



JTU 27-18

Rt Hon David Gauke MP
Lord Chancellor & Secretary of State for Justice
Ministry of Justice
102 Petty France
London
SW1H 9AJ

12 December 2018

Dear David

We write regarding the current financial position of Interserve Justice and that of their parent company. Last weekend Interserve announced its second rescue deal of the year with its lenders (following a similar deal in March). Its share prices reportedly fell by 80 per cent giving it a market capitalisation of just £35M.

This situation is of considerable concern to our members who work for the five Interserve Justice Community Rehabilitation Companies, who fear for the future of their jobs as Interserve teeters on the edge of collapse. The ongoing financial crisis of the parent company has already resulted in a number of 'organisational change' programmes within their CRC's which have involved job cuts - and it is rumoured there are more to come. A third of jobs have been cut since Transforming Rehabilitation was implemented in 2015, and this where two of the Interserve CRCs, West Yorkshire and Merseyside have subsequently received 'requires improvement' ratings in recent HMIP reports. The financial crisis of the parent company impacts all aspects of the day-to-day operation of the Interserve CRCs and in such circumstances our members are concerned that they are not able to deliver the quality of service they are trained to provide to clients.

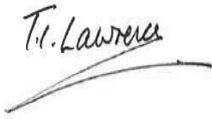
As the MoJ has contractual oversight and responsibility for the CRC contracts we write to ask that you give urgent priority to arranging a meeting with us to discuss the following:

- What protections are in place to ring fence and protect the MoJ finance already invested in the CRCs, if Interserve goes into administration?
- If Interserve default on their bank loan and go into administration the unions assume that the company's CRCs would be brought back into public ownership, as was the case between 1 June 2014 and 1 February 2015.
- What reassurances can you provide our CRC members that in the longer term their jobs will be safe, should Interserve go bust?

- Has the MoJ given Interserve permission to undertake staffing changes, given that these clearly change the business model on which the current contracts were predicated?
- What contingency plans are you putting in place for Authority 'Step In' in a possible emergency over the Interserve financial crisis, as provided for in the 'Amended and Restated Services Agreement'?

We look forward to your reply.

Yours sincerely,



Ian Lawrence
General Secretary
Napo



Ben Priestley
National Officer
UNISON



George Georgiou
National Officer
GMB/SCOOP

CC Sarah Friday, Napo National Official
Dave Bryant, UNISON, Assistant National Officer