



National Audit Office



Children in custody: secure training centres and secure schools

Ministry of Justice,
Her Majesty's Prison & Probation Service

REPORT

**by the Comptroller
and Auditor General**

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Introduction

1 In England and Wales, children aged between 10 and 17 can be held criminally responsible for their actions. In February 2022, there were 414 children in custody. Once children are sentenced to custody, the Youth Custody Service (YCS) determines where to place them in the secure custodial estate based on each child's individual needs, the youth offending team's placement recommendation, and the accommodation available. As at April 2022, the secure custodial estate comprised three types of institution:

- secure children's homes (SCHs) that accommodate vulnerable children, typically aged 10 to 17, in small establishments with high staff-to-child ratios;
- young offender institutions (YOIs), which are bigger establishments, typically accommodating children aged 15 to 17, and are more similar in design to adult prisons. In the year ending March 2021, 73% of all children in custody were held in YOIs; and
- secure training centres (STCs) that are designed to be bigger than SCHs but smaller than YOIs. STCs typically accommodate children aged 12 to 17 who are too vulnerable for a YOI.

2 Reports in recent years indicate a deterioration in the standard of provision for children in YOIs and STCs. For example, in his 2016-17 annual report, the Chief Inspector of Prisons – who inspects STCs and YOIs – concluded that “there was not a single establishment that we inspected in England and Wales in which it was safe to hold children and young people”. Specifically, joint reports by the Office for Standards in Education, Children's Services and Skills (Ofsted), the Care Quality Commission and Her Majesty's Inspectorate of Prisons have repeatedly cited mounting concerns around the provision of care and safety of children in STCs. As at April 2022, two STCs – Medway and Rainsbrook – have closed, and the third, Oakhill, is under an improvement plan following problems identified in a critical inspection.

3 In 2016, the government-commissioned *Review of the Youth Justice System in England and Wales* recommended that the Ministry of Justice (the Ministry) create secure schools. These schools would be a new form of custodial establishment that provide enhanced educational and rehabilitation services to children in a therapeutic environment. In December 2016, the Ministry accepted the report's recommendation and set out its intention to create two new secure schools. Work is under way to create one secure school, but it has not opened yet.

4 The Ministry is accountable to Parliament for the oversight of the youth justice system in England and Wales and is responsible for commissioning youth custody services, including setting standards and provisions for managing poor performance. The Youth Custody Service (YCS) has been, since 2019, also responsible for commissioning youth custody services alongside its management of the youth estate. The YCS is part of Her Majesty's Prison & Probation Service (HMPPS), an executive agency of the Ministry. Day-to-day responsibility for the secure school programme and for the management of STCs sits within HMPPS.

5 There is significant Parliamentary and wider stakeholder interest in the levels of care and safety at STCs and progress with establishing the first secure school. This report aims to support Parliamentary scrutiny over care and safety at STCs and the Ministry's and HMPPS's progress with establishing secure schools by setting out the facts around:

- children in custody in England and Wales, including trends in custody rates and the characteristics of children in custody (Part One);
- STCs, including the escalating concerns over the quality of provision, the Ministry's and HMPPS's response and lessons learned (Part Two); and
- progress with establishing secure schools and plans for youth custody (Part Three).

6 Given the factual nature of this report, we do not conclude on value for money, and we do not evaluate:

- the factors influencing trends in youth custody, the characteristics of children in custody, or the Ministry's and HMPPS's understanding of the impact of its policies on those children;
- the value for money of HMPPS's commercial contracts to manage the STCs until their closure or to date, nor the value for money of any negotiated settlement to terminate these contracts;
- HMPPS's effectiveness at managing its commercial contracts with private sector providers managing STCs or any other institutions in the youth custodial estate; and
- HMPPS's management of the secure school programme or the value for money of its expenditure on the programme to date.

Summary

Children in the secure estate

7 Six per cent of children sentenced (673 children out of 12,217) received an immediate custodial sentence in the year ending March 2021. However, the average length of custodial sentences increased from 11 months to 17 months between March 2011 and March 2021. Of children in custody in the year ending March 2021, on average, 40% were on remand awaiting sentence, the highest level in 10 years. In that year, almost three-quarters of children remanded in custody did not receive a custodial sentence (paragraphs 1.4 to 1.7, Figure 2 and Figure 3).

8 The Ministry of Justice (the Ministry) and Her Majesty's Prison & Probation Service (HMPPS) expect the number of children in custody to more than double by September 2024, after a long-term decline. The average number of children in custody has fallen by 73% between 2010-11 and 2020-21 (from 2,040 to 560 children), reflecting the decline in the number of youth offences. Its latest demand analysis forecasts a long-term increase in the number of children in custody. It is driven by court recovery from the COVID-19 pandemic, the impact of the Police, Crime, Sentencing and Courts Bill and government's plans to recruit around 23,000 additional police officers (comprising the 20,000 announced in 2019, plus a further 3,000 following an increase in police funding). They expect children aged 15 to 17 in young offender institutions (YOIs) will double, from 343 in July 2021 to 700 in July 2025 (paragraphs 1.6 and 1.8).

9 Some groups of children are increasingly over-represented in custody. In the year ending March 2021, on average 53% of children in custody were from ethnic minority groups, compared with 32% in the year ending March 2011. Within the same period, the proportion of black children in custody increased from 18% to 29%. Boys made up 97% of all children in custody in the year ending March 2021. While the number of girls in custody is very low, they have some of the most complex needs as they are more likely to have experienced victimisation (sexual and physical) and relationship difficulties. Around one-third of children in custody report a known mental health disorder. The rate of self-harm incidents per 100 children and young people has increased by 90% among children and young people in custody between March 2015 and March 2021 (paragraph 1.9).

Secure training centres

10 Government originally contracted out secure training centre (STC) provision, but HMPPS considers that the management of the STCs has failed to meet good standards since 2017. Government established four STCs, one of which, Hassockfield STC, closed in 2015. Of the three STCs most recently operational, two were originally operated by Global Solutions Limited (GSL) and one by G4S Care and Justice Services UK Limited (G4S). In 2008, G4S acquired GSL, and so took over the two STCs previously run by GSL. The contract costs were fixed to the number of available places, but with a financial penalty if performance was not satisfactory. Government withdrew from its contract with G4S in Medway and brought the STC under the management of Her Majesty's Prison & Probation Service (HMPPS) in 2016. Rainsbrook STC was run by G4S until 2016, when MTC Novo (later MTC) took over the contract following a competitive procurement. For Rainsbrook STC, HMPPS paid annual operating costs of £13.6 million in 2020-21 (the last full year of operation), equating to a cost per place of £156,298. It considers that management of STCs failed to meet good standards after 2017, irrespective of whether they were managed through a private sector company or HMPPS (paragraphs 2.1 to 2.21, Figures 6 to 12).

11 Inspectors have persistently raised concerns over the welfare, safety and outcomes for children in STCs. In every year since 2017, the Office for Standards in Education, Children's Services and Skills (Ofsted), the Care Quality Commission and Her Majesty's Inspectorate of Prisons have rated all three STCs as 'requiring improvement to be good' or 'inadequate'. Inspectors highlighted significant failures in management and reported concerns for children's safety and welfare. Medway STC closed in March 2020, followed by Rainsbrook STC in December 2021. Oakhill STC remains open, but it too has been issued with an 'urgent notification' following a poor inspection report in October 2021 (paragraphs 2.3 to 2.6, 2.9, 2.11, 2.12, 2.15 and Figure 5).

12 HMPPS and MTC reached mutual agreement to terminate MTC's contract to manage Rainsbrook STC and HMPPS is considering the future of Oakhill STC. HMPPS determined that voluntarily terminating the contract with MTC under a mutually agreed settlement would be the most appropriate course of action. The Rainsbrook STC contract terminated in December 2021. Prior to this, HMPPS had entered into negotiations to pay MTC up to £1.8 million in settlement costs, subject to final reconciliations. It offset this against £244,098 in maintenance costs that MTC would meet. It also paid MTC £5.6 million in monthly payments while it negotiated the terms of the contract termination. This was £1.5 million less than normal monthly payments because some MTC staff were redeployed under a contract between MTC and the Home Office. No children were held at Rainsbrook during those months. A proportion of these costs may be classed as 'fruitless payments' if they did not result in any public benefit. For Oakhill STC, HMPPS has issued four 'rectification notices' because of performance issues. In November 2021, government stated it was considering the use of contractual levers and G4S's role in running the centre. In February 2022, HMPPS produced an internal paper considering the options available to it (paragraphs 2.12 and 2.16).

13 Failing conditions in STCs have meant HMPPS has moved children within the secure custodial estate, including to settings that it previously judged as less suitable. The Ministry and HMPPS acknowledge that STC failures have heightened pressures to place children in YOIs that are less suitable for children with complex needs. HMPPS's data shows that when Medway STC closed, more than one-third of the 35 children were released, around one-third were moved to a YOI, around one-quarter were moved to another STC and a small minority transferred to the adult estate as they were already – or approaching – 18 years of age. When Rainsbrook STC closed, around one-third of the 33 children were transferred to a YOI and a very small minority were transferred to equivalent provision at a secure children's home (SCH) or Oakhill STC. This was despite escalating concerns about Oakhill STC (paragraphs 2.9, 2.13 and 2.17).

Plans for youth custody and progress with establishing secure schools

14 The Ministry and HMPPS recognise that significant work is required to improve the secure custodial estate to reflect expected increased demand for places and to meet children's needs. HMPPS currently has considerable capacity to meet increased demand, with a 60% occupancy rate in its secure custodial estate. But the Ministry and HMPPS acknowledge that many establishments are outdated, too large, far away from children's families and poorly linked to community services. As at January 2022, the Ministry had developed draft proposals to improve provision and meet the expected increase in demand for custody places by 2024. The proposals centre on three activities – opening two secure schools (including piloting and evaluating the first one and securing funding for the second); improving existing provision at YOIs and STCs; and possibly re-opening Rainsbrook STC (paragraphs 1.11 and 3.5).

15 The Ministry and HMPPS have only progressed one of the two secure schools that the Ministry committed to establishing in 2016. The Ministry and HMPPS define secure schools as "schools with security" rather than "prisons with education". HMPPS has funding and initial approval to open the first school at the former Medway STC site following its refurbishment. It is seeking final approval for its full business case. It does not yet have the budget to progress the second secure school (paragraphs 3.4, 3.6 and 3.9).

16 HMPPS appointed Oasis Charitable Trust (Oasis) to establish a Secure Academy Trust to run the first secure school, before securing legislation to enable a charity to run it. HMPPS believes registering the secure school as a secure 16–19 academy and approving it as a SCH would embed an educational focus. To procure a provider, HMPPS followed an application process adopted by the Department for Education (DfE) for academies (free schools), rather than using the 2015 Public Contract Regulations that govern public procurements. This was because it considered the DfE process the best way of attracting the right provider. It opened the application process in October 2018 and appointed Oasis in July 2019. Oasis runs 52 academies in England and also works with homeless or vulnerably-housed young adults. The Ministry included clauses in the PCSC Bill to enable a secure school to be registered as a charity and thereby allow a charitable trust to run it. HMPPS told us that it expects the Bill to receive Royal Assent in the coming months (paragraphs 3.7 to 3.12 and 3.15).

17 The cost estimate for converting the Medway STC site to a secure school rose from £4.9 million to £36.5 million, due mainly to significant design revisions after due diligence. The Medway site was the Ministry's preferred option for the first secure school because it had lower upfront capital costs than the other options and was well-located geographically. The Ministry originally estimated in 2018, before it had carried out due diligence, that refurbishing the Medway site would cost £4.9 million compared with £40 million to build at a new site. HMPPS now estimates that it needs £36.5 million to repurpose the Medway site, compared with £59 million for a new build. It attributes the increase in estimated cost mainly to overhauling its designs to meet Ofsted's advice on the pre-existing standards for SCH registration and to project delays. It has spent £679,000 in capital costs between 2018-19 and 2020-21. The final full estimated costs will not be known until the advanced site designs are complete (paragraphs 3.17 and 3.18 and Figure 16).

18 Originally due to open in autumn 2020, the secure school is now expected to open in November 2023. HMPPS partly attributes the delay to the assumptions made about the timescale at the start of the project. It also pointed to changes it needed to make to its building and design work for refurbishment, to ensure it meets Ofsted's certification for an SCH. It also partly attributes the delay to the time it took to develop the basis on which the school could have charitable status, in discussion with the Charity Commission, prior to deciding to amend the PCSC Bill (paragraphs 3.14 to 3.16 and Figure 15).

19 The Ministry and HMPPS expect secure schools to accommodate all children regardless of level of need, but Oasis will ultimately decide which children it accepts. The school is expected to provide 49 places. Because it is created under SCH legislation, managers of the Secure Academy Trust established by Oasis, like SCH managers, would have the right to refuse placements if they believed they would not be able to meet the needs of the child while also meeting the needs of other children. HMPPS is considering the details of its funding agreement with Oasis on accommodating all children who need a place. It has not yet worked out a mechanism to legally enforce this. HMPPS expects the funding agreement to be approved in autumn 2022 (paragraphs 3.8 and 3.13).

20 The Ministry is considering re-opening Rainsbrook STC, potentially under the management of HMPPS. It considers that re-opening Rainsbrook STC by late 2023 could help meet the expected increase in demand for youth custody places. HMPPS's draft proposals include re-opening Rainsbrook as an STC because it believes it could take too long and cost too much to open it as a secure school, as converting a site entails significant capital costs. HMPPS told us it would intend to learn from the challenges it encountered in bringing Medway STC directly under its management (paragraph 3.19).