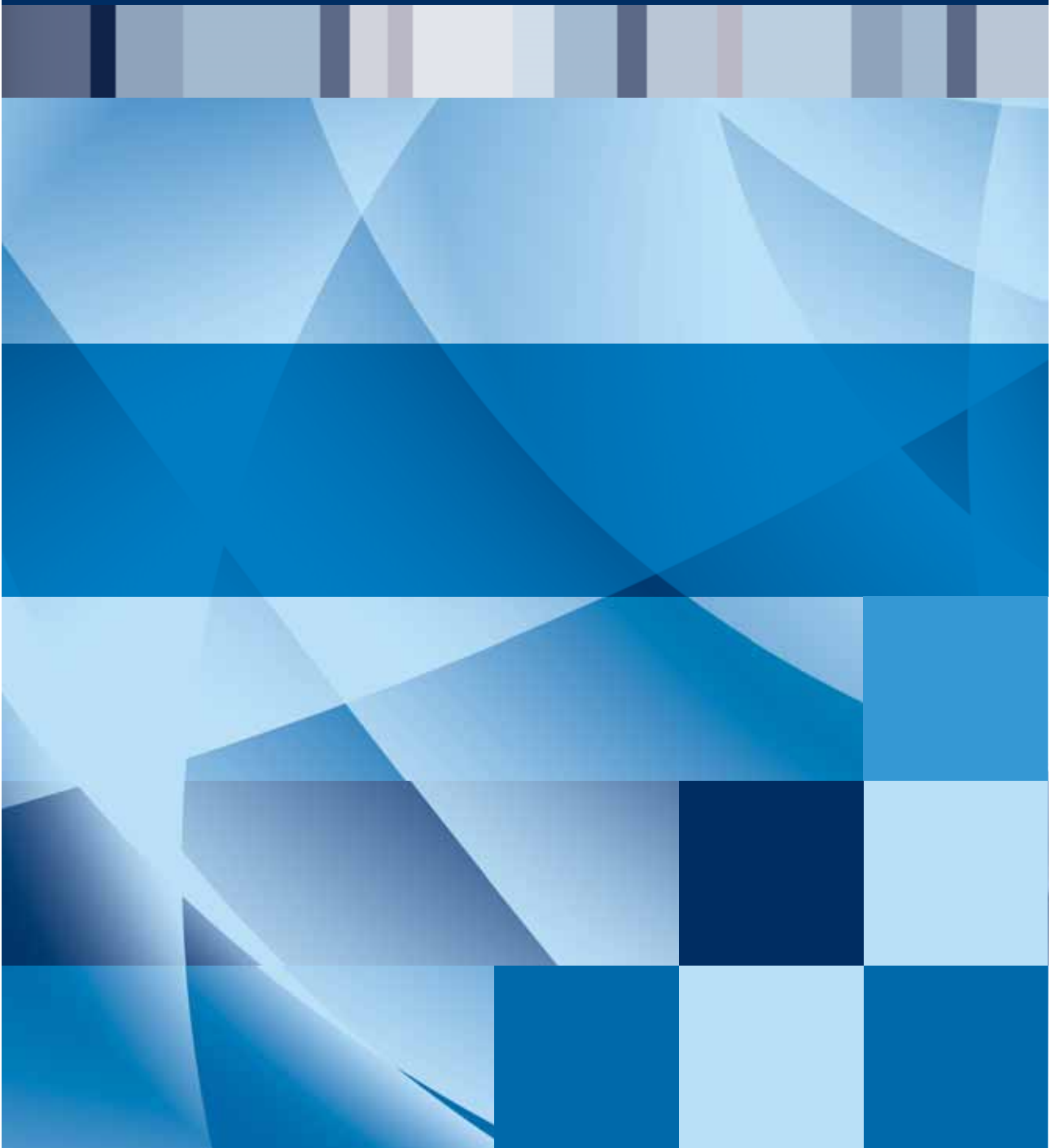
During the year, staff and prisoners were involved in many projects in partnership with a number of charities and voluntary organisations which made a positive impact on the community. Some examples of this work are as follows:-

- The Horticulture Unit at Maghaberry Prison continued to have close links with the PRAXIS Secret Garden in Hillsborough and supplied shrubs and hanging baskets which have been sold in support of the charity at this location;
- The prisoners charity workshop at Maghaberry Prison teamed up with Belfast City Council, Belfast District Policing Partnership, the PSNI and Belfast Home Accident Prevention group to produce 55,000 "Safe Seniors" packs aimed at providing items to help protect the elderly;
- Staff and inmates at Maghaberry Prison took part in a charity Spinathon to raise funds for the Association for Spina Bifida and Hydrocephalus;
- Maghaberry Prison has established links with a global Christian housing charity Habitat for Humanity. Inmates in the life sentence unit, Martin House, have constructed door sets for the housing project at the Model Farm Estate in Downpatrick;
- An exhibition of Magilligan Prison prisoner artwork was held at the headquarters of Portrush Sea Cadets and proceeds from the event were donated to Cancer Research UK; a subsequent exhibition was held at Cloona House in Twinbrook.
- Staff from Magilligan Prison raised over £50k on behalf of the Meningitis Research Foundation after completing a 500 mile Walk of Giants - Beyond Borders. During the 25 day trek 5 prisoners from Foyleview Resettlement Unit joined the officers for 7 days;
- In support of a car safety project in Limavady College, Magilligan Prison presented customised tee-shirts to a group of young people involved in the Limavady Custom Cruisers Project;
- Four inmates from Magilligan Prison completed a half marathon by each doing 101 laps of the Prison football pitch. The money collected from fellow prisoners, staff, friends and family was handed over to the charities, Shine a Light Children's charity, the Darren McClelland Appeal Fund and Macmillan Cancer Relief;
- Four prison officers at Hydebank Wood raised money for the Down's Syndrome Association after completing a ten hour bike ride on the slopes of Ben Nevis;
- Staff and prisoners at Hydebank Wood Young Offenders Centre and Prison raised money for a children's cancer charity "Shine a Light" through making and selling floral arrangements.
- Money was also raised at Hydebank Wood for the Rape Crisis and Sexual Abuse Centre and Marie Curie Cancer Care from the sale of Christmas holly wreaths and by the resale of recycled copper materials by young offenders in the plumbing workshop ;
- The Prison Service College supported the charities Macmillan Cancer Support and the Ulster Cancer Foundation with a member of staff completing the Mourne Mountain Marathon and a Think Pink Coffee morning was held at the College;
- Over 40 volunteer Prison Officers from Maghaberry, Magilligan and Hydebank Wood were involved with "Prison! Me! No Way!" (PMNW) which is an innovative programme for young people that aims to present the realities of prison life and dispel some of the common myths and misconceptions about imprisonment. The initiative which is interactive stimulates debate and discussion around the issues involved in being in prison. The PMNW team delivered the programme to schools, youth groups and a number of associations, voluntary and statutory, working with young people in Northern Ireland. This programme will continue to be delivered during 2008-09.

# APPENDICES



NORTHERN IRELAND  
PRISON SERVICE



# APPENDICES

## APPENDIX 1 PRISON POPULATION 2007-08

Establishment	Lowest number of prisoners held	Highest number of prisoners held	Average number of prisoners held
Magilligan	398	454	433
Maghaberry	770	854	806
Hydebank Wood Young Offenders Centre	163	208	191
Hydebank Wood Prison Females	34	54	44

	2007-08	2006-07
Lowest number of prisoners held overall	1380	1386
Highest number of prisoners held overall	1509	1494
Average number of prisoners held overall	1473	1455

## APPENDICES

### APPENDIX 2 AVERAGE PRISON POPULATION BY TYPE OF PRISONER 2007-08

	REMANDS	SENTENCED TO IMMEDIATE CUSTODY	FINE DEFAULTER	NON CRIMINAL	TOTAL
MALE	496	904	24	6	1430
FEMALE	17	24	3	1	45
TOTAL	513	928	27	7	1475

### PRISON RECEPTIONS

#### TOTAL RECEPTIONS 2007-08

	REMANDS	FINE DEFAULTERS	SENTENCED TO IMMEDIATE CUSTODY	NON CRIMINAL	TOTAL
MALE	2589	1532	1260	35	5416
FEMALE	143	146	55	9	353
TOTAL	2732	1678	1315	44	5769

# APPENDICES

## APPENDIX 3 RECEPTIONS BY SENTENCE LENGTH 2007-08

	MALE	FEMALE	TOTAL	%*
Fine defaulters	1532	146	<b>1678</b>	<b>56.1</b>
<b>Immediate custody</b>				
<= 3 months	228	10	<b>238</b>	<b>8.0</b>
> 3 months and <= 6 months	304	21	<b>325</b>	<b>10.9</b>
> 6 months and <=1 year	300	18	<b>318</b>	<b>10.6</b>
> 1 year and <= 2 years	167	2	<b>169</b>	<b>5.6</b>
> 2 years and <= 3 years	72	2	<b>74</b>	<b>2.5</b>
> 3 years and <= 4 years	59	0	<b>59</b>	<b>2.0</b>
> 4 years and <= 5 years	20	0	<b>20</b>	<b>0.7</b>
> 5 years and <= 10 years	63	0	<b>63</b>	<b>2.1</b>
> 10 years - less than life	27	1	<b>28</b>	<b>0.9</b>
Life and SOSP	20	1	<b>21</b>	<b>0.7</b>
Total immediate custody	1260	55	<b>1315</b>	<b>43.9</b>
<b>Total sentenced</b>	<b>2792</b>	<b>201</b>	<b>2993</b>	<b>100</b>

# APPENDICES

## APPENDIX 4 SENTENCED RECEPTIONS (IMMEDIATE CUSTODY) BY OFFENCE 2007-08

OFFENCE CATEGORY	MALE	FEMALE	TOTAL	%*
Violence against the person	312	11	<b>323</b>	<b>24.6</b>
Sexual offences	67	1	<b>68</b>	<b>5.2</b>
Burglary	68	3	<b>71</b>	<b>5.4</b>
Robbery	76	1	<b>77</b>	<b>5.9</b>
Theft	161	9	<b>170</b>	<b>12.9</b>
Fraud and forgery	35	5	<b>40</b>	<b>3.0</b>
Criminal damage	73	8	<b>81</b>	<b>6.2</b>
Motoring offences	186	1	<b>187</b>	<b>14.2</b>
Drug offences	89	2	<b>91</b>	<b>6.9</b>
Other offences	193	14	<b>207</b>	<b>15.7</b>
<b>TOTAL</b>	<b>1260</b>	<b>55</b>	<b>1315</b>	<b>100</b>

# APPENDICES

## APPENDIX 5 OFFENCES UNDER PRISON RULES AND PENALTIES 2007-08

Offences	Maghaberry Prison	Magilligan Prison	Hydebank Wood YOC	Hydebank Wood Prison	Total
Violence	138	28	82	13	<b>261</b>
Damage to property	81	8	42	4	<b>135</b>
Trafficking or possession of prohibited articles	316	158	69	26	<b>569</b>
Other breaches of regulations	570	143	340	53	<b>1106</b>
<b>Total offences</b>	<b>1105</b>	<b>337</b>	<b>533</b>	<b>96</b>	<b>2071</b>
PENALTIES					
Cellular confinement	551	218	238	18	<b>1025</b>
Loss of privileges	591	487	648	90	<b>1816</b>
Loss of earnings	556	82	38	4	<b>680</b>
Loss of remission	0	0	0	0	<b>0</b>
Warning/caution	66	22	37	7	<b>132</b>
<b>Total penalties</b>	<b>1764</b>	<b>809</b>	<b>961</b>	<b>119</b>	<b>3653</b>

# APPENDICES

## APPENDIX 6 PRE-RELEASE HOME LEAVE APPLICATIONS 2007-08

The Pre-Release Home Leave Scheme is designed to prepare the prisoner for return to the community and enables eligible prisoners nearing the end of their sentences to take a number of periods of temporary release prior to their final discharge from prison.

	Maghaberry Prison	Magilligan Prison	Hydebank Wood YOC	Hydebank Wood Prison	Total
Applications received	199	2428	158	44	<b>2829</b>
Successful applications	103	1648	104	39	<b>1894</b>
% successful	52%	68%	66%	89%	<b>67%</b>



# APPENDICES

## APPENDIX 7

### SELF-INFLICTED INJURIES AND DEATHS IN CUSTODY IN THE LAST FIVE YEARS

Year	Number of self-inflicted injuries	Number of self-inflicted deaths
2003-04	188	4
2004-05	145	3
2005-06	201	0
2006-07	206	*
2007-08	181	**

\* 3 deaths in custody awaiting inquest not included

\*\* 4 deaths in custody awaiting inquest not included

# APPENDICES

## APPENDIX 8 STAFF NUMBERS AND RECRUITMENT

### RECRUITMENT AND SELECTION CODE OF PRACTICE

The Northern Ireland Prison Service has systems in place to ensure that selection for appointment is made in accordance with the Civil Service Commissioners for Northern Ireland Recruitment Code.

All applicants are considered systematically against the organisation's recruitment practices and in line with published suitability criteria. The recruitment systems are evaluated on a regular basis to ensure they meet with the Commissioners' guidelines and are in line with best practice as recommended by the Chartered Institute of Personnel and Development and the Equality Commission.

No appointments were made under Regulation 3 of the Commissioners' General Regulations.

A statistical summary of the applicants' and appointees' religious affiliation and gender for the following recruitment campaigns; Assistant Cook, Teacher, Night Custody Officer, Nursing Officer, Senior Psychologist, Prisoner Custody Officer, Psychology Assistant and Operational Support Grade which were advertised by the Prison Service during the period 1 April 2007 and 31 March 2008 in strict accordance with the Commissioners for Northern Ireland Recruitment Code is as follows:

#### APPLICANTS

##### RELIGIOUS AFFILIATION

Protestant	2714
Roman Catholic	1028
Non determined	336

**TOTAL**                    **\*4078**

##### GENDER

Male	2475
Female	1603

**TOTAL**                    **\*4078**

#### APPOINTEES

##### RELIGIOUS AFFILIATION

Protestant	23
Roman Catholic	6
Non determined	2

**TOTAL**                    **31**

##### GENDER

Male	25
Female	6

**TOTAL**                    **31**

\* Please note the total of 4078 includes 3055 applicants for the Teacher, Nursing Officer, PCO, Psychology Assistant and OSG competitions for which no appointments have been made by 31 March 2008.

# APPENDICES

## APPENDIX 8 STAFF NUMBERS AND RECRUITMENT

A statistical summary of the applicants' and appointees' religious affiliation and gender for recruitment campaigns for; Senior Psychologist, Prisoner Custody Officer, Teacher, Assistant Cook, Catering Assistant and Night Custody Officer, advertised by the Prison Service prior to 1 April 2007 but from which appointments were made between 1 April 2007 and 31 March 2008 is as follows:-

### APPLICANTS

#### RELIGIOUS AFFILIATION

Protestant	3068
Roman Catholic	925
Non determined	376

**TOTAL 4369**

#### GENDER

Male	2964
Female	1405

**TOTAL 4369**

### APPOINTEES

#### RELIGIOUS AFFILIATION

Protestant	76
Roman Catholic	18
Non determined	8

**TOTAL 102**

#### GENDER

Male	57
Female	45

**TOTAL 102**

# APPENDICES

## APPENDIX 9 TRAINING DELIVERED 2007-08

### Total number of in-house training days

Prison Service College (Central Training)	8999
Maghaberry (In-Service Training)	1030
Magilligan (In-Service Training)	1306
Hydebank Wood (In-Service Training)	807
PECCS (In-Service)	100
Training delivered by external providers (External Training)	1186
<b>TOTAL</b>	<b>13428</b>
Central Training	8999
In Service	3243
External	1186
<b>TOTAL</b>	<b>13428</b>

# APPENDICES

## APPENDIX 10 NATIONAL STANDARDS FOR CENTRAL GOVERNMENT

### SIX NATIONAL STANDARDS FOR CENTRAL GOVERNMENT

The 1996 Citizen's Charter White Paper announced six new national standards that would apply to all Departments and Executive Agencies from 1 April 1997. The standards and the Northern Ireland Prison Service's performance against them are outlined below:-

#### 1. ANSWER LETTERS QUICKLY AND CLEARLY

Based on the number of letters received during 4 two-week sampling periods, the volume of correspondence received during 2007-08 worked out at 2022. Of letters requiring a reply, 95.9% of those sampled were responded to within the 15 working days target. No reply was required to 36.6% of the total correspondence received.

#### 2. SEE PEOPLE WITHIN 10 MINUTES OF ANY PRE-ARRANGED TIME FOR APPOINTMENTS AT THE AGENCY'S OFFICE

Given the nature of the work of the Prison Service, there are very few appointments that fall into this category. Monitoring would suggest that this standard is being met.

#### 3. ANSWER TELEPHONE CALLS QUICKLY AND HELPFULLY

The Prison Service has established an enquiry point with text facilities for the public and records indicate that all queries were answered within the target time. During 2007-08 there were 910 enquiries to this line.

#### 4. GIVE USERS CLEAR INFORMATION ALONG WITH TELEPHONE AND E-MAIL ENQUIRY POINTS

The Prison Service Charter Statement is available in all establishments and sets out operational and service standards. The Charter Statement can be viewed on the Prison Service website - [www.niprisonservice.gov.uk](http://www.niprisonservice.gov.uk).

Information about services is provided in the Corporate and Business Plan and the Annual Report, which are both publicly available documents. There is additionally a half page entry in the telephone directory, which gives numbers for prison establishments and headquarters. A public enquiry point with text facility has been established which is supported by material prepared for dissemination to the public. The Prison Service has established its own E-mail enquiry point - [info@niprisonservice.gov.uk](mailto:info@niprisonservice.gov.uk).

#### 5. HAVE A COMPLAINTS PROCEDURE (OR PROCEDURES) WHICH SHOULD BE SENT TO THE PUBLIC ON REQUEST

A Statement of Charter Standards for Visitors is available in all establishments. A leaflet detailing how visitors can make a complaint was produced in November 2003 in conjunction with the Northern Ireland Association for the Care and Resettlement of Offenders and the Ulster Quaker Service Committee. Prisoner information booklets contain details of how prisoners can make complaints.

#### 6. CONSULT USERS AND MAKE SERVICES ACCESSIBLE TO EVERYONE (INCLUDING PEOPLE WITH SPECIAL NEEDS)

During 2007-08, 3 public consultations took place as follows:

- Child Protection Policy (April 2007);
- Restorative Practice in NIPS (September 2007);
- HR Diversity Strategy (March 2008).

# APPENDICES

## APPENDIX 10 NATIONAL STANDARDS FOR CENTRAL GOVERNMENT

### CORRESPONDENCE RECEIVED

Category of correspondence	Number received year ended 31 March 2008
Letters for Ministerial reply	61
Letters for Director's reply	23

### PARLIAMENTARY QUESTIONS

	Number received
Year ended 31 March 2006	115
Year ended 31 March 2007	90
Year ended 31 March 2008	129

# APPENDICES

## APPENDIX 11 DEFINITIONS

### APPROVED OR ACCREDITED ACTIVITIES:

Any activities and/or programmes, which have been verified by an internal approval panel or external accreditation body.

### AN ASSAULT:

When the victim has sustained an injury resulting in his/her death, or his/her detention in an outside hospital as an inpatient, or any of the following injuries whether or not detained in hospital: fractures, concussion, internal injuries, crushing, severe cuts or lacerations, severe bruising, burns or scalds, or severe general shock requiring medical treatment.

### CERTIFIED NORMAL ACCOMMODATION:

Accommodation which meets the Prison Service's own measurable standards for the provision of good decent accommodation for the secure and humane confinement of persons who have been given into custody by the courts.

### CONSTRUCTIVE ACTIVITY:

All pursuits that play a part in the enhancement of the individual's skills, knowledge, attitudes and behaviour, or contribute to the reduction in the likelihood of re-offending (and including attendance at court). For separated prisoners, time out of cell will count as constructive activity.

### PRISONER:

Any person who has been committed to a prison or young offenders centre by the courts.

### CATEGORY A PRISONER:

A prisoner whose escape would be highly dangerous to the public or the police or the security of the state, no matter how unlikely that escape might be, and for whom the aim of the Prison Service must be to make escape impossible.

### CATEGORY B PRISONER:

A prisoner for who the very highest conditions of security are not necessary, but for whom escape must be made very difficult.

### CATEGORY C PRISONER:

A prisoner who cannot be trusted in open conditions, but who do not have the resources or the will to make a determined escape attempt.

### CATEGORY D PRISONER:

A prisoner who can be reasonably trusted in open conditions.

### DIFFICULT PRISONER:

A prisoner who is constantly disruptive and presents a threat to the safety of staff and others.

### PRIORITY NEEDS:

Those needs as identified in the resettlement plan. These will vary with each prisoner.

### REGIME:

The regime describes the activities, opportunities and privileges available to prisoners on a daily basis.

### RESETTLEMENT PLAN:

A plan developed during induction, based on the assessment of a prisoner's needs that will address factors associated with offending and increase the likelihood of not offending on release.

### RESETTLEMENT STRATEGY:

A joint NIPS/PBNI initiative that addresses the following issues: offending behaviour, addictions, accommodation and community, education and employment, lifestyle and health.

### SEPARATED CONDITIONS:

A regime in which loyalist and republican prisoners with paramilitary affiliations apply for and if approved are accommodated separately from each other, and from the rest of the prison population for safety reasons for both prisoners and staff, and where the staff remain firmly in control.

# APPENDICES

## APPENDIX 12 ADDRESSES AND CONTACT NUMBERS

### PRISON SERVICE HEADQUARTERS

Dundonald House  
Upper Newtownards Road  
BELFAST  
BT4 3SU

**Telephone: (028) 9052 2922**

### PRISON SERVICE COLLEGE

Woburn House  
MILLISLE  
Co Down  
BT22 2HS

**Telephone: (028) 9186 3000**

### MAGHABERRY PRISON

Old Road  
Ballinderry Upper  
LISBURN  
Co Antrim  
BT28 2NF

**Telephone: (028) 9261 1888**

### MAGILLIGAN PRISON

Point Road  
LIMAVADY  
Co Londonderry  
BT49 OLR

**Telephone: (028) 7776 3311**

### HYDEBANK WOOD YOUNG OFFENDERS' CENTRE AND PRISON

Hospital Road  
BELFAST  
BT8 8NA

**Telephone: (028) 9025 3666**

### PUBLIC ENQUIRY POINT

**Telephone: 028 9052 5065 with text facility**  
**Fax: 028 9052 4330**  
**Email: [info@niprisonservice.gov.uk](mailto:info@niprisonservice.gov.uk)**  
**Website: [www.niprisonservice.gov.uk](http://www.niprisonservice.gov.uk)**



# DIRECTOR'S REPORT



NORTHERN IRELAND  
PRISON SERVICE

## History and Statutory Background

The Northern Ireland Prison Service (the Agency) was established as an Executive Agency of the Northern Ireland Office (NIO) in April 1995 under the Government's Next Steps Initiative. The Agency operates under the control of the Secretary of State for Northern Ireland, within a statutory framework governed by the Prison Act (Northern Ireland) 1953 and the Prison and Young Offenders Centre Rules (Northern Ireland) 1995.

## Aims and Objectives

The Northern Ireland Prison Service is responsible for providing prison services in Northern Ireland. The Agency is a major component of the wider criminal justice system and contributes, alongside other partners, to achieving the system's overall aims and objectives such as supporting the political process, increasing public confidence in the criminal justice system in Northern Ireland and assisting progress towards a normal peaceful society.

The Agency aims, through its staff, to serve the community by keeping in secure, safe and humane custody those committed by the courts. It seeks to work with prisoners and other organisations to reduce the risk of re-offending; and in so doing aims to protect the public and contribute to peace and stability in Northern Ireland.

## Management

The Northern Ireland Prison Service is headed by a Director who is supported by a Management Board consisting of three Executive Directors, one Associate Director and two Non-Executive Directors, and the Governing Governor of each of the Agency's three operational establishments.

The Agency's Management Board is responsible for the strategic and business management of the Agency's operations.

At 31 March 2008, the Management Board was as follows:

Robin Masefield CBE - Director  
Anne McCleary - Deputy Director of Services  
Max Murray - Deputy Director of Operations  
Mark McGuckin - Deputy Director of Finance & Personnel  
Dr Philip McClements OBE - Associate Director of Health & Healthcare  
Alan Longwell - Governing Governor, Maghaberry Prison  
Tom Woods - Governing Governor, Magilligan Prison  
Austin Treacy - Governing Governor, Hydebank Wood YOC & Prison  
Sid McDowell CBE - Non-Executive Director  
Ruth Laird - Non- Executive Director

Steve Davis ceased being a member of the Management Board and transferred to another post on 30 July 2007. He was replaced by Austin Treacy, who took up post on 31 July 2007.

Dr Philip McClements ceased his membership on the Management Board on 31st March 2008, as responsibility for prison healthcare transferred to the Department of Health, Social Services and Public Safety (DHSSPS) on 1st April 2008.

Appointments to the Management Board (except for the Associate Director of Health & Healthcare and the Non-Executive Directors) are made in accordance with the Civil Service Commission's general regulations. Details of the salary and benefits of the Management Board Members are disclosed in the Remuneration Report on pages 49 to 53.

# DIRECTOR'S REPORT

## Board Members Interest

Details of all Board Members' interests which may conflict with their management responsibilities are disclosed in Note 21 of the Financial Statements on page 87.

## Business Review & Future Developments

The total net operating cost for the year was £135,764k (2006-07, £136,648k). A full review of the business during the year and its future development is set out in the Management Commentary on pages 54 to 62, and in the Agency's Corporate and Business Plan.

## Pension Liabilities

The Northern Ireland Prison Service makes employer contributions to the following pension schemes; Principal Civil Service Pension Scheme GB  
Principal Civil Service Pension Scheme NI  
Details of the pension arrangements of the above schemes are disclosed in the Remuneration Report and in Note 1 of the Financial Statements.

## Equality

Section 75 of the Northern Ireland Act 1998 requires public authorities to promote equality of opportunity and good relations. These duties are designed, in particular, to ensure that equality issues are integral to the whole range of public policy decision making. The NIO, which includes the Prison Service, has submitted its Equality Scheme to the Equality Commission for Northern Ireland. The Prison Service is fully committed to the Equality Scheme and will ensure that appropriate training is delivered to staff. The average number of disabled persons employed during the year was 47 (2006-07, 45).

## Employee Consultation

The Northern Ireland Prison Service recognises the importance of good employee relations and is committed to effective employee relations and communications. Regular meetings are held with representatives of trades unions.

## Health & Safety

The Northern Ireland Prison Service is committed to providing for staff, prisoners and visitors an environment that is as far as possible safe and free from risk to health.

In line with this commitment, the Agency complies with the relevant health & safety legislation.

## Charitable Donations

There were no charitable donations made by the Northern Ireland Prison Service during the year.

## Payment of Suppliers

In line with the Better Payment Practice Code, the Agency's policy is to pay all invoices not in dispute within 30 days or agreed contractual terms if otherwise specified. During the year ended 31 March 2008 the Agency paid 92.56% (2006-07, 97.66%) of all invoices received within the terms of its payment policy.

## Accounting Responsibilities

The Agency's Financial Statements have been prepared in accordance with a direction issued by Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

## Audit

The Financial Statements are audited by the Comptroller and Auditor General (C&AG) who is appointed by statute and reports to Parliament on the audit examination. His certificate and report is produced at pages 67 to 68. So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. The notional audit fee for the work performed by the staff of the C&AG during the reporting period and which relates solely to the audit of these Financial Statements was £44.5k. The C&AG may also undertake other statutory activities that are not related to the audit of the Agency's Financial Statements such as Value for Money reports. No such activity took place during the year.

**Robin Masefield**  
**16 June 2008**

# MANAGEMENT BOARD REMUNERATION REPORT



NORTHERN IRELAND  
PRISON SERVICE

## Remuneration of the Management Board

The Northern Ireland Prison Service does not have a remuneration committee. As civil servants, the remuneration of executive senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body has 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 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](http://www.ome.uk.com).

As members of the Senior Civil Service the Director and Deputy Directors' remuneration is set by the NIO Remuneration Committee.

The remuneration of the Governing Governors on the Management Board is set by the Prison Service Pay Review Body.

The remuneration of the Non-Executive Directors is determined by the Director taking account of guidance issued by Office of the First Minister & Deputy First Minister on the appointment of independent Non-Executive Directors.

The amount paid for the services of the Associate Director of Healthcare is a percentage of his salary as a consultant employed by the Royal Hospitals Trust which is determined by the Review Body on Senior Salaries. 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 circumstances when appointments may otherwise be made.

Unless otherwise stated below, the individuals covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, may result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

Philip McClements was appointed as Associate Director of Health and Healthcare on a non-fixed term contract on 1 January 2003. As noted in the Directors Report, his membership on the Management Board ceased on the 31st March 2008 with the transfer of prison healthcare to the DHSSPS.

# REMUNERATION REPORT

Sid McDowell was appointed as a Non-Executive Director on 1 December 2004 on a three year contract. This contract was renewed in December 2007. Ruth Laird was appointed as a Non-Executive Director on a three year contract on 12 September 2005.

## Bonuses

Non-consolidated bonuses are payable to Senior Civil Servants to reward in-year performances in relation to agreed objectives, or short term personal contribution to wider organisational objectives.

Non-consolidated bonuses are payable to the Governing Governors on the Management Board to reward exceptional performance based upon recommendation by the Director of Operations and countersigned by the Director.

## Salary (Audited Information)

As Non-Executive Directors, Sid McDowell CBE received total remuneration of £9,000 (2006-07, £6,500) and Ruth Laird received total remuneration of £9,000 (2006-07, £6,500).

An amount of £42,924 (2006-07, £42,016) was paid to the Royal Victoria Hospital, Belfast in respect of Dr McClements' role as Associate Director of Health & Healthcare.

The salary and pension details of the remainder of the Management Board for 2007-08 are disclosed in the Table on pages 52 and 53. Salaries and allowances include gross salaries, 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. The salary range reflects remuneration for the months in office, but where relevant the full year equivalent is also provided.

The Agency did not make any contributions to a Board Member's partnership pension account.

## Director (Audited Information)

The Director received total remuneration excluding pension contributions of £106,309 (2006-07, £102,520). The Director is an ordinary member of the Principal Civil Service Pension Scheme (GB).

## 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. Robin Masefield received living accommodation and associated housing costs provided at public expense and chargeable to tax under s163 of the Income and Corporation Taxes Act 1988. The tax payable on this benefit was also paid by the NIO.

## Pensions

Pension benefits are provided through the Civil Service pension arrangements, which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New Entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of the scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the RPI and attract annual pension increase.

# REMUNERATION REPORT

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic 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. For premium, 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 give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1st October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee.

The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach the pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service Pension arrangements can be found at the website [www.civilservicepensions.gov.uk](http://www.civilservicepensions.gov.uk).

## Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) 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 figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. 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 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

## Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include 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.

## Compensation for loss of office

There were no compensation benefits paid to any current or previous member of the Management Board during the financial year 2007-08.

**Robin Masefield**  
16 June 2008

# SALARY & BENEFITS OF FULL TIME EXECUTIVE MEMBERS OF THE NI PRISON SERVICE MANAGEMENT BOARD FOR THE 2007-08 FINANCIAL YEAR [AUDITED INFORMATION]

Board Member	Salary & allowances	Benefits in Kind <sup>1</sup>	Real increase in pension & related lum Sum
	£'000	£'000	£'000
<b>Robin Masefield</b> Director	105-110k (100-105k)	12,132 (14,999) <sup>2</sup>	0-2.5k and 2.5-5.0k lump sum
<b>Anne McCleary</b> Deputy Director of Services	65-70k (40-45k)	-	0-2.5k and 0-2.5k lump sum
<b>Max Murray</b> Deputy Director of Operations	85-90k (85-90k)	-	0-2.5k and 2.5-5.0k lump sum
<b>Mark McGuckin</b> Deputy Director of Finance & Personnel	75-80k (70-75k)	-	0-2.5k and 2.5-5.0k lump sum
<b>Alan Longwell</b> Governing Governor	75-80k (70-75k)	-	0-2.5k and 2.5-5.0k lump sum
<b>Austin Treacy</b> Governing Governor (from 31st July 2007)	40-45k* 60-65k (-)	-	0-2.5k and 0-2.5k lump sum
<b>Tom Woods</b> Governing Governor	65-70k (35-40k)	-	0-2.5k and 0-2.5k lump sum
<b>Steve Davis</b> Governing Governor (until 30 July 2007)	20-25k* 60-65k (60-65k)	-	0- 2.5k and 0 -2.5k lump sum

<sup>1</sup> The estimated monetary value of benefits in kind covers any benefits provided and treated by Revenue and Customs as taxable income. The net benefits in kind shown above are in respect of detached duty allowances and expenses, on which the tax payable is met by the Department. The above amounts exclude tax or benefits in kind arising from payments under the Assisted Home Removals Scheme as a result of the October 2002 Security Breach

<sup>2</sup> The estimated monetary value of benefits in kind for 2006-07 has been restated for comparison with 2007-08 figures and includes maintenance costs omitted in the 2006-07 Annual Report and Accounts.

<sup>3</sup> Due to certain factors being incorrect in last years CETV calculator there may be a slight difference between the final period CETV for 2006-07 and the start of period CETV for 2007-08.

\* Indicates that the individual was in post for part year only. Full year equivalents are noted beside part year amounts. 2006-07 amounts are bracketed below.

Total accrued pension and related lump sum at 31 March 2008	CETV at 31 March 2007 or at date of joining3	CETV at 31 March 2008 or at date of leaving	Real increase in CETV	Employer contribution to partnership pension account including risk benefit cover	Total Compensation Paid
£'000	£'000	£'000	£'000	£'000	£'000
40-45k and 125-130k lump sum	794	934	27	-	-
15 -20k and 45-50k lump sum	244	280	-1	-	-
30-35k and 90- 95k lump sum	589	683	31	-	-
25-30k and 80- 85k lump sum	440	512	18	-	-
15-20k and 55-60k lump sum	271	325	13	-	-
25-30k and 80-85k lump sum	466	568	-8	-	-
20-25k and 45-50k lump sum	451	475	-23	-	-
15-20k and 50-55k lump sum	292	227	-	-	-

# MANAGEMENT COMMENTARY



NORTHERN IRELAND  
PRISON SERVICE

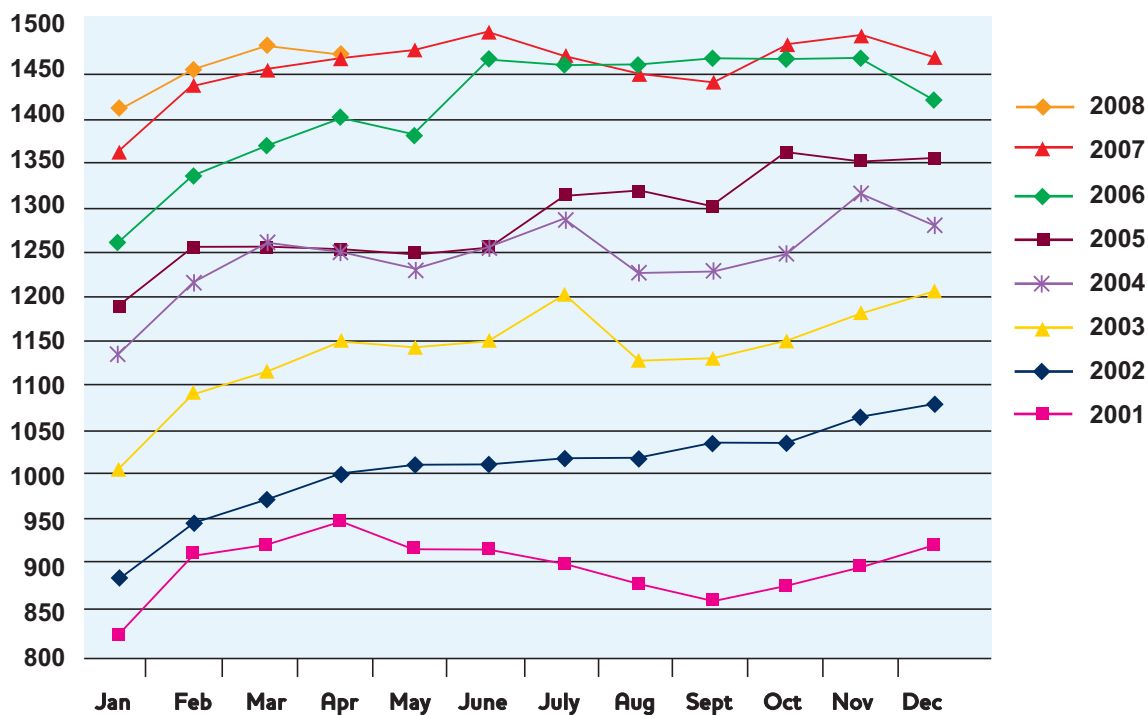
## Financial Review

### Financial Provision & Cash Flow

The Prison Service is financed as part of the overall Northern Ireland Office (NIO) Departmental Expenditure Limit voted by Parliament. The total cash requirement for the year from NIO was £137,168k (2006-07, £134,925k).

### Prisoner Population

The NI Prison Service held on average through 2007-08 a total of 1459 prisoners, representing an average increase of 3.2% in prisoner population over the year. The consistent growth in prisoner numbers over the years is reflected in ongoing capital investment, which has been progressed during 2007-08 for provision of additional prisoner accommodation.





# FINANCIAL REVIEW

## Capital Costs

During the year the NI Prison Service invested further in its prison estate and infrastructure incurring £24,138k (2006-07, £13,427k) in expenditure on capital assets. Details of the movement of fixed assets are set out in Notes 7 and 8 to the Financial Statements.

Major capital projects progressed during 2007-08 include the installation of a new kitchen at Maghaberry, development of Ready To Use accommodation at Maghaberry and Magilligan, 50 cell Alpha accommodation at Magilligan and refurbishment of Cedar House accommodation and in-cell sanitation at Hydebank Wood.

## Resource Costs

The net cost of operations for the year as shown in the Operating Cost Statement on page 69 is £135,764k (2006-07, £136,648k). The Prison Service incurred expenditure during the year as follows:

Operating Costs	2007-08 £k	2006-07 £k
Staff Costs	91,252	89,443
Net Running Costs	20,849	29,319
Depreciation	9,720	8,921
Finance Charges	6,966	6,231
Impairment of fixed assets	0	1,804
<b>Operating Expenditure</b>	<b>128,787</b>	<b>135,718</b>
Prisoner Healthcare	5,248	0
Billy Wright Inquiry Costs	1,574	648
Staff Reduction Programme	(6)	(19)
Prison Service Trust Grant	183	285
Security Breach Provision	(22)	16
<b>Net Operating Costs</b>	<b>135,764</b>	<b>136,648</b>

Operating Expenditure decreased by £6,931k (5%) during 2007-08 due primarily to the transfer of Prisoner Healthcare costs out of operating expenditure (£5,248k), a release of litigation provisions (£1,019k) and also due to the elimination of contractual fees concerning the transfer of custodial officers onto NIPS payroll at the end of 2006-07. Movements in Operating Costs are explained in the Notes to the accounts.

# FINANCIAL REVIEW

## Cost per Prisoner Place

The Northern Ireland Office Public Service Agreement sets out the targets the Department will deliver in return for the resources it has been allocated. PSA Objective 7, target 4 of the NIO Public Service Agreement states that the Department will provide a cost effective Prison Service, by ensuring that the annual cost per prisoner place in Northern Ireland falls to £82,500 by 2007-08. The actual Cost per Prisoner Place in Northern Ireland over 2007-08 was £81,254.

	<b>2007-08 Actual</b>	<b>2007-08 Target</b>
Operating Expenditure (£k)	128,787	140,993
Prisoner places (C N A)	1,585	1,709
<b>Cost per Prisoner Place (£)</b>	<b>81,254</b>	<b>82,500</b>

# OPERATING REVIEW

## HISTORY AND STATUTORY BACKGROUND

Details on the history and statutory background of the Northern Ireland Prison Service can be found in the Directors' Report section of this document.

## STRUCTURE AND LOCATION

The Service currently has three operational establishments:-

**Maghaberry Prison** - a high security prison housing adult male long-term sentenced and remand prisoners in separated and integrated conditions. The Governor also has responsibility for a facility in Belfast for selected prisoners nearing the end of their sentence.

**Magilligan Prison** - a medium security prison housing shorter term sentenced adult male prisoners. This establishment also has low security accommodation for selected prisoners nearing the end of their sentence.

**Hydebank Wood** - a medium to low security establishment accommodating male remand and sentenced young offenders between the ages of 16 and 21 and all female prisoners including young offenders and female immigration detainees.

A staff training facility, the Prison Service College, is located at Millisle, Co Down.

Prison Service Headquarters, the main administrative centre for the Service, is located at Stormont Estate, Belfast.

## BUSINESS OBJECTIVES AND STRATEGY

### STATEMENT OF PURPOSE, VISION AND VALUES

The Northern Ireland Prison Service has a Statement of Purpose, a Vision and a set of Values.

#### Statement of Purpose

The Northern Ireland Prison Service, through our staff, serves the community by keeping in secure, safe and humane custody those committed by the courts; by working with prisoners and with other organisations, seeks to reduce the risk of re-offending; and in so doing aims to protect the public and to contribute to peace and stability in Northern Ireland.

#### Vision

To be recognised as a model of good practice in dealing with prisoners and to be valued and respected for our service to the community.

#### Values

- Recognising that the Service requires **commitment** of us all;
- **Leading** well and behaving with **integrity**;
- Upholding prisoners' **human rights** and working with them as **individuals** to become law-abiding;
- Ensuring that we each have the required **skills** and **competences**;
- Accepting **responsibility** and **accountability**;
- Managing resources, including our time, **cost-effectively**;
- Showing an **innovative** approach to our work;
- **Teamworking** and acting in **partnership** with other organisations;
- Demonstrating a commitment to **fairness, equality** and **respect** for each other and those we are in contact with.

## STRATEGIC AIMS 2007-08

#### Security

To maintain a proportionate level of security for all those in our custody, whether in a prison establishment, at court or elsewhere.

To integrate security management to inform better and support the safety of all the people in our prisons.

#### Safety and Prisoner Health

To maintain a humane and caring environment where all persons are safe and to promote and improve the health and social well-being of all.

#### Regimes and Reducing Re-offending

In partnership with other criminal justice organisations and an increasing range of external agencies in both the statutory and voluntary sectors and the business community, to assist family re-integration and help reduce re-offending by providing prisoners with relevant skills, activities, services and resettlement programmes. To remain committed in particular to working in partnership with the Probation Board (PBNI), other statutory and voluntary agencies and private sector businesses.

# OPERATING REVIEW

## Staff and Developing the Service

At all Prison Service locations:

- To have the right number of staff on duty at the right time and deployed effectively;
- To develop staff, equipping them with the right skills to do their job;
- To support staff as they respond to organisational change flowing from Blueprint and offer development programmes to enable them to meet the challenges;
- To continue to develop a workforce plan to meet our staffing needs and reduce our costs;
- To maximise staff attendance, promoting and supporting staff welfare, health and morale; and
- To have positive employee relations.

## Finance, Corporate Governance and Improving Business Performance

- To improve value for money, and reduce the cost per prisoner place;
- To improve business performance and awareness of costs and outputs by internal and external benchmarking;
- To increase the professionalism and use of best practice in support functions;
- To continue to rationalise and use IT in support of business gains;
- To develop the Prison Service estate in line with business and strategic need.

## PERFORMANCE AGAINST KEY TARGETS

Key performance targets are identified for each core element of the Prison Service's key business areas. The Northern Ireland Office (Departmental Sponsor) and the Minister responsible for Prisons review these annually as part of the Service's planning process and following their approval, these targets are published in the Prison Service Corporate and Business Plan.

The targets and outturns for the year 2007-08 are detailed in the Review of Performance section of this report.

## BUSINESS REVIEW

A full review of the Prison Service's business for the year is provided in Chapters 1-7 of the Annual Report.

## EMPLOYEE POLICY AND PERFORMANCE

Through the Strategic Development Programme, the Service is committed to examining the role of officers to progress from the traditional focus on control and supervision towards positive engagement with prisoners in delivering better prospects for resettlement. Crucial to success is having committed and motivated staff in place with the right skills. Therefore, the Service aims to align personnel policies with key business drivers and to have in place effective arrangements for selecting and developing staff and for managing their performance. The Service is currently developing strategies and policies to embrace diversity both in wider society and more openly within the workplace.

## ENVIRONMENT POLICY AND PERFORMANCE

The Northern Ireland Prison Service (NIPS) continues to implement its environmental Sustainable Development Policy and Action Plan, aiming to further reduce energy and water consumption, to use renewable energy where practicable, to recycle and to use recycled materials where possible. Major developments under way include an application for a large (2MW) wind turbine, and the introduction of natural gas for heating and cooking at HMP Maghaberry; improved recycling facilities at HMP Magilligan; and improvements in the performance of the Combined Heat and Power at HMP & YOC Hydebank. NIPS has also set out its Biodiversity Implementation Plan. The Board is also committed to the safe disposal of all hazardous or environmentally damaging substances and has adopted a sustainable transport policy.

## SOCIAL AND COMMUNITY POLICY AND PERFORMANCE

In working towards its purpose of protecting the public by reducing the risk of re-offending, the Prison Service places considerable emphasis on its civic role and its position in the wider Criminal Justice system. Through various initiatives, it is working to promote wider understanding and contribute to greater confidence in the criminal justice system.

# FUTURE DEVELOPMENT

## INVESTMENT TO IMPROVE FUTURE PERFORMANCE

The Prison Service made some important strides in its strategic development during 2007-08 in line with the Blueprint programme.

The Service is moving from a historic focus on security to one which combines the need for confidence in security with increased engagement by staff with prisoners thereby exercising a positive influence on prisoners' behaviour and future prospects. This requires trying to achieve the right balance between control and care; ensuring that the way people are held in custody meets the expectations of the courts, respects their Human Rights and takes forward the public protection agenda to reduce re-offending. Given the complexity of managing prison establishments, as well as meeting the diverse and individual needs of prisoners, this will be a considerable challenge, requiring a sustained change programme over several years.

The Prison Service Senior Management, therefore, has embarked on a holistic long-term strategy for the Service, commonly referred to as the Strategic Development Programme or Blueprint. This programme identified six strands of activity, which are:-

- Population projections and operational needs
- Development of the Prison Service estate strategy
- The Service's approach to contestability
- Exploring the option of contracting out the full range of escorting services
- Staff reward and recognition
- Existing efficiency programme projects.

Since early 2001 the prison population has risen by over 60%. It is anticipated that the prison population will continue to rise on an annual basis with no prospect of a significant reduction in the mid to long term. This is already placing increased pressure on existing prisoner accommodation and facilities.

An analysis of the projected prisoner population has been undertaken, and independently quality assured, to determine the future rate of growth. The forecast during 2007 indicated that the current population level is likely to increase to 2700 by 2022, i.e. over 15 years. The detailed assessment concludes that greater use of alternatives to custody for those for whom it is not necessary, will be more than offset by the introduction of public protection sentences through the proposed Criminal Justice (NI) Order 2008.

A new system has been implemented for more accurately identifying prisoners' security categorisation to ensure that they are managed at the lowest level of security and in appropriate conditions. Implementation of the new system commenced in November 2007, and was largely completed by March 2008. Over time, this will help to establish more appropriate staff to prisoner ratios across all prison establishments.

Daily constructive activities for prisoners play an essential part in developing the skills required for successful resettlement back into the community. NIPS analysis has shown that the existing constructive activity and programme provision must be geared up significantly to meet the growing demand, and also to meet the requirements of the forthcoming Criminal Justice (NI) Order 2008.

The arrangements will build on the work done earlier in the Blueprint programme to identify the diverse needs of the expanding prison population and reduce re-offending. The strategy distinguishes between developmental and non-developmental activity, and prioritises developmental activity to be delivered to all prisoners, across a range of skill sets within a core week.

The current prison estate consists of three establishments, as well as a separate prisoner assessment unit, a training college and a headquarters. Each of the three establishments is currently configured to hold a population for which they were not originally designed. As a result, each establishment has had to accommodate a wide range of categories of prisoner with a high level of complexity in Maghaberry, and since 2004 female prisoners accommodated within the male Young Offenders Centre at Hydebank Wood.

The Prisons Minister, Mr Paul Goggins, announced on 21 February 2007 that he had tasked the Prison Service to provide him with a comprehensive options appraisal by the end of the summer. This exercise focused solely on the adult male estate at Maghaberry and Magilligan.

The options appraisal examined a range of site options, the resource requirements for procurement of a new prison and the methodology by which this might be achieved. It also considered the method for project delivery of the options, included identifying the potential range and extent of external partnership and involvement to deliver the final product. The project also delivered high-level financial model costs for capital and resource for the recommended options.

## FUTURE DEVELOPMENT

Accordingly on 18 December, six days after the publication of the report on the Prison Service by the Northern Ireland Affairs Committee, Mr Goggins announced a comprehensive plan for the provision of prison places in the adult male estate in Northern Ireland over the next ten years. The plan includes an immediate investment of £70m over the next three years to provide 400 extra places at Magilligan and Maghaberry prisons, alongside work to develop a detailed plan for a brand new 800-place prison on the site of the existing Magilligan Prison. The replacement prison at Magilligan will be taken forward on a phased redevelopment and will differ significantly from the existing prison in relation to the type and category of prisoner it will accommodate, as well as in design. The current prison accommodates short-term adult male sentenced prisoners but the replacement prison will have the operational flexibility to accommodate a larger range of prisoners. This announcement provides valuable clarity as to the development of the estate.

The Service has accepted that the location of women prisoners in Ash House within the young offenders' site at Hydebank is not an appropriate long-term location. The Minister asked NIPS to carry out a review of the needs of women and to provide an interim report on the future management of women in custody by the end of February 2008 and a full report by the end of the summer. The comprehensive review is examining the needs of women prisoners, both sentenced and remand and devising an overall strategy. Throughout the development of this work, NIPS will work closely with PBNi and a wide range of stakeholders. This work will be closely linked to the related study looking at the management of female offenders in the community.

On 5 February 2007 the new Prisoner Escorting and Court Custody Service (PECCS) was created. This followed an options study in relation to escorting which considered full privatisation, in-house bids and competitive tendering. It was set up following Ministerial approval to pursue the option of recruiting Prison Custody Officers (PCOs). On 5 February 2007 the resource staff working in the Magistrates' Courts were transferred to NIPS employment. Subsequently the first group of Prison Custody Officer recruits were appointed to the Prison Service in May 2007. All of the new recruits participated in an intensive six-week training programme which included understanding the Prison Service aims and

objectives, familiarisation with human rights policies, developing control and restraint training and learning court processes and procedures.

As part of the future development of NIPS there is a need to provide for a change in the manner in which the Service and its officers operate and engage with prisoners. The role of the Prison Officer in engaging directly in rehabilitation, education and prevention of re-offending will be central to this. Agreement was reached in January 2008 on the terms and conditions of new Operational Support Grade staff to release Prison Officers from those roles which do not require the full range of prison officer skills. The recruitment of Operational Support Grades will also ensure that shortages in current staffing levels are filled, thus reducing overtime requirements. It will also provide for sufficient staff to meet the growing prisoner population needs, and staff new accommodation coming on stream in 2008-09.

In April 2007, a three-year pay and efficiency package was agreed between Prison Service Management and the POA and the PGA. It was endorsed by the Prison Service Pay Review Body, subject to rigorous annual assurance of efficiency delivery. This was introduced to help take the Service forward through the introduction of new types of staff, enhancements to regimes and reduction in running costs. Up front efficiency was achieved by the reduction of the equivalent of 151 main grade officer posts in April 2007.

Comprehensive Human Resource and Diversity strategies have also been developed. The Human Resource Strategy addresses the challenges facing the Service and sets out a programme of delivery. The Service's diversity strategy will ensure that, over time, the composition of the workforce more closely reflects the population from which it is drawn. Good progress has been made in recent competitions, and the Service hopes to build on this in future competitions.

It was planned that lead responsibility for the provision of prisoner healthcare in Northern Ireland would transfer to the DHSSPS in April 2007. However a variety of factors including aspects of the Reform of Public Administration and the restoration of the devolved administration in May 2007 affected the original timetable. The transfer is now to be finalised on 1 April 2008.

# FUTURE DEVELOPMENT

This short section is only a snapshot of the challenges facing the Service and the comprehensive development programme that has been put in place. It demonstrates clearly however the very real progress made in the last year in providing a firm foundation for the Service's future.

## STRATEGIES AND OBJECTIVES

Further details on the Blueprint for the Future Development of the Service along with key targets and development objectives can be found in the Northern Ireland Prison Service Corporate and Business Plan 2008-2011. This may be accessed on the Prison Service website - [www.niprisonservice.gov.uk](http://www.niprisonservice.gov.uk)

## CORPORATE GOVERNANCE

### Prison Service Management Board

The Prison Service Management Board is committed to high standards of corporate governance. The Director, as Accounting Officer, is responsible for maintaining a sound system of internal control that supports the achievement of the Service's key targets and objectives.

As provided for in the Prison Service Framework Document the Management Board's purpose is to support the Director in his day-to-day responsibilities. The Board, which comprises the Director, three executive Deputy Directors, one Associate Director of Health and Healthcare, three Governing Governors and two Non-Executive Directors, meets monthly. The Management Board is the top management group of the Prison Service and is responsible for the establishment and monitoring of the corporate governance arrangements for the Service. The Board also focuses on the following corporate areas:-

- Strategy;
- Operational and other policies;
- Planning, Financial Management and Priority Setting;
- Corporate Performance Monitoring including the use of human and other resources; and
- Risk Management and Corporate Governance.

In addition, strategic planning seminars are held to consider these issues in more depth.

The Board includes two non-executive directors who offer constructive challenge across all the Board's business and ensure that all aspects of strategy and delivery of policy are scrutinised for effectiveness and efficiency.

## CORPORATE COMPLIANCE COMMITTEE

During the year the Corporate Compliance Committee, chaired by Sid McDowell, Non-Executive Director, met three times. The Committee is a sub-committee of the Management Board and provides assurance to the Accounting Officer on the effectiveness of the corporate governance arrangements and internal control system. The Committee considers and reports to the Accounting Officer and the Board on the adequacy of risk management and internal controls through reviewing:-

- the mechanisms for providing assurance on risk, control and governance and the Statement on Internal Control;
- the accounting policies and the accounts of the organisation;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity; and
- assurances relating to the corporate governance requirements for the organisation.

At meetings during 2007-08, the Committee received:

- reports on improvements to the Service's risk registers and internal controls;
- reports from the Head of Internal Audit; and
- reports from the Northern Ireland Audit Office.

## GOVERNANCE AND RISK MANAGEMENT

A key element of corporate governance is the implementation of a risk management system. The Service has a risk management strategy, which identifies, evaluated and assigns ownership of risks to all areas of activity to ensure delivery of business objectives.

The Service will continue to identify all significant risks and put in place plans to counteract and manage them.

The risk management system in place is underpinned by stewardship statements, which operate in each business area at Deputy Director, Governing Governor and Head of Branch level. The statements provide confirmation that all necessary steps required to implement effective internal control have been taken during the course of the financial year.

# FUTURE DEVELOPMENT

## **REGULATORY RISK**

Under the delegated authority of the Secretary of State for Northern Ireland, the Northern Ireland Prison Service is responsible for the general regulation and control of prisons in Northern Ireland.

The Prison Service operates within a robust regulatory framework of statutory and non-statutory measures. The Prison Act (Northern Ireland) 1953 and the Prison and Young Offenders Centre Rules 1995 are the principal elements of the legislative framework for the Prison Service. The management of specific regulatory risk within this framework is the responsibility of the Prison Service Management Board.

The Northern Ireland Prison Service policies are developed through an open and inclusive process and an integrated system of impact assessments and appraisal tools are used to determine the response needed to each of the issues identified.

## **BUSINESS PERFORMANCE RISK**

Business performance risk is the risk that the Service's objectives at Directorate and Establishment level may not be achieved due to obstacles or potential difficulties either within or outside the control of the Service. To minimise the detrimental impact of these events occurring, risks are managed within each of the business area risk frameworks.

## **HEALTH AND SAFETY RISK**

The Northern Ireland Prison Service continue to strive towards the improvement of a strong health and safety culture. They have developed various strategies through their Health and Safety Policy, Annual Health and Safety Reports, Integrated Standards, Risk Assessments (environmental, fire and procedural) and communication with staffing associations. This is continually being monitored with the aim of further improvements.



# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES



Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Northern Ireland Prison Service Agency to prepare for each financial year a statement of Accounts in the form and on the basis set out in the Accounts Direction. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Prison Service Agency and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including 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 Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements; and
- prepare the Financial Statements on a going concern basis.

The Accounting Officer of the Northern Ireland Office has designated the Director of the Northern Ireland Prison Service as Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Northern Ireland Prison Service's assets, are set out in the Accounting Officer's Memorandum, issued by HM Treasury and published in *Managing Public Money*.

## STATEMENT ON INTERNAL CONTROL

### 1. Scope of responsibility

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

I am accountable for the effective, efficient and economic use of resources provided to the Prison Service; for the regularity and propriety of its expenditure; and for ensuring that the requirements of *Managing Public Money* are met. In carrying out these responsibilities, I regularly brief Ministers, orally and in writing as appropriate, to alert them to emerging issues of substance and the associated risks involved. Topics may include relevant risks notified to me on the Corporate Risk Register which is endorsed by the Corporate Compliance Committee (a sub committee of the NIPS Management Board).

As Designated Agency Accounting Officer and member of the NIO Departmental Board, I am held to account by the Departmental Accounting Officer (and chair of the Departmental Board). This takes the form of regular reports to the sponsoring Department and the Minister responsible for prisons coupled with regular bi-lateral discussions with the Departmental Accounting Officer.

### 2. The purpose of the system on internal control

The Service's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all 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 and

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

prioritise the risks to the achievement of the Prison Service's 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 2008 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### 3. Capacity to handle risk

Leadership of the risk management process is provided corporately by the Prison Service Management Board (PSMB). The work of the Management Board regularly involves:-

- agreeing the key risks, risk owners and controls to manage risks identified in the Board level risk register;
- monitoring the management and control of key risks to reduce the likelihood of unforeseen occurrence;
- ownership of the Board level Risk Register; and
- the Service's key targets risk framework.

As a Prison Service, management of risk is central to our operational activities at every level. A range of internal control processes are in place that have been applied in maintaining and reviewing the effectiveness of the system of internal control which includes comprehensive arrangements for managing risk. The Prison Service Management Board drives risk management across the organisation. Key risks to the Service are reviewed by the Board on a quarterly basis and consideration is given to emerging risks. The review process involves monitoring the Risk Register to assess the effectiveness of the systems in place that manage the risks and the extent to which the Service has control over the risks.

The Accounting Officer, Deputy Directors and Governing Governors as members of the Prison Service Management Board are responsible for managing risk within their areas. These and other senior management staff provide written assurance in the annual Stewardship Statements that the risk management arrangements and internal control arrangements are operating effectively throughout the year. These Stewardship Statements are reviewed by the Corporate Compliance Committee (CCC), which then provide further assurance to me on the effectiveness of those systems and processes. Risk management is also embedded within the planning process at both Corporate and Branch/Establishment planning days and forms an integral part of the business

planning process and how the Service conducts its business. A Prison Service risk management toolkit is available to staff on the corporate file plan.

### 4. The risk and control framework

The Service's Corporate Governance Framework includes various structures and arrangements to identify, evaluate and control risk.

The PSMB has also approved a risk management strategy for the Service, the key elements of which include the identification, evaluation and assignment of risk ownership attached to all areas of business activity. Risks are incorporated in a risk matrix, which assesses impact/likelihood and assigns ownership. Risk assessments are held centrally and inform the overall Prison Service Risk Register. Risk management arrangements are supported by a system of stewardship statements signed at Deputy Director, Governing Governor (Board) and Heads of Branch level.

The Management Board identifies external risks, which could affect the ability of the Prison Service to conduct its business effectively.

Risks to the Corporate and Business Plan key targets are identified and managed at Management Board level and progress against key targets is reviewed on a monthly basis. A quarterly performance report detailing targets, objectives and their associated risk assessments is submitted to both the Northern Ireland Office Departmental Sponsor and the Minister.

The CCC considers Board level and key targets risk registers when it meets three times per year. Risks to the Service's development objectives and to Establishments' strategic plans are managed across the Service:

- Heads of Branch and Heads of Management Support Services undertake risk management in all areas of activity.
- Project risks are identified and managed by the Project or Programme Manager and are reviewed by the Project or Programme Board who determine appetite for risk on a project-by-project basis. The Deputy Director of Finance and Personnel acts as the new Senior Information Risk Owner, (SIRO), who represents NIPS on the Information Risk Owners Council. The SIRO will advise the CCC on Information Risks.

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Other key elements of these risk management arrangements include a professionally led Internal Audit function, that works to Government Internal Audit Standards, reviewing the overall arrangements for managing risk and that reports to the CCC any areas of concern. Internal Audit gives independent assurance to the Accounting Officer and external auditors in their audit reports and through oral briefings at the CCC meetings throughout the year.

Other structures and functions exist that support the management of corporate risk. These include:

- Prison Law and Policy Branch and Operational Policy Unit facilitate policy development - in an overall strategic context;
- a Security Officer;
- a Human Rights Adviser;
- a HR Equality and Diversity Manager;
- an Equality Adviser;
- a Records and Information Unit;
- a Clinical Governance Manager and appropriate clinical governance structures/arrangements; and
- HR and Diversity strategies and associated policies approved by the PSMB.

## 5. Review of effectiveness

As Accounting Officer, I 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 within the Prison Service, who have responsibility for the development and maintenance of the internal control framework, 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 of the effectiveness of the system of internal control by the Board, the Corporate Compliance Committee and plans 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:

- The Management Board which meets monthly to consider the policies and strategic direction of the Service and to monitor performance against key targets and the financial position. During the year the Board comprised the Director, the three Executive

Deputy Directors, the Associate Director of Health and Healthcare, two Non-Executive Directors and the three Governing Governors. The monitoring and review of the key risks associated with the ability of the Service to conduct its business is included as a regular item on the Board agenda.

- Each year key performance targets are set by the Prisons Minister and performance against these is reviewed by the Management Board at their monthly meeting.
- Weekly meetings of the executive members of the Board occur to discuss operational and other issues and the associated risks.
- Mid and End year stewardship statements are completed by each of the Deputy Directors, Governing Governors and Heads of Branches covering the key areas for which they are responsible. They provide confirmation that all necessary steps required to implement effective internal control have or have not been taken during the course of the financial year.
- A Fraud Policy and Response Plan is in place that has operated throughout the period. The CCC reviews it annually and issues of concern are raised, if necessary with the PSMB members. Plans are in place to update the Fraud Policy and Response Plan during 2008-09 to take account of broader risks of fraud including payments to contractors.
- The CCC, which is chaired by a Non-Executive Director, met three times during the 2007-2008 financial year. The Committee advises on the adequacy of corporate governance arrangements including internal and external audit, risk management and standards compliance. The CCC approves Internal Audit plans and reviews reports from both Internal and External Audits. In line with government priorities the NIAO is represented at all CCC meetings. The Committee assist me by drawing my attention to matters of governance, risk control and assurance.
- An Internal Audit Unit operating to the Government Internal Audit Standards conducts risk based audit assignments and reports the outcome to the CCC regularly. Internal Audit submits regular reports, including 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.

# STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

An annual meeting with the Head of Internal Audit is held to discuss the audit programme and emerging issues. NIPS has given priority to developing its fixed asset management arrangements as recommended by Internal Audit during the year. A new post has been created from savings within the Finance payroll budget to address these priority control weaknesses and to implement the new relevant HM Treasury guidance during 2008-09.

- The Service has an Integrated Standards Manual, which is designed to provide staff with the information they require to carry out their work. Alongside this programme is an integrated audit system that measures performance against these standards. Professional prison personnel conduct the audit assignments and provide regular reports. Standards are published on the Prison Service website. A revised and updated version of the Manual was approved by the Management Board during the year.
- Annual audits of Health and Safety and Fire Prevention are carried out to ensure compliance with Health and Safety standards within the Agency. Lack of refresher fire safety training for staff in establishments was highlighted as an issue. There are plans to address this weakness in 2008-09.
- The Clinical Governance Manager is developing a Clinical Governance Framework within the Agency, including a Clinical Governance Committee chaired by a Non Executive Director. This has been endorsed by the Prison Service Management Board.
- An HR Equality and Diversity Manager was appointed on 3 March to develop and implement the Service's Diversity policy.
- An Equality Adviser was appointed in February 2008 to provide advice and assurances on equality issues.
- The Service has adopted the OGC Gateway Review process to assist in the management of risk on ongoing procurement projects.

- The Strategic Development Programme - Blueprint - is being undertaken in line with PRINCE 2 project methodology.
- All projects are required to apply appropriate elements of PRINCE 2 methodology and every designated project has a Senior Responsible Owner.
- The Service has operated a policy on the acceptance of gifts and hospitality throughout the period.
- The Service measures and reports compliance with the NIO guidance on the use of consultants to the CCC regularly.
- An up to date register is in place to record conflicts of interest.
- The Prison Service operates a Procurement Policy in line with European Procurement Rules and other national and international agreements.

Actions have been taken during the year to tighten the system of control in the area of contractor payments from the Service. Further work continues to strengthen the internal control arrangements in this area as part of the Improving Internal Controls (IIC) project which was set up just after the 2007-08 year end.

As Accounting Officer, I have carefully considered these control arrangements and satisfied myself that I can rely on their effectiveness throughout the 2007-08 year. I will continue to develop and strengthen the control arrangements in the Prison Service in the coming year.

**Robin Masefield**  
**Accounting Officer**  
**16 June 2008**

# AUDITORS REPORT

## 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 Northern Ireland Prison Service for the year ended 31 March 2008 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 Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Management Board Remuneration Report that is described in that report as having been audited.

### **RESPECTIVE RESPONSIBILITIES OF THE AGENCY, THE DIRECTOR AND AUDITOR**

The Agency and Director of the Northern Ireland Prison Service, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Management Board Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder 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 and the part of the Management Board Remuneration Report to be audited 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 Management Board 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 report to you whether, in my opinion, the information, which comprises the Directors' Report and Management Commentary, included in the Annual Report, is consistent with the financial statements. 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.

In addition, I report to you 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 HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers 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 and consider whether it is consistent with the audited financial statements. This other information comprises the Foreword, Statement of Purpose, Vision and Values, Performance against Key Targets, Appendices, Future Development and the unaudited part of the Management Board Remuneration Report. 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.

# AUDITORS REPORT

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

## BASIS OF AUDIT OPINIONS

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 Management Board Remuneration Report to be audited.

It also includes an assessment of the significant estimates and judgments made by the Agency and Director 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 Management Board 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 Management Board Remuneration Report to be audited.

## OPINIONS

### 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 thereunder by HM Treasury, of the state of the Agency's affairs as at 31 March 2008, and of the net operating cost, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Management Board 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
- information, which comprises the Directors' Report and Management Commentary, included within the Annual Report, is consistent with the financial statements.

## OPINION ON REGULARITY

In my opinion, 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.

## REPORT

I have no observations to make on these financial statements.

**T J Burr**

**Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria  
London  
SW1W 9SS  
8 July 2008**

# FINANCIAL STATEMENTS

## OPERATING COST STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2007-08 £'000	2006-07 £'000
<b>Operating Income</b>	2	(192)	(187)
<b>Administration Costs</b>			
Staff Costs	3	8,822	8,850
Other Administration Costs	4	5,931	5,233
<b>Gross Administration Costs</b>		<b>14,753</b>	<b>14,083</b>
<b>Programme Costs</b>			
Staff Costs	3	82,734	80,870
Depreciation	7&8	9,720	8,921
Impairment of Tangible Fixed Assets	7	0	1,804
Cost of Capital Charges	6	6,966	6,231
Other Programme Costs	4	21,600	24,641
<b>Gross Programme Costs</b>		<b>121,020</b>	<b>122,467</b>
<b>Grant</b>	5	183	285
<b>Net Operating Costs</b>		<b>135,764</b>	<b>136,648</b>

The net cost of operations arises wholly from continuing operations.

## STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2007-08 £'000	2006-07 £'000
Unrealised surplus on revaluation of fixed assets	15	11,361	21,800
<b>Recognised gains for the year</b>		<b>11,361</b>	<b>21,800</b>

The notes on pages 72 to 88 form part of these financial statements.

# FINANCIAL STATEMENTS

## BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £'000	2007 £'000
<b>Fixed Assets</b>			
Intangible assets	8	188	263
Property Plant and Equipment	7	236,127	210,472
<b>Total Fixed Assets</b>		<b>236,315</b>	<b>210,735</b>
<b>Debtors due in more than one year</b>	10	3,357	3,849
<b>Current Assets</b>			
Stock	9	1,578	1,357
Debtors due in less than one year	10	792	2,097
Cash and Cash Equivalents	11	65	72
<b>Total Current Assets</b>		<b>2,435</b>	<b>3,526</b>
<b>Current Liabilities</b>			
Creditors due within one year	12	(25,962)	(19,267)
<b>Net Current Liabilities</b>		<b>(23,527)</b>	<b>(15,741)</b>
<b>Total Assets less Current Liabilities</b>		<b>216,145</b>	<b>198,843</b>
<b>Non-Current Liabilities</b>			
Creditors due after more than one year	12	(11)	(4,917)
Provisions for liabilities and charges	14	(5,552)	(6,470)
<b>Total Non-Current Liabilities</b>		<b>(5,563)</b>	<b>(11,387)</b>
<b>Total Assets less Total Liabilities</b>		<b>210,582</b>	<b>187,456</b>
<b>Taxpayers' Equity</b>			
General fund	15	143,887	131,703
Revaluation reserve	15	66,695	55,753
<b>Total Capital Employed</b>		<b>210,582</b>	<b>187,456</b>

Robin Masefield  
Accounting Officer  
16 June 2008

The notes on pages 72 to 88 form part of these financial statements.



# FINANCIAL STATEMENTS

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £'000	2007 £'000
<b>Operating Activities</b>			
Net cash outflow from operating activities	16	(118,994)	(124,635)
<b>Capital Expenditure and Financial Investment</b>			
Purchase of fixed assets	16	(18,206)	(10,295)
Proceeds of disposals of fixed assets		32	5
<b>Net Cash Outflow from Investment Activities</b>		<b>(18,174)</b>	<b>(10,290)</b>
<b>Net Cash Outflow Before Financing</b>		<b>(137,168)</b>	<b>(134,925)</b>
<b>Financing from the Consolidated Fund</b>	15	137,765	131,497
<b>Increase / (Decrease) in Cash</b>		<b>597</b>	<b>(3,428)</b>

The notes on pages 72 to 88 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2007-08 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FRoM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the Northern Ireland Prison Service for the purpose of giving a true and fair view has been selected. The Service's accounting policies have been applied consistently in dealing with items considered material to the financial statements.

## ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets and stocks, at their value to the Agency by reference to their current costs.

## TANGIBLE FIXED ASSETS

Freehold land and buildings on the Northern Ireland Prison Service Estate are capitalised where title is held by the Agency. Land and buildings are subject to professional valuation at least once every five years and revalued using Valuation and Lands Agency indices in intervening years.

Other capital assets are carried at current cost using indices compiled by the Office for National Statistics. The standard threshold for capitalisation is £1,000, with minor works and cell furniture written off in the year of purchase. Lower thresholds apply to certain types of IT equipment.

Properties regarded by the Agency as operational are valued on the basis of existing use, or where this could not be assessed because there is no market value for the property, its depreciated replacement cost. Properties regarded by the Agency as non-operational are valued on the basis of open market value.

## INTANGIBLE FIXED ASSETS

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of £1,000 or more is incurred. Intangible assets are stated at their market value. Intangible fixed assets are amortised on a straight-line basis over the expected useful lives of the assets concerned.

## DEPRECIATION

Freehold land is not depreciated.

Provision for depreciation is made to write-off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. Land, assets under construction or assets awaiting disposal are not depreciated. The expected useful lives of assets are as follows:

- Permanent buildings	up to 55 years
- Temporary buildings	10 - 25 years
- Plant and Equipment	3 - 25 years
- Furniture and Office Equipment	3 - 15 years
- Computer Equipment and Software	3 - 8 years
- Vehicles	5 - 20 years

## REALISED ELEMENT OF DEPRECIATION FROM REVALUATION RESERVE

Depreciation is charged to expenditure on the revalued amount of fixed assets. An element of the depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on revaluation and is transferred from the Revaluation Reserve to the General Fund.

# NOTES TO THE FINANCIAL STATEMENTS

## STOCKS

Stocks are valued at the lower of cost or net realisable value.

## PROVISION FOR LIABILITIES & CHARGES

The Agency provides for legal and constructive obligations, which are of uncertain timing or amount, at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is material, the estimated cash flows are discounted.

## PENSION COSTS

The Agency's staff are members of the Principal Civil Service Pension Scheme (GB) (PCSPS (GB)) and the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)). Liability for payment of future benefits is a charge to the PCSPS (GB) and PCSPS (NI). The Agency meets the cost of pension cover through the payment of charges calculated on an accruing basis. Contributions are charged to the Operating Cost Statement as incurred.

## OPERATING LEASES

Operating lease rentals are charged to the Operating Cost Statement as incurred.

## GRANTS

Grants payable to third parties are charged to the Operating Cost Statement as the recipient carries out the activity that creates entitlement.

## EARLY RETIREMENT COSTS

The Agency is required to meet the cost of paying pensions of employees who retire early from the date of their retirement until they reach normal pension age. The Agency provides in full for this cost when the early retirement programme is announced.

## VAT

The majority of the activities of the Agency 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 VAT is recoverable the amounts are stated net of VAT.

## NOTIONAL COSTS

Some of the costs directly related to the running of the Northern Ireland Prison Service are borne by other Government Departments or organisations. These costs have been included on the basis of the estimated cost incurred by the providing organisation.

A notional cost reflecting the cost of capital utilised by the Agency is included in operating costs. The charge is calculated at the Government's standard rate of 3.5% of the average capital employed, defined as total assets less total liabilities.

## INSURANCE

Except where there is a statutory requirement to do so, the Agency does not take out general insurance. Instead expenditure in connection with uninsured risks is charged as incurred.

## FUNDING

The Northern Ireland Prison Service is financed by supply estimates voted by Parliament. Its provision is currently set out in Request for Resources 1 of the Northern Ireland Office.

## THIRD PARTY ASSETS

The Agency holds, as custodian, certain assets belonging to third parties. These are not recognised in the accounts since neither the Agency nor the government more generally has a direct beneficial interest in them.

## NOTES TO THE FINANCIAL STATEMENTS

	2007-08 £'000	2006-07 £'000
<b>2. OPERATING INCOME</b>		
<b>Administration Income</b>		
Sale of goods & services	25	16
	<b>25</b>	<b>16</b>
<b>Programme Income</b>		
Sale of goods & services	101	104
Prisoner productions	18	28
Video-link services	27	24
Staff accommodation	16	13
Miscellaneous	5	2
	<b>167</b>	<b>171</b>
<b>Total Operating Income</b>	<b>192</b>	<b>187</b>

### 3. STAFF COSTS & NUMBERS

(i) Staff costs consist of:

	Permanently Employed Staff £'000	Others £'000	Total 2007-08 £'000	Total 2006-07 £'000
<b>Administration Costs</b>				
Wages & salaries	6,546	228	6,774	7,066
Social security costs	531	0	531	567
Other pension costs	1,517	0	1,517	1,217
<b>Total administration staff costs</b>	<b>8,594</b>	<b>228</b>	<b>8,822</b>	<b>8,850</b>
<b>Programme Costs</b>				
Wages & salaries	63,937	367	64,304	63,973
Social security costs	5,157	0	5,157	5,311
Other pension costs	13,273	0	13,273	11,586
<b>Total programme staff costs</b>	<b>82,367</b>	<b>367</b>	<b>82,734</b>	<b>80,870</b>
<b>Total Staff Costs</b>	<b>90,961</b>	<b>595</b>	<b>91,556</b>	<b>89,720</b>

Included in programme staff costs for the year are costs totalling £304k (2006-07, £277k) relating to the inquiry into the murder of Billy Wright in the Maze Prison in 1997 - see also Note 4.

## NOTES TO THE FINANCIAL STATEMENTS

(ii) Employee Numbers. The average number of persons employed during the year is set out below.

	<b>Permanently Employed Staff Nos.</b>	<b>Others Nos.</b>	<b>Total 2007-08 Nos.</b>	<b>Total 2006-07 Nos.</b>
Uniformed grades	1,785	0	1,785	1,685
Admin & support staff	401	45	446	466
<b>Total</b>	<b>2,186</b>	<b>45</b>	<b>2,231</b>	<b>2,151</b>

### (III) PENSIONS

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) and Principal Civil Service Pension Scheme (PCSPS(GB)) are unfunded multi-employer defined benefit schemes but the Northern Ireland Prison Service is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2007 (PCSPS(GB)) and 31 March 2003 (PCSPS(NI)) and details of these valuations are available in the respective PCSPS Resource Accounts.

For 2007-08, employer's contributions of £14.8m were payable to the PCSPS (GB) and the PCSPS(NI) (2006-07, £12.8m) at one of four rates in the range 16.5% to 23.5% (2006-07, 16.5% to 23.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2008-09, the salary bands will be revised but the rates will remain the same. (The rates will be changing with effect from April 2009). The contribution rates are set to meet the cost of the benefits accruing during 2007-08 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Thirteen individuals (2006-07, 25) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £21k (2006-07, £44k).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £19k (2006-07, £12k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2006-07, 3% to 12.5%) of pensionable pay. Employer contributions also match employee contributions up to 3% (2006-07, 3%) of pensionable pay. In addition, employer contributions of £1k (2006-07, £1k), 0.8% of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil (2006-07, £nil). Contributions prepaid at that date were £nil (2006-07, £nil).

## NOTES TO THE FINANCIAL STATEMENTS

	2007-08 £'000	2006-07 £'000
<b>4. OTHER ADMINISTRATION &amp; PROGRAMME COSTS</b>		
<b>(i) Other Administration Costs</b>		
Staff related costs	1,346	1,052
Rent & rates	369	392
Heat light & power	199	155
Repairs & maintenance	256	155
Rentals under operating leases – non land & buildings	12	11
Hospitality	14	13
Other costs	2,257	2,034
	<b>4,453</b>	<b>3,812</b>
<b>Notional Administration Costs Provided by Parent Department</b>		
IT support	1,080	1,080
Legal costs	92	64
Miscellaneous	106	135
<b>Notional Administration Costs provided by Other Departments &amp; Agencies</b>		
Audit fee	45	43
Miscellaneous	155	99
Total Notional Administration Costs	<b>1,478</b>	<b>1,421</b>
<b>Total Other Administration Costs</b>	<b>5,931</b>	<b>5,233</b>
<b>(ii) Other Programme Costs</b>		
Prisoner accommodation and related expenditure	3,328	3,030
Prisoner healthcare	1,999	1,886
Prisoner education, training & initiatives	1,683	1,499
<sup>1</sup> Security breach costs	(22)	16
<sup>3</sup> Staff related costs	2,002	1,989
Rent & rates	1,477	1,425
Heat, light & power	3,139	2,916
Repairs & maintenance	3,076	1,931
Contracted-out costs	0	2,128
<sup>2</sup> Staff Reduction Programme	(6)	(19)
Rentals under operating leases – non land & buildings	35	162
Hospitality	19	19
Loss on disposal of fixed assets	17	43
Permanent diminution of fixed assets	149	216
Write-off of fixed assets	0	2
Litigation	(502)	3,395
<sup>3</sup> Other costs	4,375	3,488
	<b>20,769</b>	<b>24,126</b>
<b>Notional Programme Costs Provided by Parent Department</b>		
<sup>3</sup> Legal costs	831	480
<b>Notional Programme Costs Provided by Other Departments &amp; Agencies</b>		
Prisoner healthcare costs	0	35
Miscellaneous	0	0
Total Notional Programme Costs	<b>831</b>	<b>515</b>
<b>Total Other Programme Costs</b>	<b>21,600</b>	<b>24,641</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 4. OTHER ADMINISTRATION & PROGRAMME COSTS (cont'd)

### <sup>1</sup> Security Breach Costs

These costs relate to amounts incurred following the discovery of the disclosure of prison officers' personal details in October 2002. During the year there was a release of £22k from this provision which has now been fully utilised.

### <sup>2</sup> Staff Reduction Programme Costs

These costs relate to amounts arising on early retirement following the downsizing of the Prison Service, the Good Friday Agreement and the closure of the Maze Prison. During the year there was a release of £6k from this provision.

### <sup>3</sup> Billy Wright Inquiry

Included within Other Programme Costs are £739k relating to expenditure incurred by the Agency during the year on the inquiry into the murder of Billy Wright in the Maze prison in 1997. Also, within programme staff related costs are £14k related to the enquiry. An additional £517k of notional legal costs of the Crown Solicitor's Office are included within 'notional Programme costs provided by parent department'. Including the £304k of staff costs disclosed in Note 3 the total cost of the inquiry to the Agency during 2007-08 was £1,574k (2006-07, £648k).

## 5. GRANT

Grant of £290k (2006-07, £285k) was allocated by the Northern Ireland Prison Service to the Prison Service Trust to provide healthcare, life planning and support services for family members of murdered prison officers, officers who died in service and officers who retired on health grounds. At 31 March 2008 a total of £183k had been paid to the Prison Service Trust, of which £1k (2006-07, £3k) remains unspent and is carried as a prepayment at the year-end.

## 6. COST OF CAPITAL

The Agency bears a notional charge calculated at the government standard rate of 3.5% on the average capital employed, defined as total assets less total liabilities. In 2007-08, the Prison Service incurred £6,966k in cost of capital charges (2006-07, £6,231k).

## NOTES TO THE FINANCIAL STATEMENTS

### 7. TANGIBLE FIXED ASSETS

	Land & Buildings	Dwellings	Furniture & Fittings	Vehicles	Computer Assets	Plant & Equipment	Assets Under Construction (AUC)	Assets Awaiting Disposal	Total 2007-08
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>									
At 1 April 2007	213,654	2,610	1,739	2,193	6,632	31,806	8,500	313	267,447
Transfers	0	0	0	0	0	0	0	0	0
Additions	0	0	63	1,520	932	1,580	20,014	0	24,109
Completed AUC	6,530	0	98	0	0	2,905	(9,533)	0	0
Revaluation	12,237	0	63	(3)	(307)	(356)	0	62	11,696
Disposals	0	0	0	(212)	(6)	(690)	0	0	(908)
Impairment	0	0	0	0	0	0	0	0	0
<b>At 31 March 2008</b>	<b>232,421</b>	<b>2,610</b>	<b>1,963</b>	<b>3,498</b>	<b>7,251</b>	<b>35,245</b>	<b>18,981</b>	<b>375</b>	<b>302,344</b>
<b>Depreciation</b>									
At 1 April 2007	36,628	94	351	1,516	3,190	15,196	0	0	56,975
Charge for Year	6,693	69	104	194	770	1,795	0	0	9,625
Revaluation	772	0	14	(1)	(166)	(143)	0	0	476
Disposals	0	0	0	(190)	(60)	(609)	0	0	(859)
Impairment	0	0	0	0	0	0	0	0	0
<b>At 31 March 2008</b>	<b>44,093</b>	<b>163</b>	<b>469</b>	<b>1,519</b>	<b>3,734</b>	<b>16,239</b>	<b>0</b>	<b>0</b>	<b>66,217</b>
<b>Net Book Value</b>									
At 1 April 2007	177,026	2,516	1,388	677	3,442	16,610	8,500	313	210,472
<b>At 31 March 2008</b>	<b>188,328</b>	<b>2,447</b>	<b>1,494</b>	<b>1,979</b>	<b>3,517</b>	<b>19,006</b>	<b>18,981</b>	<b>375</b>	<b>236,127</b>

All land and buildings are freehold except for Girdwood Barracks which is leasehold and is disclosed under Assets Awaiting Disposal.

Included within land & buildings is land valued at £7,642k (2006-07, £6,848k) which is non-depreciable. The Valuation & Land Agency (VLA) carried out a full valuation of land and buildings at 1 April 2006, in accordance with the RICS Appraisal and Valuation Manual. The next full valuation of land and buildings will be 1 April 2011.

Included in Assets Awaiting Disposal is Girdwood Barracks, in which the Prison Service holds an interest, valued by VLA as at 31 March 2006 at £250k.

Included in land & buildings, property at Lisnevin has continued to be valued at its replacement cost of £517k because although it is surplus property it is anticipated that the site would achieve a higher sales price if it is sold together with the neighbouring site of the Prison Service College. While the Prison Service College will be disposed of once the new joint facility with the Police and Fire Service is available, this will not be until 2010 at the earliest, therefore it would be inappropriate to value the land at Lisnevin at its open market value (£2.5million).



## NOTES TO THE FINANCIAL STATEMENTS

	2007-08 £'000	2006-07 £'000
<b>8. INTANGIBLE FIXED ASSETS</b>		
The Agency's intangible fixed assets comprise purchased computer software licences		
<b>Cost or Valuation</b>		
At 1 April	536	538
Additions	29	34
Revaluation	(24)	0
Disposals	0	0
Impairment	0	(36)
<b>At 31 March</b>	<b>541</b>	<b>536</b>
<b>Depreciation</b>		
At 1 April	273	199
Charge for year	95	91
Revaluation	(15)	0
Disposals	0	0
Impairment	0	(17)
<b>At 31 March</b>	<b>353</b>	<b>273</b>
<b>Net Book Value</b>		
At 1 April	263	339
<b>At 31 March</b>	<b>188</b>	<b>263</b>
<b>9. STOCKS</b>		
The main categories of stock are:		
Consumables & equipment	821	756
Trade stores	244	225
Fuel stores	513	376
	<b>1,578</b>	<b>1,357</b>
<b>10. DEBTORS</b>		
(i) Amounts due in less than 1 year		
Recoverable VAT	251	235
Prepayments	65	1,390
Other Debtors	476	472
	<b>792</b>	<b>2,097</b>
(ii) Amounts due in more than 1 year		
Other Debtors	<b>3,357</b>	<b>3,849</b>
Amounts due in more than one year include £3,343k (2006-07, £3,832k) in salary advances re-payable by prison officers over the next twelve years. The salary advances have been made under the Assisted Home Removals Scheme.		
<b>11. CASH AT BANK AND IN HAND</b>		
Cash in Hand	<b>65</b>	<b>72</b>
The amounts above do not include Prisoners' Private Cash or Prisoners' Amenities Funds which have been classified as		

## NOTES TO THE FINANCIAL STATEMENTS

	2007-08 £'000	2006-07 £'000
<b>12. CREDITORS</b>		
(i) Due Within One Year		
Trade creditors	3,697	1,471
DFP superannuation	4,900	4,900
Bank overdraft	4,526	5,130
Capital retentions	610	52
Other creditors	53	178
Accruals & deferred income	12,176	7,536
	<b>25,962</b>	<b>19,267</b>
(ii) Due After More Than One Year		
DFP superannuation	0	4,900
Other creditors	11	17
	<b>11</b>	<b>4,917</b>
Due within 2-5 years	11	4,917
Due after more than 5 years	0	0
	<b>11</b>	<b>4,917</b>

Included in creditors is an amount of £4.9m payable within one year due to the Department of Finance & Personnel (2006-07, £9.8m). This represents the outstanding liability on the 1995 consolidation of a non-pensionable allowance into the pensionable remuneration of prison officers.

## NOTES TO THE FINANCIAL STATEMENTS

### 13. INTRA GOVERNMENTAL BALANCES

	Debtors: Amounts Falling Due Within One Year	Debtors: Amounts Falling Due After One Year	Creditors: Amounts Falling Due Within One Year	Creditors: Amounts Falling Due After One Year
	£'000	£'000	£'000	£'000

Included in debtors and creditors are the following intra-governmental balances at 31 March 2008

NIO core, its agencies & NDPBs	7	-	4,487	11
Other Central Government Bodies	251	-	5,420	-
Local Authorities	-	-	2	-
NHS Trusts	-	-	52	-
Public corporations & trading funds	-	-	-	-
Bodies External to Government	534	3,357	16,001	-
	<b>792</b>	<b>3,357</b>	<b>25,962</b>	<b>11</b>

Included in debtors and creditors are the following intra-governmental balances at 31 March 2007

NIO core, its agencies & NDPBs	-	-	206	17
Other Central Government Bodies	1,460	-	5,118	4,900
Local Authorities	-	-	-	-
NHS Trusts	-	-	111	-
Public corporations & trading funds	-	-	-	-
Bodies External to Government	637	3,849	13,832	-
	<b>2,097</b>	<b>3,849</b>	<b>19,267</b>	<b>4,917</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 14. PROVISIONS FOR LIABILITIES & CHARGES

	Security Breach	Staff Reduction Programme	Compensation, Early Retirement	Litigation	Other	Total 2007-08
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2007</b>	<b>151</b>	<b>96</b>	<b>26</b>	<b>6,173</b>	<b>24</b>	<b>6,470</b>
Amounts utilised	(129)	(58)	(84)	(1,267)	(11)	(1,549)
Amounts released	(22)	(6)	0	(1,019)	(13)	(1,060)
Additional provisions during the year	0	0	1,065	498	128	1,691
<b>At 31 March 2008</b>	<b>0</b>	<b>32</b>	<b>1,007</b>	<b>4,385</b>	<b>128</b>	<b>5,552</b>

The provisions for liabilities and charges represent the best estimate of the amount payable at the balance sheet date.

The Security Breach provision represents security related costs incurred following the discovery of the disclosure of prison officers' personal details in October 2002. This provision was settled during 2007-08.

The provision for the Staff Reduction Programme arises from the downsizing of the Prison Service following the Belfast Agreement and the closure of the Maze Prison. The provision consists of additional pension costs due to the Department of Finance & Personnel (DFP), payable through to 2010-11.

The Compensation / Early Retirement Provisions relate to additional compensation payments and flexible early retirement payments arising in respect of employees who depart early from service. The provision consists of additional pension costs due to the Department of Finance & Personnel (DFP), which the agency provides for when the early retirement programme becomes binding. These

costs are payable over the period between early departure and normal retirement date for the respective employees. The provision runs through to 2017-18.

The litigation provision relates to legal claims against the Prison Service by staff, prisoners and third parties for injuries and other damages including fair employment and industrial tribunal cases. The provision reflects all known claims where it is considered that it is probable that the claim will be successful and the amount can be reliably estimated. The timing of the settlement of claims depends on the circumstances of each case.

Other provisions as at 31 March 2008 include a pension liability in respect of part time teachers and a tax provision. The pension liability arises from payments due to DFP concerning the addition of part time teachers onto NIPS payroll. The tax provision relates to an estimated HM Revenue and Customs liability arising from Additional Housing Cost payments to prison officers under the Assisted Home Removals Scheme. The tax provision will be settled during the 2008-09 financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. RECONCILIATION OF MOVEMENT IN RESERVES

	General Fund £'000	Revaluation Reserve £'000	Total 2007-08 £'000	Total 2006-07 £'000
<b>At 1 April 2007</b>	<b>131,703</b>	<b>55,753</b>	<b>187,456</b>	<b>162,007</b>
Net Vote funding in year	137,765	0	137,765	131,497
Transfer of assets from parent department	489	0	489	633
Net cost of operations	(135,764)	0	(135,764)	(136,648)
Surplus on revaluation - cost	0	12,003	12,003	22,514
Surplus on revaluation - depreciation	0	(642)	(642)	(714)
Transfer in respect of the realised element of the revaluation reserve	419	(419)	0	0
Notional costs	2,309	0	2,309	1,936
Interest on capital employed	6,966	0	6,966	6,231
<b>At 31 March 2008</b>	<b>143,887</b>	<b>66,695</b>	<b>210,582</b>	<b>187,456</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2007-08 £'000	2006-07 £'000
<b>16. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>(i) Reconciliation of Net Cost of Operations to Net Cash Flow from Operating Activities</b>		
Net cost of operations	(135,764)	(136,648)
<b>Adjustment for Non-Cash Transactions</b>		
Depreciation	9,720	8,921
Impairment of fixed assets	0	1,804
Diminution in value of fixed assets	149	216
Write-off of fixed assets	0	2
Loss on disposal of fixed assets	17	43
Notional cost of capital	6,966	6,231
Notional costs	2,309	1,936
Provisions provided/(released) in year	631	3,204
<b>Adjustments for Working Capital Other Than Cash</b>		
Increase in stock	(221)	(1)
Decrease/(Increase) in debtors	1,797	(621)
Increase/(Decrease) in creditors less than 1 year	1,857	(2,358)
Decrease in creditors greater than 1 year	(4,906)	(4,919)
Use of provisions	(1,549)	(2,445)
<b>Net Cash Outflow From Operating Activities</b>	<b>(118,994)</b>	<b>(124,635)</b>
<b>(ii) Reconciliation of Net Cash Flow to Movement in Net Funds</b>		
<b>(Decrease)/Increase in Cash During the Year</b>	<b>597</b>	<b>(3,428)</b>
Change in net funds resulting from cash flows	597	(3,428)
Net funds at start of year	(5,058)	(1,630)
<b>Net funds at end of year</b>	<b>(4,461)</b>	<b>(5,058)</b>
<b>Net funds comprise of:</b>		
Cash at bank and in hand	65	72
Bank Overdraft	(4,526)	(5,130)
<b>Net funds at end of year</b>	<b>(4,461)</b>	<b>(5,058)</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2007-08 £'000	2006-07 £'000
<b>16. NOTES TO THE CASH FLOW STATEMENT (cont/d)</b>		
<b>(iii) Reconciliation of Purchase of Fixed Assets</b>		
Additions per fixed assets notes		
- tangible assets	24,109	13,393
- intangible assets	29	34
Less assets transferred from parent department	(489)	(633)
Movement in creditors less than 1 year related to the acquisition of fixed assets	(5,443)	(2,499)
<b>Purchase of Fixed Assets</b>	<b>18,206</b>	<b>10,295</b>
<b>(iv) Reconciliation of Movement in Creditors Less than 1 Year</b>		
Movement in creditors less than 1 year other than cash	7,300	141
Movement in creditors less than 1 year related to the acquisition of fixed assets	(5,443)	(2,499)
<b>Movement in Creditors Less Than 1 Year (Note 16(i))</b>	<b>1,857</b>	<b>(2,358)</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 17. CAPITAL COMMITMENTS

Capital expenditure, which at year-end was contracted for but not provided for in the Accounts, amounts to £13,250k (2006-07: £15,392k).

## 18. GRANT COMMITMENTS

At the year-end, the Agency is committed to the following grant payments to the NI Prison Service Trust:

	2007-08 £'000	2006-07 £'000
Payable within 1 year	291	293
Payable within 2 to 5 years	290	296
	<b>581</b>	<b>589</b>

## 19. LEASING COMMITMENTS

Non Land & Buildings

Commitments under operating leases to pay rentals are as follows:

	2007-08 £'000	2006-07 £'000
Expiry within 1 year	15	3
Expiry within 2 to 5 years	7	16
	<b>22</b>	<b>19</b>

## 20. CONTINGENT LIABILITIES

At year-end the NI Prison Service has estimated contingent liabilities of £535k (2006-07: £782k) in respect of litigation claims against the Agency. These claims have not been provided for in the financial statements as the Prison Service considers it highly unlikely that they will be successful.



# NOTES TO THE FINANCIAL STATEMENTS

## 21. RELATED PARTY TRANSACTIONS

The Northern Ireland Prison Service is an Executive Agency of the Northern Ireland Office, which is regarded as a related party. During the year the Agency has had transactions with the NIO and with other entities for which the NIO is the parent Department, viz:

- The Crown Solicitor's Office
- Forensic Science Northern Ireland
- The Compensation Agency
- The Youth Justice Agency
- NI Policing Board
- Police Service of Northern Ireland
- The Probation Board for Northern Ireland

In addition the Agency also has had various transactions with other Government Departments and other central government bodies. Most of these transactions have been with the Department of Health, Social Services and Public Safety, the Department of Finance & Personnel and related Agencies. During the year, no key management staff or other related parties has undertaken any material transactions with the Agency.

During the year amounts totalling £2k were paid for an annual subscription fee in respect of an electronic information advice system to Citizens Advice Services (a company in which Sid McDowell, Non-Executive Director, is a President). As Non-Executive Director, Sid McDowell played no part in the award of this contract and all transactions were conducted on a commercial basis at arms length.

## 22. FINANCIAL INSTRUMENTS

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which it is financed, the Northern Ireland Prison Service is not materially exposed to the degree of financial risk faced by many business entities. The Northern Ireland Prison Service has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing the Service in undertaking its activities.

### Liquidity Risk

The Northern Ireland Prison Service's net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. The Northern Ireland Prison Service is not therefore exposed to significant liquidity risks.

### Interest Rate Risk

The Northern Ireland Prison Service is not materially exposed to any interest rate risk.

### Foreign Currency Risk

The Northern Ireland Prison Service is not materially exposed to any foreign currency risk.

## 23. POST BALANCE SHEET EVENTS

There are no post balance sheet events impacting on the understanding of these financial statements.

The Annual Report and Accounts were authorised to be issued and laid in the Houses of Parliament on 8 July 2008.

# NOTES TO THE FINANCIAL STATEMENTS

## 24. THIRD PARTY ASSETS

Prisoners have a private cash (PPC) facility for the lodgement of prison earnings and funding of tuck-shop purchases. When prisoners are discharged they are paid in full the balance on their PPC account. The average prisoner private cash balance at 31 March 2008 was £122.

Each prison establishment administers a Prisoners Amenities Fund. Payments from the Fund are used for the welfare/benefit of all prisoners. Fund receipts include income from the sale of tuck shop items, phone credits and donations.

	31 March 2007 £'000	Gross Inflows £'000	Gross Outflows £'000	31 March 2008 £'000
<b>Monetary assets such as bank balances and balances on deposit</b>				
Prisoners Private Cash Accounts	157	2,832	2,809	180
Prisoners Amenities Funds	124	107	121	110
	<b>281</b>	<b>2,939</b>	<b>2,930</b>	<b>290</b>

## 25. SPECIAL PAYMENTS

Included in the litigation provision note (note 14) are special payments. Amounts utilised during the year included 110 compensation payments totalling £626k. No individual payment exceeded £250k. The Prison Service does not hold general insurance, but instead charges expenditure in connection with uninsured risks as incurred.

# NORTHERN IRELAND PRISON SERVICE ANNUAL REPORT AND ACCOUNTS



NORTHERN IRELAND  
PRISON SERVICE

# 2007/08

Published by TSO (The Stationery Office) and available from:

Online

[www.tsoshop.co.uk](http://www.tsoshop.co.uk)

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Fax orders: 0870 600 5533

E-mail: [customers.services@tso.co.uk](mailto:customers.services@tso.co.uk)

Textphone 0870 240 3701

TSO Shops

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

TSO@Blackwell and other Accredited Agents

ISBN 978-0-10-294845-5



9 780102 948455

## NORTHERN IRELAND PRISON SERVICE

Dundonald House

Upper Newtownards Road

Belfast

BT4 3SU

T. 028 9052 2922

E. [info@niprisonservice.gov.uk](mailto:info@niprisonservice.gov.uk)

W. [www.niprisonservice.gov.uk](http://www.niprisonservice.gov.uk)

