



# Accounting Officer Memorandum

## 2,500 Houseblock Expansion Programme Business Case

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.

### Programme Background and Context

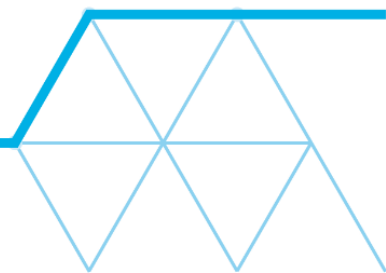
In 2019 the Prime Minister announced an investment of up to £2.5bn in creating 10,000 additional prison places. This resulted in formation of the Prison Capacity Sub-Portfolio (formerly the Additional Prison Places Programme). Relevant funding was subsequently increased at the autumn 2020 Spending Review (SR). Further new funding was also provided at that SR to deliver an additional c.4,000 places, which along with the two new prisons already being constructed, amounted to a total of 18,000 additional places.

This Memorandum is produced for Programme Business Case 1 (PBC1), which covers part of the Ministry of Justice 3,000 Additional Prison Places Programme (a subset of the 18,000 additional places). This includes a provision of 2,500 of those places to be delivered through Houseblock construction in the Category B and C adult male estate and 500 places through a New Build Category D open prison site.

The commitment to this path was reaffirmed by the Chancellor in his Spending Review Policy Paper November 2020. This first version of the Programme Business Case (PBC) covers the construction of the 2,500 Houseblock places (with the new Category D prison build being taken forward via a separate case). It requests approval to progress long-listed sites to the next stage and presents the case for the first Houseblock expansion to be progressed to build stage at HMP Channings Wood. Future iterations of this case will present investment decisions as required on the additional sites.

### Assessment against the accounting officer standards

I considered that this PBC met the four accounting officer tests.



## Regularity

The Prison Act 1952 includes that the Secretary of State may, with the approval of the Treasury (or with relevant delegation) alter, enlarge or rebuild any prison, and build new prisons.

The PBC is fully compliant with relevant legislation, including public procurement regulations. An amber rating was given from the legal keyholder. Other relevant legal requirements will be met when required, such as obtaining planning consents and meeting construction standards. We have obtained legal input throughout the drafting stage and during keyholder review which was given an amber rating due to the pace the project is operating.

## Propriety

This PBC was developed as part of the response to HM Treasury approval, working with Project Speed, of a Strategic Outline Business Case (SOBC) for the delivery of the 3,000 Additional Prison Places Programme. It was produced by an experienced team with the relevant professional expertise. It has passed our internal programme and departmental governance, including Programme Board, Keyholder Review and Investment Committee. We are satisfied that all relevant governance and assurance procedures have been completed ahead of submission to HM Treasury and Cabinet Office.

The current assumption is that all projects within this Programme will be sourced through the CCS Design and Construction Framework to drive economy as part of the value for money approach. Contracts will be aligned with Government sustainability requirements and targets, including those relating to net zero carbon, BREEAM 2018 and biodiversity net gain.

The Programme is subject to an ongoing, embedded, formal risk management process to proactively identify risks to the achievability of the Programme's critical success factors and take actions to mitigate and control them.

## Value for Money

This is a 'no regrets' project in that if the increase in prison population does not materialise, the department could consider closing prison places which are unsuitable for a place in the future estate, which could potentially realise cashable savings. This would also likely enable land to be released to be redeveloped for housing, as part of the MoJ contribution to the Government housing targets. Alternatively, the Department could use the additional capacity to undertake more maintenance or reduce crowding in existing prisons. These steps would also allow the programme to further align with one of the key principles from HMPPS Business Strategy, which is to modernise our estate and technology through providing a decent, safe and secure environment.

All capacity will be delivered using the T60 design (adapted from the 4-storey design used on new prison builds); which is the most modern, fit for purpose design enabling repeatability and therefore cost efficiency across all sites and which are specifically designed to improve safety, reduce violence, rehabilitate offenders, and therefore contribute to the reducing reoffending strategy.

It is proposed that Channings Wood should follow an accelerated delivery route given it is considered to one of the best remaining sites for expansion and has already been progressed to a more advanced stage.

## **Feasibility**

The PBC received an Amber rating from the department's internal review process primarily in recognition of the challenging timeline and level of external dependencies. The project has received positive feedback and support from the relevant governance boards. We are engaging with HMT, Cabinet Office Commercial, IPA, and others as we progress through governance.

## **Conclusion**

As the Accounting Officer for Her Majesty's Prison and Probation Service. I considered this assessment of the Accelerated Houseblocks PBC1 and endorsed it in February 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

**Dr Jo Farrar**

HMPPS Chief Executive and Ministry of Justice Second Permanent Secretary