Inquiry into Public-Private Partnerships

Submission by GSL to the

Finance Committee

of the

National Assembly for Wales

November 29 2007

Introduction

GSL is an international leader in the market for provision of critical services for public authorities and blue chip companies. We employ nearly ten thousand people in the UK, Australia and South Africa (see www.gslglobal.com)

We help to create exceptional results for our customers by managing people, services, facilities, information, logistics and standards on their behalf. Companies, governments, public sector agencies and local authorities on three continents entrust GSL to perform at consistently high standards around the clock every day of the year.

We design as well as deliver innovative and reliable solutions that reduce costs as well as improve public sector performance for end users. GSL has a strong public service ethos and we employ people with caring attitudes who reinforce this approach at every opportunity.

GSL is at the forefront of Private Finance Initiatives (PFIs) which offer a cost effective means of delivering major new public service investment projects and the company now provides essential services in a number of flagship government buildings. We work alongside private finance and other specialist service providers in partnership with the public sector to deliver improved results.

Similarly we are a pioneer of Public Private Partnerships (PPPs) that enable governments to share investment, risk and responsibility amongst their partners. The underlying logic is that the public and private sectors have unique as well as complementary skills. When these skills are combined in contracts awarded to GSL through PFI or PPP schemes we are able to deliver significant service quality advantages and cost savings for our customers.

In this document we describe some of the benefits of outsourcing public sector services and have drawn on our extensive experience to provide advice about how public bodies can optimise outcomes for end users. In addition we give a few real life examples of how successful PFI contracts managed by GSL are helping to improve service quality and reduce costs in various parts of the public sector.

Benefits of outsourcing

The benefits of drawing on private finance for a public sector project include:

- i. immediate step change to an optimised solution
- ii. genuine cost reductions arising from innovation

- iii. improved levels of service and visibility of performance
- iv. removal of the need to directly manage peripheral activities
- v. release of valuable public sector management time to enable more focus on improving core business
- vi. better staff motivation and empowerment together with improved opportunities for all members of the current in-house workforce to progress on merit
- vii. provision of appropriate and meaningful management information which is frequently not available in the public sector
- viii. reduction in the risk of stoppages of work through industrial disputes
- ix. increased efficiency and productivity
- x. capture of best practice approaches and modern technology
- xi. acquisition of a reliable partner committed to continuous improvement and business excellence
- xii. more flexibility and greater likelihood of achieving desired outcomes

The most successful contracts are those where a contractor plays to its strengths and high service levels are provided for enlightened public sector customers.

Optimising outcomes for the public sector

Optimised outcomes can be achieved by drafting contracts that are fair to both sides and enable the providers of outsourced services to excel. Contracts that include one sided payment mechanisms and onerous penalty regimes are unlikely to optimise results for the public sector.

The most advantageous arrangements are those which recognise that world class service providers are unlikely to bid for unprofitable contracts that include disproportionate penalty regimes and in this connection the public sector should not expect a contractor to take on risks that it cannot control or price.

For example some public sector bodies insist upon transferring volume risks to contractors and this is not a sensible approach when the risk cannot be controlled by the contractor.

In addition we see many instances of public sector organisations not providing accurate details of volumes and other essential information needed by contractors to submit competitive bids. Provision of accurate basic information by public sector bodies seeking to outsource services should be a priority and this is the first step towards achieving a successful outcome for all parties.

Peaks in volume that are not notified by the public sector to contractors at the outset can be just as dangerous as troughs and this is because specialist resources put in place in all good faith by the contractor to service the customer may not be sufficient to cover unforeseen volumes at the high points. The consequences of public sector organisations not being clear about the profile of volumes to be handled by a contractor can include loss of service and related end user dissatisfaction.

Practical guidance to enable the public sector strike the most advantageous arrangements

Public sector agencies use standard employer pension contribution rates that are expressed as a percentage of basic pay and these rates are in many cases insufficient to fund the defined benefit liabilities contained in government backed schemes. As an example the NHS commonly uses an employer contribution rate of 14% and yet the true cost of providing the relevant pension benefits for employees is generally thought to be as much as 30% of basic pay.

Examples of costs that may be incurred by a contractor but which typically do not get taken into account by a public sector body when comparing proposals received from contractors with the equivalent cost of an in house solution are:

- i. liabilities for past service pension benefits
- ii. full cost of pension liabilities for future service
- iii. penalty payments charged to the contractor by the public sector
- iv. cost of inferior service provided by an in house solution
- v. indirect costs associated with the employment of people that include expenditure incurred by central HR, payroll or health and safety departments etcetera
- vi. interest on working capital
- vii. cost of dilapidations and restoring property to an agreed handback condition at the end of a contract period
- viii. redundancy payments at the end of a contract
- ix. risk of future excessive cost inflation relating to expenditure incurred on wages and utilities or as a result of potential regulatory changes
- x. risks needed to be covered by insurance premiums including those relating to protection of buildings that may be self insured by the public sector

All public sector in-house solution costs should be included when making cost comparisons with private sector bids and this approach will help the Welsh Assembly to obtain best value for money.

Secure Training Centres

Rebound ECD (Education, Care and Development), a wholly owned subsidiary of GSL runs secure training centres at Medway in Kent and Rainsbrook on the Northamptonshire border with Warwickshire.

The secure training centres (STCs) look after male and female trainees aged 12-17 years who have been sentenced to a period of detention. The centres accommodate young people remanded with secure classifications to the care of local authorities and provide places for a limited number of young people who have been sentenced at Crown Courts for more serious offences.

Rebound ECD ensures that its approach to looking after trainees reflects contemporary best practice and aims to create a living environment conducive to the main task of addressing the cycle of offending behaviour as well as one that is consistent with the needs of developing adolescents.

Medway STC and Rainsbrook STC currently hold excellent ratings from OFSTED as well as a Sword of Honour awarded to Rebound ECD in 2007 by the British Safety Council.

CASE STUDY: Medway STC

Medway STC was the first of the two purpose-built secure training establishments run by Rebound ECD and it opened in April 1998. The centre was originally designed to accommodate forty boys but expanded in 2002 to accommodate a total of 76 young people who are both males and females.

The Commission for Social Care Inspection (CSCI) said "we found a calm and positive attitude to the care and education of trainees at the centre."

CASE STUDY: Rainsbrook STC

Rainsbrook STC is the second of the two purpose-built secure training establishments managed by Rebound ECD and opened in July 1999. The centre was also originally designed to accommodate forty boys and it expanded in 2002 to accommodate a total of 76 young people of both sexes.

The Social Services Inspectorate (SSI) has declared that "Rainsbrook STC is one of the best establishments in the whole of the English and Welsh juvenile secure estates."

In July 2006 Rainsbrook STC was further expanded to accommodate 87 young people through the addition of a three-bed mother and baby unit as well as an eight-bed enhanced facility for young women.

Police support services

Police authorities and chief constables are seeking new ways to deploy and optimise efficiency through best practice deployment of resources.

GSL offers a range of critical services to support front line policing and so release officers to focus on their core duties. We offer tailormade solutions that provide best value and excellent performance.

We have unrivalled experience of providing custodial services and are the partner of choice with several police forces to provide civilian support staff together with services that do not require the specialist skills of a police officer. The services provided by GSL include building and operating police custody suites.

We currently manage police custody suites for a number of Police Authorities that include Lancashire, Staffordshire, Gloucestershire, Norfolk and Cheshire.

Our range of services to support front line policing includes:

- transport of detained people from point of arrest to designated custody facilities
- operation and maintenance of custody suites
- searching, fingerprinting and photographing detained people
- taking samples for drug and DNA tests
- management of procedures for delivering visual identification
- administrative tasks associated with custody and the criminal justice process
- statement taking
- supporting the management of bail returnees
- provision of staff trained in operating phase 2 Livescan fingerprinting procedures
- other tasks that do not require a police officer.

CASE STUDY: Cheshire Police

GSL was selected to design, build, finance and operate three custody suites under a PFI contract for Cheshire Police Authority in 2004. We operate as well as maintain the facilities and provide a complete

range of support services. GSL also carries detainees to and from the facilities. In addition we carry detainees between police forces and this is the first service of its type anywhere in the United Kingdom.

A Cheshire police spokesman has said "this is an exciting step for operational policing in Cheshire bringing state of the art facilities and an excellent partner in GSL. We believe this project will significantly improve the prevention and detection of crime by releasing officers to front line duties."

Offender management

GSL designs, builds, manages and finances prisons on behalf of governments in the United Kingdom, South Africa and Australia. The company pioneered the concept of contracting out the management of prisons to the private sector in order to bring additional value, expertise and ideas to HM Prison Service in the United Kingdom.

GSL manages three prisons in the United Kingdom which are HMP Wolds (the first privately-managed prison in Europe), HMP Altcourse (the first PFI prison) and HMP Rye Hill.

The philosophy of our prisons is to rehabilitate offenders and equip them to re-integrate into mainstream society on release. We seek to normalise prison conditions as far as possible and reflect life in the outside community. Our aim is to create an environment in which prison staff as well as prisoners feel safe and causes of stress are minimised.

CASE STUDY: HMP Altcourse

HM Prison Altcourse is a successful PFI project and was delivered ahead of schedule within budget. It is a secure local prison and accommodates up to 1,288 prisoners many of whom come from North Wales. The prison is a beacon of excellence and the local GSL management team has instilled a real sense of purpose throughout the facility.

In 2004 the prison won the coveted Business Excellence Award for North West England and HM Prison Altcourse has been described by Sir David Ramsbotham formerly Her Majesty's Chief Inspector of Prisons as "the jewel in the crown of the Prison Service in England and Wales."

A report following an unannounced inspection of HMP Altcourse by HMCIP says "over 80% of prisoners were unlocked and occupied in structured activity during the day. The management and implementation of public protection measures was a model of good practice."

CASE STUDY: Mangaung Correctional Centre

Mangaung Correctional Centre (MCC) is an exemplar high security prison managed at Bloemfontein in South Africa by GSL within a twenty five year PFI contract and accommodates nearly three thousand inmates. The prison was opened in 2001 and is well known for delivering world class performance.

During 2004 a literary survey at MCC indicated that only 46% of the inmates could read or write and a follow-up assessment carried out in 2007 shows that more than 88% are now literate!

An authoritative study conducted by Professor Tapscott at the Western Cape University has identified that all 114 of the best practice approaches in prison management found in the South African corrections system are present at MCC and 87 of these are unique to our well-managed facility.

The Premier of the Free State Province in South Africa Ms. Beatrice Marshoff attends a gala event each year to recognise those organisations that strive to build and develop the Free State Province. The 2007 event was hosted by The Premier on June 22 in the City Hall of Bloemfontein and MCC won the gold award in the category for private companies, state agencies and parastatels. The award was given to the prison for its remarkable investment in growth and development as well as the efforts that are made by the MCC team to help disadvantaged people in the Free State Province.

The South African Minister of Correction The Honourable Ngconde Balfour MP during a certification ceremony for inmates at the facility said "....you have proven that rehabilitation of offenders is not a dream and if done consistently with clear outcomes it can be achieved. In this regard I want to acknowledge the work done by the management and personnel of Mangaung. They are going well beyond expectations and the inmates are the main beneficiaries of this approach."

PFI hospitals

GSL has extensive experience of managing people, premises, equipment and logistics to support medical staff in hospitals and health centres.

Our expertise equips GSL to deliver critical support services that produce excellent value for hospitals and healthcare providers. We are therefore responding to government initiatives that extend private sector partnerships with the public sector and provide services to support front-line medical staff.

CASE STUDY: Nuffield Orthopaedic Centre

The Nuffield Orthopaedic Centre (NOC) is a specialist teaching hospital with an international reputation for the quality of its clinical research. Clinical services include teaching and comprehensive elective orthopaedic services, rheumatology and a range of services for people with disabilities. The site provides the base for the Nuffield Department of Orthopaedic Surgery and this is part of the University of Oxford. The hospital provides secondary elective orthopaedic services to over 600,000 people in Oxfordshire, Berkshire, Buckinghamshire Northamptonshire. and Specialist tertiary services are provided for a much wider population and referrals for some services come from all over England and Wales.

The GSL contract is to redevelop the orthopaedic and medicinal facilities on the Nuffield Orthopaedic Centre site at Headington in Oxford through a successful PFI arrangement for the provision of serviced accommodation. The award winning design of the hospital provides completely new facilities and incorporates flexible approaches to accommodate future healthcare needs whilst satisfying all existing statutory requirements.

The hospital was awarded three stars in the most recent Healthcare Commission assessments of NHS Trusts having successfully met all the national key targets including those for speed of access to care for all patients, offering a choice of appointment times, good hospital cleanliness, sound financial management and financial balance. In addition NOC achieved the top band of performance for its clinical focus and the high standard of cleaning services provided by GSL has helped the hospital achieve the second lowest MRSA infection rate in England.

The chief executive of NOC on the achievement of a three star rating for the hospital in 2005 said "the GSL team deserve special praise"

Bob Taylor director of GSL Healthcare Services says "we are all extremely proud of the three star rating and GSL will continue to provide an excellent service for patients."

NHS LIFT Services

The involvement of GSL in pioneering LIFT (Local Improvement Finance Trust) schemes with the Department of Health has put the company at the forefront of innovative partnering relationships that provide much needed investment in new NHS facilities and services.

LIFT schemes use private finance and services from well-regarded providers such as GSL in partnership with local primary care hospital trusts to share investment and risk.

LIFT is a major initiative from the Department of Health to invest in and modernise primary care accommodation. The initiative aims to radically improve health and social care in local communities. Investments in modern integrated primary care and other community based services in conjunction with social services and the voluntary sector are made through the LIFT partnerships.

CASE STUDY: East London and The City LIFT

GSL signed the very first joint venture agreement in the country with Newham, Hackney and The City and Tower Hamlets Primary Care Trusts in May 2003. There are now a number of LIFT facilities open to patients and others under construction across East London. The facilities were developed using a service planning model whereby the health and social needs of the area determined the design of the buildings as well as the service configuration. The resulting buildings are multi-functional and flexible with primary and often some secondary care facilities as well as the potential for social enterprise group space. Our buildings act as community hubs for health and well-being to provide a focus for local pride and regeneration.

A LIFT GP tenant in East London says "it's a totally different way of practising medicine and a much better method of providing services to patients that opens up a whole variety of opportunities for developing primary care."

Since winning the East London LIFT contract, GSL and our partner Babcock & Brown have signed three further LIFT concessions with Wolverhampton & Walsall, Brent, Harrow & Hillingdon and Bexley, Bromley & Greenwich PCTs.

Across the above mentioned projects there are now ten operational buildings managed by GSL which range from integrated primary care centres to specialist children's resource centres and many more are under construction.

Schools

GSL is committed to the Building Schools for the Future (BSF) programme and this aims to rebuild or renew all the 3,500 state secondary schools in England.

Under the BSF programme GSL is partnering education authorities to deliver new and refurbished schools. The partnerships also require the company to provide innovative and reliable integrated facilities management solutions.

CASE STUDY: North Wiltshire Schools

GSL in its role as part of the White Horse Education Partnership has a thirty-year contract with Wiltshire County Council to provide and run three school buildings at Chippenham, Wootton Bassett and Malmesbury under a Private Finance Initiative (PFI).

The buildings represent an achievement in efficient school design resulting from close consultation with the local education authority, head teachers and governors.

A dedicated GSL on-site facilities management team works in North Wiltshire to provide friendly, flexible and responsive support services at the three secondary schools.

Our catering service benefits from the latest developments in food preparation and presentation. Pupils, staff and visitors enjoy a friendly, high-quality service.

Malcolm Trobe head teacher at Malmesbury School said during the official opening of the school in September 2001 "it would have been a 13 to 15 year wait to have improved our provision had we not been involved in this PFI project. When you compare our facilities now and the support we get in terms of our facilities management compared to what we had before we made the move, the school is a significantly better place to be in, to work in and for the youngsters to be educated in. I think we came out with overall what is a very good deal."

CASE STUDY: Tower Hamlets Schools

GSL has a twenty-two year contract with the Tower Hamlets Schools Limited PFI Consortia appointed by Tower Hamlets Council. The role of GSL is to provide a comprehensive integrated facilities management solution for 25 schools. Across the 25 schools there are around 10,650 pupils who span the nursery to senior school age range and include special needs children.

GSL provides a helpdesk which serves as a one stop shop for handling customer contacts that include service requests, queries and complaints. We provide a cost effective cleaning service that creates clean and hygienic working environments in the schools. Our work includes the management of contracted site security, grounds maintenance, pest control and hygiene services. GSL also carries out reactive and preventative maintenance services for the buildings and equipment at the schools in Tower Hamlets.

Government Communications Head Quarters

The £400m project to construct and service the new UK Government Communications Headquarters (GCHQ) was completed on time within

budget. Our skills came together in the award-winning contract to design, build and service the new GCHQ building in Cheltenham. GCHQ is one of the largest buildings developed under a PFI arrangement to date and is an impressive flagship project that has delivered enormous benefits for users of the new premises. The project has been undertaken by the IAS consortium which comprises GSL in partnership with Carillion and BT.

In 2002 the GCHQ new accommodation project won the Project of the Year Award and the Best Design Project Award in the annual Public Private Finance Awards competition. The award scheme aims to promote best practice and recognise innovation as well as excellence within the PPP/PFI sector. The awards are established as the most prestigious honours in the industry and the GCHQ building is an exemplar facility.

GCHQ has one of the largest and most sophisticated computer systems in the world supporting the vital contribution the organisation makes to national security.

The new building is designed to the most modern standards and GSL provides all management of the non-core support services under a thirty year PFI contract.

Spotlight on Excellence magazine April 2006 says "GSL has consistently performed at levels that are between 98% and 100% of the required standards which include numerous service level agreements and availability tests."

Manchester Magistrates' Court

GSL has undertaken a project to design, build, finance and operate the new Magistrates Court complex for the City of Manchester under a twenty-five year PFI scheme.

The new complex houses eighteen courtrooms, a coroner's court, a secure custodial suite with 48 cells, two restaurants, a public café, training rooms, access areas and office space for 200 support staff. The building covers a total of 150,000 sq ft and also has 1,915 sq ft of retail space'

GSL provides a total facilities management package that includes security, helpdesk, archiving, cleaning, catering, building maintenance and stationary ordering services delivered by a team of enthusiastic multi-skilled GSL Integrated Facilities Management Services (IFMS) staff.

In opening the courts Lord Woolf The Lord Chief Justice said it is "probably the finest magistrates court building in the country."

Chris Large area estates manager Greater Manchester Estates Management Team said "on behalf of the Estates Team I would like to thank you for the excellent service that GSL has provided in the current year."

Alan Jones Chief Executive GSL





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Caring people with passion for service

Chief executive's overview

The vision of GSL is to be a growing and caring organisation that achieves the finest results. **The mission** of the company is to be the most reliable and innovative provider of critical services.

The character and ethos of an organisation is not only depicted by the results it obtains but also through the ways in which its people carry out their day-to-day work. So from among our many achievements during 2006 I have chosen to highlight in this report a selection of stories about some of the inspirational pieces of work carried out by GSL people that we believe are typical of the caring approaches and passion for service displayed by employees everywhere in the company.

The enthusiastic GSL team at the Met Office reached the British Safety Council Five Star standard at the first attempt in July and indeed our people working in Exeter are the first group within GSL to achieve this accolade. It is unusual for any organisation to reach the British Safety Council Five Star standard at the first attempt and the achievement of the GSL Met Office team exemplifies the commitment to high standards of performance that I see exhibited by people everywhere in our exceptional company.

Rebound won a sword of Honour in December that was presented by the British Safety Council in recognition of the high standards of health & safety achieved by the company at Medway and Rainsbrook Secure Training Centres. Rebound is one of only forty top performing companies in the world that obtained a Sword of Honour in 2006 and this outstanding success builds on the achievement of the business unit in also passing at the first attempt the rigorous British Safety Council Five Star audit in August.

The Nuffield Orthopaedic Centre (NOC) in Oxford is second in the national league table of more than six hundred hospitals in the United Kingdom for the incidence of MRSA infection rates and this is an exceptional achievement that brings great credit to the hard working GSL staff who work at the site. The systematic processes followed by our enthusiastic people who work at NOC are a major factor in helping to produce the highest standards of infection control and cleanliness for patients at the hospital.

AccuRead is the leading independent energy data collection and processing service provider in Great Britain. We employ more than two thousand committed people who visit millions of industrial, commercial and domestic premises every month to read meters in all weathers. Inevitably our meter readers who work alone face health and safety issues that are more difficult to foresee and manage than in conventional workplaces. Minimising the risks associated with health and safety is a priority and our innovative managers within AccuRead have developed an informative training DVD for use by everyone in the organisation to help us reduce accidents. The concept is simple and the DVD uses a cartoon character (Red the Meter) to tell the all-important safety story in an interesting way.

When prisoners are taken from court to serve a period of remand or a prison sentence for the first time it can be a time of great anguish and stress. One of our prisoner custody officers Nicola Goulbourne has taken the initiative to help minimise the uncertainty by producing an A4 leaflet entitled **What happens** next? and this publication provides useful information for newly sentenced prisoners to guide them through what is for most offenders a traumatic time. Nicola is a caring person and her leaflet helps to create a calm environment for everyone involved in the transport of prisoners from courts to prisons.

In South Africa Manie Englebrecht a GSL psychologist at Mangaung Correctional Centre and Lee-Ann Uys one of our social workers have been commended for their creativity in developing an innovative programme for difficult prisoners at the prison who display poor behaviour. The programme follows a non-confrontational approach through biblio-therapy and it has helped to decrease the number of transgressions in the prison. Indeed the results of the new programme are phenomenal and there have not been further behavioural problems shown by the prisoners participating in the programme since their attendance on the course.

GSL Australia operations coordinator Jackie Teh and detention services officer Roger DeCruz who are both assigned to the Christmas Island Immigration Detention Facility in the Indian Ocean were the escorts when an Indonesian detainee was removed from Australia. Although the GSL escorting service strictly ended when the detainee passed through Indonesian passport control in Jakarta Jackie and Roger were concerned that the always friendly and polite but completely unworldly eighteen year old fisherman might be worried if he was left on his own before catching a connecting flight the next day back to his village. So they took the young man sight-seeing in Jakarta and to dinner then accompanied him back to the airport the next day. They helped him to purchase his ticket, sorted out a problem when he was refused a boarding pass because he had no Indonesian identification papers and then telephoned him later to make sure that he had arrived safely to be reunited with his mother and father. The parents were touchingly grateful for the care that Jackie and Roger had shown throughout the journey. The Department of Immigration and Citizenship was also quick to express the appreciation of the Australian government for the caring approaches shown by Jackie and Roger.

The stories shown above provide everyday examples of how the ingenuity and make it happen attitudes of GSL people around the world are having positive impacts in our society.

Chief executive's overview

At the beginning of 2006 a divisional organisational structure was introduced and the company now has three customer facing divisions together with twelve specialist business units. The divisions and business units are fully accountable for all aspects of performance. The new arrangements have proved to be a great success and the re-organisation has created a set of sound platforms from which to grow the company.

The three divisions are led by group managing directors and each division has a number of business units that are controlled by managing directors all of whom focus on delighting their customers with perfect service. Each business unit managing director is responsible for developing a specific chosen market or markets and the three divisions are:

- GSL Care and Justice Services
- GSL Integrated Services
- GSL Data and Managed Services

Considerable efforts were made in the first four months of 2006 by the newly formed divisions and business units to create strategies for growing the business. Part of the strategy review process involved each business unit in identifying and clearly defining its markets. The chosen markets, business development resources and approaches needed to achieve the growth targets we have set for the company were agreed by the board in June.

The new divisional structure has created accountability at all levels of the organisation and is enabling the company to achieve its vision and mission.

In March the GSL company plan was discussed and agreed at a conference attended by nearly two hundred executives. The plan was then distributed and explained to every employee in the organisation at meetings held throughout the company in the following months. The company plan contains the vision, mission, strategy, values, stakeholders, guiding principles, markets, eight right time processes, process owners, key performance indicators, code of ethics and core competencies of the organisation.

An independent survey of all employees conducted in May revealed that more than eighty three percent of GSL staff feel the company plan is a major strength of the organisation and it is pleasing to see the approaches contained in the plan have helped the business to achieve success in 2006.

The framework of the eight processes enables GSL people everywhere to achieve success and all parts of the organisation are involved in improving the quality of services provided for customers through the use of this approach which we believe is unique to our organisation.

A number of highly qualified entrepreneurial senior executives with specialist experience of delivering medical, soft and hard facilities management services were recruited during the year. Recruitment of these executives has given the company an ability to self-deliver a wider range of services and in some cases sub-contractors have been displaced by GSL in-house provision of the relevant service with positive results for all stakeholders.

The first annual GSL Awards for Excellence competition was launched at the management conference in March and attracted a large number of impressive entries. The idea of the competition is to engage GSL teams everywhere in improvement activities and the entries provide the company with an opportunity to not only identify best practice but also recognise excellent performance. The winners, runners up and highly commended teams were announced early in 2007.

Throughout the year we conducted a series of structured customer interviews using questionnaires developed by a group of senior GSL managers and this valuable work that is now an ongoing feature of the business is helping the company to produce continuously improving performances for our customers.

A decision was taken towards the end of 2006 to place the GSL logo on all vehicles operated by the company and this work will be completed in 2007. GSL operates approximately three thousand vehicles and the vehicle logos will improve brand awareness of the company.

The GSL strapline "caring people with passion for service" was launched in August and describes the very positive attitudes which I see in our employees around the world. The strapline now appears on all promotional materials, business cards and other literature published by the company.

At the beginning of the year we started working for Cheshire Constabulary under the terms of a particularly demanding PFI contract to provide custody services at Middlewich, Chester and Runcorn. Some of our staff now working in the Cheshire Constabulary custody suites transferred to us from the customer and others were brand new recruits. The terms of the contract which was signed in 2004 are onerous and yet tremendous efforts have been made by everyone involved to honour our commitments by providing excellent service for the customer.

Considerable efforts were made at the beginning of the year to create and agree a sound commercial policy to govern the ways in which bids for new business are prepared for customers. The commercial policy was approved in March and it has created a sensible framework to help our enthusiastic bidding teams win profitable new contracts.

The code of ethics contained in the company plan was also developed at the beginning of the year and defines the behaviours expected from everyone in the organisation. GSL provides services that are critical to the operations of our customers and our code of ethics provides assurance for all stakeholders that we are a well managed organisation with an ethos of excellence.

Chief executive's overview

The values of GSL were carefully considered and discussed by the board at the beginning of 2006. The values reflect the ways in which our company conducts its business and are:

- excellent service
- exemplary teamwork
- accountability
- honesty
- integrity
- make it happen attitudes

Much effort was expended towards the end of 2005 and in the early part of 2006 to decide upon a common set of relevant key performance indicators to be used throughout the business. Agreement was reached with the help of our senior management team in January and the chosen key performance indicators are detailed in the company plan. Our agreed set of simple key performance indicators is now used everywhere in the organisation within a robust reporting system and this approach not only makes the board aware every month of progress but also helps to create a disciplined framework for continuous improvement of all the things that matter within the business.

Our core process for **keeping promises and delighting customers with perfect service** helped the company produce better results for all customers in 2006. Service quality is continuously reviewed by local GSL managers in the field and as a result the performances we provided for most customers was at an all-time high level at the end of the year.

Our contract to open a mother and baby unit at Rainsbrook STC was signed in January and the impressive new building that also includes an enhanced unit for well behaved teenage girls detained at the facility was opened in August by Baroness Scotland QC Minister of State for the Criminal Justice System and Offender Management.

Another contract to erect an additional houseblock at award winning HM Prison Altcourse which is the only beacon prison in the United Kingdom managed by a private sector contractor was signed by GSL in May and the new facilities are expected to be operational in the autumn of 2007.

The agreement with East Elmbridge and Mid Surrey PCT contract for provision by GSL of catering, cleaning, housekeeping, portering, laundry and linen services at nineteen sites commenced operations in April.

A new contract with a group of Primary Care Trusts in Surrey for provision by GSL of ambulance services also started in April. Following some initial operational difficulties the issues were quickly addressed by our dedicated staff who worked long hours to overcome the problems and the very good results of the regular patient surveys conducted by the company are evidence of the rapid improvements secured by the GSL team.

A contract was signed in February to provide ambulance services to St George's Hospital Trust in Croydon and the contract was able to start a few weeks later after a very short mobilisation period as a result of enormous efforts made by the experienced GSL Integrated Services Patient Transport team.

GSL was named preferred bidder in May on a prestigious PFI contract to operate the Dublin Courts building and this is our first step into the Irish facilities management market.

The company also became preferred bidder in September on a contract to provide an integrated facilities management service package for sixteen schools in Leicester and this arrangement is part of the government's Building Schools for the Future programme.

Our turnover of more than £402.4m is up by 6.5% on the revenue of 2005 and this performance represents yet another year of good organic growth. At the end of the year our order book was valued at a record level in excess of £3.2bn and reflects the strength of the organisation.

GSL is at the forefront of Private Finance Initiatives (PFIs) that offer a means of delivering major new public service investment projects and the company provides essential services in a number of flagship government buildings. We work with carefully selected private finance and other specialist service providers in partnership with the public sector to deliver better results within our PFI contracts for the citizens of all those countries in which GSL has an operational presence.

Similarly we are a pioneer of Public Private Partnerships (PPPs) which enable governments to share service delivery and responsibility for provision of services amongst their partners. The underlying logic is that the public and private sectors have unique as well as complementary skills. When public and private sector skills are combined in contracts awarded to GSL through PFI or PPP schemes we are able to deliver significant service quality advantages as well as substantial cost savings.

During the year we worked in partnership with our customers to gain a thorough understanding of their requirements and the associated challenges. I am proud that the knowledge gained helped us design intelligent solutions and deliver reliable services which meet or exceed our agreed contractual performance standards.

I am grateful for the efforts made on our behalf by the suppliers and business partners of GSL. Above all I send my thanks to all the hardworking employees of GSL who have made tremendous efforts in the year to provide excellent service and delight our customers.

Alan Jones OBEChief Executive

Board of executive directors 2006



- 1 Alan Jones OBE GSL chief executive
- **2 David Banks**Group managing director,
 GSL Care and Justice Services
- **3 Chris Elliott**Group managing director,
 GSL Integrated Services
- **4 Paul Lavin**Group managing director,
 GSL Data and Managed Services
- **5 Sandra Major**GSL group legal director and company secretary
- **6 Anders Wallin** GSL group HR director
- 7 Michael Murray GSL group finance director
- 8 Mike Welton Non-executive chairman of the Global Solutions Group of Companies



Comments from the non-executive chairman

I am pleased with the results achieved by GSL in 2006 and considerable progress has been made on many fronts by the company within the last twelve months.

The new divisional organisation introduced at the beginning of the year created more focus on the markets served by the company and this important step forward has been well received by our customers.

Our business development resources were strengthened during the year which in turn created a significant increase in the pipeline of opportunities available to the organisation and an outcome of this approach is that a number of prestigious long term contracts were won by GSL in 2006.

A methodical approach to ascertain customer perceptions about the quality of service provided by GSL was introduced across the whole organisation during the year and regular surveys are now carried out by our senior managers to identify potential improvements.

The surveys include customers and users of the services provided by GSL. Great emphasis is placed on continuously improving the service given by GSL and favourable feedback was received from customers throughout 2006 via the surveys thereby proving the effectiveness of our strategy.

Our people have made tremendous efforts in the year to overcome numerous challenges and it has given me enormous pleasure to see the make it happen attitudes that exist everywhere in the business.

I send my thanks to the hardworking people in GSL who are striving for excellence and am confident we have a winning formula for ongoing success.

Mike Welton

Non-Executive Chairman

Core competencies

Our core competencies which distinguish the company from all other service providers were reviewed in 2006 and include:

- caring for people, property and facilities
- integrating and motivating specialist workforces of people to achieve outstanding results
- creating safe and secure environments
- developing and operating optimised transport solutions
- collecting, processing and managing large volumes of data to create meaningful information
- innovating with technology that improves productivity and efficiency
- designing seamless end-to-end solutions that extract time and costs from business processes
- managing change, complexity and risk
- building and maintaining added-value partnerships that deliver consistent service quality
- using business excellence approaches with well-trained staff to attain high standards of performance
- working with passion and professionalism to achieve success

The core competencies that enable GSL to provide innovative and reliable critical services for its customers are being continuously improved through the tremendous efforts of GSL people everywhere in the company.

The eight right first time processes of GSL provide a focus for company wide success and are:

- keeping promises and delighting customers with perfect service
- winning, keeping and developing profitable customers
- recruiting, equipping, developing and empowering people who care
- maintaining safe and secure friendly to the environment workplaces
- identifying, evaluating and managing risks
- producing timely and meaningful information that strengthens competitive edge
- issuing accurate invoices and getting paid
- making money

Our eight right first time processes are used everywhere in the organisation and enable the company to out perform opposition service providers.

GSL works round the clock every day of the year and we deliver critical services for our customers on three continents. Our annual report this year provides a snapshot at a moment in time of GSL and an impression of our activities around the world with contributions from people employed in the business.

GSL changing people's lives for the better

GSL people make it happen and are committed to go the extra mile whenever necessary to ensure the promises made by the company are delivered in full. GSL people are special not just to us but also to our customers who recognise their commitment and determination to meet demanding standards of performance.

Our core process of **recruiting**, **equipping**, **developing and empowering people who care** is key to the success of the company. We are proud to see our people develop as GSL grows and it is fascinating to observe the positive impact on society of their valuable work.

It is not too much to say that **GSL** is changing people's lives for the better and this report sets out some real examples which show how we make it happen.



GSL Care and Justice Services



GSL changing people's lives for the better

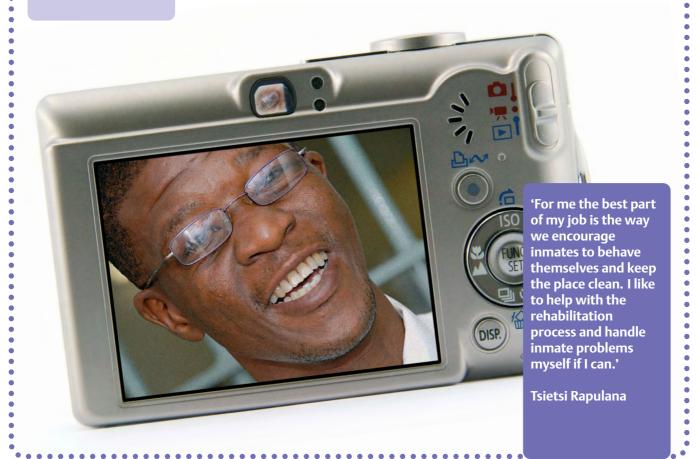


Tsietsi Rapulana direct supervision officer

and acting supervisor
GSL South Africa

Achiever of the month December 2006

GSL has worked within the criminal justice sector in the United Kingdom since 1992 after winning a competition to operate HM Prison Wolds and this was the first such contract awarded to the private sector. Over the years since then GSL has won numerous contracts to manage prisons, immigration centres, secure training centres for young offenders, courts, police custody suites and prisoner transport operations. In addition GSL gained a series of important contracts in South Africa and Australia. The range of skills developed by our people and the experience we have accumulated has placed the company at the very heart of government responses to crime and disorder.







GSL Police Support Services works alongside the police to manage and care for detained persons as police authorities seek new ways to deploy their finite resources.

... service options that help to free up police resources... GSL offers a range of critical services to support front line policing and so releases officers to focus on their core front line duties. We have developed a successful track record over many years by providing the police authorities with reliable custodial services and these include the care of detainees in custody.

GSL offers customised support services to meet the particular needs of individual police authorities and works in partnership with them to design innovative solutions. We deliver non-core services that provide best value and meet or exceed measurable output-based performance standards.

We offer a range of service options that help to free up police resources and time which include:

- transportation of detained people from point of arrest to designated custody facilities in purpose built liveried vehicles
- design, operation and maintenance of custody suites

- provision of civilian custody support staff to assist police custody officers in the safe and secure detention as well as welfare of detained people
- visual identification tasks
- administrative work associated with custody and the criminal justice process
- statement taking
- supporting the management of bail returnees
- assisting with management of speed restriction enforcement cameras
- searching, fingerprinting, photographing and obtaining DNA samples from detainees
- other tasks that do not require the powers of a police officer

GSL custody support staff are trained to comply with the provisions of the Police & Criminal Evidence Act 1984, relevant codes of practice and ACPO guidelines on the safe detention and handling of persons in police custody.

GSL also provides purpose built vehicles to carry detainees in safe and secure conditions.

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Prisoner transportation and court services

... the court escorting service has enabled significant numbers of police and prison officers to focus on their core duties.

GSL has unrivalled experience in escorting prisoners between prisons, courts and police stations in the United Kingdom and Australia.

We employ large numbers of people on court escorting duties and operate the largest purposebuilt cell vehicle fleets in the United Kingdom and Australia. All our operational employees are fully trained to the highest standard having attended and passed a comprehensive government approved initial training course as well as subsequent shadow training courses.

GSL Court Services employees are trained to ensure that prisoners and detainees regardless of their alleged or proven crimes are dealt with consistently, fairly and with compassion. We ensure that personal needs are met and work hard to minimise the impact of what can be a very traumatic experience for the inmates entrusted to our care.

Since commencing operations in 1992 GSL Court Services has consistently sought to raise standards and this approach has led to increased prisoner security. Escapes were at the lowest ever level on record in 2006 and high standards of prisoner welfare are provided by GSL. Our efforts have led to improved levels of service provided to the courts and other parties that include prisons as well as police forces.

Contracting out of the court escorting service has enabled significant numbers of police and prison officers to return to their core duties. The GSL court escorting service provides considerable benefits for the community, police forces and prisons that include savings to the taxpayer which have been valued at in excess of £10 million per annum.



Corporate

Offender management

GSL Care and Justice Services designs, builds, manages and finances prisons on behalf of governments in the United Kingdom, South Africa and Australia. The company pioneered the concept of contracting out the management of prisons to the private sector to bring additional value, expertise and ideas to HM Prison Service in the United Kingdom.

GSL provides opportunities for prisoners to gain national vocational qualifications... The philosophy of GSL is to rehabilitate offenders and equip them to integrate into mainstream society on release from prison. We seek to normalise prison conditions as far as possible and reflect life in the outside community all of which helps to rehabilitate the inmates in our care.

Our training and operational practices emphasise the need to treat prisoners with dignity and respect.

GSL creates a constructive regime through provision of suitable education and work programmes. We provide an environment that emulates in all respects the conditions, practices and standards offered as well as those expected by industrial employers.

We give prisoners real work experience and instil the ethics that are required to achieve success in business. GSL provides opportunities for prisoners to gain national vocational qualifications and these demonstrate to potential employers the commitment needed by offenders to find work.

Examples of activities introduced by GSL and managed by us in prisons are:

- multi-media services that develop prisoner
- preparation of audio visual media items for recycling
- operation of commercial laundries
- assembly of office furniture
- manufacture of metalwork parts
- assembly of bespoke PVC windows and conservatories





Care and justice services in South Africa

watermelon. The produce is then given to charities and other local community groups.'

> In South Africa our approach is underpinned by a strong commitment to support the South African government's drive to rectify the imbalances of the past through active programmes aimed at community outreach and people empowerment.

Mangaung... delivering world-class performance

GSL operates the Mangaung Correctional Centre in Bloemfontein which is a high security establishment accommodating nearly three thousand inmates and this impressive facility was the first PFI/PPP correctional centre built in South Africa.

The Mangaung Correctional Centre is well known for delivering world-class performance and is recognised as an exemplar prison.

The prison has a well-established education system in place which teaches inmates life skills and has the aim of enhancing their prospects. Indeed the Mangaung Adult Learning Centre is aptly called Liberty because it is believed that 'education sets you free'. Liberty is one of the benchmark adult learning centres in South Africa and is widely acknowledged as a centre of excellence.

GSL changing people's lives for the better South Africa

GSL staff and prisoners at Mangaung Correctional Centre are closely involved with the community in nearby Bloemfontein. Produce from the prison horticultural gardens tended by inmates is donated to soup kitchens, AIDS houses and other charities in the local community. The products of the Mangaung Sewing and Tailoring Training Centre clothe needy children within the Bloemfontein area. Mangaung Correctional Centre also helps the local community with furniture restoration and provision of support for many voluntary projects.

Themba Mvandaba

GSL custody officer and workshop officer

'Here we manage the Mangaung Correctional Centre school desk project where frames and old desk tops which would normally go for scrap are repaired and recycled back into the state education system at no cost to schools.'

Johannes Teba Victor Rapuleng Melemo Au

GSL direct supervision officers

Unit officers of the month December 2006

Victor says 'everyday I learn something from the people in here and their different cultures.'

Fanta Ndaba

GSL unit supervisor

'I joined in April 2001 and was promoted in November 2006. I have learned a lot in the last six years. I've done several training courses including case presenter, assessor, accelerated development and forensic investigation.'

Anneke la Grange

GSL operations manager

'I started at Mangaung Correctional Centre in 2001 after fifteen years corrections experience in the state sector. I was a unit supervisor at first then promoted in 2003 to a unit manager and again in 2004 to become an operations manager. I chose Mangaung Correctional Centre because I wanted to do better.'



GSL changing people's lives for the better Australia Project Hard Yards

Port Phillip Prison and Young Achievement Australia (YAA) embarked on a ground-breaking business education project for young offenders in 2005 with the support of a consortium of local businesses. The partnership is now producing enormous benefits for the prison, YAA and the community.

'This project is unlike anything I have ever seen. I am blown away by the optimism and the positive outlook that's fostered here at Port Phillip Prison's Youth Unit. I find it truly inspirational.'



Sir Richard Branson, Virgin Group The Young Offenders Unit at Port Phillip Prison houses up to seventy-two offenders and the Hard Yards programme employs the expertise of local business people who work as mentors to provide the inmates with advice on the critical aspects of establishing a successful business. The Hard Yards business mentors offer young offenders the skills, knowledge and foundations of all stages of a concentrated business cycle.

Establishing Hard Yards involves the young offenders in registering a company name, appointing a management team, selling shares, raising capital, creating a code of ethics, market research, product design, preparing a business plan and implementing a quality management system.

Anne Hooker

GSL youth development officer

'I am responsible for the design and implementation of a suicide and self harm prevention programme for young offenders aged between eighteen and twenty-five years who have never been to jail before. A major component of our activities at the unit where I work within Port Phillip Prison is the meaningful programmes we have designed to address offence related issues and raise self-esteem in young offenders. We also use prisoner mentors who are older prisoners hand picked and trained to fulfil mentoring roles in a structured fully accountable manner. Our prisoner mentors assist us and work alongside GSL correctional officers all of whom are fully supportive of the philosophy of the unit.'

Indeed the company we have formed is entirely managed and directed by a group of young inmates who have designed an exclusive brand of apparel, Hard Yards. The product chosen is a T-shirt manufactured with the Hard Yards symbol and distributed exclusively by the inmates.

In the 2006 Hard Yards programme Aus \$22,000 was raised by the offenders for the Royal Children's Hospital, Salvation Army, CASA (Centre against Sexual Assault) House and Frontyard (for street kids).

Eddy Candlish

GSL electronic monitoring services manager

'After a twenty-four year career in the Royal Marines I was definitely keen to try something different but after about twelve months in the hospitality industry recognised that I wasn't using my skills and experience to best advantage. So when a GSL advertisement for staff caught my eye I applied to and joined the company in early 1997. I was fortunate to rise swiftly through the organisation and at each stage was able to draw on past experiences to be more effective in my roles. In fact I remain quite proud of the fact that to date I am the only employee of GSL in Australia who has been a casual escort officer, escort officer, senior escort officer, control room operator, supervisor and

operations manager. In 2000 I was asked to get involved in a new project for the electronic monitoring of offenders and have since become the electronic monitoring services manager for GSL in Australia. The company currently runs the largest radio frequency monitoring programme in Australia and our contract has now been renewed on two occasions which is really good news that demonstrates how well we are looking after our customers.'



Immigration







Border & Immigration Agency

Our immigration centre management contracts involve the provision of accommodation, catering, medical, education, cleaning, maintenance, religious, pastoral and leisure services but most of all a safe environment for people of diverse ethnic and cultural backgrounds.

We are a caring organisation sensitive to the fact that the people in immigration centres managed by GSL are concerned about the uncertainty of their futures as they await determination of applications to remain in the country.

In our immigration services work we are essentially managing communities by meeting the needs of individuals with different religions, genders, ages, diets, nationalities, languages, medical conditions, family backgrounds and pastimes. GSL policies are guided by respect for the human rights and personal dignity of the people entrusted to our care. We create an understanding environment and promote respect for cultural differences and diversity.

Vocational training

Trackwork – HM Prison Wolds

The trackwork project commenced at HM Prison Wolds in August 2006 and is the first course of its type to be run inside the walls of a closed prison. Since that time two classes of twelve men each have completed the GSL trackwork course and all have achieved NVQs at level two in railway maintenance. In addition all the participants have gained personal track safety certificates and supplementary qualifications in the operation of various pieces of plant associated with the work.

Some of those men who completed the course have been released and now work within the railway industry. The excellent trackwork initiative is the idea of HM Prison Wolds director Dave McDonnell and provides an excellent example of how innovation introduced by enterprising GSL people can help to transform the lives of people in our care.



17

Vocational training

Captive Radio – HM Prison Rye Hill

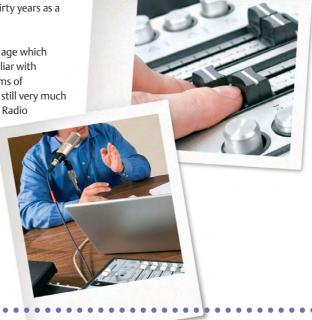
Captive Radio the radio station named by prisoners at HM Prison Rye Hill broadcasts a blend of music, light entertainment, drama and educational programmes. The radio station aids the rehabilitation of inmates who are able to make programmes and get involved in all the related behind the scenes broadcasting work. Captive Radio manager Terry Hancock has been involved from the outset of the project providing his invaluable knowledge and extensive technical expertise gained from working for thirty years as a DJ at Walsgrave Hospital in Coventry.

Terry comments: "We live in a media age which means most of us are becoming familiar with computers, CDs, DVDs and other forms of technology but radio broadcasting is still very much a part of most people's lives. Captive Radio

helps the prisoners at HM Prison Rye Hill to develop interpersonal and communications skills as well as some technical competencies. The radio station also teaches them team work and helps to create self esteem."

Captive Radio is supported by BBC West Midlands and the Prison Radio Association which is a charity that helped secure the radio licence for the station.

The radio station made its first official broadcast in August and is another example of an innovative GSL approach that has opened new horizons for the men at HM Prison Rye Hill.



Community projects – HM Prison Altcourse



of war graves but in doing so also helped to solve a sixty year old mystery.

The local Royal Navy Association (RNA) approached HM Prison Altcourse in 2006 to ask if a team of prisoners could undertake a restoration project in Bootle cemetery and meanwhile the RNA was also helping the families of two young sailors who died early in the second world war to trace their final resting places.

Fred explained: "HMS Barham was torpedoed and badly damaged off the west coast of Scotland in the war. Several members of the crew were killed and yet the ship was able to make it back to Liverpool for repairs. Upon arrival the bodies of some of the dead were removed and interred in Bootle Cemetery. The families assumed the sailors had been buried at sea and knew that there is a memorial in Bootle but did not realise until this year that the lads were actually buried there in the cemetery. The two sailors were buried in some of the graves which the HM Prison Altcourse inmates were restoring."

In August there was a service of re-dedication attended by two of the prisoners who had helped with the restoration and it was altogether a moving day.

Secure Training Centres



Every child matters



Rebound runs two secure training centres (STCs) where teams of committed GSL people look after male and female trainees aged twelve to seventeen years who have been sentenced to periods of detention.

Rebound works closely with the government's professional advisors and ensures that its approach to looking after trainees reflects contemporary best practice. The aim is to create a living environment that helps address the cycle of offending behaviour and one that is consistent with the needs of developing adolescents. Accommodation is built to domestic specifications but emphasises personal safety as well as security and small groups of trainees live in house units which are supervised by GSL staff at all times of the day and night.

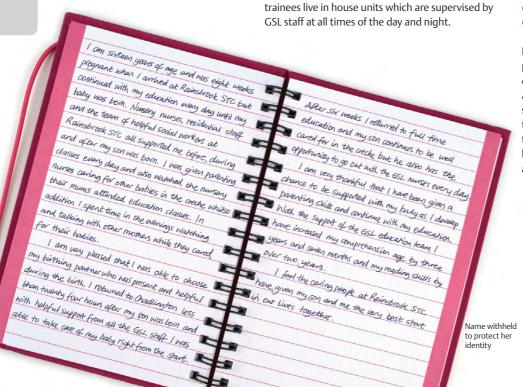
Education and rehabilitation underpins the whole regime within STCs. The formal part of the education programme follows the national curriculum whenever possible and many trainees need special training or have been out of mainstream education for some years so these requirements are also addressed by Rebound.

The STCs employ well-trained caring GSL people who include case managers qualified to carry out social work, specialist substance misuse staff, mental health professionals and psychology assistants.

Rebound also operates a nationwide secure escort service providing transport for journeys:

- from courts for young people subject to remand status
- from secure establishments to courts
- between establishments
- to hospital and dental appointments
- to family funerals
- to courts for welfare appearances
- for welfare transfers and visits

In October Rainsbrook STC opened Chadlington a purpose built mother and baby unit to care for detained young mothers and their children as well as those in the final stages of pregnancy. The story shown in he excercise book on this page exemplifies the success of the Chadlington initiative and how the staff at Rainsbrook STC have used their knowledge and training to address the social issues associated with keeping young mothers in custody.



GSL Data and Managed Services



GSL Data & Managed Services provides a wide range of complex data collection and processing services on behalf of all the major energy suppliers in Great Britain. We handle huge volumes of data and employ large numbers of people to meet the exacting requirements of our customers.

GSL changing people's lives for the better



John Hudson AccuRead team managers assistant

One of the many keys to our success is the way in which we support our well organised teams with the development and delivery of sophisticated information technology systems. Our flexible and enthusiastic staff deliver critical services to customers in the public and private sectors.

All members of the GSL workforce go through a stringent vetting process and work flexibly to meet the demanding targets set by our customers.

Wherever possible our operations are entirely paperless and all the work is managed through GSL hand held computers or laptops. Our staff in the field receive work instructions and communicate the results of their activities via the GSL computer system.

The division has two business units which share many common features and approaches but focus on different specialist markets.



'I've done this work for eleven years and I start at seven in the morning by checking the progress of forty-two metering representatives. I love meeting with the public and getting out and about even when it is cold and wet.'

•••••••••

AccuRead works with gas, water and electricity suppliers. We collect energy consumption data during more than fifty-five million personal visits to domestic, commercial and industrial premises each year.



AccuRead is the largest independent provider of meter reading services in Great Britain and the company is the only operator in its field providing a nationwide service. The reliable meter reading service provided by the company is supported by bespoke IT and modern communications systems.

At a state of the art operational support centre in Newcastle a well trained AccuRead team deals with all the support systems needed to keep our field based staff supplied with essential items that include for example uniforms and ID cards. The Newcastle team also manages the flow of work to our meter readers and provides many other ancillary services.

In addition AccuRead provides data aggregation and other specialist services for companies within the energy supply industry. We produce essential information needed by energy supply companies and enable these organisations to meet industry wide management obligations.

Sophisticated AccuRead computer systems process the massive amounts of data recorded by our meter readers on their hand held terminals and we aggregate this information which enables the energy supply settlement system to operate effectively in the United Kingdom.

In 2006 the AccuRead contact centre in Newcastle won the prestigious under 100 seats category of the North East England Contact Centre of the Year Award and this is organised by Sunderland City Council and the Tyne & Wear Development Agency. The AccuRead team was presented with the award for meeting a number of criteria that include implementing continuous improvement initiatives, achieving high standards of operational performance, creating a positive working environment, developing people and recognising their achievements.

The AccuRead human resources department also won the North East England Business of the Year Award and this was awarded by The Chartered Institute of Personnel and Development. To win the award Ros Hebden head of human resources for AccuRead and her team had to demonstrate how the human resources function had significantly contributed to the success of the organisation during the course of the year. The judges were impressed by the AccuRead team's desire to carry on achieving excellence and assist the company to achieve further success.



Contact Centre of the Year Award



Susan McGarvie metering clerk

Sue sits at the front door of the AccuRead head office in Newcastle and says: 'Most days I deal with visitors, telephone calls, emails and general correspondence together with deliveries to reception from couriers. There's always something new every day.'



'As a new member of the team based at Newcastle I am quickly getting to grips with the job and helping our meter readers over the phone to locate various premises.'

Jo Robson

customer development analyst

'Although I am mostly in the office I also have lots of face to face meetings with our customers. I've been with AccuRead for ten years and enjoy the positive can do culture.'

Matt Johnson

Oracle and Unix team manager

'IT is at the heart of what we do and I check the backups, organise the processing of files and load new jobs to set in motion the communications with our hand held terminals. If you like complicated computer systems and I do – it's a great job.'

GSL inspects and assesses hotels, guest houses, bed & breakfast, self catering and other paid for accommodation establishments.

The assessments are made using national quality standards designed by VisitBritain which is England's national tourist board and require our team of Quality in Tourism (QIT) inspectors to visit more than 22,000 locations each year.

Inspection and assessment services









The VisitBritain national quality assessment scheme enables visitors to book accommodation knowing that it has been assessed against a rigorous national quality standard and awarded a rating symbol. The symbols indicate the level of comfort, amenities and service that guests can expect from their accommodation providers.

Gary Swarbrooke

GSL operations manager – Quality in Tourism

'In addition to assessing against national standards it is our role to check that accommodation establishments comply with relevant laws and these include, for instance, the provisions for accessibility mandated by the Disability discrimination act.'

'I manage the GSL assessment team which covers England and we conduct in excess of twenty thousand assessments per year.'

Gary is pictured with the owners of the Olive Branch Guest House, David and Pam Talboys.

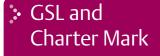


Lucy Talbot

GSL Managed Services sales and marketing manager

'I came to GSL in the middle of the year having worked in the sector for six and a half years and saw an opportunity to provide high quality assessment services to be proud of.'

Thousands of visitors to England use paid for accommodation each year and the quality of the establishments assessed by GSL gives confidence in the standards on offer.





Charter Mark is the UK Government's national standard for excellence in customer service. GSL administer the applications, assessment process and certify organisations against the Charter Mark standard. We appoint and manage Charter Mark assessors who must meet the Cabinet Office requirements as well as those of GSL. Through a unique on-line self-assessment and application tool we support applicants to prepare for an on-site evaluation visit of their' service and evidence. All assessments are then verified by a Certifier to ensure consistency and assessment process rigour. Comprehensive reporting is then provided to the applicant focusing them on further improving customer service.

We operate an information help desk for applicants detailing the steps in the application and evaluation process and have developed a relational database which holds detailed records of applicants, the progress of their applications and the assessors and verifiers who undertake the assessment process. The contract award resulted from our ability to demonstrate to the Cabinet Office an understanding of the ethos and principles of Charter Mark and innovative approach to managing the process and a commitment to the highest quality standards.



More and more organisations are recognising the benefits of implementing and maintaining assured processes and standards in all aspects of their operations.

Quality standards help to minimise waste and improve profits. The attainment of standards demonstrates to partners, customers and staff a commitment to reach the highest levels of performance.

GSL is well placed to guide our customers through the complex processes of organisational accreditation. We are a recognised assessment and awarding body certified by the United Kingdom Accreditation Service (UKAS) to BS EN 45011. In addition we hold ISO 9001:2000 certificates and Investors in People recognitions ourselves so have experience from both sides of the fence.

We offer a range of services that includes:

- design of internal quality processes and standards
- development of bespoke assessment tools
- benchmarking
- advice and guidance on attaining standards
- inspection and assessment against internal and external quality standards
- training of internal auditors
- certification and accreditation



Customers often use the administrative services provided by GSL when additional resources are needed to manage one-off projects and where it is more convenient to engage us instead of placing the burden of the extra work on directly employed staff. We are able to respond quickly and professionally to our customers' requests because GSL has the necessary capacity as well as the resources available to carry out the administrative work in house.

Our management team has extensive experience of setting up and managing complex projects at short notice. The GSL Managed Services in-house IT team can design and implement bespoke software solutions in a matter of days to deliver reliable administrative solutions. GSL Managed Services customers enjoy the benefits of a committed professional and well-trained project team.

The types of services we offer are:

- contact centres and helpdesks
- programme and initiative applications
- IT administration
- procurement services
- conference and training facilities
- claims administration



development

Customers often ask GSL to assist them with outsourcing projects which involve multi-site work forces and tight timescales are frequently an issue with this type of work. GSL takes away the burden of organising communications with the customers' workforce and ensures that consistent messages are always delivered to the staff. GSL provides a single point of contact for the management of such projects and we take responsibility for end to end management of the work.

Our team of experienced trainers, professional consultants and qualified administrators manage the projects. Working to our customers' performance standards we design and develop appropriate actions or work with clients' own materials.

Examples of recent outsourced training and development projects carried out by GSL Managed Services include:

- ten thousand staff trained in a new performance management system in nine months for a qovernment department
- provision under contract of foundation management skills courses for a major UK food company

- delivering selection and interviewing training to members of panels for the selection and appointment of magistrates on behalf of the Ministry of Justice
- provision of interpersonal and commercial training to staff in major government departments including the Ministry of Defence and Her Majesty's Revenue and Customs

We have developed our training services to give customers the opportunity to focus on their creative work while GSL supplies the training and support that companies need to reach their goals.

Other types of training provided by the company include:

- personal safety training
- induction training
- generic skills training
- performance management training
- equal opportunity and diversity training

In addition we offer logistics and other support services for the delivery of company training programmes.

GSL Integrated Services



GSL changing people's lives for the better



John BlessingGSL maintenance engineer

GSL Integrated Services works in partnership with its customers to provide innovative and cost effective facilities management services.

We manage people, premises and equipment to support the efficient delivery of front line services for government bodies. Our customers include health authorities, education departments, the justice services and indeed many other agencies throughout the public sector. Much of our work is project based and we use Prince2 methodology as well as ISO standards to run the company.

GSL people ensure the whole life operability of facilities and our preventative maintenance regimes are supported by dedicated helpdesk staff who provide round the clock rapid response call out services to resolve problems. Our integrated service teams include experienced facilities managers who are fully supported by qualified engineers, tradesmen, catering staff, laundry workers, groundsmen, housekeepers, premises managers, porters, mail room personnel, cleaners and domestic assistants.

The GSL Integrated Facilities Management Services team delivers a range of hard & soft facilities management services within healthcare facilities, schools, custodial establishments and large buildings occupied by organisations such as the Met Office and Government Communications Headquarters. The services offered by GSL include:

- building, mechanical and electrical maintenance (both planned and reactive)
- cleaning including specialist cleans of critical environments such as computer rooms
- catering
- grounds maintenance
- on-site logistics
- management of meeting spaces, conference facilities and car parks
- mail handling
- IT services
- central reprographics
- provision of registry services
- staffing of reception desks
- sports and leisure facilities
- retail and vending services
- stationery services
- workspace re-engineering and management
- portering
- procurement of consumable supplies, furniture, office equipment and other materials used for business purposes

Customers access our services via one-stop shop customer service centres and GSL helpdesk staff use state of the art computer software together with modern communications technology to issue and monitor service requests made to our specialist operational teams.

GSL provides easy to use and responsive high quality facilities management services in numerous buildings where continuity of service is a critical success factor.



John Blessing



The involvement of GSL in the healthcare sector has proved to be a great asset to our business partners and customers.

We strive to make a positive impact at every stage and to change people's lives for the better.

The GSL approach – healthcare GSL Healthcare service manager Nick Pearson attended a meeting to discuss the provision of patient catering, housekeeping, cleaning, portering and linen services at a number of hospitals and other healthcare locations. 'I was told the service solution needed to be simple to manage for the customer despite being complex for GSL to provide. It needed to be a seamless transition from day one and achieve best results in efficiency. We had to be competitive in cost terms and above all the patients should benefit."

The GSL team responded with a detailed proposal that recognised the healthcare implications of the service solution and a phrase used by the customer during the original briefing meeting was brought to life in a subsequent presentation to the customer.

A representative from the Primary Care Trust (PCT) made sure we understood the responsibility of the task and role we would play. 'The care of our patients is the most important aspect in the services you will provide. We care for the patients when they are at their weakest and help them recover. The food given to them, the cleanliness of the wards and attitudes of your people will all impact on that recovery. We metaphorically wrap our patients in enormous fluffy towels to help them feel good and get well.'

At a later meeting with the PCT Nick took along a huge fluffy towel that was to be used as part of the linen service provided by GSL in the hospital and as a symbolic gesture to demonstrate he had listened to and understood the customer's requirements.

GSL has many strands of activity within the healthcare sector and these include

- asset life cycle risks
- building maintenance
- catering
- laundry and linen services
- grounds maintenance
- pest control
- reception and help desk services
- portering
- ambulance services
- window cleaning
- cleaning



Local Improvement Finance Trust (LIFT) projects



LIFT is a major initiative from the Department of Health designed to invest in and modernise primary care accommodation. The initiative aims to improve health and social care in local communities. Investments in modern integrated primary care and other community-based services in conjunction with social services and the voluntary sector are made through the LIFT partnerships.

GSL has developed a whole system approach to healthcare by combining competencies that include people care, design of innovative business support solutions, commercial risk assessments, accommodation management and integration skills. Specialist expertise in the form of developed relationships with strategic partners is also provided and valued by our customers.

'It's a totally different way of practising medicine and a much better method of providing services to patients that opens up a whole variety of opportunities for developing primary care.' LIFT GP Tenant, East London.

In September another LIFT project opened its doors to deliver primary healthcare services in North West London. The new Monks Park centre replaces old premises and includes a broad range of healthcare services not normally available to patients outside hospitals such as physiotherapy, blood and diabetes testing. The centre is patient focussed and has made its facilities more accessible in terms of opening times to those people who live and work

Dawn Butler MP officially opened the Monks Park 'super surgery and Bashir Arif, director of integrated health services at Brent Teaching Primary Care Trust said: 'The centre is the latest of Brent Teaching Primary Care Trust's ambitious plans to improve the way healthcare is delivered. The Monks Park centre aims to strengthen local care and transfer care safely from general hospitals into the community.'

Managing transportation

In the United Kingdom and Australia GSL has gained extensive experience of managing logistics as every day we undertake the complex task of co-ordinating staff, vehicles and other resources to achieve tight deadlines.

GSL is now the largest private sector operator of ambulances in the United Kingdom and Australia. We operate on behalf of the public sector ambulance service in Melbourne and a number of hospital trusts in the United Kingdom.

Understanding the needs of those who work with us is a vital ingredient of success and a key issue when we are designing a service solution. The nature of our work requires GSL to work in areas where we have contact with vulnerable, frail, elderly and young people. Whether these people are patients in hospital or children in schools the effectiveness of the services we are contracted to provide is essential for their continued well-being.



Patient Transport Services

we make over

500,000

patient journeys per year The company works for a number of NHS Hospital Trusts in England and in Australia where GSL operates on behalf of the public sector ambulance service.

GSL invests heavily in appropriate training, equipment and new air-conditioned ambulances for each contract to enable our people to provide excellent service in friendly environments.

Our expertise with people, transportation and vehicle design enables us to provide safe, comfortable and punctual round the clock transport services for patients of all mobility levels. Our primary objectives are to provide a caring service that is demonstrably much better than that which existed before and to delight patients with the quality of our care.

GSL operates with fleets of specially constructed ambulances, teams of motivated staff and from well-equipped control rooms. We use state of the art software to book and plan the patient journeys. Our approach generates detailed relevant key performance indicators and helpful management information which we share with customers. The GSL management information systems enable us to monitor as well as report upon our service quality and create continuously improving performances.

GSL people have contact with members of the public who need care and attention during their journeys to and from hospital appointments. It is important to measure the quality of the service and not just to determine contract compliance but also to check the performance from the users' perspective. GSL conducts regular patient satisfaction surveys and achieves high scores.

Cleanliness prevents the spread of infection so GSL focuses attention on the training of our people by equipping them with the tools to help win the battle against MRSA. Cleaning, air quality and temperature are vital elements in reducing the risk of infection so GSL manages each of these aspects with great care.

Facilities management

Best practice cleaning processes, hand washing, waste disposal, decontamination of equipment and preventing the spread of MRSA are just a few of the topics covered by the GSL infection control training courses our staff attend.

The training we provide highlights best practice to help GSL meet and where possible exceed NHS standards.

At our contract with Nuffield Orthopaedic Centre (NOC) in Oxford we are delighted to have been recognised for the contribution made by GSL to the hospital which came second in a recent NHS national league table for cleanliness and infection control.



Stuart Mold (third from the left) Janice Munt (first on the right)





Stuart Mold

GSL contract manager

'Here at NOC we have a great team. I have one hundred and eighty four key performance indicators to meet in order to comply with the contract so there is transparency but the greatest measure of our success is a national rating and comparisons of the GSL performance with those of other operators. Our cleaning regimes and building maintenance programmes as well as the GSL company wide approach to the attainment of high standards delivers measurably better results.'

Janice Munt

GSL team manager cleaning services

'Although I manage a team of sixty five people the biggest challenge every day is keeping clean and tidy very old buildings which are in the process of being replaced I always get up every day wanting to go to work. We have a really good team and all of us work together.'

GSL has gained considerable experience over the years of successfully transferring people into our employment from many public and private organisations using TUPE guidelines. In 2006 more than two hundred people transferred to GSL to help us deliver our commitment to improve the essential services provided for patients of the Tower Hamlets Primary Care Trust (PCT).

David Butcher, director of capital development, estates and facilities at the Tower Hamlets PCT said: 'GSL won the tender through its commitment to improve the quality of service, support employees and employ local people. GSL has a history of delivering high quality support services in the NHS and we work together in a successful partnership.'

GSL Changing people's lives for the better Facilities management

David

Elaine Allen

GSL business support manager

'I transferred to GSL under the TUPE rules five years ago after three and a half years with the NHS. We have created a lot of good policies, procedures and systems. We audit everything and believe accountability is very important as it fuels greater success.'

Pat Boss

GSL portering assistant

'The other porters and I do about three thousand five hundred planned and ad hoc tasks per month so we are always on the go. I enjoy meeting all the people and think it's nice when people remember me.'

Pamela Durante

GSL domestic assistant

'We are around all day so the patients see a lot of us and I enjoy the relationships made through mixing with all the different people here. Some patients stay for up to six months because of their treatment and we take pride in looking after them.

We all have personal protection equipment as MRSA and other infections are contagious. We have our own areas of the hospital to clean using a GSL colour coding system and this helps to avoid cross contamination.'



David Porter

GSL maintenance engineer

David who is a member of the GSL maintenance team at NOC says 'I am a qualified electrical engineer to 'authorised person high voltage' standard. We are all multi-skilled and I'm checking the nitrate level in the water which protects the system against corrosion.'

The GSL Integrated Facilities Management Services team is led by experienced facilities managers who work alongside qualified engineers and skilled trades people to deliver emergency and day to day maintenance services in schools, hospitals, prisons, offices and courts.

In Langdon Park School in Mile End, London GSL managed the construction of a new running track and multi-utilities games area in 2006 and this is a great example of the diversity of projects our teams work on.

Our collaborative involvement in a bid for a Building Schools for the Future (BSF) project led to a preferred bidder status announcement in September by Leicester City Council. GSL will provide facilities management services that include caretaking, cleaning and portering. Our goal is to help establish a modern educational environment that inspires students and teachers alike by providing them with opportunities to access education in properly maintained new or refurbished schools.

Councillor Hussein Suleman, cabinet leader at Leicester City Council for children and young people services, concluded: 'We are entering into a partnership committed to improving the way secondary education is delivered in Leicester. We have chosen our preferred bidder through a very stringent selection process and I am confident we are on to a winner. This project represents the best opportunity to invest in our schools in generations. Not only will it transform buildings but it will also enable us to improve the educational curriculum for young people in the local community.'

GSL Medical Solutions is a new departure for our business which aims to capitalise on the rapidly changing and diverse clinical services marketplace within the NHS and also the private sector.

GSL Medical Solutions

There are a number of opportunities for GSL medical solutions in the front line of GP based medicine which is commonly described now as primary care and these include:

- provision of primary care temporary medical staff. GSL has home grown capability to provide clinical staff and this is the core of our medical solutions business
- provision of forensic medical services and this is a field where GSL has considerable experience through its contracts to operate prisons, custody suites and other custodial establishments
- alternative provider of medical services (APMS) contracts. Primary Care Trusts (PCTs) in many inner city areas have clusters of practices where GPs have retired and districts where it is difficult to recruit doctors. Such practices are finding the delivery of quality healthcare a real challenge and are often staffed with temporary doctors and nurses. The continuity and calibre of healthcare delivery is of significant importance to PCTs so GSL Medical Solutions is now actively tendering to run these practices under APMS contracts

- out of hours GP services on weekday nights and at weekends. The GP contract in October 2004 enabled GPs to opt out of managing their patients care during the 'out of hours' period. GSL Medical Solutions is now able to deliver care to patients through the employment of GPs, primary care nurses and emergency care practitioners
- medico-legal reporting services for solicitors and insurers. GSL manages a network of medical staff to provide on line specialist reports for the courts relating to injured people who have claimed off their insurance companies for damages caused by accidents



Special Purpose Vehicle (SPV) management services

GSL SPV... at the heart of service delivery and best value

GSL is very experienced in the provision of Special Purpose Vehicle (SPV) management services.

The GSL SPV management team has a wide range of financial, operational and engineering competencies gained within relevant industries. It can also call when required on the extensive facilities management expertise that resides within GSL Integrated Services and the GSL SPV management team offers strong experience in PFI contracting and skills in financial management to its customers. The team is able to ensure that all parties comply with contractual requirements and that shareholders' interests are protected.

Integrated Accommodation Services plc (IAS) is a flagship SPV managing the delivery of the Government Communications Headquarters contract and the scope of the service provision has significantly increased in the first four years of operation by offering a comprehensive set of value for money services to the customer.



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Health and safety

Workplace environments have major effects on the behaviour and performance of people. Buildings and associated facilities that function efficiently help to ensure the effectiveness of people who are responsible for delivering front-line services.

GSL recognises it is imperative to create and maintain environments where staff can work safely. Our approach very much depends upon the systematic identification and elimination of all potential hazards.

Responsibility for health & safety and environmental matters is an integral part of management within all the business units of GSL.

One of the fundamental responsibilities of GSL is to minimise the risks associated with our activities. We therefore strive to maintain safe, secure and friendly to the environment work places for our employees, customers, staff, the general public at large and individuals who may be affected by our activities.

We aim to be an exemplar of excellence in managing our health, safety and environmental responsibilities now and in the future by striving at every GSL operated site to achieve the British Safety Council 5 star standard. All our customers benefit from the excellent health and safety standards attained by GSL.

Corporate governance

GSL aspires to achieve high standards of corporate governance and operates within the code of ethics contained in our company plan.

The board supports the principles of good governance and has continued to direct the business by developing and maintaining systems and processes that have robust controls which can be readily monitored. Many of our contracts require the establishment of robust compliance and self-auditing mechanisms that demonstrate ongoing compliance to our customers.

The controls that GSL's management teams establish are designed to facilitate compliance with all relevant laws and regulations. Our code of ethics helps GSL to achieve its commercial objectives in a manner that balances the mitigation of risk with the efficient and economic use of resources.

Identifying, evaluating and managing risks

Identifying, evaluating and managing risk is one of the GSL eight right first time core processes. Careful management of risks is a skill and one that is embedded in all the business operations of the company. Risk registers are continuously updated at corporate, divisional, business unit and contract levels. The risk registers are reviewed regularly at management meetings and help the company operate within a framework of a sound financial management.

The primary focus of the GSL group internal audit function is to provide opinions on the adequacy of the controls that management has put in place to mitigate risks and assess whether the systems of control are operating as intended by the company. The scope of the GSL internal audit work includes examinations of the operational processes we have put in place to continuously improve our financial controls and the quality of service provided for customers.

A committee of executive directors meets at regular intervals to review the scope and results of our internal audit work.

An audit committee of the board meets twice each year to consider the appointment of the external auditors together with the scope of their work and reviews the results of the audits.

Transfers of employment and relationships with trade unions

TUPE transfers of employment

GSL has gained considerable experience over many years of managing transfers of employees to the company from organisations in the public and private sectors.

We fully understand the Transfer of Undertakings (Protection of Employment) regulations but what is more important is that GSL respects the sensitivities and complex human dimensions of transferring people from other organisations to the employment of the company.

Trade unions

The GSL employment ethos is founded on a philosophy of fairness, career development, promotion from within on merit wherever possible, respect for human rights and the safety of our employees.

We respect the rights of our employees to be represented by a trade union and the company has excellent long-standing working relationships with several trade unions. The GSL partnerships with trade unions are crucial to our success and enable us to produce first class results for customers.

Qualified GSL human resource professionals who specialise in employment law and its applications help us create positive environments in which our people can excel.

Service quality

The caring approaches illustrated throughout this annual report exemplify the positive attitudes displayed by GSL people everywhere in the company and are key to the success of the organisation.

GSL strives for excellence and our robust performance management systems help the company to achieve continuously improving results for customers.

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