



# Accounting Officer Memorandum

## Accelerated Houseblocks Delivery Programme

### HMP Norwich Major Refurbishment Project

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

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 (APP) 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.

In August 2020, working with Project Speed, HM Treasury approved a Strategic Outline Business Case (SOBC) for the delivery of the 3,000 Additional Prison Places Programme (a subset of the 18,000 additional places). This included provision of circa 2,500 places to be delivered through expanding existing Category B and C adult male prisons, which has subsequently been developed into the Accelerated Houseblocks Delivery Programme (AHDP). The remaining 500 places originally planned to be achieved through a new open prison are now being delivered through a second phase of the Category D expansion programme.

Since the last programme business case, the programme has (i) continued to progress planning applications, detailed scoping and design work for the planned expansion of 7 sites, comprising T60-design houseblocks and the associated ancillaries needed to operate those additional places, and (ii) to develop plans to refurbish out-of-use accommodation at HMP Norwich, which is the subject of this Full Business Case (FBC). This refurbishment project will deliver 173 additional spaces and will be the first to deliver capacity under the AHDP.

#### Assessment against the accounting officer standards

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



## Regularity

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

The FBC is compliant with all relevant legislation and going forward, relevant legal requirements will be met when required, such as obtaining planning consent and meeting relevant construction standards. Legal input has to date been obtained throughout.

## Propriety

This FBC 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 was subsequently approved by the Investment Committee on 2<sup>nd</sup> March 2022.

The project has been subject to an Infrastructure and Projects Authority stage 3 gateway review in February 2022. The review team gave an overall amber rating, based primarily upon the uncertainty of the timescales and levels of contingency in the plan, given the known risks being inherently carried by taking the FBC at this earlier stage, along with a risk of legal challenge concerning procurement given the framework being used (related to the framework being old and repeatedly extended).

I am satisfied that all relevant governance and assurance procedures have been completed ahead of submission to HM Treasury and Cabinet Office.

## 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.

The proposed additional 173 places will be delivered through the cost-effective refurbishment of decommissioned accommodation, which already contains most of the non-accommodation facilities required to support the additional prisoners, meaning the requirement for upgrades to the rest of the prison is limited to a new-build sports hall.

## Feasibility

For reasons explained earlier in this assessment, there is a need for the project to progress quickly to deliver places as close to the Q1 2024 initial estimate as possible. This project is being managed using PRINCE2 methodology and currently the project's internal rating is amber/green, reflecting a view that whilst the project is on track, there are remaining risks around meeting the accelerated delivery plan timescales.

The project has the support of a Client Representative to assist with design and development, and contract management staff and cost consultants to drive cost control, alongside the further support provided by planning consultants and legal services.

Internal processes driving and supporting project delivery include the monthly Delivery Board which is responsible for managing progress against reported activity and milestones, identifying risks and required actions, making timely decisions, and escalating matters to the Programme Board where necessary. Site checkpoints are held monthly with the Governor and the local project lead along with key workstream leads from Custodial Capacity, Property Directorate, and the Portfolio's mobilisation team. This allows the project to fully collaborate with the establishment in the early identification and where necessary mitigation of risks, issues and opportunities. A Risk Review Board also meets monthly which is chaired by the Programme Director and attended by Commercial, MoJ Property, Mobilisation, Finance, Analytics and Custodial Capacity.

These meetings are in place to regularly identify, review and actively manage programme level risks, issues and opportunities.

## **Conclusion**

As the accounting officer I considered this assessment of the HMP Norwich Major Refurbishment Project and endorsed it in March 2022. 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