



Home Office

Executive Oversight Board (01)

Meeting Input

G4S

Date: 2 March 2017

Time: 15:30 – 16:30

Location: PG55 - Conf Room 13, 2 Marsham Street, SW1P 4DF

Dial in number: , Access Code: (Chair = 2826)

Agenda

	Item	Timing	Lead
1	Introductions / Review of Actions	10 mins	Chair
2	Review of Meeting Expectations		
3	Home Office Initiatives and Aspirations – including market engagement for Policing	20 mins	HO
4	Current G4S contracts and possible opportunities	10 mins	All
5	Relationship Review/Discussion	10 mins	All
6	Summarise Agreed Actions	5 mins	Secretariat

Annex

A	High Level Summary of Activity
B	Risk Register
C	SME Initiatives
D	Financial summary (provided subsequent to the meeting)

Attendees

Name	Organisation / Job Title
Sarah Collecott (SC) (Chair)	Home Office - Commercial Business Partner: BF/UKIE
Clare Checksfield (CC)	Home Office - Director, Returns Immigration Enforcement
Paul Howcroft (PH)	Home Office - Commercial Business Partner: HMPO/UKVI
Helen Earner (HE)	Home Office
Lee Tribe (LT)	Home Office - Commercial Director Police & Fire
Sam Opoku (SO)	Home Office – Commercial (EOB Secretariat)
Himanshu Acharya (HA)	Cabinet Office – Market Analyst
Sean Palmer (SP)	Home Office - Deputy Asylum Director
Peter Neden (PN)	G4S - Regional President for UK & Ireland
Jerry Petherick (JP)	G4S - Managing Director, Custodial and Detention Services
John Whitwam (JW)	G4S – Managing Director, Immigration & Borders
Shelly Hopkins (SH)	G4S

Meeting Expectations

Definition: An expectation must:

- Include a required outcome which will result in an action being agreed within the EOB meeting.
- Focus on issues/topics, escalated to the EOB and could not be managed at contract management level

Home Office or G4S	Expectation	Raised by (Initials)
G4S	UKBA Enforcement Lead to deliver presentation at the EOB. This request is carried forward from discussions held in the EOBs on 09/06/2017 and 29/09/2017.	JW

Actions

Ref	Action	Owner	Due Date	Update
22.1	Lee Tribe to be invited to future meetings.	Secretariat	Next EOB	Lee to talk about leading market engagement for Policing. Lee was unable to attend so is being slipped to 6 th Dec EOB. 28/9 EOB: Ensure Lee (or Ian) is able to attend and give input to the December EOB
22.5	Finance Slides to be included in next EOB Pack	Secretariat	Next EOB	Closed
23.1	Keep G4S apprised of any progress for Grimsby and elsewhere.	SP	Ongoing	
23.2	Forward to JW a copy of the letter to the councillor.	TH	Promptly	
23.3	Keep G4S apprised of any progress and successful sanctions for communication to other sites.	SP	Ongoing	
23.4	Formally convey revised proposals in writing to G4S.	SP	Promptly	
23.5	Create a formal contingency plan ahead of the scheduled court case.	HO/G4S:	Ahead of next EOB	
23.6	Keep HO advised on SME initiatives and possible reporting approaches and timescales.	G4S:	Ongoing	









G4S: Contracts

Business Area	Agreement Name	Start Date of Current Contract	Current Term Expiry Date	Absolute Contract Expiry Date (if extension options exercised)	Whole Life Current Contract Value	Current Annual Contract Value	No. of CCNs	Relationships	Performance	Payment	Risk	Contract Development	Contract Manual	Contingency Plan	Joint Risk Register	Criticality
BF	Secure Collection & Transportation of High Risk High Value Items - Framework	28-Feb-15	10-Nov-17	30-Apr-18	£736,057	£372,798	1	G	A	G	G	G	Yes	Yes	No	M
BF	Secure Collection and Transportation of High Risk High Value Items - BF call off	28-Feb-15	30-Apr-17	30-Apr-18	£600,000	£300,000	1	G	A	G	G	G	No	Yes	No	M
HMPO	ACCESS CONTROL	5-Sep-03	31-Mar-17	31-Mar-17	£117,684	£117,684	0	G	G	G	G	G	No	No	No	M
IE	Brook House	14-Mar-09	20-May-18	20-May-18	£90,358,880	£11,294,860	112	G	G	G	G	G	Yes	Yes	Yes	H
IE	Tinsley House (IRC)	20-May-09	20-May-18	20-May-18	£43,580,916	£5,447,615	47	G	G	G	G	G	Yes	Yes	Yes	H
UKVI	COMPASS - Yorkshire & Humberside and the North East	21-Dec-12	1-Sep-19	20-Dec-19	£137,900,000	£25,227,731		A	G	G	G	G	Yes	Yes	Yes	H
UKVI	COMPASS - Midlands and East of England	21-Dec-12	1-Sep-19	20-Dec-19	£128,100,000	£25,319,768		A	G	G	G	G	Yes	Yes	Yes	H









Official - Commercial Sensitive

Annex A: High Level Summary of Activity pg 1 of 4








Immigration Removal Centres – Brook House/Tinsley House

Authority's View   	Rating/ Trend	Supplier's View   	Rating/ Trend
<p>G4S run Brook House and Tinsley House IRCs:</p> <p>Plans to increase capacity within Brook (+60) and Tinsley (+43) are being progressed with HOPG colleagues. Discussion continue around maintenance related issues (AHUs)</p> <p>NOCs issued around additional beds and closure of Cedars and relocation of PDA to Tinsley House.</p> <p>Additional security fencing has been completed following an escape at Brook House.</p> <p>The refurbishment of Tinsley continues. This includes new accommodation for Pre Departure Accommodation (PDA) and Border Force cases. Building works should be completed by 24th April.</p> <p>Bidders for the Gatwick IRC Contract re-tender will be visiting the sites first week of March.</p> <p>Good engagement from G4S .</p> <p>Delivery is to a good standard with the level of performance deductions overall being low.</p> <p>Application of PM's suspended for Tinsley whilst closed.</p> <p>Official - Commercial Sensitive</p>		<ul style="list-style-type: none"> • Good performance against the contract with low level of performance penalties. • Brook House additional beds completed, awaiting fire engineer work to be completed for assurance that the critical safety systems have not been adversely impacted. • Tinsley House beds due to activate week commencing 1st May 2017. • Mobilisation and operating costs agreed for the additional beds at a reduced bed price. • Brook House inspected by HMIP in November – all outcomes judged as “reasonably good”, which is a consistent improvement on previous inspections. • Courtyard fencing installed - Brook House escape action plan completed. • Contract extended for 1 year with £120k savings returned to the Home Office. • Collaborative working with the Home Office on the Pre-departure pilot going very well, which has seen an increase in voluntary and unescorted returns. • Increase in NPS prevalence, particularly linked with the FNO population at Brook. 	<p>G</p> 







High Level Summary of Activity pg 2 of 4

Authority's View   	Rating/ Trend	Supplier's View   	Rating/ Trend
Immigration Removal Centres – Cedars Pre-Departure Accommodation			
<p>Cedars closed on 31st December 2015 and the new PDA will be located at Tinsley House . The G4S PDA team are utilising the offices and storage facilities at the centre until Tinsley House opens in May. G4S are continuing to provide security and maintenance services at the site. – This is at no additional cost whilst the team are based at Cedars. This will be reviewed once Cedars is vacated particularly in respect of guarding patrols.</p> <p>G4S were awarded the new Welfare Services contract, this was signed on 20th December. The Home Office are currently working in partnership with G4S to mobilise the contract.</p>		<ul style="list-style-type: none"> Cedars accommodated Calais children from 15.10.16 to 23.12.16 Cedars contract ended 31.12.16 G4S providing security and maintenance at Cedars until PDA transfers to Tinsley House Recruitment underway for Welfare Services contract – x 4 TUPE from Barnardo's, 13.5 total headcount The Home Office has indicated that families will be planned in to the PDA from 08th May 	

High Level Summary of Activity pg 3 of 4

Authority's View   	Rating/ Trend	Supplier's View   	Rating/ Trend
COMPASS – Commercial			
<p>COMPASS contract extension agreed and in place. This includes a range of commercial improvements including a higher premium rate band for S95 Service Users, a new commercial model relating to additional IA capacity and an increase in monthly management fees to support the creation of additional resources in key areas. Formal Contract Change Notes and the Notice extending the Contracts until 1 September 2019 issued and signed by both parties.</p> <p>G4S continue to progress plans for additional IA capacity and have to date submitted proposals for 2 new sites, the most advanced of which is the Kensington Hotel (c83 bed spaces). The second proposal is for a c250 bed space hostel in Derby .</p> <p>G4S has submitted the 1st tranche of proposals in respect of additional resources to be paid for by the additional management fee to improve service delivery in terms of availability of accommodation and welfare of Service Users.</p> <p>Both HO and G4S are in the process of submitting witness statements having agreed to seek binding expert determination (CEDR) in relation to what the Authority believes is a previously resolved transport claim .</p> <p>We understand that the Court case between G4S and Jomast has now concluded and that the outcome was in G4S favour.</p> <p>BAU : G4S continue to operate within contractual parameters and meet required service levels. There are no KPI failures or Service Credits to report.</p>		<p>Higher charge rate for SU volumes >18,000 now in operation.</p> <p>Number and percentage of reconciliation events low and reducing (through better processes on both sides).</p> <p>Close to agreeing improved commercial arrangements for the Kensington Hostel (formerly the Kensington Hotel).</p> <p>G4S and the Local Authority now engaged to take forward an increased IA capacity opportunity with a 250 bed hostel in Derby.</p>	

High Level Summary of Activity pg 4 of 4

Authority's View   	Rating/ Trend	Supplier's View   	Rating/ Trend
COMPASS – Operational			
		<p>Continuing issues around SU behaviour. Look forward to engagement with Police and UKBA enforcement.</p> <p>Service delivery good with an improvement in our ability to accept bail cases.</p> <p>Some good stakeholder engagement has taken place with close UKVI support to allow some widening of dispersal areas against continued friction and/or direct opposition.</p> <p>Challenge of the Scarborough Nine priority areas for wider dispersals has yet to be overcome.</p> <p>Some residual risk around Jomast termination.</p> <p>IA and DA trading with SERCO now stalled over a liability disagreement. This is likely to become an issue for UKVI if the additional IA capacity can be delivered.</p>	

Annex B: Risk Register pg 1 of 2

Risk Owner	Date Escalated	Risk Description	Risk Impact	Mitigating Action	Target Date	RAG Status
HO/G4S	2015	Physical changes during 2016 and early 2017 affect operational performance and data security.	<ul style="list-style-type: none"> The ability to provide increase use/occupancy at Tinsley House and Cedars is limited and Cedars is limited, and/or affects removals. 	<ul style="list-style-type: none"> G4S and Home Office continue to plan joint contingencies against this risk. 	TBC	
G4S	2015	Ability of G4S to meet demand for asylum accommodation. s98 (Initial) and s95 (Dispersal)	<ul style="list-style-type: none"> Failure to meet requirements of contract Displacement of Service Users to other COMPASS Providers results in system wide pressure Increased use of contingency hotel accommodation causes HO and Provide reputational damage 	<ul style="list-style-type: none"> Agree a strategy with HO to maintain relationship with LA's identify and source properties in new & existing cluster areas. Better interaction and clarity between G4S/HO in forecasting demand. Optimize use of existing property portfolio Use of inter-provider 'Trading' arrangements 	29/09 EOB: Given the potential impact of such a scenario this risk will inevitably remain Red for the duration of the contract.	

Risk Register pg 2 of 2

Risk Owner	Date Escalated	Risk Description	Risk Impact	Mitigating Action	Target Date	RAG Status
G4S		Contract dispute with Jomast	*reduced co-operation with business as usual *Court process, potential financial impact, contract termination	Engage with external legal support to defend claim (as well as offering substantial payment to meet the Warranty claim and allow BAU). G4S working closely with LMG to expand direct procurement in NE. Some possibilities in Sunderland and Newcastle but not delivery beds to date. 29/9 EOB: G4s and HO to create a formal contingency plan for worst-case scenario.	Prior to the Court Case	

SME Initiatives

SME Initiatives	Spend Total with Home Office	Total Value of Sub-Contracted Revenues	Total Value of Sub-Contracted Revenues to SMEs	Average Payment Period to Subcontractors
2015/16 Q1	£29.79 m	£9.68 m	£2.72 m	30 days
2015/16 Q2	£29.74 m	£12.03 m	£3.78 m	30 days
2015/16 Q3	£31.33 m	£36.98 m	£10.80 m	30 days
2015/16 Q4	£33.04 m	£16.33 m	£4.09 m	30 days
2016/17 Q1	£30.79 m	£17.88 m	£6.46 m	30 days
2016/17 Q2	£33.18 m	£17.15 m	£4.61 m	30 days
2016/17 Q3	£32.07 m	£15.67 m	£2.97 m	30 days
TOTAL HOME OFFICE (Last 21 months)	£219.95 m	£125.71 m	£35.43 m	

Financial Summary

Contract Name	Total Contract Value	Start Date	End Date	Total Actual Billing 2015-16	Total Forecast Billing 2016-17	Gross Margin	% Gross Margin
Brook House IRC	£53.5 m	Sep-09	May-17	£11.16 m	£11.20 m		
Tinsley House IRC	£29.5 m	Jun-09	Jun-17	£5.37 m	£5.63 m		
Cedars PDA	£23.0 m	May-09	Jun-17	£3.47 m	£2.24 m		
Compass	£205.0 m	Aug-12	Jul-17	£56.25 m	£62.67 m		

SUB-TOTAL (UKBA)	£311.0 m			£76.25 m	£81.74 m		
-------------------------	-----------------	--	--	-----------------	-----------------	--	--

Bedfordshire Police forensic medical services	£1.7 m	Jul-10	Jun-13	£0.68 m	£0.63 m		
Cambridgeshire Police forensic medical services	£2.8 m	Jul-10	Jun-13	£0.75 m	£0.73 m		
City of London Police forensic medical services	£1.1 m	May-09	Aug-10	£0.29 m	£0.32 m		
Derbyshire Constabulary	£1.8 m	Jun-13	May-15	£1.11 m	£1.10 m		
Essex Police forensic medical services	£4.6 m	Jul-10	Jun-13	£1.71 m	£1.57 m		
Gloucestershire Police forensic medical services	£2.4 m	Jun-10	May-13	£0.82 m	£0.84 m		
Norfolk Police forensic medical services	£2.2 m	Jul-10	Jun-13	£0.89 m	£0.91 m		
Nottinghamshire Police Authority	£1.9 m	Jun-13	May-15	£1.26 m	£1.22 m		
Suffolk Police forensic medical services	£2.5 m	Jul-10	Jun-13	£0.67 m	£0.67 m		
West Midlands SARCs Contract	£1.0 m	Apr-13	Mar-16	£0.37 m	£0.30 m		
Wiltshire Police forensic medical services	£4.1 m	Sep-08	Aug-13	£0.92 m	£1.02 m		
Devon & Cornwall Constabulary (Custody & SARC)	£13.5 m	May-15	Mar-20	£2.54 m	£2.71 m		
Leicestershire Constabulary (Custody & SARC)	£3.0 m	Apr-15	Mar-18	£0.99 m	£0.98 m		
Cumbria Constabulary (Custody & SARC)	£4.1 m	Apr-15	Mar-18	£1.47 m	£1.51 m		

Lancashire Police custody suites	£7.8 m	Apr-10	Mar-13	£2.58 m	£2.62 m		
Staffordshire Police custody suites	£3.0 m	Feb-09	Jan-11	£0.29 m	£0.00 m		
Leicestershire Police custody suites	£6.9 m	Oct-15	Mar-21	£0.59 m	£1.20 m		
Northamptonshire Police custody suites	£6.7 m	Oct-15	Mar-21	£0.53 m	£1.11 m		

Lincolnshire Police Authority BPO	£229.7 m	Apr-12	Mar-21	£29.20 m	£25.19 m		
-----------------------------------	----------	--------	--------	----------	----------	--	--

SUB-TOTAL (POLICE)	£300.8 m			£47.65 m	£44.64 m		
---------------------------	-----------------	--	--	-----------------	-----------------	--	--

TOTAL HOME OFFICE	£611.8 m			£123.90 m	£126.38 m		
--------------------------	-----------------	--	--	------------------	------------------	--	--

Financial Summary

Sub-Contract Name	Prime Contractor	Total Contract Value	Total Actual Billing 2015-16	Total Forecast Billing 2016-17	Gross Margin	% Gross Margin
-------------------	------------------	----------------------	------------------------------	--------------------------------	--------------	----------------

None.						

TOTAL HOME OFFICE		£0.00 m	£0.00 m	£0.00 m		
-------------------	--	---------	---------	---------	--	--

Pipeline: Bid / Change Request Detail	Agency / Contract	Total Contract Value	Issue Date of ITT	OJEU Stage
---------------------------------------	-------------------	----------------------	-------------------	------------

Brook House IRC Re-bid	UKBA	£7.00 m	Q1 2017	
Gatwick IRC-Hard FM, Cleaning & Catering	UKBA	£3.50 m	Q1 2017	
Tinsley House IRC Re-bid	UKBA	£2.50 m	Q1 2017	

TOTAL HOME OFFICE		£13.00 m		
-------------------	--	----------	--	--