

Criminal Justice Committee

29th Meeting, 2023 (Session 6), Wednesday 8
November 2023

Pre-budget scrutiny

Note by the clerk

Introduction

1. Each year, subject committees in the Parliament carry out pre-budget scrutiny in advance of the publication of the Scottish Government's budget for the forthcoming financial year.
2. The aim is for the committees to collect evidence on spending priorities and make recommendations to the relevant Cabinet Secretary before the Scottish Government finalises its budget.
3. At this evidence sessions on the proposed 2024/25 budget, the Committee will hear from the following organisations:

Panel 1

- **Teresa Medhurst**, Chief Executive, Scottish Prison Service
- **Gerry O'Donnell**, Interim Director of Finance, Scottish Prison Service

Followed by--

Panel 2

- **Angela Constance**, Cabinet Secretary for Justice and Home Affairs
 - **Catriona Dalrymple**, Interim Director of Justice, Scottish Government
 - **Donald McGillivray**, Director of Safer Communities, Scottish Government
4. The written submission that has been submitted from the Scottish Prison Service is set out in **Annex A** to this paper. **Annex B** contains copies of other relevant written submissions for Panel 1. Finally, **Annex C** contains a letter from the Prison Governors Association (Scotland) which raises relevant issues.
 5. All the [written evidence](#) relating to pre-budget scrutiny is available online.

Focus of the pre-budget scrutiny

6. Last year, the focus of the Committee was on the potential impact of the spending announcements made as part of the resource spending review (RSR) published in May 2022. This would have seen flat cash settlements (i.e. below inflation awards) across the sector. The Committee's [report](#) and the Scottish Government's [response](#) are both published online.
7. This year, the focus for the Committee is again a general one on the financial pressures facing organisations in the criminal justice sector and views on the main priorities for 2024/25. Of particular interest to the Committee is the pressure on capital budgets and investment in policing, the fire and rescue services, prisons, courts, community justice, criminal justice social work and the third sector.

Action

8. Members are invited to discuss budget matters with the witnesses at today's meeting.

**Clerks to the Committee
November 2023**

Written submission from today's witnesses

Scottish Prison Service

Background

The Scottish Prison Service's key objective is to protect the public by keeping those who have been sentenced by the Courts in safe and secure custody. Our commitment to public safety is delivered through positive relationships with those in our care, focussing on their rehabilitation and reintegration back to their communities in order to reduce reoffending. We operate 13 public prisons across Scotland, 2 Women's Community Custody Units (CCUs) in Dundee and Glasgow and a further two establishments are run by private sector operators under contract to the SPS.

We directly employ around 4,650 staff and on a daily basis accommodate and provide support and services for approx. 8,000 individuals in our care. We also manage the contract for the Scottish Court Custody and Prisoner Escorting Service (SCCPES), on behalf of multi-agency justice partners, for the provision of safe and secure transport of those in custody to and from courts.

Our operating context is demand-led and is complex in comparison to other parts of the justice system and wider public sector delivery in Scotland. Each of the 13 prisons, operate as small communities and operate on a 24 hours a day, 7 days per week basis. A cell is in fact 'home' for those living in our prisons on a day-to-day basis. Prisons are also the working environment for our staff and as such, there are regulatory and ECHR requirements that simply have to be met. Keeping the prison environment safe, secure and stable across the estate is a core task for SPS.

In September, we published our Corporate Plan 2023 – 28, which set out our ambitions for the next 5 years. The current economic climate continues to be a challenging one for SPS, and our staff – as it is for the wider public sector and Scotland as a whole.

While we are realistic about the implications of that, we remain ambitious for what we can deliver for those in our care, all our partners, and our communities.

Wider Context and Challenges

As the Committee will be aware, this year we have seen a rapidly rising and increasingly complex prison population, with many of our establishments now full, well beyond their design capacity. Alongside this, whilst we manage the increasing numbers of individuals being sent to prison, we are managing the current challenges of the SCCEPS contract which is impacting across the wider Justice system. Consistent with the wider community and our justice partners, we are continuing to experience cost of living increases. This is particularly prevalent in our operating context in terms of rising food and utilities costs, inflationary increases, along with a rising prison population, whilst we work to remain within the threshold of our current resource budget envelope for 2023-24.

Despite these challenges, we have delivered Dame Elish Angiolini's vision for women in custody by proudly opening two bespoke and innovative Community Custody Units (CCUs), in Dundee and Glasgow. These gender-specific facilities mark a seismic shift in Scotland's approach to women in the justice system and establishes our position as world leaders in the care of women in custody, embodying a trauma-based approach for all those in our care. Our brand-new Women's National Facility, HMP & YOI Stirling, also opened on 10 June 2023, which will enhance and cement our ambition and strategic direction.

Work continues on the development of HMP Highland and HMP Glasgow as our modernisation of the estate continues. These operational infrastructures will ensure our ability to meet the changing needs and risk profiles of those coming into custody by future proofing our facilities to enhance and improve our delivery throughout our estate into 2023-24 and beyond.

Infrastructure improvements throughout the year saw SPS Headquarters relocate to a more sustainable and smaller location at Lochside Avenue after 25 years at Calton House. Advances in Digital technology have enabled the commencement of a rollout of in-cell telephony and digital enhancement throughout the prison estate, bringing technology directly into cells in our establishments, bridging the gap between families and communities as well as providing the technical platform for future investment in in-cell healthcare provision and education opportunities.

2023-24 Budget Position

The Scottish Government Budget for 2023/24 was published on 14 December 2022 and the SPS allocation is detailed in Table 1 below:

Table 1:

	2022-23	2023-24
	£m	£m
Resource DEL	369.6	398.6
Non-cash (Depreciation and IFRS16)	34.0	45.2
ODEL (PFI balance sheet adjustments)	1.7	1.2
Capital DEL	72.8	97.0
Net Position	478.1	542.0

The Resource Budget for SPS in 2023-24 is £398.6m, (21/22 £369.6) a 7.8% increase from the previous year budget baseline.

Due to the increased inflationary pressures and the impact of cost-of-living increases in 2022-23, we required an additional uplift of £14.5m on the resource budget at the SBR. This additional funding was in-year only and therefore these net cost pressures were carried forward in financial year 2023-24. When baselining the 2022-23 budget for these cost pressures, then the real terms increase in funding is 3.4%.

As a result of continued inflationary pressures along with the added challenge of a rising prisoner population, the budget for 2023-24 is under pressure due to a number

of cost challenges which include utilities, food, other prisoner supplies and costs and non-domestic rates.

The Capital budget for 2023-24 is £97.0m, (22/23 £72.8). The current capital programme includes the finalisation of the phase 2 at HMP&YOI Stirling, work to progress replacements for HMP Inverness and HMP Barlinnie.

Additional Budget Requirements for 2024-2025

We recognise the pressures on public sector funding and SPS is in frequent engagement with Scottish Government officials and Ministers to ensure there is a collective understanding of the implications of the current pressures as part of the budgetary planning process.

The key pressure areas anticipated for 2024-2025 are:

- Prison population pressures - Additional funding requirements to meet the increased operational running costs with forecast. We are undertaking a range of collaborative work with Scottish Government to identify the budget requirements for 2024-25 in relation to areas of expenditure where the costs driver is impacted by prisoner population numbers (i.e. food, clothing & bedding, cleaning costs and 3rd party costs such as Social Care, Social Work, Health etc).
- Continuing high inflation- A range of areas will continue to be impacted by high Inflation (i.e. food Inflation, PPI Contracts, maintenance work etc). The continued volatility of price increases presents a risk to the funding position for 2024-25. Work is ongoing to fully assess the requirements for 2024-25.
- Contracts- Additional funding is likely to be required for the recalibration of the SCCPES contract operated by Geo-Amey to address the ongoing challenges across the Justice landscape.
- Pay Award – The opportunity of reaching an agreement for a 2 year pay in 2023/24 and 2024/25 deal will provide certainty on the additional funding required for pay inflationary increase in 2024/25.
- Kilmarnock Transfer into Public Ownership –A full assessment of any likely budgetary requirements for the transfer of the asset into public ownership is currently underway.

FUTURE CAPITAL REQUIREMENTS

The capital budget for 2024-25 and £2025/26 is £192.0m and £80.0m respectively. These budgets were issued through the capital spending review in May-2022.

CJ/S6/23/29/1

Conclusion

I trust the information provided in this submission is helpful and I would be happy to discuss in more detail with Members during the evidence session of Wednesday 8 November.

TERESA MEDHURST
Chief Executive, SPS

CJ/S6/23/29/1

ANNEX B

Other relevant written submissions that cover prison matters

[HM Inspectorate of Prisons Scotland](#)

[Families Outside](#)

[Glasgow City Council, Community Justice Glasgow Partnership](#)

ANNEX C

Letter from the Prison Governors Association – Scotland

17th October 2023

Dear Convener,

Prison Population Pressures

The Prison Governors Association Scotland PGA(S) wish to formally raise our significant concerns around prison population pressures and the predicted trajectory of further increase in population numbers. We are equally concerned at the increasing complexity of Scotland's Prison Population and the ability to appropriately locate individuals, given the pressures on space.

If we continue this path, we are at best providing humane containment, albeit even this may be at a stretch, with many prisons already operating restricted regimes, resulting in the provision of little or no positive rehabilitative work.

The pressures on staff are already evident with many prisons facing high sick absence on a daily basis. Increased population numbers will also require increased staffing. Our membership and all staff in prisons already do a very challenging job but are currently under significant strain.

Whilst we are aware that any crisis can be politicised, it is important to state that the same pressures are affecting our colleagues in HMPPS and across the whole of the United Kingdom. We believe that the population pressures in Scotland, require intervention across Justice, requiring partnership working and immediacy of action. The PGA(S) would welcome the consideration of urgent mitigation in the form of safe emergency release measures, greater use of electronic monitoring, greater use of the open estate and greater use of alternative disposals. Furthermore, we would welcome a principled course of action to develop impactful longer term, preventative solutions.

Yours sincerely,

Natalie Beal
CHAIR
PGA Scotland