



HM Prison & Probation Service

Dame Meg Hillier MP
Chair of Public Accounts Committee
Houses of Parliament
SW1A 0AA

By email

Amy Rees
Chief Executive
HM Prison and Probation Service
3rd Floor Churchill House
Churchill Way
Cardiff
CF10 2HH

e-mail: DGCEOHMPPS@justice.gov.uk

10 March 2023

Dear / Annwyl Chair

PUBLIC ACCOUNTS COMMITTEE: SECURE SCHOOLS

I am writing to update the committee on the secure schools project. We originally committed to provide you with an update in January of this year, I am sorry this response is delayed.

In July 2022, the Public Accounts Committee published a report into the secure school project. It included the following recommendation (recommendation four):

“The Ministry and HMPPS should provide assurance that they now have firm control over the remaining timetable and costs to delivering the first secure school. They should also provide an update to the Committee on progress against the timetable in six months’ time.”

In August 2022, the Ministry accepted the recommendation and, in our response, set out the project governance and departmental controls on timeline and spending. Namely escalation, as appropriate, through project and programme boards to the Ministry’s Investment Committee (chaired by the Chief Operating Officer).

The project recently sought approvals from this Investment Committee with regards to the funding agreement, the resource requirements to run the secure school, and the scheduled opening date.

Overall, the project remains on track to be completed within the contingency ranges set out in its business case.

- The Ministry is still working towards an opening date (i.e., placement of the first children) of February 2024. This was the contingency scenario when the Ministry gave evidence in May 2022 and is now the central scenario. This is due, in part, to the need to extend negotiation of the funding agreement. On this basis, the MOJ

Investment Committee approved an extension to the contingency range to April 2024.

- At the time of writing, the funding agreement has just received the final approvals at HM Treasury. The Ministry anticipates it will be signed by the Secretary of State and Oasis Restore Trust in the first weeks of March.
- The signing of the agreement will release the mobilisation funding to Oasis Restore Trust. This funding will allow them to recruit frontline staff, procure services and submit their application for children's home registration.
- The construction programme remains on track for practical completion in September 2023. Since the evidence session, we have appointed specialist architects to provide advice to the Ministry and Ofsted, ensuring the building meets the required standards for children's homes. Oasis Restore will occupy the site for frontline training and systems set-up from October 2023.
- The capital costs of the construction project also remain within the contingency parameters set out in the business case at c. £39m. This cost includes an increase in atypical inflation on mechanical and electrical infrastructure that has arisen since the evidence session.
- Oasis Restore's mobilisation plan and operating model development will undergo regular quality assurance from the Youth Custody Service until opening. The school will also need to obtain children's home registration from Ofsted. If, at any point before opening, the Ministry loses confidence in the Trust's ability to provide a safe and good quality service, the funding agreement may be terminated or deferred.

The governance arrangements for this phase of the project will remain the same as set out in the Ministry's initial response. Following this letter, the Ministry will also publish an updated Accounting Officer Memorandum for the project which reflects the most recent assessment made and incorporates some of the changes above.

The Public Accounts Committee also recommended (recommendation five) that:

"The Ministry and HMPPS should set out how the Funding Agreement will incentivise the secure school provider to deliver high-quality care for all children in custody, including how they would manage underperformance or children being refused a place."

The Ministry's response in August 2022 committed to implementing this recommendation – by signing, and later publishing, the funding agreement "package" – in December 2022. As mentioned above, the signing of the agreement is now expected to take place in March of this year.

As is common practice in the Department for Education, the funding agreement will then be published by Oasis Restore Trust as we move towards handover of the school in Autumn of this year. The handbooks which set out the assurance, governance and

financial policies with which secure schools will be required to comply, will also be published on gov.uk, at which point I will write to you again.

Regarding recommendation six:

“The Ministry and HMPPS should set out their evaluation strategy for youth custodial provision, including their specific evaluation plans for the Keppel Unit at HMYOI Wetherby and the first secure school.”

The Ministry will commission an evaluator to perform a feasibility study in the 2023/24 financial year. This feasibility study will then inform the process and impact evaluations as well as longer term work such as the impact on reducing reoffending and the potential second secure school. The Ministry still expects this evaluation strategy to be in place at least six months before opening, i.e., by August of this year.

I apologise again for our delayed response. We will ensure a timely response going forward.

Yours sincerely / Yn gywir

A handwritten signature in cursive script, appearing to read 'A. Rees'.

Amy Rees,
Chief Executive, HM Prison and Probation Service
Prif Weithredwr, Gwasanaeth Carchardai a Phrawf EM