



Justice Committee

Oral evidence: Prisons: planning and policies, HC 309

Tuesday 25 November 2014

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Written evidence from witnesses:

- Serco [PPP 15](#)
- G4S [PPP 45](#)

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Members present: Sir Alan Beith (Chair); Jeremy Corbyn; John Howell; Andy McDonald; and John McDonnell

Questions 333-368

Witnesses: **Mike Conway**, Director of Operations, Sodexo, **Jerry Petherick**, Managing Director for Custodial and Detention Services, G4S, **James Thorburn**, Managing Director for Home Affairs, Serco, and **James Timpson**, Chair, Employer's Forum for Reducing Reoffending, gave evidence.

Q333 Chair: Good morning, gentlemen, and welcome. Some of you were present when we were dealing with completely different matters, but we have a change of gear as we turn to our current inquiry into prisons. I should explain that Mr Timpson is with us today because he was not able to come on another occasion. You may know him already from the work he does with ex-offenders from your own prisons. Primarily we will deal with those who are responsible for the running of prisons and then we will turn to you towards the end of the session, Mr Timpson, but, if you want to come in at another point, just indicate and we will be happy for you to do so.

Mr Thorburn is the managing director for home affairs at Serco, Mr Petherick is the managing director for custodial and detention services at G4S, Mr Conway is director of operations for Sodexo, and we have Mr Timpson who chairs the Employers Forum for Reducing Reoffending and has a lot of practical experience of doing just that.

What is your impression of the way that the Ministry of Justice has handled the benchmarking process? Is it a positive change in policy from old prison contracting?

Jerry Petherick: I would say it is a change from the old practice. It is obviously based on work through various contracts that have been awarded recently or in the last three

years, and I think it has been based on that with the purpose of driving into the public sector efficiencies that have been evident in the private sector, while maintaining stated levels of regime delivery, and that has to be important for the stability of any prison system.

Q334 Chair: Can you make a fair comparison between the private and public sectors? For example, you do not have to deal with protected pay scales in the way that the public sector does, and in the majority of cases, if not in every case, you also have more modern prison facilities.

Jerry Petherick: Where an establishment that was previously in the public sector has been transferred into the private sector—in our case, Birmingham or Northumberland—the pay scales are TUPE protected and therefore are the same. So I think that would be the fairest comparison, as opposed to other establishments that are longer established in the private sector. That is my view; I am not sure of others' views.

Mike Conway: The difficulty, if you are looking for a financial comparison, is that there is no mechanism to compare like for like. For example, when you look at the costs of the private sector, within that are insurance costs that do not exist in the public sector, pension costs and a whole raft of other costs that are not associated with public sector prisons, including, for example, all our overheads, regional and headquarters.

James Thorburn: I would say that reducing the cost to the taxpayer is clearly a laudable aim, and benchmarking has been a sensible way to do that, in terms of creating a mixed economy between the public sector and the private sector. What the private sector has been able to offer is greater flexibility and probably greater innovation, and that is just down to the fact that the two systems are very different. You have a large public sector where the emphasis is going to be on standardisation and economies of scale. The private sector is very reliant on a very strong, stable public sector, but at the same time, in the private sector, because of the way we operate in terms of our investment parameters, our staffing and some of the inbuilt greater flexibility we have around terms and conditions and staff and new build prisons, we have been able to innovate more and offer that innovation and service reform, which can then be brought over to the public sector. I think we exist in the private sector to create that competition to drive better value for the taxpayer and also to provide a bed for innovation.

Q335 Chair: Another difference is that you got the pain in first by making the staffing decisions at the time of the contracts and then having the contract in place without facing, as the public sector did, a later push to make savings by reducing staff. That makes the comparison difficult, doesn't it? Do you see it as an advantage that you made your initial decisions about staffing levels when you bid for a contract, but then you knew how much money you were getting for a period?

James Thorburn: I understand what you are saying. I am not too sure about that. At the end of the day, the bidding process is a vital part in terms of being a point at which you re-examine what you are doing and look at ways to improve that proposition, those outcomes, and the efficiency with which you run, but very often we are taking over a public sector prison, which, in most cases has the terms and conditions et cetera in place. One of the particularly strong skills that we offer in the private sector is the ability to deliver service reform; that is one of our core competencies and offerings. There is a lot of learning and ways of doing that where we will take things from where they are and deliver that improved service.

Chair: At Northumberland, as I recall, the initial estimate that Sodexo made of the staffing requirement was subsequently revised, and you made some additions to the staffing in the light of experience.

Mike Conway: Yes, you set your staffing levels on the information available to you during the time of the competition. When you actually take over the prison, you sometimes find that realities are slightly different and you have potentially overestimated in some areas and underestimated in others. Through a series of due diligence exercises, we have increased the staffing at Northumberland considerably: we have recruited 24 additional PCOs and some additional non-PCO staff.

When you go through the competition process, you are taking a holistic view of how you are going to run that prison. That incorporates new technology that is not available in all public sector prisons. It incorporates optimising the use of space, if you are taking over an existing public sector prison; or, if you are designing or constructing the prison, you build in efficiency at the design stage.

To come back to your question, your start point is providing value for money. “Benchmarking” has become shorthand for a much wider process. The original process was called specification, cost and benchmarking. The key word that is missing is “specification”, because, for the first time, the public sector prison service was looking at bringing in standards across all aspects of prison life and then deciding how many staff and what resources it would take to deliver those standards. Benchmarking has a pejorative sense to it now; it is just seen as staff cuts, but benchmarking actually brought in standards across the service. In principle, specification and benchmarking is a good process. It is a question of where you set the benchmark. One of the difficulties that the public sector might be encountering is that it set a benchmark of very lean staffing levels but without some of the innovation and different practices that we benefit from in the private sector.

Q336 Chair: Your mention of “all aspects of prison life” brings me to Mr Petherick. You have argued that governors are weakened by the fact that such a wide range of services are produced by other providers, and that is echoed by governors in the public sector. Things that governors used to control, they do not control in the same way now. Is that a problem?

Jerry Petherick: In my view, it is. When I was a governor I was in control of everything I had in my perimeter; increasingly, that is not the case. I have seen in recent contracts at Birmingham and Oakwood—I am sure it is in other recent

contracts—that you do not have the same control over learning and skills, health care and so forth, which are key facets of the holistic prison regime. My concern is increasingly that governors and directors are being distracted from the holistic control of the establishment by contract management with third party providers, which is a very important skill. As that continues and develops, assuming that it will, it is going to become an increasing problem, particularly at times of instability. I believe that this is an area where there needs to be a very coherent approach.

Mike Conway: I strongly agree with that. There is an irony in that, when Jerry and I left the public sector to join the private sector, some of our colleagues described us as becoming contract managers. In fact, apart from Northumberland, my prison directors now are traditional governors: they run their own health care—primary health—their own substance misuse programme, their own prison shop and their own education, whereas in the public sector, of course, there is more and more outsourcing of services. The difficulty that that creates is the skills base that is now required of a modern governing governor, to manage multiple interfaces. Who owns those contracts? Is the governor the contract manager of those contracts? Whose values and vision permeates the prison?

Jerry Petherick: To reinforce what Mike is saying, I am seeing that we are—rightly, in my view—the most monitored sector in prison delivery in England and Wales. There is no question of that, in my mind. We are more closely monitored and I believe that that is right. However, I can quote examples from my own experience, particularly from Oakwood, where health care delivery has been below my expectations and I was not quite sure who had control of the levers of that contract. What I do know is that we do not control those levers and that is an area of concern for me.

Q337 Chair: Have any of you had experience of renegotiation of contracts to achieve further savings, and do you anticipate more of this?

Jerry Petherick: When we operated in the public sector we had experience of contact reductions—

Chair: I am thinking of the private sector.

Jerry Petherick: In the private sector, certainly we have had negotiations to reduce contracts, to reduce staffing and so forth, and to hand money back to the MOJ, quite properly. In my view, the contract can become a protection for all the people, strangely—the prisoners, the staff, the companies and so forth—because we have to deliver to that contract and there is a process given to us for any change to the contract. That is different from my experience in the public sector, where changes were imposed on us without any of the contract protections. It is one of the ironies that people often forget.

James Thorburn: I very much agree, but I have an interesting reflection on the issue of fragmentation of control with the prison governor. We are seeing a constantly evolving prison service, and with the changes, the models of leadership and the

models of management may be required to change as well. You may decide to procure horizontals such as FM, health and education horizontally across the service, rather than within one wrapper where one provider operates everything within a prison, but in a way you pay your money and take your pick. There are pros and cons either way.

We are seeing that a new range of skills is now needed for prison governors. There is contract management, and there is movement from a command and control structure, where perhaps the traditional model of a prison governor is 16 stone and built like a brickhouse, to one where the skills required are more influencing and relationship management. Here the individual is not as important as the team, because you are not actually going to get all those skills for a business in one person. You need to build a strong team at the top. My team will sigh as I go into potential gender issues, but an interesting reflection for me is that perhaps we are perhaps seeing a move in this area. We have one female prison governor, who is excellent. When I came into Serco I was struck by how many incredibly strong females we have at the level of the management team who are fast-tracking up through the service and are potentially our prison governors of the future. Perhaps the changes in the traditional model of prison governor will open up more opportunities for females in the prison service.

The other really important opportunity or issue here is that there is a different challenge for NOMS when looking at horizontals. When purchasing horizontals you will get excellence in health care or education by going to a health care or education provider, because that is what they do and what they specialise in. We are even seeing some improvements in our health service, where it has moved to the NHS because it is more of a linked-up organisation. Things such as mental health referrals are actually working better than when an organisation such as Serco tries to contact the NHS to negotiate removals. So there are some pros to that, but it creates a much heavier burden on the procurer to make sure that you have the operating level agreements between those various horizontals, and you create a wrapper and clear levels of responsibility, and therefore escalation of issues, in how you manage the overall service.

What you will not get is the same level of vertical innovation and so, as was said, we put together an overall philosophy for how we run the prison. To give a very simple example, we believe that feeding the prisoners well is a vital part of our overall security and of what creates a safe and decent prison, and the more you take that control away, the more you potentially lose those various bits. There are strategies to deal with that, and one of the difficulties for procurers is that it is not a question of “outsource and forget”. You actually have to create the structures and the clear responsibility, operating level agreements and escalation, and it is bloody hard work. It is harder work than it is just to say, “Serco, G4S, you do everything,” and to have only one supplier to manage.

Chair: It is interesting that you mention catering. We visited two Danish prisons and discovered that the norm in Denmark in all prisons is self-catering. Prisoners individually or in groups prepare and cook their own food, which in some ways is a better preparation for life outside.

Mike Conway: It is, and that brings us to the concept of giving prisoners responsibility. We in England are not very good at that. The alternative model to multiple outsourcing is single outsourcing of a large section of services—the French model, where the public sector looks after security and control within the prison and everything else is subcontracted out to one subcontractor. Sodexo provides that service to 35 French prisons. It works very well, because one organisation then works in partnership with the public sector.

Q338 Andy McDonald: Perhaps I could direct my first question to Mr Petherick and Mr Thorburn, who might help me to get that image of a 16-stone tyrant with a sweaty brow and a short temper out of my mind. Recently built prisons appear to have struggled to get up and running, with the first inspections at Thameside and Oakwood prisons being less than favourable. What are the main difficulties you have encountered in opening new prisons and making them fully operational?

Jerry Petherick: My very strong belief is that opening a new prison is not a public or a private sector challenge, because I know from history that there has been a challenge with opening any new organisation. My personal view is that there has to be a period during which a new prison or a new organisation—it could be a hospital or a school—can operate and begin to build its culture. There is a risk of inspecting too early. In discussion with the chief inspector, my view is that the first inspections should perhaps not attract all the attention that they have, because that can turn a normal process increasingly into a media and political football.

We are about to have Oakwood reinspected—next week—and I firmly believe that there will be a significant difference, in the same way as Serco has experienced at Thameside. There is a normal evolutionary process, which obviously we try to mitigate, but I would argue that despite the inspection, Oakwood's opening has been exceptionally successful if you look at the contract delivery indicators and all the other things that we monitor and assess. Obviously, a lot will depend on next week, but we have had Cambridge University look at how the establishment has improved through its renowned “Measuring the Quality of Prison Life” survey, and of the 21 dimensions that Cambridge monitors we have shown improvement in 20 and maintained performance in the 21st. In 18 of the 20 dimensions in which we have improved, the improvement has been at a statistically significant level.

Andy McDonald: We visited Oakwood, and I got the impression that there was an acceptance that it was not ready to open on day one. It was not prepared, did not have the skillsets and there were difficulties getting the programmes together for the prisoners—in fact, a lot of the staff were going to prisoners to ask them for information about what programmes they were subject to.

Jerry Petherick: When bringing new staff into new establishments, that is something that can happen. We opened Oakwood while it was still a building site, which, with the benefit of hindsight, we probably should not have done because it gave us additional problems and challenges. So yes, I absolutely agree that there were early problems and challenges, but I am not sure that that is so different from openings

elsewhere. Indeed, when I spoke to the public sector governor who opened Bure prison in East Anglia, I was interested by the similar challenges he had in recruiting new staff from a non-custodial background.

Mike Conway: The question was not directed at me, but may I comment? I have personal experience of opening Peterborough prison as director, which has probably been the most challenging experience of my life—a real rollercoaster. In fact, any director who has opened a brand new prison will tell you that it is a rollercoaster ride.

There are two main issues. First, you are designing a prison from scratch—what goes in where, how it all works and how the thousands of little cog wheels all roll around together and keep the machine running smoothly. My own boss described it like this: you are designing and building a bucket, but you do not know whether the bucket leaks until you fill it with water. The most testing water is a few hundred prisoners. The second major issue of start-up is the experience of the prisoners versus the inexperience of the staff when you are opening a brand new prison and on day one 95% of your staff have never seen a prisoner before. Those are the two major challenges, which it takes time to work through. From my experience at Peterborough, I would put that time at about two to three years until the prison settles down and gets into its stride. Of course, the difficulty is that the inspectorate usually comes in at around about the 12-month stage.

James Thorburn: I agree with that. The inspectorate has been back to Thameside and is due to publish its report, but I am in the fortunate position of knowing that they have found very significant improvement in all areas of the prison. We are looking forward to that report being published.

As has been said, it is very hard to establish that regular drumbeat of prison life and how the prison operates. The prison is a big complex organism—an ecosystem—and that is the challenge. Similarly, it is a challenge with the completely fresh new body of staff that you draw from the local area and have to train up. The balance of prisoner power versus staff power and how you set that equilibrium early on is very challenging. How do you bring a largely new cohort of staff up to the point where they are able to challenge prisoners? Many prisoners are quite sophisticated, as you know, in trying to break the rules or alter that balance of power. It is very difficult, so I echo exactly what has been said, but I also think it is not a public sector or private sector issue. It is absolutely the same in any prison.

Q339 Andy McDonald: Momentum for a while has been towards closing smaller prisons in favour of building larger facilities, despite the fact that large prisons tend to perform worse than smaller ones. In the light of this, do you think that that strategy is working, and have you faced any particular problems in the running of larger facilities, compared with the smaller ones?

Jerry Petherick: My view has always been that I would rather have a larger establishment that is designed and built for that than a smaller establishment that has grown by accretion by putting in extra house blocks, very often without the extra facilities for activity and so forth. The important thing is that you have to be able to

segmentise a larger establishment, because there are very obvious gains in terms of economies of scale, but you have to be able to operate a series of establishments within the one perimeter. Increasingly we are seeing specialisms developing. At Parc prison, we have developed a families unit and an older prisoners' unit, and other companies are doing exactly the same. You gain by being able to move prisoners around within the same perimeter, but you have to be able to segmentise a large establishment, so that prisoners and indeed staff feel that they are part of a smaller entity, albeit within a larger one, because that is where you get the community feel that is the bedrock of a safe, controlled establishment.

Q340 Andy McDonald: Any problems with running a larger prison compared with smaller ones?

Mike Conway: A good comparison would be Forest Bank, which unlocks 1,460 prisoners, and Northumberland, which we took over last December and which unlocks 1,360. Forest Bank is purpose-designed and built. Visibility is much easier there in terms of the prison director and his management team. Northumberland is two prisons combined into one and covers a vast area. It is huge. If the prison director there wanted to visit all the places in his prison in one day, he would spend the whole day out of his office. To echo Jerry's point, larger establishments are not worse per se than smaller establishments. They actually give you better opportunities for flexibility, efficiency and effectiveness, but design and segmentation are important to maintain visibility and effective working.

Q341 Andy McDonald: Mr Petherick, your evidence referred to a significant financial investment at Birmingham since you took it over from the public sector in 2012. How much have you spent and what was it on?

Jerry Petherick: We have spent significant moneys in terms of defences against drug importation into the establishment, which has been a problem, and not only at Birmingham. We have increased defences and CCTV at the same time as investing in prisoner activity. For example, Birmingham is a traditional inner-city establishment with no green areas and no outside playing space. We have combined the defences to throwovers of drugs with putting in astroturf playing surfaces for prisoners, so that we can get the prisoners out being active and undertaking sports courses in a way that they never have before. We have invested in technology such as body-worn cameras for first-line managers, which have undoubtedly been a huge success in reducing violent incidents. It is those types of factors that have helped Birmingham move forward.

As James was saying earlier, one of the benefits of the private sector is that we take procurement decisions much more rapidly than the public sector can because of the processes the public sector have to go through. We have talked to the POA and NOMS about body-worn video cameras, and I know that they are keen to introduce them but there is a procurement issue, as I understand it. We don't have that issue. We can test things: some things will test and won't work, and others will test and will be

of benefit. Another introduction at Birmingham—we are not alone in this as Serco, Sodexo and, indeed, the public sector have this—are the Unilink prisoner kiosk systems whereby prisoners take more control and more responsibility for their lives, as Mike was saying earlier, in terms of ordering meals, arranging visits, health care appointments and so forth. Again, it was part of our bid absolutely, but the introduction of such technology is very important.

Q342 Andy McDonald: I think you have both taken over prisons from the public sector. Can you describe any particular problems or issues that have arisen in that undertaking?

Jerry Petherick: It has been a huge challenge. If I am honest, it is one of the things in my career that I am most proud about: I have seen Birmingham develop. We were very aware of the background of the industrial relations scene at Birmingham. We have worked incredibly well with the Prison Officers Association and other public sector unions to take the establishment forward. In my view—the inspectorate reports and research by Cambridge would echo this—it has not been problem-free. None of us would expect it to be problem-free or challenge-free. But it has undoubtedly been a success. There is a better regime operated by fewer staff and an incredibly committed staff who have taken on the ethos of the private sector.

Mike Conway: There are two major issues in taking over a public sector prison that we have experienced and this is our first experience of taking over a public sector prison with Northumberland. The first one is the transition process where you take over and you have a strategy to get down to the agreed staffing levels. Thankfully, at Northumberland, contrary to some statements in the media, they were all achieved by voluntary redundancy. You have to maintain stability within the prison and so that was a phased number of exits. The difficulty there is, you get some staff who want to go immediately but are told they cannot go for several months in order to do it as a gradual process. Some staff, who for whatever reason want to go, are not allowed to go because of skills or commercial decisions. The staff who decide to stay, and want to stay, have to listen to their colleagues talking about how they are going to spend their voluntary redundancy package, etc., etc.

You know yourself that when you lose a valued colleague on retirement it impacts on the team. There is almost a sense of grieving as you go through that transition stage where people you have been working with, who have been your colleagues for 20 years or more, are leaving en masse. All of that impacts on the prison culture. Massive staff reductions are not new to Northumberland. When the two prisons combined they had 850 staff. They had 600 when we took over. So they had already lost 250. But there is that sense of grieving. There is also then a perception that the prison is becoming unsafe because you are reducing staffing numbers; that is happening elsewhere in the public sector now with benchmarking. It might not be that safety is jeopardised at all, but there is a perception that safety is jeopardised.

The other major issue that we have encountered, coming back to your earlier question about investment, is that in the public sector Northumberland was one of over 100 public sector prisons competing for capital expenditure resources, but it is now one of five prisons within Sodexo. There are legacy issues that need to be addressed at

Northumberland. Some of those are quite immediate. For example, we are in the middle of a programme now of £1.4 million, which we didn't put in our bid price, to upgrade fire safety within Northumberland, because when we took over, the vast majority of prisoners were living in cellular accommodation with no fire detection systems. The fire dampers and the fire compartmentation have got legacy issues, so we are investing. A part of the premises was under a Crown Premises Fire Inspection Group enforcement notice. So we are in the process of a £1.5 million fire safety upgrade that we did not anticipate.

Q343 Andy McDonald: That is surprising. Would that not have been picked up at pre-contract audit?

Mike Conway: It is only when you get in, do the full surveys and get the full pricing that you realise the scale of the problem. The other investment, of course, is to meet the standards that you have agreed in the contract. Northumberland is a working prison. There is some massive investment in the industries, including the construction of an external warehouse, so we can speed up the turnaround time for commercial deliveries.

James Thorburn: May I add to that? I think Jerry and Mike have used the words culture and ethos. That is a really important part of change here. From Serco's point of view, all of our prisons have been new-build. In any change programme, and in the reductions that are currently going on in the public sector, the real challenge is how you move people and behaviour, because that usually needs to change.

There are some examples. We have, for example, successfully re-roled Ashfield, from a young offenders institution into a cat-B sex offenders institution. We did that last year. There was a reduction of 200 staff, so a significant reduction. Yet 12 months later it is currently at the top of the PRS tables in terms of performance. That focus on how people need to change is important. Sometimes when you take cost out, there is just fat. You can just take cost out in some organisations. Sometimes you can do that through changes such as technology and ATMs and prisoners' self-helping, booking their own visits—rather than having the visit arranged—and having phones in their rooms, so that you do not have to manage a phone queue and so on.

Sometimes it is also about changing ways of working. The biggest example for me is working on the responsible prisoner model and the risk assessments. We have free movement, when we move everyone around the prison at times, from labour and back to the wings again.

Q344 Chair: So did Northumberland, but they adapted it after the initial experience, I think, didn't they?

Mike Conway: We did. We will probably go back to the purest free-flow system when the prison has settled down a bit more in terms of systems and processes.

James Thorburn: So the change in risk assessment, the change in feel, everyone getting used to that difference, not escorting, lines of sight, PCOs on doors, and letting people move freely is different and requires some calibration. You always make certain assumptions as you take costs out. You will find that some of them will be right and some wrong. It is how you manage to insulate that and make the changes accordingly and recalibrate.

Q345 Andy McDonald: A number of prisons—Parc, Peterborough and Thameside—are currently undergoing expansion. How is that going to affect the running of those facilities? Can you also comment on the capacity for future growth in the private prison estate?

James Thorburn: Thameside will benefit from the current extension that is going on there, the 332 beds going in. One challenge there has been purposeful activity. As part of that, we are bringing on significantly more workshops and industries so that we can provide more purposeful activity to the prisoners in terms of education, training and work.

In addition, we believe that creating that extra space will help us to provide better overall service, because we will be able to leverage across a larger prison, rather than 900 across. There is the extra 300 going in on top of that. We see that as a real benefit. In terms of other areas where we could expand, we have capacity to create other wings in some of our prisons and have let NOMS know that.

Jerry Petherick: If I look at my establishment, Parc, in that list it is going to be a challenge. As we have all said, ethos and culture are vitally important. I am confident about it because one of the ironies is that we all know that in the public sector there is a very swift turnover of governors and management teams. In the private sector it is a far slower turnover. In the case of Parc it is a management team that has been together that has built the ethos of the establishment. That team will stay together and actually mobilise. So I have no doubts in my mind that the presence of that team, which has planned this expansion, has delivered the expansion and will open up in January, will ensure that the ethos continues. But let's not be naive about it: the introduction of almost 400 more prisoners will bring about some changes. We need to be aware of that and deliver it very carefully.

In terms of further expansion, we have proposed a number of expansions because we have the land available and the ability to deliver that.

Q346 John McDonnell: We are running short of time. I want to look at safety, which has been mentioned. Mr Conway, you referred to perceptions. The reality is that there has been a 69% increase in suicides and a nearly 40% increase in serious assaults within adult male prisons, so it is more than perception. There have been a number of high-profile incidents over the last year in private prisons. We have mentioned Oakwood and Northumberland. That is at a time when safety levels have dropped overall, as I have said. The Chief Inspector of Prisons has expressed his concern that efficiency savings are at least a factor in the reductions in safety. How do you react to the statement that the low running costs of private prisons and subsequent attempts to match the private sector have led to a worrying reduction in safety?

Jerry Petherick: I will address the Oakwood question. On 5 January this year, Oakwood did have concerted indiscipline. In my experience it was a very small concerted indiscipline, in the scale of such things, which was blown out of proportion. I do not minimise the event.

John McDonnell: The inspector said that it was easier to get drugs in Oakwood than it was a bar of soap.

Jerry Petherick: One prisoner said that to an inspection and it was reported in that. I come back to the fact that I will see what next week's inspection comes out with.

Q347 John McDonnell: Do staffing levels have any role in terms of safety?

Jerry Petherick: I think that staffing levels, combined with new buildings, clear sightlines and new technology, do have an impact, as has been said. It is something that we all look at in terms of our risk assessments and so forth. As was said earlier, it is very difficult to lift one model up from one establishment or one sector and pump the same model into another one without giving due regard to issues such as sightlines and construction.

Mike Conway: There are many aspects of prison life that contribute to safety; safety is not solely reliant on staffing numbers. One of the difficulties that both public and private sector are facing at the moment is the growing use of so-called Spice—the legal highs in prison. That is causing major difficulties in several areas at the moment.

Q348 John McDonnell: I'll just bring you back briefly. The chief inspector has said that staffing levels are a contributory factor. Do you agree with that or not?

Mike Conway: You have to have safe staffing levels. If you are running with unsafe staffing levels, it is obvious that that has an impact on safety.

Q349 John McDonnell: So if safety is decreased, there must be an issue in relation to staffing levels—is there?

Jerry Petherick: My personal feeling is that you cannot simply define it in that way, because there are a number of factors, be it culture or be it ethos, as we have said. As Mike has just said, the introduction of legal highs, in my view, has been, or is, one of the major threats to safety and stability.

Q350 John McDonnell: Should you not appropriately assess your essential staffing levels to be able to cope with that and increase the staffing level?

Jerry Petherick: Where necessary, following risk assessment, we would.

Q351 John McDonnell: You have got staff turnover rates that are higher in private prisons than in the public sector. That has led to some of the recent open prisons being heavily criticised for the inexperience of their staff. How does that affect safety, and what sort of training have you put in place to address that?

Jerry Petherick: We deliver the same training as the public sector does, because it is licensed to train.

John McDonnell: But you have a higher staff turnover.

Jerry Petherick: I actually think that some people come into custodial work and find that it is not for them. It is important at that stage that they do leave.

Q352 John McDonnell: Doesn't that affect the public sector as well?

James Thorburn: What is the public sector staff turnover level, just so we can check the basis of it?

John McDonnell: Our figures are saying that the proportion in the private sector is higher than in the public sector, and that is now also leading to the increasing ratio of prisoners per officer in relation to the private sector.

James Thorburn: Okay. I don't know what the public sector figures are, but I do know that ours vary by establishment for local market conditions, between about 5% and 15%. We probably average about a 10% turnover, which we think is an absolutely manageable level, and actually, some refresh is not a bad thing as well. We have also talked about specific new prisons. In new prisons, the attrition rate with staff is much higher, so one of the challenges that you had—that we had bringing on Thameside—was that you would have seen a spike in our overall figures, but it would have been driven by Thameside. You are drawing 200 or 300 people from the local community and some people find that it is not for them and it is a difficult bedding-in period.

On the safety question, we have seen similar trends to the public sector, but we are not reducing costs and staffing levels in our prisons at the moment. In fact, similarly to what Jerry said, it is actually very complicated. It is an holistic entity. A range of factors contribute and it is very difficult to tie it down to one. We are seeing trouble with—

Q353 John McDonnell: We are not suggesting that it is one, and nor is the chief inspector. He is suggesting that this is an issue, and particularly in private prisons, the issue is the turnover itself. All I am asking is how you are tackling that, what additional training you are putting in place to do that, and what strategies you are developing.

Mike Conway: I would say there are two elements to that. First, in terms of staffing numbers, it largely depends on what you have your staff doing, and I think the Northumberland staff have experienced the change, where they reduced staffing numbers but did so before we introduced the kiosk technology, and they found it very

difficult. We have introduced the kiosk technology to match our other prisons, and what they have found is that all the transactional processes that they were involved in are now done by the prisoner on the kiosk. That frees the staff up to get out and continue building and maintaining relationships with prisoners. We keep coming back to the kiosks, but they have been an invaluable element of innovation in new prisons, and they allow the staff to focus on what is important, which is getting to know the prisoners, and not sitting in an office manually dealing with 150 canteen applications.

The other issue that I want to raise is training. Again, the prison director at Northumberland was there previously as the governor of the public sector prison. We have just had our second initial training course graduation at Northumberland, so we have run two ITCs now. He has been absolutely amazed at the difference it has made to be able to manage the whole process locally, from recruitment through to training, so that by the time his officers have graduated, they have gone through our bespoke training course, have met their line managers and have worked on the wings that they are going to work on, and on day one, they have already had their shift pattern and know a lot of the prisoners on the wings. Then, you supplement that with pro-social modelling training, which underwrites the vision and the values that we try to achieve within the prison—of changing lives for the better. So there are some key issues.

Q354 John Howell: Can you describe the general nature of the relationship between private prisons and NOMS? For example, are you consulted on policy changes? What have they been like when you have raised issues?

Jerry Petherick: In my experience, it has varied through time. I think currently there is a far greater integration than there was a couple of years ago. Some of that will come down to personalities—rightly or wrongly, but that is the reality of the situation. Yes, we are involved in policy changes and policy discussions. We have regular meetings. They are constructive and challenging, as you would expect them to be, but I have seen a growth in the voice and I think that is important. I think it is seen that we are very much part of the system. The risk at the moment is with the change in contracting—there will be a risk, in my view, to marginalisation again. I hope that the differences that individuals can bring will be decreased and it will become a much more normal part. The interesting thing will be the changes that will happen after the upcoming through-the-gate changes with the probation system and so forth. That is a view from 10 years; I have seen it ebb and flow and we are in a better position now than I have known sometimes in the past.

Mike Conway: I would echo that. I think that the position of the collaborative partnership is as good as it has ever been. Coming back to staff attrition, the difficulty is the high turnover of contract managers in MOJ procurement.

Q355 John Howell: How effectively do you think the prisoner complaints system operates? Is there any change in view of the restrictions to prisoners' ability to get legal aid?

Jerry Petherick: We are measured on it, obviously. Prisoners find a way to make their voices heard. It is important that we give them legitimate ways and reinforce them.

Issues such as the introduction of prison councils for the user voice and so forth are another key development. I think the complaints system works as well in the private sector as it does in the public sector, but it always has to be maintained. To go back to the culture and ethos issue, I want to know what is upsetting or challenging the people I care for. I do that by walking around to a degree, but it is important that the complaints system is working correctly.

Mike Conway: I think the design of the system is a good one; the issue is the application of the process. Prisoners get frustrated when applications are not responded to on time and when responses are poor or inconsistent. That is the key to any effective complaints system.

Q356 Jeremy Corbyn: Mr Timpson, thank you very much for coming along today and for your work in employing former offenders. I understand that in your company you have a zero reoffending rate among the people who you take on. How do you recruit from the Prison Service? Do you recruit directly or by some other means?

James Timpson: We have been doing this for 12 years. We have employed over 600 ex-offenders, who we call foundation colleagues. We know of two who have gone back to prison. We recruit people solely on their personality. We do not recruit sex offenders. We do not recruit people whose health issues would not be helped by working in one of our shops. We go in and explain to the governor and the team exactly the sort of personalities we are looking for, which are lively, fun, interesting, engaging people, and we want to interview as many of them as possible.

So we turn up with our area managers and local teams and interview 15 to 20 candidates for every one that we take on. Then we try to get them released on temporary licence, so that they come out from the prison every day. We give them some support and help—more than we would a normal colleague. Sometimes they are going to move to a bedsit and they have no money for a duvet, toothbrush and toothpaste. We support them and give them training and an arm round the shoulder. After about 16 weeks we expect them to have their basic skill levels and we treat them like everybody else.

Q357 Jeremy Corbyn: What proportion of your staff in any one of your shops would be ex-offenders?

James Timpson: Some of our shops have only one colleague in them.

Jeremy Corbyn: That was what I was thinking. A cobbler's life can be a lonely one.

James Timpson: Hopefully, it's a busy one with lots of customers coming in. Some 10% of total colleagues in our company, which is 350 out of 3,500, are known ex-offenders.

Q358 Jeremy Corbyn: Sorry, what was that figure again?

James Timpson: 10%.

Q359 Jeremy Corbyn: How many staff do you have altogether?

James Timpson: We have 3,500 altogether. We probably have a larger proportion of women. We recruit from prisons in competition with the whole prison estate and find a much better success rate with women. We also have training academies in some prisons, where we train men and women in the skills that we need for our shops, so we get a good opportunity to have a look at them and they have a good opportunity to get the skills.

Q360 Jeremy Corbyn: How do your other staff react to ex-offenders coming in? Are they aware that they are ex-offenders?

James Timpson: Yes, they are. We leave it to the ex-offender to talk about it and it is up to them if they want to explain why they are in. When I first started, I didn't tell anyone, but when I announced to the company that we had 10 or 15 ex-offenders working for us, the reaction was not what I expected. Loads of people came forward, including some of my senior managers, to say that they were ex-offenders themselves, and some of them actually had different names from what we thought. It was an opportunity for everyone to come clean. We had a couple of colleagues who were not comfortable with it, which is fine, but in general if people are working with colleagues who are equally as good and as engaged, and who work hard and are reliable, they are happy.

Q361 Jeremy Corbyn: From your involvement in this trust for employing ex-offenders, what do you find is the biggest resistance among other employers?

James Timpson: A number of employers think that it is a really good idea. Most would say, "That is a really good idea" and think, "Yeah, we'll give this a go," but getting them to take on more than one ex-offender is the hard thing, because lots of people will go into a prison, walk around, find a superstar quite easily and bring them into the company, but it can then be hard work. You need the chief exec—the leader of the business—to be banging the drum all the time in order to get the volume through. For example, Halfords has opened up a bike repair workshop in Onley prison in the midlands. That is how they can get volume through the business. I wouldn't say that other employers are against it at all; they just find it difficult because they don't really know how to do it. That's why, through the employers' forum, there are more than 100 employers who roll up their sleeves and get stuck in. You need the volume coming through in order to make it a normal part of the culture.

Q362 Jeremy Corbyn: You mentioned a bike workshop that is run by Halfords inside Olney prison. What are the arrangements there? Importantly, what are the pay rates there and how do they compare with someone working in a Halfords repair shop on a high street anywhere else in the country?

James Timpson: I don't know the exact answer to that, although I can give you an example—

Jeremy Corbyn: From the point of view of our inquiry, because it is very germane to what we are discussing, would you, your trust or Halfords be able to provide us with that information?

James Timpson: Yes, but I can give you an idea now, because we also have our own training academies in prisons and Halfords have mirrored a lot of what we do. When you are physically in there, it looks like a Timpson or a Max Spielmann photo workshop: they all wear our company uniform and you don't have bars or anything, so it very much feels like our sort of place. The prisoners in our workshops get paid an enhanced level of pay, and it is what we call a training wage.

You can compare that to the fact that, for example, in Blantyre House prison we employ four or five prisoners as van drivers. They drive our vans round our shops every day. They have company mobile phones and company credit cards, they look after the van, they do a fantastic job for us, and we pay them the minimum wage, but we also give them an opportunity to shine, which is probably the most important thing. It gives us an opportunity to work out whether they are good for us in the long term, and it gives them an opportunity to see whether they like us.

One thing that you have to recognise is that although I am employing them, I am not in charge of them; the prison governor is still in charge. Although it works most of the time, at the end of the day, if there is a security problem or something, everything grinds to a halt pretty quickly.

Q363 Jeremy Corbyn: I am sure you will appreciate that the reason behind why I am asking the question is that I strongly support the idea of employing ex-offenders and training people in prison for work afterwards, because that must be the right way forward, but we would not want prisons to become a source of cheap labour for companies outside because that would be exploitative. I am sure you understand where I am coming from on that.

James Timpson: Yes, exactly. We have a shoe repair factory and training facility in Forest Bank prison. We employ 25 prisoners and have three full-time Timpson colleagues in there training and mentoring. We pay the prisoners various training wages, but it is nothing like what you get on the outside. Nevertheless, when you benchmark it against doing that work outside, it basically works out the same, because for us there are so many extra costs involved in operating in a prison environment, such as massive prisoner turnover or the fact that as soon as you train someone up, the next day they will be moved to a different prison. There are also security issues with getting work in and out, broadband issues and so on. For us, we pay enhanced wages,

but what we are really looking for is which of those people we are training up are the superstars who can come and work for us when they are out.

Q364 Jeremy Corbyn: Two last questions from me. I do not know about my colleagues but I would be very interested in visiting one of those training workshops to see how it operates and, if possible, to talk to your staff, but also to the prisoners working there, because I think that would help us in our inquiry. The second point, which we discussed earlier, is that, where there is a very large prison population turnover—and that does happen—that must make your life very difficult when you are trying to undertake proper training. Do you have any comments on that?

James Timpson: First, you are very welcome to come and look at any of our places. I would love to show you around.

Jeremy Corbyn: Thank you very much.

James Timpson: On prisoner turnover, the biggest issue for me is the governor, not the prison turnover. I like working in prisons where the governor is fully engaged and there is a very strong culture there, so things get done. I very much follow the governor around all the different prisons they work in, rather than dealing with individual prisons. I think that that is the biggest factor in whether employment is easier for us.

Q365 Jeremy Corbyn: Do you find some of the governors resistant?

James Timpson: I find some prisons are very risk averse and it is easier to say no. I like the experienced prisoners who are braver—

Chair: Are you talking about governors or prisoners?

James Timpson: Governors. The governors who are positive about ROTL are for me the best ones to work with because we know that ROTL is the best way of getting someone into quality employment.

Q366 Jeremy Corbyn: How many prisons are you working in?

James Timpson: We are working with about 30 or 40 prisons. Sometimes we just recruit regularly from them; in others we have academies and training workshops. One other point: we have seven shops being run today by men who spent tonight in prison.

Jeremy Corbyn: I'm getting my shoes repaired in one of your shops straight away, okay?

Q367 John McDonnell: Only two have ever gone back to prison?

James Timpson: Only two, as far as we are aware, have ever gone back to prison.

John McDonnell: Better record than this place.

Q368 Chair: How do you relate to education and learning skills? Is it a fruitful relationship or is it completely separate from educational activities?

James Timpson: We try and row our own boat as much as we can in prisons, so we do not have anything to do, really, with education and skills. Just going back to some of the points I heard earlier on, I would agree with what the rest of the panel said: that the governors like to be in charge of as much of education and skills as possible, so I think it works better.

Chair: Thank you very much, Mr Timpson. As you will see from our responses, we admire what you are achieving there. Thank you, Mr Thorburn, Mr Petherick and Mr Conway. You have been very clear and frank in your responses and we are very grateful for your help.