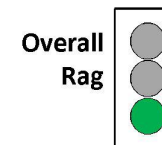


Contract Alignment

Owner Of This Page – Ben Saunders



Onerous contract clauses / Residual contract risks from bid

There is no particular residual risk from the bid.

There is no material risk due to onerous contract clauses.

There is a requirement to manage a throughput of 2500 detainees per month, although this has never been required and would be particularly onerous. The current throughput is typically 1200-1400 per month and been at this rate for over a year, before which time it was lower.

Cabinet Office audit – increased focus from the Home Office in monitoring our contract and requiring greater reassurance in the self reporting process.

Additional commentary

Medical services are being decommissioned from 1st September moving to be commissioned by the NHS. This has reduced both our revenue and margin for our forecast this year.

Accessibility: Is the contract and any contract change notices (CCNs) accessible locally and held with the regional legal team?

[RAG]

The Contract and NOCs are held locally and accessible by senior managers. All SPCRs and NOCs are approved by the MD of C&DS. The regional legal team has a copy of the contract but not up to date NOCs.
NOC and SPCR register

Ownership: Is there a named individual responsible for each section/schedule within the contract? Is there a mechanism to induct new employees taking on contractual responsibility?

[RAG]

There are named individuals responsible for different contract areas set against Schedule G. There is a current piece of work underway to assure the contract delivery which is nearing completion following the Cabinet Office audit. Please see Appendix 6 (Breakdown of recent work around contract self assurance).

All new custody staff are required to complete the initial training course before being certificated, which contains elements of the operational regime and is linked to the contractual requirements. This also includes the 3 day G4S induction, Acting Inclusively and BSC Health & Safety course.

New employees to other levels (note all employees are required to undertake the G4S induction programme) are familiarised with the contract according to their role. The contract is available on a shared drive and forms part of their induction.

First line managers have attended recent training on relevant contractual requirements as well as absence management.

Slide 14

BS6

Add consideration for areas we do but which are over and above the contract. State what.

Ben Saunders, 11/06/2014

BS8

Charlotte can you refernece and lable to correct appendix please.

Ben Saunders, 13/06/2014

Speaker Notes for Slide 11

Slide 4: Contract Alignment

This page needs to be owned by the local Contract Director

The RAG rating for each question needs to be completed by the local Contract Director based on their own assessment of the response to the questions.

Stability: Suggest List / Register of CCNs to be provided as **Appendix C – see last slide.**

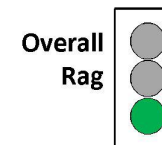
Exposure: This must include an assessment of any KPIs G4S is not meeting and any Notices (Improvement / Default) that may have been served on G4S relating to this contract

Over delivery: This needs to consider additional services we are providing but not billing for; and the extent to which G4S is trying to wrap up additional services into a variation.

Onerous contract clauses: This needs to consider (as well as any aspects of service we are consistently accruing penalties due to underperformance) any aspects of the contract where G4S is facing commercial challenges and what negotiations are underway to address this.

Contract Alignment

Owner Of This Page – Ben Saunders



Complexity: Is the contract constructed in a concise, easily understandable manner? Is there any ambiguity within the contract?

[RAG]

The contract has areas of ambiguity and links tenuously to other supporting documents such as Detention Service Orders, but is generally clear.

There are areas of ambiguity based on the application of the contract in relation to the Performance Schedule and what is defined in Sch D. This is discussed in the weekly, monthly and quarterly contract meetings with the local Home Office Manager and Commercial Manager, where agreement is reached.

The figures below indicate the very low level of performance penalties incurred in 2013.

Annual Contract revenue 2013 £12,250,478

Annual Penalty points 2013 £5774

Percentage of revenue 0.047%

Stability: Is the contract stable or does it frequently change? What is the volume and materiality of CCNs?

[RAG]

The contract is stable and does not frequently change, other than by agreement and discussion through the NOC process. Please see attached list of NOCs in Appendix 2.

Exposure: Are there any contractual obligations within the contract we are not meeting?

[RAG]

There is currently an Improvement Notice relating to staff accreditation, although this is set within a specific context with some shared culpability with the Home Office. A robust system of recording and monitoring of the certification of staff has been implemented and is due to be audited by the Home Office shortly with a view to resolving this notice.

Slide 16

BS9

Add consideration for areas we do but which are over and above the contract. State what.

Ben Saunders, 11/06/2014

BS11

Charlotte can you refernece and lable to correct appendix please.

Ben Saunders, 13/06/2014

Speaker Notes for Slide 12

Slide 4: Contract Alignment

This page needs to be owned by the local Contract Director

The RAG rating for each question needs to be completed by the local Contract Director based on their own assessment of the response to the questions.

Stability: Suggest List / Register of CCNs to be provided as **Appendix C – see last slide.**

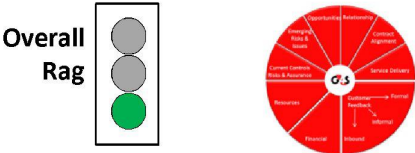
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Contract Alignment

Owner Of This Page – Ben Saunders



Over delivery: Are there any material services we are providing for which we have no contractual cover or not billing for?

- [RAG]
- Paid work hours and available spaces at Brook are significantly above requirements for the contract.
 - Brook House is considered the main charter centre in the IRC estate, which is above the requirements of the contract and has an impact on reception and discharge activity.
 - Ongoing maintenance of shop fund spends such as garden, barbers etc.
 - The creation and ongoing maintenance of 'D' Wing Garden
 - The development of the cultural kitchen, ongoing maintenance & the provision of food/spices etc.
 - The planters in the Sterile Area – BH plus ongoing maintenance provided by landscaping specialist.
 - The funding of the Traka Key/radio Vend System + annual license renewal & maintenance.
 - Migrant Help attend on a weekly basis to provide advice and guidance to detainees
 - Achieved Investors in Diversity
 - Accredited with Integrated Management System (ISO 9001, 14001, 18001)
 - Provision of Sky Sports
 - Work to heating system in CSU (£5k)

Slide 18

BS18

Add consideration for areas we do but which are over and above the contract. State what.

Ben Saunders, 11/06/2014

BS20

Charlotte can you refernece and lable to correct appendix please.

Ben Saunders, 13/06/2014

Speaker Notes for Slide 13

Slide 4: Contract Alignment

This page needs to be owned by the local Contract Director

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Stability: Suggest List / Register of CCNs to be provided as **Appendix C – see last slide.**

Exposure: This must include an assessment of any KPIs G4S is not meeting and any Notices (Improvement / Default) that may have been served on G4S relating to this contract

Over delivery: This needs to consider additional services we are providing but not billing for; and the extent to which G4S is trying to wrap up additional services into a variation.

Onerous contract clauses: This needs to consider (as well as any aspects of service we are consistently accruing penalties due to underperformance) any aspects of the contract where G4S is facing commercial challenges and what negotiations are underway to address this.

Health & Safety

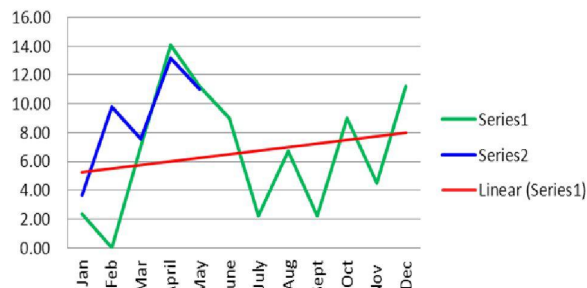
Owner Of This Page – Ben Saunders

Overall
Rag

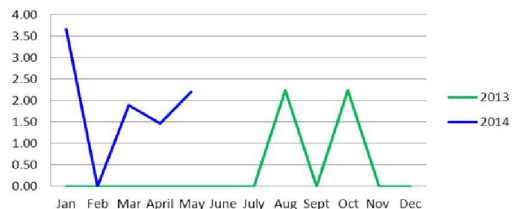


RIDDOR

Accident Rate per 100,000 hrs comparisons

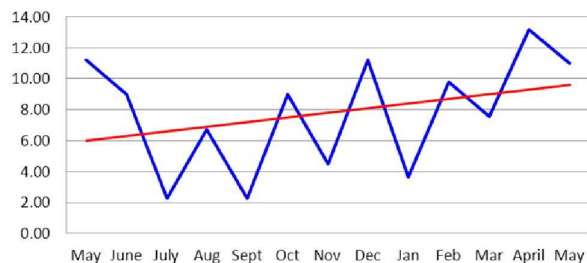


RIDDOR Rate per 100,000 hrs comparisons



Accident Rate

Gatwick Accident Rate - Rolling 12 Months



Further Details of Major Incidents / Performance Issues

Please see Appendix 7

Key Actions To Improve Health & Safety Performance

- Previously achieved the British Safety Council 5 star and Sword of Honour, but we have now followed a more internationally recognised accreditation in order to achieve alignment to corporate and contractual requirements, which is the Integrated Management System.
- ISO 9001 the international standard for Quality Management Systems
- ISO 14001 the international standard for Environmental Management Systems
- OHSAS 18001 the international specification for Health and Safety Management Systems.
- Improved reporting for accidents and near misses.
- Fire Risk Assessment completed by John Hurren QFSM, MI. Fire E, MIOSH, MICG to offer further reassurance to the customer after the fire at Campsfield House.
- Planning for IOSH Managing Safely Qualifications for managers to improve the H&S culture.



Speaker Notes for Slide 14

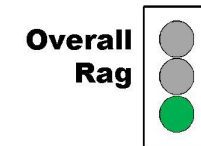
Slide 5: Health & Safety

This slide needs to include contract-specific H&S statistics, with trends over time.

If there is a standard monthly / annually contract report already produced on H&S data this could be recorded at **Appendix D** (see last slide) with narrative explanation on this slide.

Service Delivery - Performance

Owner Of This Page – Michelle Brown & Kalpesh Mistry



Summary of KPI and performance regime



Schedule G - KPI's
and Performance

Penalties - actual £, % of revenue, reasons – historical and current



Brook House
ties 2013 & 2014 Jt

Performance delivery

HMIP visited 28th May -7th June 2013. Their report indicated a number of challenges including the greatest challenge being the increased throughput of detainees however they were encouraged by their survey finding that most detainees felt safe, there were low levels of violence, Use of Force was managed well and the use of separation had significantly reduced.

Inspectors noted that the improvements observed in their last inspection have been sustained and in some cases built upon.

The four criteria of a healthy establishment ratings from this report are :

Safety – reasonably good

Respect- reasonably good

Activities – reasonably good

Preparation for removal and release - not sufficiently good

The issues causing preparation for removal and release found to be not sufficiently good relate to the escort providers behaviour in dealing with detainees as observed by inspectors. The lead inspector confirmed that without these issues the outcome would have been reasonably good.

Service/Operational issues

Staffing - under contractual requirements of 95%

Vetting - Improvement Notice

Lack of resilience in Education delivery and access to classroom

Mitigation (& expected resolution]

Limited uptake of additional hours, sickness and vacancies. Current ITC due to complete training on 23rd June 2014 and will resolve this issue.

Currently subject to an improvement notice. Single Point of contact provided to HO for legacy issues and for renewals. Central database agreed with HO. All staff without adequate clearance offsite. Staffing requirements of contracts being met. Numbers without adequate clearance reduced significantly.

Contractually very tight in the event of absences. NOC to be requested for opening times of Classrooms.

Speaker Notes for Slide 15

Slide 6: Service Delivery – Performance 1

Summary of KPI and Performance Regime: This section needs to explain each KPI, tolerances (before failure results) and the quantum (£) of failure per incident.

Penalties (Actual £, % of revenue, reasons – historical & current):

This needs to express last years penalties as well as current year to date and full year forecast level of penalties. It should record the main failures that caused financial penalties, especially major incidents.

Service / Operational Issues: This section should record any known operational / service delivery issues, in particular any visible to the customer (especially where any form of Notice has been served under the contract), along with actions being taken to remedy, and timescales.

Service Delivery - Performance

Owner Of This Page - Ben Saunders



Describe mechanisms to ensure contractual performance of any obligations not covered by KPIs (For example, ICT, screening & vetting , environmental standards, etc).

The Vetting and Certification process has been comprehensively reviewed this year in light of issues identified and subsequent Improvement Notices. The Home Office are reassured of the current system and are keen to resolve this following an audit. We have developed a master spreadsheet which alerts a dedicated person to forthcoming renewals 90 days ahead of the expiry date. Please see the process attached in Appendix 11.

Environmental standards are managed and reviewed through the Energy Conservation Meeting and includes a review of monthly data and analysis concerning electricity, gas and water consumption. We have recently achieved accreditation in ISO 9001, 14001 and 18001, which constitutes an integrated management system and is internationally recognised.

Locally much pride is taken to ensure the Centre is clean and standards of hygiene and presentation are high. This is noted by the Home Office auditor who inspects monthly.

Major contract changes and projects in current implementation

[RAG]	July 2012	Contract extended to May 2017 through offering clustering and efficiency savings to the customer (Brook House Efficiency Savings £246k p.a., Clustering Savings £61k p.a.) (Overall £800k pa savings from Brook House, Tinsley House and Cedars) This amounts to £1.5m savings at Brook House and £4m across Gatwick over 5 years
	March 2013	Additional 22 beds(Ongoing - Revenue £482k p.a., Margin £28k p.a.)
	Estimated March 2015	Brook House Beds proposal increase by 60 Beds(Ongoing - Revenue £1.5m, Margin £91k), (Estimated Start up Revenue £3.9m, Start up Margin £232k)

Speaker Notes for Slide 16

Slide 7: Service Delivery Performance 2

Describe mechanisms to ensure contractual performance of any obligations not covered by KPIs.

This needs to include any key requirements set out in the contract relating to staff accreditation, mandatory and refresher training, minimum staffing levels, security clearance, data security standards driven by the client (e.g. IL2); other accreditations (e.g. ISO9001; ISO 14001: OHSAS18001); any driver / vehicle-related certifications (CPC; 'O' licences)

Service Delivery - Performance

Owner Of This Page - Ben Saunders



Describe approach taken to drive service excellence and innovation

- An innovative approach is adopted to the management team of the Brook House contract in terms of the customer. This is based on a desire to offer innovation throughout the duration of the contract and not simply in preparation for a bid. This is largely achieved through business and departmental planning and senior management meetings and is based on discussion with the customer at different levels.

Recent innovations include:

BS28

- Body Worn Camera System
- Key vend system
- Excellence and OSCA awards
- Koestler Awards
- Investors in Diversity
- IRC Estate Safer Community Quarterly Review
- Proposals for additional beds
- Proposals for welfare and Home Office support

Describe any gain share mechanisms, included whether invoked and reporting to customer

We have an obligation to offer any gain share to the authority. The % is negotiable with the Home Office depending upon risks and rewards of the proposal.

In 2012 we offered efficiency and clustering savings to extend the contract to May 2017.

We recently investigated gain share for cold lunch service but this was not popular with detainees and therefore not viable.

Securing Your World



Slide 26

BS28

Charlotte please add appendix
Ben Saunders, 18/06/2014

Speaker Notes for Slide 17

Slide 7: Service Delivery Performance 2

Describe mechanisms to ensure contractual performance of any obligations not covered by KPIs.

This needs to include any key requirements set out in the contract relating to staff accreditation, mandatory and refresher training, minimum staffing levels, security clearance, data security standards driven by the client (e.g. IL2); other accreditations (e.g. ISO9001; ISO 14001: OHSAS18001); any driver / vehicle-related certifications (CPC; 'O' licences)

Service Delivery - Billing

Owner Of This Page - Kalpesh Mistry



Describe billing process including whether direct or via e.g. an SPV

- Billing is completed by G4S based on an annual agreed operating fee with the Home Office. This is based on the original operating fee in operation with Clause 54 (Payment) and the provisions of Schedule F, subject to variations in accordance with Clause 13 (Changes) predominantly for Notices of change agreed with the authority or any penalty points incurred. Note there is a variable discount that should be offered if detainee occupancy falls below 80% of capacity. (80% of 448, 358.4 of £2.38 per detainee per place per day). This has not happened to date.
- Indexation is agreed annually by the Home Office and G4S on the Indexation date. This is now 20th May of each year.
- G4S invoice the Home Office as the subcontracted operator at the agreed monthly rate, subject to the provisos listed above.
- (See example of billing Template in appendix 4)

Describe the link between operational data, KPI and billing, including any automated processes

- G4S and Home Office agree in advance the value they are going to invoice. Nothing is invoiced out before a purchase order is provided by the Authority. A monthly performance report is submitted detailing any penalty points to be credited.
- As stated previously there is no movement other than indexation, Notices of Change and agreed penalty points. This main contract invoice is monthly. Notices of Change to the contract are agreed via the Home Office agreeing to a Service Provider Change Request Form (SPCR) from G4S.
- Each invoice is sent to the Home Office Shared Service Centre for processing.

Describe customer validation and auditing of billing

- The customer will validate the invoice in relation to the agreed purchase order raised by them at the beginning of the billing period less any performance penalties incurred and agreed with the operator.

Describe G4S validation and auditing of billing

- G4S will validate the invoice in relation to the agreed purchase order raised by the authority at the beginning of the billing period less any performance penalties incurred and agreed with the Home Office

Number Credit Notes Raised % Revenue covered by credit notes Detail of any current billing disputes or claims

None

N/A

No Bad Debt, Only Current invoices

Speaker Notes for Slide 18

Slide 8 – Service Delivery – Billing

The local Finance Manager / Management Accountant should own this page

Suggest Standard Billing template is completed by the Finance / Commercial personnel responsible for the contract (as devised in advance of CO Billing reviews) and referenced in the answers to these questions and shown at Appendix E (see last slide).

Customer Satisfaction - Summary

Owner Of This Page – Ben Saunders

Overall
Rag



Strength of relationship

Formality [Green] Following the Cabinet Office audit there is an increased level of formality. The lack of formal monitoring and records of decisions was criticised in the audit report and has led to a change in behaviour and a keenness to ensure that all actions and discussions relating to contractual matters are recorded and evidenced. There is a positive relationship at multiple levels of the organisation from local managers to the Director of Compliance & Returns.

Openness [Green] At a local level and above there is a positive relationship with the Home Office. This includes a high level of transparency and openness, which is critical to the relationship and is recognised by the Authority. They have at times questioned the assurance process of the contract delivery, which came through the Cabinet Office audit. They have consequently increased their level of monitoring significantly after receiving criticism. Work is well progressed in developing our contract assurance processes, which have been discussed in detail with the Authority, who are satisfied with the outcomes. As part of preparing this report I have discussed this slide with the Home Office Area Manager and the feedback is that we are open and transparent and that the assessment provided here is accurate.

Advocacy [Green] The indications are that this is positive based on comments from Home Office managers. We are often asked to host events, visits and training based on the professional practice and presentation at Brook House, including the staff and management. This feedback has been received from senior Home Office managers, including feedback from the Director General.

Securing Your World



Speaker Notes for Slide 19

Slide 9: Customer Satisfaction – Summary

Strength of Relationship: This is the view of the local Contract Director, who should self-assess each of the RAG ratings, which are the view of the customer on the cost of the service, the quality of the service, our responsiveness etc

Formal feedback – this links to slide 3 (relationship)

Customer Satisfaction - Summary

Owner Of This Page – Ben Saunders



Satisfaction KPIs

Cost [Green] – The contract was renegotiated and extended in July 2012 with clustering and efficiency savings offered back to the customer. Recent proposals have offered a reduced blended bed price, which has lead to positive feedback on proposed additional beds and a desire to progress them. The Home Office has been clear on their budget limitations, which we were able to assist with to an extent in the proposals.

Quality [Amber] HMIP reported positively in their last inspection. There are relatively low performance penalties and feedback from contract meetings is positive. We are viewed as a good provider of the required services and where problems are identified we act swiftly to rectify them.

There have been some points of quality raised relating to fingerprinting detainees and certification. The fingerprinting issue is resolved and work is being undertaken to resolve the improvement notice relating to certification.

There is a strong sense of transparency and honesty in spite of some difficulties occasionally. This is discussed on a regular basis and the relationship is strong.

Responsiveness [Amber] We respond to all queries in a timely manner. There has been some discussion about the timeliness of mitigation for performance issues which are challenged. This has been worked through and has improved recently.

Innovation [Green] We have provided a number of proposals in terms of innovation including Body worn cameras, key vend, welfare staff, assistance with Home Offices practices, additional beds, Mosque improvement and others. There is a view that we are more innovative than other providers based on meetings with the customer.