



OFFICIAL

HMP Forest Bank

Commercial and Contract Management Directorate

SCHEDULE 1 PART 3:

PRISON INDUSTRIES

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1. Definitions

1.1. For the purpose of this **Part 3 (Prison Industries)** of **Schedule 1 (Authority's Custodial Service Requirements)**, unless the context otherwise requires:

"Annual Accounts" means the complete set of accounts produced by a business every year showing the results of trading during the year and the financial state of the company;

"Annual ROTL Delivery Plan" means the plan that sets out how ROTL will be used to support the purpose of the Prison and improve resettlement outcomes for Prisoners;

"Employment Advisory Board" means the employment advisory board for the Prison, which shall include the Prison Director, Prison Employment Lead and other relevant members from the Prison as set out in the Employment Advisory Board's terms of reference (which shall be made available upon request and may be amended from time to time). It shall provide employment-related advice and support and connect the Prison to local employers with the aim of:

- (a) developing a positive culture of employment within the Prison for the long term;
- (b) improving work readiness of Prisoners; and
- (c) encouraging local businesses to engage with the Prison and offer their resources, connections and knowledge to support those living and working in the Prison to prepare for and find work upon release;

"Employment Hub" means a professional and welcoming physical space within the Prison that shall:

- (a) provide a location where Prisoners can easily access to find out about employment opportunities found by the

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Contractor, New Futures Network and other key partners, and access employment-related support; and

- (b) provide a centralised location for employment-related resources (including ICT and telephony equipment), Contractor's Staff and other service providers (including information advice and guidance providers) that support the commitment to improve Prisoner and Prison-leaver employment and employability;

"Incentives Scheme" means a local incentives policy implemented in accordance with the requirements set out in the Incentives Policy Framework (as amended from time to time);

"Local Code of Practice" means a code of practice developed by the Contractor in accordance with the requirements of **paragraphs 5.12 and 5.13 (Prisoner Work)** of this **Part 3 (Prison Industries)** of **Schedule 1 (Authority's Custodial Service Requirements)** and the Ministry of Justice's code of practice "Ensuring Fairness: Code of Practice for Work in Prisons" on Prison Industries (available via http://one3one.justice.gov.uk/downloads/ONE3ONE_Code%20Of%20Practice_Web%20Final.pdf and as amended from time to time);

"Monthly Management Accounts" means the management accounts prepared by the Contractor for Prison Industries in accordance with **paragraph 12 (Full Financial Transparency)**;

"New Futures Network" means a specialist part of HMPPS that brokers partnerships between prisons and employers in England and Wales;

"Reparation Payments" or "Reparation" means payments to victims or society made in accordance with PSI 76/2011 (as amended from time to time) and the Prisoners' Earnings Act 1996; and

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"Work Places"

means the job opportunities for Prisoners to carry out Prison Work and/or Prison Industries.

2. Aims & Objectives of Work in Prisons

2.1. The Contractor shall use all reasonable endeavours to ensure that Prisoners are provided with opportunities to carry out productive, meaningful and effective work, providing the discipline and challenge of regular work. By working, Prisoners will be able to raise funds for Reparation and have access to opportunities to gain work related qualifications, skills and experience in preparation for employment on release. To meet these aims and objectives, the Contractor shall use all reasonable endeavours to provide Prisoners with opportunities to undertake Prison Work and shall ensure that:

2.1.1. employment is provided to Prisoners within Prison Industries pursuant to the Contractor's proposals in **Schedule 7 (Contractor's Proposal)**; and

2.1.2. any other employment provided to Prisoners within the Prison (including that necessary for the operation of the Prison) is provided subject to **paragraph 5.11 (Prisoner Work)**.

2.2. To achieve this ambition, the Contractor shall use all reasonable endeavours to meet the same objectives in relation to Prison Work as placed upon the Authority, which are:

2.2.1. maximising the opportunity for Prisoners to work in Prison;

2.2.2. where the Prison has a 'Resettlement' Prison Function, increasing the number of employment places directly relevant to local employment opportunities on release. To this end, the Contractor shall include, as part of the Annual Custodial Service Delivery Plan, the Annual Employment on Release Plan setting out how it will support and improve employment opportunities for Prisoners on release. The Contractor shall provide to the Authority's Representative a draft Annual Employment on Release Plan in accordance with **clause 24.1.2.24 (Delivery of Annual Custodial Service Delivery Plan)**;

2.2.3. where the Prison has a 'Resettlement' Prison Function, increasing the number of ROTL work opportunities. To this end, the Contractor shall include, as part of the Annual Custodial Service Delivery Plan, the Annual ROTL Delivery Plan to encourage, enable and provide appropriate employment opportunities for Prisoners to undertake work whilst on ROTL in accordance with the Authority Policies and the Contractor's obligations under **Part 1 (Custodial Services) of Schedule 1 (Authority's Custodial**

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Service Requirements) and **Schedule 7 (Contractor's Proposal)**. The Contractor shall provide to the Authority's Representative a draft Annual ROTL Delivery Plan in accordance with **clause 24.1.2.21 (Delivery of Annual Custodial Service Delivery Plan)**;

- 2.2.4. supporting the delivery of goods and services to the internal Prison market including the internal markets of the Contractor; and
- 2.2.5. where the Prison has a 'Resettlement' Prison Function, prioritising actions and services that contribute to improving work readiness for Prisoners including but not limited to facilitating and engaging with the Employment Advisory Board and providing and maintaining the Employment Hub.
- 2.3. The Contractor shall ensure that all profit generated from Prison Industries will be identified and held in a Prisoner Amenities Fund (as defined in **clause 15.6 (Prisoner Amenities Fund)**) for the purpose of reinvesting into the Prison for the betterment of the Prisoners (with the Authority's Representative's Approval).
- 2.4. The Contractor shall ensure that Prison Work complements and contributes towards the overall objectives of the Custodial Service pursuant to **Part 1 (Custodial Services)** of **Schedule 1 (Authority's Custodial Service Requirements)** which are to contribute to the:
 - 2.4.1. rehabilitation of Prisoners;
 - 2.4.2. reduction and management of the risk of harm to the public and others; and
 - 2.4.3. successful resettlement and reintegration of Prisoners into the community.
- 3. **Mobilisation**
 - 3.1. From Services Commencement Date, the Contractor shall provide, as a minimum, the number of employment places in Prison as set out in the Annual Custodial Service Delivery Plan as further set out in **Schedule 5 (Mobilisation)** and in line with **Schedule 7 (Contractor's Proposal)**.
- 4. **Prisoner Population**
 - 4.1. The Authority shall determine which Prisoners will be sent to the Prison.

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- 4.2. Where, to meet its obligations under this **Part 3 (Prison Industries)** of **Schedule 1 (Authority's Custodial Service Requirements)**, the Contractor intends to employ Prisoners in roles necessary for the operation of the Prison, the Contractor shall, subject to **paragraph 5.11 (Prisoner Work)**, use all reasonable endeavours to develop the capacity and expertise of Prisoners in the Prison to fulfil specific Prison Work roles through actions including (but not limited to):
- 4.2.1. the provision and support to access training for specific roles (as further set out in **paragraph 7 (Work Related Training of Prisoners)**); and
 - 4.2.2. the assessment and verification of skills and qualifications of those arriving into the Prison.
- 4.3. Only where the Contractor can demonstrate to the reasonable satisfaction of the Authority that specific roles cannot adequately be fulfilled from its Prison population will the Authority allow the Contractor to advertise specific work roles to prisoners in other prisons.
- 4.4. All costs for training and/or recruitment of Prisoners and their selection for work within the Prison shall be borne by the Contractor.
5. **Prisoner Work**
- 5.1. The Contractor shall include within the Annual Custodial Service Delivery Plan the minimum number of Work Places that the Contractor will provide to Prisoners (and, subject to **paragraph 4.3 (Prisoner Population)**, prisoners at other establishments) at the Prison for that Year. This shall include:
- 5.1.1. employment numbers and hours within Prison Industries pursuant to **Schedule 7 (Contractor's Proposal)**;
 - 5.1.2. employment numbers and hours in other Prison Work including that necessary for the operation of the Prison (subject to **paragraph 5.4 (Prisoner Work)**); and
 - 5.1.3. employment numbers to be undertaken on ROTL in accordance with Authority Policies and requirements pursuant to **Schedule 4 (Authority Policies)** (applicable only where there is a 'Resettlement' Prison Function at the Prison).

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- 5.2. The Contractor shall ensure that the employment of prisoners in Prison Work is delivered in accordance with the requirements set out in the Competition Operator Requirements, and in accordance with relevant Authority Policies.
- 5.3. Pursuant to the Competition Operator Requirements, the Contractor shall ensure that each Prisoner shall experience a 'normal working week' through provision of up to forty (40) hours of activity each week of which Prison Work or Prison Industries shall form some or all of this activity time for most Prisoners. This does not exclude the Contractor making arrangements for paid overtime.
- 5.4. The Contractor shall only use Prisoners to provide Prison Work where:
- 5.4.1. the Authority agrees in writing that these activities are appropriate for Prisoners to undertake and considers the volume of Prisoners engaged in these activities to be appropriate and meaningful;
 - 5.4.2. there are no decency, safety and/or order or control issues resulting from a Prisoner undertaking such work;
 - 5.4.3. there is rehabilitative benefit to Prisoners undertaking such work activities; and
 - 5.4.4. alternative productive work activity is not available for Prisoners to undertake.
- 5.5. The Contractor shall manage Prison Work in such a way as to provide experience of an employment-like environment for Prisoners. This includes (but is not limited to):
- 5.5.1. recruitment of Prisoners into Prison Work through an application process;
 - 5.5.2. management of Prisoners in work in a disciplined and structured way;
 - 5.5.3. management of working hours and payment to Prisoners;
 - 5.5.4. management of performance and promotion opportunities;
 - 5.5.5. provision of appropriate, high quality, work related training and/or academic or vocational qualifications where a role requires it or where it is available and it would likely enhance the delivery of the role and/or a Prisoner's resettlement outcomes upon release; and

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- 5.5.6. where applicable, in accordance with the requirements of **Schedule 11 (Property and Facilities Management)** and **Schedule 12 (Sustainability)**.
- 5.6. The Contractor shall, wherever possible, ensure that Prisoner Work reflects and/or directly links to employment opportunities within the local communities to which Prisoners will return.
- 5.7. The Contractor shall provide and maintain the Employment Hub (applicable only where there is a 'Resettlement' Prison Function at the Prison).
- 5.8. The Contractor shall facilitate and engage with the Employment Advisory Board and support any activity related to the Employment Advisory Board to ensure that the employment, education, training and skills offering in the Prison is responsive to the relevant labour market gaps and increases work-readiness and long-term employment opportunities for Prisoners (applicable only where there is a 'Resettlement' Prison Function at the Prison).
- 5.9. The Contractor shall, wherever permitted under and in accordance with the Authority Policies, use ROTL for the purposes of providing or supporting working opportunities for Prisoners in the community (applicable only where there is a 'Resettlement' Prison Function at the Prison).
- 5.10. The Contractor shall ensure all Prison Work shall be appropriate for Prisoners to carry out and shall not be in breach of the Contractor's obligations under this Contract, Legislation nor compromise the safety and security of the Prisoners or the Prison.
- 5.11. The suitability of each Prisoner for Prison Work within the Prison shall be assessed by the Contractor prior to allocation of work activity, and subject to **paragraph 5.4 (Prisoner Work)**. This suitability assessment should also take into consideration information provided from the Healthcare Provider. The Contractor shall only allocate Prisoners to work activities for which they have been assessed as suitable.
- 5.12. The Contractor shall provide the Authority within thirty (30) Days of the Service Commencement Date, the Local Code of Practice under which its Prison Industries shall operate and the Contractor shall also provide this to relevant Third Parties.
- 5.13. The Contractor shall ensure the Local Code of Practice includes a complaint and appeals process to ensure that any external Third Party can raise issues about how Prison Industries are operated and provides a mechanism for their resolution in line with the Local Code of Practice.

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- 5.14. If the Contractor updates the Local Code of Practice from time to time then the Contractor shall provide updated copies of the Local Code of Practice to the Authority not more than thirty (30) Days after the date of the update.

6. Performance Management and Incentivisation

- 6.1. The Contractor shall implement and operate a Prison Work performance management process (which may be incorporated into an Incentives Scheme as governed by the Incentives Policy Framework and applicable Authority Policy) which covers behaviour and performance in relation to work activities and behaviour within the Prison.
- 6.2. If the Contractor's performance management process includes details of Prisoner pay, the Contractor shall ensure that this process is compliant with **Part 1 (Custodial Services)** of **Schedule 1 (Authority's Custodial Service Requirements)** and the Authority Policies.
- 6.3. The Contractor shall implement an Incentives Scheme in accordance with the Incentives Policy Framework (as amended from time to time). The Incentives Scheme shall form part of the Annual Custodial Service Delivery Plan.

7. Work Related Training of Prisoners

- 7.1. The Contractor shall ensure that Prisoners are appropriately trained to carry out the Prison Work to which they are allocated and to comply with relevant Legislation.
- 7.2. The Contractor shall work with the Education Provider to ensure education and training takes place to support and complement work-based training activities provided by the Contractor for the express purpose of improving the outcomes and opportunities for Prisoners both in the Prison and on release and meeting the Contractor's obligations under **paragraph 5 (Prisoner Work)** above.
- 7.3. The Contractor shall ensure that the training provided in accordance with **paragraph 7.1 (Work Related Training of Prisoners)** is coordinated with, and complementary to, the Authority's requirements for Prisoner training, employment and skills and the resettlement under this Contract (including those set out in the Competition Operator Requirements).
- 7.4. The Contractor shall support Prisoners to develop accurate and evidenced records of their accredited and work based achievements.

8. Prisoner Development

- 8.1. The Contractor shall provide Prisoners with the opportunity to progress within the Prison Work available within the Prison in accordance with **paragraph 5.5.4 (Prisoner Work)** above.
- 8.2. The Contractor shall provide a process for Prisoners to apply for and move to different roles and work activities with greater responsibility within the Prison operation in accordance with **paragraph 5.5 (Prisoner Work)** above.
- 8.3. The Contractor shall ensure that Prisoner progression in relation to their work activities is based on performance, experience and ability and the process for monitoring performance and managing Prisoner progression shall be agreed in writing with the Authority.
- 8.4. At the request of a former or current Prisoner, the Contractor shall act as a referee for Prisoners applying for further employment. The Contractor shall ensure that all references it provides are based on its knowledge of the Prisoner's performance record in respect of their work in the Prison.
- 8.5. The Contractor shall ensure all Prisoners being discharged from the Prison are aware of their right to request a reference from the Prison where the Prisoner has been employed in work within the Prison and that the Prisoner is aware of the Contractor's obligation to provide a reference following such a request.
- 8.6. The Contractor shall implement processes for maximising the opportunities for employment of Prisoners following release from Prison in accordance with **Schedule 7 (Contractor's Proposal)**.

9. Security and Safety

- 9.1. The Contractor shall comply with the Authority's Requirements set out in set out in **Part 1 (Custodial Services)** of **Schedule 1 (Authority's Custodial Service Requirements)** and **Schedule 11 (Property and Facilities Management)** in respect of Prison security.
- 9.2. Where the Contractor employs Prisoners to meet its obligation under **paragraph 5 of Schedule 11 (Property and Facilities Management)** the Contractor shall ensure that its obligations in respect of the employment of Prisoners contained therein are met.

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9.3. The Contractor shall comply with the Authority Policies in relation to the provision of a safe and secure Prison pursuant to **Part 1 (Custodial Services) of Schedule 1 (Authority's Custodial Service Requirements)** and **Schedule 4 (Authority Policies)** including those specific to Prison Work, Prison Industries and other prisoner employment identified in the National Security Framework.

10. Continuation of Industries' Operations Post Contract End or Termination

10.1. The Contractor shall ensure that all contracts (including Third Party contracts) relating to Prison Work and particularly Prison Industries, are capable of transferring and continuing upon and after a change in custodial provider upon expiry or termination (whole or part) of this Contract as Exit Legacy Contracts in accordance with **Schedule 24 (Handover and Exit Management)**.

10.2. The Contractor shall, in respect of its end of Contract obligations, include within the Exit Plan detail of the processes it will implement to manage the successful handover of the Prison Industries operations and/or related Third Party contracts relating to the delivery of Prison Work to the Authority and/or a New Contractor pursuant **Schedule 24 (Handover and Exit Management)**.

10.3. The Contractor shall ensure that all Contractor Assets and Sub-Contracts required to operate the Prison Industries and Prison Work shall be dealt with in accordance with the provisions of this Contract, including the requirements of **Schedule 24 (Handover and Exit Management)**.

11. Prisoner Payment and Reparation

11.1. The Contractor shall ensure that funds are established in accordance with **Schedule 7 (Contractor's Proposal)** for the purpose of making Reparation Payments and for rehabilitation of Prisoners. As a minimum, the Contractor shall comply with all relevant Legislation including but not limited to:

11.1.1. the Prisoners' Earnings Act 1996, where applicable; and

11.1.2. the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (in particular section 129, and any rules that might be made pursuant to this section, when brought into force).

12. Full Financial Transparency

12.1. In accordance with **clause 75 (Audit Access)**, and without prejudice to the Contractor's other obligations in respect of record keeping and provision of information pursuant to this Contract, the Contractor shall, at its own cost, provide the Authority with such information as the Authority may require from time to time in relation to the commercial aspects of the Prison Industries. This shall include but is not limited to:

12.1.1. Monthly Management Accounts and Annual Accounts for all Prison Industries commercial activities at the Prison and such accounts shall comply with all relevant accounting guidelines and which (in any event) shall be prepared and maintained in a manner consistent with the accounting policies of the Contractor and **clause 64 (Contractor's Records and Provision of Information)**;

12.1.2. identification of costs related to the operation of the Prison and the costs of Prison Industries shall be provided in a consistent and transparent manner. For the avoidance of doubt, the Contractor shall not double count costs related to the delivery of Prison Industries where such costs are already accounted for elsewhere;

12.1.3. detailed financial projections for Prison Industries for the next three (3) Years to include details of income and expenditure, capital investment and funding, rates of return and profit levels as well as how any such profits will be reinvested into or transferred out of Prison Industries regardless of mechanism (e.g. management charges, profit or overhead charged on costs reimbursed by Prison Industries to the Contractor, interest, dividends etc.) and how any losses will be managed; and

12.1.4. identification of the items listed in **clauses 64.2.1 to 64.2.4 (Books of Account)**.

13. Public Relations & Media

13.1. The Contractor shall comply with the requirements regarding public relations and publicity as set out in **clause 62 (Public Relations and Publicity)** in respect of the Prison Industries and Prison Work.