



Accounting Officer Memorandum

Rapid Deployment Cells Project – Full Business Case (FBC)

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

At the time of this business case the prison population was expected to rise significantly during the 2020s, and even assuming the programme covered by this business case and every other project within the estate expansion portfolio was delivered on time, there were still expected to be projected capacity gaps of c.900 places in late 2024, and 2,000 places in 2025. This data illustrated the criticality of all the expansion projects being planned or delivered, including this one. Without this project, it was projected there would be insufficient places to meet demand in as early as 2023. Alongside this, because the system is running at 98% capacity (and was projected to do so throughout the next 5-10 years), prisons are expected to face immediate and acute risks throughout 2022 and 2023, where any shocks to supply and demand could critically inhibit the department's ability to meet demand and run a properly functioning justice system. Therefore, there was and remains an urgent need to get new places into the system to increase resilience and ensure sufficient prison places are available to meet demand.

The Rapid Deployment Cells (RDC) project is the fastest way to address some of the capacity pressures without legislative changes to reduce the prison population.

The purpose of the Full Business Case (FBC) was originally to obtain final approval to deliver 1000 extra places through deployment of containerised temporary accommodation and associated ancillary units referred to as Rapid Deployment Cells. **However, following further cost analysis and discussion during the governance process it was decided that this should be scaled back to 480 places at the sites deemed most suitable in terms of cost and operational demand.**

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 was also assessed as being fully compliant with relevant legislation, including public procurement regulations with other relevant legal requirements being met as and when required, such as meeting relevant planning and construction standards. The project has obtained legal input as necessary throughout its development, and at Keyholder Review the legal assessment was rated 'Green'.

Propriety

This FBC has been developed and produced by an experienced team with the relevant professional expertise. It passed all internal programme and departmental governance, including Programme Board, Keyholder Review and Investment Committee, and as such I was satisfied that all relevant governance and assurance procedures were completed ahead of submission to HM Treasury and Cabinet Office.

The project will contribute to the Government's statutory environmental obligations, ensuring the RDCP units meet the standards required by relevant building regulations and related departmental policies.

The estimated cost of the RDC's had increased significantly compared to the Outline Business Case. This meant that the budget allocated at Spending Review 21 based on that case was insufficient to deliver all of the originally planned 1,000 places and as a result of that the programme was scaled back to what was affordable against that budget, i.e. the 480 as referenced in the background section above.

Value for Money

The projects set out in this FBC were and remain the only ones available to the department to deliver the required additional places within the time estimated to be available. The previous preference was to deliver the planned c1,000 units as per the FBC but as explained above this was scaled back to the 480 places that were affordable within the agreed budget. As well as making the programme affordable its value for money was also enhanced given the remaining projects reflected the optimal mix of sites taking into account their cost per place, level of regional demand, and other operational criteria.

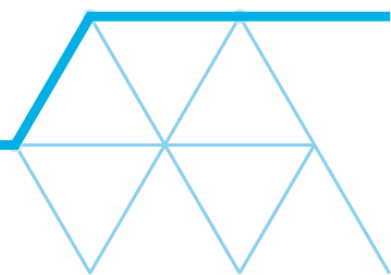
Given the need to ensure the department can always uphold the sentences of the courts, the speed at which RDC's can be delivered is also considered of significant value in terms of ensuring the department will not run out of places.

As well as providing urgent and additional accommodation to support population pressures, these units will also provide an opportunity for Governing Governors to flexibly manage prisoners and incentivise good behaviours at establishments. Within the Category C estate, the use of these units will also support prisons to provide a progressive regime, enabling Category C prisoners ready for open conditions or release further opportunity for rehabilitation.

It should be noted that following approval of this FBC the need for the 520 places descope on affordability grounds and their relative value for money as compared to other projects within the wider supply portfolio is being assessed through an addendum to this FBC.

Feasibility

For reasons explained earlier in this assessment, there is a need for the project to progress quickly to deliver places by the end of the 2022 calendar year.



The Keyholder review for achievability reflected that the project was achievable, subject to the effective management of external dependencies, most notably the complex supplier landscape and the interface between the modular suppliers and the SAA Contractors.

To address these potential issues, the project is working with its relevant professional service provider who is managing the interface between the modular unit suppliers and the contractors carrying out the site-specific enabling works.

The MoJ Property Team have also carried out the necessary due diligence required as part of the procurement process and are undertaking detailed feasibility of each site in advance of relevant enabling contracts being allotted on a site-by-site basis.

Conclusion

As the accounting officer I considered this assessment of the Rapid Deployment Cells FBC Project and endorsed it in April 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

