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Dear Convenor,

Public Audit Committee – 2023/23 Audit of the Scottish Prison Service

Thank you for the opportunity to submit a summary of GEOAmey's analysis of the core issues concerning delivery of the SCCPES contract and the impact that these issues have had on our criminal justice partners and the wider Scottish Criminal Justice system.

GEOAmey is committed to providing vital public services on behalf of Scottish Ministers and is proud of the work its officers and managers do every day in challenging circumstances. We do, however, acknowledge that our service to our criminal justice partners has faced significant challenge since the summer of 2022. We also acknowledge that the Criminal Justice System is a complex one with many interdependencies, such that any shortfall in performance on our part has the potential to negatively impact other services.

GEOAmey performs similar services to a high standard in other jurisdictions, albeit under a different contractual environment, as recognised by both the Auditor General for Scotland and the Chief Inspector of Prisons. It is, therefore, our firm belief that we can deliver prisoner escort services to a high standard when the environment is supportive, and system-related issues are resolved.

We would like to record our thanks to the Auditor General for his accurate and balanced reporting of the SCCPES contract in his section 22 report. In particular, we wish to note his recognition and clear explanation of the material change to the operating environment since the contract was awarded, which we have commented on from a delivery-perspective, below.

GEOAmey also thanks and acknowledges the evidence submitted by HM Chief Inspector of Prisons for Scotland, and we are looking forward to the outcome of the thematic review on Transport Services that is currently underway.

Staffing Issues

We acknowledge the measures recently implemented by the Scottish Prison Service to support GEOAmey in tackling the particularly acute challenge we face in recruitment and retention of staff, which has been at the core of GEOAmey's service challenges. The factors underlying fluctuations in recruitment and retention are multi-layered and we do not wish to over-simplify labour market economics, but the key themes, as we see them, are as follows:

- **C-19 pandemic** – Increased staff absences due to illness and self-isolation requirements were an immediate consequence of C-19, compounded by the unpredictability of staff availability over the course of the pandemic, as the peaks and troughs of virus transmission were experienced across the country. Our rate of staff attrition rose markedly during April of 2021, at the start of what became known as the 'Great Resignation'. As a result, we were unable to

recruit in sufficient numbers, partly due to the continuing social distancing measures, which were kept in place until August 2021. These measures included constraints on using external (larger) facilities (such as hotels) to hold group initial training courses, which meant that we were unable to move new recruits through the necessary induction modules to fill the vacancies. Net officer headcount levels were therefore reducing as volume started to increase and we operated both physical and virtual courts simultaneously. Hours worked by GEOAmey staff increased accordingly, which in turn impacted on the health and morale of our people during the first quarter of 2022, culminating in a worsening cycle of more work being placed on a diminishing workforce.

- **Socio-economic** – Like most organisations, including those that work within the Scottish Criminal Justice system, we have found it much more difficult to recruit staff in the aftermath of the pandemic. There are simply fewer people looking for work, and their expectations regarding flexible working arrangements are something we struggle to accommodate, given the nature of the service. Further, the pay gap between our starting PCO wage rate and the National Minimum Wage when we commenced operations (16%) was affected to the point where the pay premium associated with being a PCO was all but eroded for our starting rate of pay, despite GEOAmey investing monies in pay rates above what was received from the customer during the period 2019 – 2023. Increases in pay to retail workers, coffee shops and warehouses have increased markedly during the same period, resulting in pay competition increasing for roles with higher predictability of hours and lower responsibility. Further, despite the material increase in officer pay across the last 12 months, the pay gap between PCO salaries and that of an SPS officer as at April 2024 is expected to be in excess of 40%, as a result, the challenges we face during periods of recruitment by Scottish Police and Prison Services, as highlighted by the Chief Inspector of Prisons will remain.

Changing Operating Environment

GEOAmey's final stage bid was submitted in 2017 to Scottish Prison Service and was based on data from 2016 / 2017 that did not fully reflect the service being procured. The operating environment today is materially different from 2017, with variabilities that were neither foreseen nor reflected in the proposal submitted at that time.

- Due to the Court Recovery Programme, there is a higher demand for PCOs staffing court docks, as SCTS deals with the C-19 court backlog. We now operate 6 more High Courts and up to 35 more courts docks per day than pre-C-19.
- We are traveling more miles, and committing more staffing, per prisoner than pre-C-19. There is more labour-intensive, non-court activity than anticipated, due to an increasing and ageing prisoner population, and the backlog of demand. For example, escorting a person to attend a hospital appointment is more time intensive than conducting a transport movement for multiple persons from point A to point B.
- Bedwatch activity, where those in custody are continuously accompanied by our officers while they receive medical treatment, is 35% higher – more than that anticipated in the bid. This activity is one of the most resource intensive elements of the SCCPES service, and since the availability of staff is already under pressure, can draw vital resources away from other parts of the service.

- The post pandemic period has affected the priorities of our criminal justice partners, meaning they have had to adapt their own processes, reducing our operating window and putting more pressure on court arrival times. For example, the largest prison in Scotland, responsible for c. 30% of overall demand, does not make prisoners available for transport until at least 0720, 35 minutes later than pre-C-19.
- The requirement for escorting people with specialist and age-related needs – wheelchair users and others with disabilities – has increased markedly, as the prison population has increased and the demographics of persons in custody and their range of needs, has shifted toward greater dependence on increased assistance, consistent with the country's general population.

These are not typical fluctuations in the market or as a consequence of the kind of commercial instabilities which are the reality of service provision in this sector. They are far beyond what was contemplated by ourselves and our criminal justice partners at the time of bidding and go to the very core of the service.

Ineffectual Model of Contracting

As HM Chief Inspector of Prisons has stated, the contract has not worked since inception. However, she acknowledged that GEOAmey have successfully provided prisoner escort services elsewhere.

Operationally, there are barriers to good levels of delivery due to conflicting requirements of partners. For example, GEOAmey resources being allocated to delivery of the Court Recovery Programme rather than the increased number of healthcare appointments for the ageing prison population or vice-versa. The requirement for flexibility on the part of GEOAmey to be able to respond to the fluctuating demands of the contract is impaired by our staffing challenges, but even with adequate resources, some requirements are simply incompatible and cannot, logically, be delivered. An example of this would be prisoners travelling from HM Prison Perth to Dundee Sheriff Court (which is a high-volume route). Prisoners must be within the court cells by 9am per contract, but are rarely made available for transport prior to 8.30am, meaning the 37 minute journey is automatically resulting in poor service to court users.

Commercially, the volume-led model of the contract and the changes to those volumes from the baseline on which our proposal was formulated, means that the costs to GEOAmey to deliver the services exceeds the revenue generated. In short, GEOAmey is making a financial loss on this contract. As noted above, there has been a change of volume in the mix of activities, which results in fewer prisoners being transported but more hours of required GEOAmey staff time, leading to a higher cost to GEOAmey in sustaining the service.

This gridlock scenario has been recognised by the Scottish Prison Service, leading to in-principle agreement to re-calibrate the contract. Discussions culminated in agreement to include additional funding for PCOs, in addition to the contractual mechanism to ensure wages are maintained in line with the real Scottish Living Wage. This arrangement was intended to tackle the attrition of staff which has been at the core of our delivery issues and the shortfall in our performance. This was considered to be a pragmatic and targeted solution, and was preferred by our justice partners over other, more disruptive contingency options, such as re-tendering the contract before its expiry.

The impact of the new funding arrangement is still to be fully realised; however, we have already seen improvements in every element of service. Our current officer numbers have risen from a low of 515 to 610 at time of writing with more people currently on training courses. We believe that

maintaining a competitive package will help to sustain those staffing levels, which will in turn allow us to better demonstrate our capabilities and fulfil the requirements and expectations of our criminal justice partners. GEOAmey is committed to playing our part in the multi-agency solution that is required to deliver these services effectively.

End.