



Accounting Officer Memorandum

Private Prisons Expiry and Transfer Tranche 3 Project – Outline 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.

Background and context

This OBC is for the third tranche of HMPPS's private prison contracts, which expire in 2026 and 2027. Tranche 3 includes HMP Dovegate, a PFI prison contract that commenced in 2001, and HMPs Doncaster and Oakwood, which are currently operated under manage and maintain contracts. The continued operation of all three prisons is crucial because HMPPS needs to ensure the places they provide are not lost. Therefore, HMPPS must either run operator competitions to ensure an operator can be awarded follow-on contracts or bring them into Public Sector operation. This OBC sets out the case for the preferred option which is to run operator competitions for all three prisons.

Assessment against the accounting officer standards

Regularity

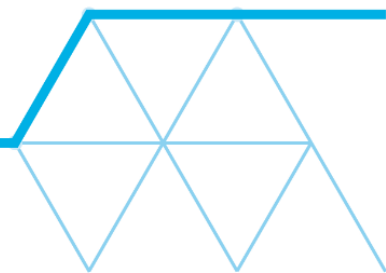
The Outline Business Case for the Private Prisons Expiry and Transfer Tranche 3 Project is assessed as regular. The OBC is fully compliant with UK law and has no new legislative requirements. The affordability thresholds for each competition will be defined prior to competition launch.

Propriety

The Private Prisons Expiry and Transfer Tranche 3 Project is assessed as proper. Both the associated Strategic and this Outline Business Cases have passed through Project and Departmental Governance, including an internal Keyholder Review and I am therefore satisfied that the OBC has completed the relevant internal governance satisfactorily ahead of submission to HMT, and that the proposals in the OBC are in line with the standards set out in *Managing Public Money*.

Value for Money

The OBC sets out the process and related governance that will take place in advance of each competition to ensure the outcomes are value for money, with relevant contract agreements each being



subject to agreement of a Full Business Case. The decision to continue to outsource operation of the prisons rather than insource them aligns with the departments approach to a mixed market between privately and publicly operated prisons. This considers a range of factors including value for money, while ensuring custodial services are safe, decent, and secure.

Feasibility

The programme is considered to be feasible including running the required competitions and subsequent mobilisation of selected operators. The Infrastructure and Projects Authority (IPA) Gate 2 deemed that successful delivery of the project to time, cost and quality appears feasible but existing risks require management attention.

Conclusion

I have considered this assessment of the of the Private Prisons Expiry and Transfer Tranche 3 Project OBC against the four accounting officer standards of regularity, propriety, value for money, and feasibility. I am satisfied that these responsibilities are met.

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.

As the accounting officer for His Majesty's Prison and Probation Service, I approved this Memorandum on 6 March 2025.

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.

A copy has also been provided to the principal accounting officer for the Ministry of Justice, who has seen my assessment and endorsed my decision on the basis of my assurance that my accounting officer responsibilities are met.



Amy Rees
HMPPS Chief Executive & Accounting Officer