



Accounting Officer Memorandum

PECS Generation 4 programme

It is normal practice for accounting officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament when an accounting officer has agreed an assessment of projects within the Government's Major Projects Portfolio.

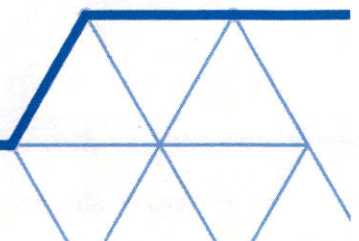
Background and context

The PECS (Prisoner Escort and Custodial Services) Generation 4 Programme is procuring a new set of contracts to commence on 29 August 2020. PECS has been a contracted service since 1994 and is currently on its third generation of contracts.

The PECS contracts are critical for the operation of the courts, prisons, youth custody service and police and represent the second largest set of Ministry of Justice (MoJ) contracts. PECS contractors are responsible for moving prisoners between prisons, police stations and courts, and their care and security whilst in the court custody area and in the dock. The 4th generation of PECS contracts will also bring within scope the movement of children and young people from Secure Training Centres and Secure Children's Homes.

The competition for the contracts will be taking place while there is some uncertainty about the future end state and timing of reforms across the criminal justice system. The contracts will need to be flexible to reflect the changing landscape arising during the contract period.

This assessment has been made at Programme Business Case stage.



Assessment against the accounting officer standards

Regularity

Legislation enabling the contracting out of court security and prisoner escort duties was enacted in the Criminal Justice Act 1991. This created the role of Prisoner Escort Monitor and conferred a range of powers and duties upon prison custody officers (PCOs) including the use of reasonable force in the execution of their duties. The Act was modified by the Criminal Justice and Public Order Act 1994 which enabled the contracting out of escorting duties for young people, which clarified the type of premises in which PCOs operate and extended the contracting out arrangements to include Scotland.

Propriety

In considering the propriety of the PECS re-competition I consider that:

- The proposal for the re-competition and its implementation plan accord with Managing Public Money
- The proposal for the re-competition is even-handed and all potential suppliers will be treated equally
- The re-competition can be administered to a standard that meets public expectations
- The risks associated with the re-competition are known, manageable and acceptable
- The proposals for the re-competition are sustainable, and sufficient public resources are available and are likely to continue to be available to support the re-competition and the future contracts

Value for Money

The PECS Generation 4 competition strategy is aiming to best meet the business user needs while also offering value for money to the taxpayer and being affordable for the MoJ.

Value for money has been addressed throughout the Programme Business Case, in the options appraisal and will be regularly assessed throughout the procurement and through updates to the Programme Business Case. It will be further assessed and confirmed in the Full Business Case at the end of the procurement process.

Feasibility

The PECS service has been successfully contracted out since 1994. The next set of contracts are not expected to deviate significantly in scope from the current ones. The aim is to create new contracts where providers deliver the greatest value for money service delivery but which also provide flexibility to adapt the contracts to reflect changes arising from the reform programmes in Courts, Prisons, Police and Youth Justice.

Effective governance of the programme is assured by a dedicated Programme Board with representatives from senior stakeholders including Her Majesty's Prison and Probation Service, Her Majesty's Courts and Tribunals Service, the Youth Custody Service and the police force.

The programme has a dedicated ring-fenced programme budget and a dedicated Programme Team has been established.

The procurement timetable is challenging however the Programme Board and Gateway Review team consider it to be achievable. Commencement of the procurement and award of contracts will be subject to the approval of HM Treasury.

The programme is included in the Governments Major Projects Portfolio and will be subject to independent Gateway Reviews at key stages of the programme lifecycle. The March 2018 Gateway 2 review (Delivery Strategy) gave an overall delivery confidence assessment of Amber.

Conclusion

My conclusion is that the PECS Generation 4 Programme is ready to proceed to seek Cabinet Office and HM Treasury external approval of the Programme Business Case, required to commence the procurement process.

As the principal accounting officer for the Ministry of Justice I considered this assessment of the PECS Generation 4 Programme and approved it on 20 April 2018.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this programme, I will ensure a revised summary is prepared, setting out my assessment of the changes.

This summary will be published on GOV.UK. Copies will be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.



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