



# Accounting Officer Memorandum

## Community Accommodation Service Tier-2

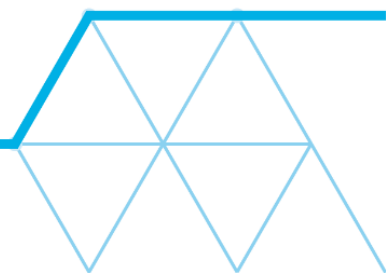
It is normal practice for accounting officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points 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

Community Accommodation Service Tier 2 (CAS-2) will replace the existing Bail Accommodation and Support Service Generation 3 (BASS G3) contract which is expected to expire on 30<sup>th</sup> September 2022. The new CAS-2 service will commence on the following day to ensure service continuity and will continue the existing BASS provision. The existing BASS service provides suitable accommodation across England and Wales to eligible service users. These are those assessed at low to medium risk of harm and who would otherwise be remanded in custody. The service has two core eligible cohorts (i) Court bailees and (ii) those eligible for Home Detention Curfew (HDC) who cannot be released through the scheme due to a lack of suitable accommodation.

The main aims of the current BASS service are to prevent unnecessary loss of liberty by providing suitable accommodation that enables courts to use court bail, and prisons to release service users through the HDC scheme. This also aims to deter recipients from offending during their period of housing support and to ensure that they attend court.

This assessment has been made at the Full Business Case stage.





## Assessment against the accounting officer standards

### Regularity

Expenditure incurred in funding BASS and subsequent CAS-2 services is covered by the MoJ Ambit of the Vote, a parliamentary process, which includes:

- a) Policy on and activities relating to offender reform, including prison, probation, offender and youth justice policy, sentencing policy, support for young offenders, women and vulnerable offenders, commissioning of prison, probation and youth custody services; policy on and activities related to coroner, burial and cremation services.

BASS was first established in 2007 to support initiatives to reduce the unnecessary use of custody.

The service provided by BASS is well established. No new legislation is required. The proposal intends only to re-procure the service, seek additional “added value” and have scope to adjust capacity including expansion. It does not alter their purpose or how they are operated.

### Propriety

In considering the propriety of the CAS-2 project I consider that:

- a) The proposal for the re-competition and its implementation plan accord with Managing Public Money;
- b) The re-competition can be administered to a standard that meets public expectations;
- c) The risks associated with the re-competition are known, manageable and are acceptable;
- d) 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. There are other sufficient business controls through expenditure and operational policy controls to ensure approved budgets are not exceeded.

### Value for Money

Value for money has been a central consideration throughout the development of the business case.

The early stages of the market engagement have focused on growing interest in order to drive competition and ensure healthy competition in the bidding process. The CAS-2 project is aiming to best meet the stakeholder requirements through robust evaluation criteria which aims to draw out added value out of bids, whilst at the same time offering good value for money to the taxpayer by embedding both price and quality into the award criteria. A clear affordability cap will be set to ensure the procurement delivers an affordable solution to the multiple budget holders who will use the service contract.

Value for money will be further assessed and confirmed in the Full Business Case through the procurement process. The Spending Review 2020 was a one-year settlement and as the BASS contract is due to end in 2022, no additional funding was secured in this round. Prioritisation of further expansion of CAS-2 accommodation in the wider context of community accommodation will



be considered as part of the Spending Review process in 2021. Any additional allocation decision from this will be made in late 2021. A provision to significantly adjust the CAS-2 contracted bed numbers, at pre-agreed prices will be put in place. It is assumed that the request for expansion prices during the competition will generate lower costs than negotiating with a successful provider after award, it will also reduce the need for timely, resource-intensive negotiations after contract award.

## **Feasibility**

Successful market engagement demonstrates that the market has the capability to work in collaboration with HMPPS to deliver its business requirements to provide suitable accommodation and support.

A Project Management Office (PMO) has been established to oversee the day-to-day management of the project and will be required to report progress and escalate issues regularly to the Project Board. The SRO and the Project Team have the necessary skills and capability to manage the project. Corporate resources are also available to the project (Commercial, Finance, Analysis, Human Resources, Legal) and specialist resource has been externally procured to provide analysis and legal advice on the specifications and market capability.

The project will be funded within the Reducing Reoffending Directorate. Appropriate levels of approval are sought to ensure this budget is used effectively. Spend against budget will be regularly tracked and will require prior approval for any Project Budget increases.

The programme underwent a Gateway 3 review in October 2021 and received a Delivery Confidence Assessment of Green. The assessment was very positive and highlighted the approach taken to the competition as best practice.

## **Conclusion**

My conclusion is that the replacement of the BASS-3 contract with a new provision allows maintenance and enhancement of a business critical HMPPS service. CAS-2 is ready to seek Cabinet Office and HMT Treasury final approval of the Full Business Case to award a contract to the preferred bidder.

As the accounting officer for Her Majesty's Prison and Probation Service (HMPPS) I considered this assessment of CAS-2 and approved it on 17 December 2021.

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 project, I undertake to prepare a revised summary, setting out my assessment of them.

This summary will be published on the government's website (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.

I have placed a copy in the Commons and a copy has also been provided to the Principal Accounting Officer for the Ministry of Justice, who has seen my assessment and endorsed my conclusion.





**Dr Jo Farrar**

**Chief Executive HMPPS, Second Permanent Secretary MoJ**

**22 April 2022**