

Bringing service to life

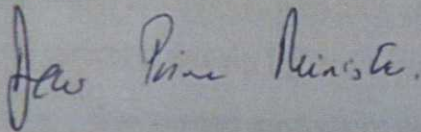
Rupert Soames OBE – Group Chief Executive

Our Ref: RCS/cem

The Rt Hon David Cameron MP
Prime Minister
10 Downing Street
London
SW1A 2AA

Serco Group plc
Serco House
16 Bartley Wood Business Park,
Bartley Way, Hook,
Hampshire RG27 9UY,
United Kingdom

T +44 (0)7831 487487
F +44 (0)1256 744112
E Rupert.soames@serco.com
www.serco.com

8th February 2016

Thank you for a very useful meeting last week. There were two points I thought I might follow up on.

The first, is how to mobilise corporates to look carefully at the risks Brexit represents. I am working with Peter Chadlington and Stuart Rose with a view to contacting FTSE 500 companies who have Annual Reports due for publication before June and persuading them that they should include Brexit in the list of their Key Risks. All public companies are required to set out in their Annual Report an analysis of Key Risks, and during the Scottish Referendum campaign we managed to garner a lot of publicity as a series of companies formally stated in their Annual Reports that Independence for Scotland was a major risk.

Secondly, and following your speech on justice policy, everyone I speak to who works in this area is enthused by the approach of you and Michael Gove. There is a belief that your Government could be one of the great reforming administrations of modern times, and there is real momentum behind reform.

Lord, how we need it. Nearly every metric related to the treatment of, and outcomes for, people in the criminal justice system, has deteriorated in recent years.

We discussed the oddity that persists in the supply of prison places. This is a market in which there are 4 suppliers, but one, the State, has 85% of the market, and the other 3 share 15%. This is a wasted opportunity; private providers have proved that they can deliver excellent results, bring new ideas, act as a spur to the public sector, and save money for the taxpayer. The deal – if that is what it was – with the PoA, that prisons would be kept in the public sector if the PoA would match the costs of the private sector, has resulted in a marked deterioration in the treatment of prisoners as one of the last un-reformed unions fights to keep its arcane work practices and pay scales. Finally, the model of allowing Governors more freedom is well-established in the private sector, and the results – in terms of well-invested and high-performing education facilities – is there to see.

In the words of Mandy Rice-Davis: 'he would say that, wouldn't he'.

Perhaps. But I passionately believe in public service reform; prisons are an area where the private provision of public services sector has worked well, bringing competition, lower costs and better performance. As you said when I congratulated you on 5% unemployment and 0% inflation: 'what's not to like about that?'

Yours sincerely,

