

SCOTTISH PRISON SERVICE

ANNUAL REPORT AND ACCOUNTS

2022-23

CONTENTS

PERFORMANCE REPORT – OVERVIEW.....	3
CHIEF EXECUTIVE’S FOREWORD	4
CHAIR OF THE ADVISORY BOARD FOREWORD	6
ESTABLISHMENT HIGHLIGHTS 2022-23	7
WHO WE ARE AND WHAT WE DO	16
OUR SERVICE TODAY	18
OUR PEOPLE.....	21
OUR RESOURCES	21
PERFORMANCE SUMMARY	22
PERFORMANCE REPORT – PERFORMANCE ANALYSIS.....	33
ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE.....	49
DIRECTORS’ REPORT	50
STATEMENT OF ACCOUNTABLE OFFICER’S RESPONSIBILITIES.....	51
GOVERNANCE STATEMENT	52
ACCOUNTABILITY REPORT – REMUNERATION AND STAFF REPORT	60
REMUNERATION REPORT.....	61
STAFF REPORT.....	67
ACCOUNTABILITY REPORT – PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT	75
PARLIAMENTARY ACCOUNTABILITY REPORT	76
INDEPENDENT AUDITOR’S REPORT.....	77
FINANCIAL STATEMENTS AND NOTES TO THE ACCOUNTS	81
APPENDICES.....	111
APPENDIX 1.....	111
APPENDIX 2.....	112
APPENDIX 3.....	113
APPENDIX 4.....	114
APPENDIX 5.....	115
APPENDIX 6.....	116
APPENDIX 7.....	119
APPENDIX 8.....	124
APPENDIX 9a.....	125
APPENDIX 9b.....	126
APPENDIX 10.....	127
APPENDIX 11.....	128

PERFORMANCE REPORT – OVERVIEW

The purpose of this section is to provide an overview of the Scottish Prison Service, its purpose and activities. This section also includes information on key risks and issues for the organisation as well as a high level summary of performance in 2022-23.



CHIEF EXECUTIVE'S FOREWORD

I am pleased to introduce the accounts of the Scottish Prison Service (SPS) for 2022-23.

When reflecting on 2022-23, my thoughts turn to how far we have progressed in the last 12 months. As a key public service in our justice system we continue to work tirelessly to improve our engagement and transparency, to better inform our decision making, and ensure we rebuild in a manner that reflects the ambition of the organisation and meets the needs and risks of those in our care.

Dedication and commitment continue to be key components in our growth and improvement. During the pandemic, individuals in our care, their families, the public, and our staff placed their trust in us. We continue to work with key stakeholders, including our Justice and Health partners, to build on our strong relationships and provide mutual support to each other. Through collaboration, we have been working to deliver consistency and recovery across our systems, developing our shared ambition within the Scottish Governments Vision for Justice, which has been captured in the SPS Corporate Plan for 2023-28.

Understanding trauma and its effects on the holistic and emotional wellbeing of people, continues to be at the heart of everything we do. Our continued recovery from COVID-19 is only possible thanks to the unwavering dedication of our staff and the patience and understanding of those in our care and their families. What this recovery has however provided us with, is the opportunity to adjust our service delivery to better reflect the emotional and wellbeing needs of our people. Our restoration of services and their delivery, will therefore continue to recognise the effects of trauma and better meet the wellbeing needs of those who live and work in our prisons.

Despite the ongoing challenges we faced in 2022-23, SPS continued to develop a person-centred approach that aligns with the Justice Vision. Like many other public sector agencies, we faced pressures such as fiscal constraints, rising inflation, the cost-of-living crisis, and difficulties in the labour market. Operational issues such as the increasing and ever more complex prison population, impacted significantly on operational delivery and created some barriers to service delivery. The increasing complexity in criminogenic risk and needs of those in our care were also a consideration, given the profile of our population and growth in longer sentences; as were the complexities around physical and mental illnesses which placed additional challenges on services within our establishments. I recognise and thank all staff, SPS, NHS, and beyond, for their flexibility and responsiveness in meeting these rising demands, whilst striving to maintain our individualised approach to support and manage those in our care.

Traditionally, SPS has always risen to meet the of demands of challenges we face. By recognising and identifying that a challenge can present opportunity, we will continue our transition into the progressive and forward-thinking organisation we aim to become. By recognising that these challenges presented an opportunity, we have reframed our delivery priorities and reshaped our operating model. In 2022, I brought changes to our Advisory Board, restructured our Senior Leadership Team through the inception of a Strategic Delivery Group (SDG), and further evolved our Major Projects Management Group (MPMG), all of which enhanced our strategic delivery, and becoming the precursor to our first 5-year Corporate Plan, which is due to be published in Quarter 2 of 2023-24. This new 2023-28 Corporate Plan encapsulates our corporate ambition for the next 5 years. It builds upon the foundations of relationships, trust, and transparency, and has been developed through extensive internal and external engagement, using the voices of staff and those in our care as a key core component of its development.

Despite challenges, 2022-23 was still a year where we delivered against the Scottish Government and the SPS's priorities. We achieved a significant milestone towards delivering 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, opened on 10 June 2023, 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, recognising the importance of support and contact between those we care for and their loved ones.

Finally, work is now well under way to bring HMP Kilmarnock into public sector operation as its current private contract ends in 2024. SPS continues to work closely with our private sector partners to ensure a smooth transition into the public sector. Key milestones and deliverables have been identified and this first-of-its-kind transition, will undoubtedly build on our success and will allow us to bring a wealth of expertise and skill into our changing organisation.

Whether reflecting on the past, or looking to the future, I am assured of the critical role SPS plays in our communities, within the Justice System, and beyond. I believe we will build on and strengthen our delivery against our strategic ambition and outcomes, but in a way that displays humility and transparency, and one that nurtures our valued relationships built upon trust and openness.

Teresa Medhurst

Teresa Medhurst
Chief Executive

12 September 2023

CHAIR OF THE ADVISORY BOARD FOREWORD

This has been my first full year as Chair of the Advisory Board and has enabled me to witness first-hand the significant changes taking place in our Prison Service as it instigates a programme of recovery and renewal following the COVID pandemic. The dedication at every level of our staff has played a vital role in ensuring that we can face continuing multiple challenges with a sense of confidence and ambition.

I would like to thank my fellow board members for their dedication and support over the last year including their willingness to take an active part in the newly formed Major Projects Management Group and the newly formed Strategic Delivery Group which are helping to drive our post COVID recovery work. I would also pay tribute to Professor Kay Hampton who retired from the Board in the summer of 2022 for her service particularly in ensuring that the Service's attention was properly focused on upholding human rights.

The successful opening last year of our two new Community Custody Units, Bella and Lilius situated respectively in Dundee and in Maryhill, Glasgow represented a major step change in delivery that is based on a person-centred and trauma-informed approach and was widely welcomed at both local and national levels. The opening of HMP Stirling in June this year will help us to truly transform services for women, based on their needs, following the recommendations of Dame Elish Angiolini's Commission on Women Offenders report.

The Board has worked closely over the last year with the senior leadership team in developing the new Corporate Plan for 2023-28 which has benefited from being informed by the lived experience of our staff and those under our care. This will rightly enable the Service to take a more strategic approach to longer term challenges and allow it to focus on areas, such as the greater use of digital technology, which can markedly improve its performance.

The health of those under our care remains a key priority and I welcome the Chief Executive's positive dialogue with Caroline Lamb, Chief Executive of NHS Scotland which has resulted in the recent formation of a new Strategic Leadership Group to ensure that improvements are made to the existing range of services throughout all establishments.

Although the Service is ambitious about its aims, the Board is keenly aware of the impact of restrictions on public finance funding and the persistent difficulties in recruiting new talent in what is still an extremely competitive job market both on our day to day work and on our major capital projects. The number of those under our care has increased gradually over the year as the Courts return to more normal operations and we continue to monitor this closely. Board members are fully supportive of the views publicly expressed last year by our Chief Executive that there is a need for a greater public debate on the numbers of those who receive custodial sentences in Scotland given that our prison population ratio is still very high in comparison with other UK and European jurisdictions.

At the heart of the Prison Service is its focus on people and the need to maintain safety and security and it should be proud of its continued ability and determination to serve in the public interest.



Ann McKechin
Chair of SPS Advisory Board

ESTABLISHMENT HIGHLIGHTS 2022-23

Our establishments are critical in showcasing how we deliver positive outcomes for people in custody, the wider justice system, and Scotland's communities. Below is a collation of key highlights from our establishments in 2022-23.

HMP Addiewell

HMP Addiewell introduced a new custody process to support prisoners as they adjust to life in custody. Facilitated from the prison's Early Days In Custody Centre, the programme has a team of carefully selected peer support prisoners, trained as 'Insiders', offering reassurance and advice. Insiders spend time with new arrivals, sharing their first-hand experiences of prison life, allaying fears, and settling people into their new surroundings. By offering reassurance and advice, Insiders help prisoners understand how the prison works, what is expected of them and what to expect during their time in custody. When required, Insiders also feedback to officers when new arrivals are struggling and require additional support.

This year, Robert Taylor, the Trades and Employability lead within the Rehabilitation department at HMP Addiewell was awarded a commendation by the Butler Trust. Robert works within the Rehabilitation department – a learning environment that aims to provide prisoners with the skills, knowledge, and qualifications to significantly reduce their chances of re-offending and enable them to reintegrate into their community successfully upon liberation. Robert received his commendation for his exemplary and inspirational management, his "infectious enthusiasm", and the passion and commitment he brings to maximising the employment opportunities for prisoners on release.



The visitor centre at HMP Addiewell is a partnership between Sodexo and Cyrenians – a charity aimed at tackling the causes and consequences of homelessness. Open six days a week, the visitor centre offers advice and support to families. Last year, the centre supported over 1500 interactions with families, linking them into local services, offering advice regarding child benefits, and being a listening ear when people needed it most. The Cyrenians Visitor Centre team at Addiewell is the first in Scotland to be involved in training prison officers on child protection and trauma-informed practice. In early 2022 it also became the first Visitor Centre in Scotland to offer take-home Naloxone kits and training on their use to visitors, helping tackle the issue of overdose deaths among drug users released from prison.

HMP Barlinnie



Throughout November 2022, Staff from HMP Barlinnie ran a series of events to promote positive mental health and wellbeing for those in our care. The latest event, an "Autumn Festival" was co-ordinated by staff from the establishment and supported by external partner agencies such as the NHS Scotland and Samaritans Scotland. Highlights of events that took place included Health & Wellbeing checks, football tournaments, a fun-run, and sessions focussed on anger awareness and dealing with change.

In February 2023, HMP Barlinnie's Resource Hub were shortlisted for an Operational Delivery Profession (ODP) 'High Performing Team of the Year' award for 2023. Operational Delivery colleagues work in a multitude of departments and agencies across government, undertaking a wide variety of activities to provide and support frontline services. These awards aim to recognise the efforts of Civil Servants nationwide, and showcase their extraordinary achievements. Chaplain, Jill Clancy, nominated the team as she felt that the work Resource Hub staff do, which focuses on the wellbeing of those in the care of Barlinnie, and helping them to achieve a smooth transition back into the community, was well worth highlighting.

Earlier this year, we also welcomed Fritz Hortsman from the Compassion Prison Project to HMP Barlinnie. The Compassion Prison Project (CPP) aims to create trauma-informed prisons and communities, through

understanding the long-term impacts of adverse childhood experiences (ACEs) for those involved in the justice system. Those in our care took part in a 2-day workshop and subsequent 12-week course, covering ACEs, coping strategies, setting achievable goals, and emotional regulation. Each of these being factors that may influence substance misuse or offending behaviour. Those who completed the full programme have attained an SQA Wellbeing Award - SCQF Level 4.

Bella & Liliias Centres (CCUs)

In December 2022, women at our Bella and Liliias Centres took part in a festive cookery workshop with Scotland's national chef and MasterChef winner, Gary McLean. Gary kindly gave his time free of charge to help them gain confidence in buying, preparing and cooking their Christmas meals. Events like this have been invaluable in breaking down barriers, alleviating anxieties and giving the women exposure to opportunities they would not normally have available to them in the community.



In November 2022, women in our care at the Bella Centre learnt new skills in creative arts, writing, sewing and tapestry as part of a project with Space Art Scotland. The project aimed to create a strong visual image tapestry that reflects the lives and aspirations of those living in the new Community Custody Unit. In particular, it sought to counter the perception of Dundee as Scotland's 'drug capital'. Activities included writing and reflecting on personal biographies of Dundee and community life; considering historical and contemporary influences that have generated a negative image of Dundee and its communities; and exploring the sociological impact of alcohol, drugs, unemployment, and urban decline. The women also used creative writing to produce narratives around growing up and living in Dundee. Such narratives were used to inform imagery for a tapestry that reflects and supports a more positive and aspirational image of the city, which is displayed on cushions.

In March 2023, Liliias Centre marked International Women's Day by inviting The Chief Executive to open the event by addressing the women in our care and all staff and partners who were in attendance. She spoke of her own upbringing and life experience which appeared to resonate with the women. That set the scene for the rest of the day with all speakers and performers giving their time free of charge to help us all celebrate all things women. The residents and staff had a fantastic day, some of it was reflective and heart-warming, some of it was fun, sad, heart-breaking and everything in between but, most of all it was truly inspiring and spoke of hope.

HMP Castle Huntly (Open Estate)



HMP Castle Huntly was delighted to learn it had been successful in the 2022 Koestler Arts Awards. From over 6,600 entries, Castle Huntly scooped seven awards for arts and crafts work created by individuals in our care. And two of these works have now been shortlisted to go on display at the Koestler Arts UK Exhibition "Freedom" in London later this year. The winning entries were supported through the Fife College education programme. The Education Team plays a huge part in the re-integration of individuals at Castle Huntly and the award announcement was testament to the great work it does encouraging and developing creativity. Awards went to individuals for poetry, a life story, a painting, a drawing and mixed media art. The drawing entitled "Autumn Wildlife on a Bramble" and the painting "The Road of Dreams" were further shortlisted and will go on display with 1,800 creative works in the biggest ever Koestler Art Exhibition which runs from October to December.

The winning group entries were a Crisp Packet Blanket Project. This was chosen by prisoners last year to help the homeless and will restart again to help those affected by the cost of living crisis.

Staff joined prisoners and representatives from the community to take part in HMP Castle Huntly's Recovery Walk on 23 September 2022. The sun shone as the Castle Huntly group gathered in the Remembrance Garden for a welcome from Governor, Paula Arnold, followed by a prayer from Chaplain, Anne Stewart. Everyone then set off on their trek led by prisoners carrying a colourful hand-made Recovery banner. This year we were delighted to be joined by SPS Interim Deputy Chief Executive, Jim Kerr, and his dog Bailey, who enjoyed the mile-long walk around the Estate.

Staff at HMP Castle Huntly have been working hard to help those in our care express their creative sides. Bob, a Residential First Line Manager, has been instrumental in setting up sessions for aspiring songwriters with 'Vox Liminis', a music workshop for those in the establishment. A self-taught musician, singer and songwriter, Bob was impressed with the positive impact music therapy had for people in custody whilst working at HMP Perth, and was keen to duplicate that opportunity when he transferred to Castle Huntly. Vox Liminis participants are taught how to play instruments and the intricacies of musical production. Bob is happy to encourage the participants' creativity, by offering up his knowledge of song writing.

HMP & YOI Cornton Vale

In September 2022, the establishment held a staff wellbeing day with a positive response from both staff and visitors who attended the day. A special thanks to Officer Steven Scott who provided two fantastic and healthy curries on the day that went down a storm with everyone, Officer Jane Brown for her assistance in helping to set up the hall for the event and for providing the tunes on the day, and to Officer Julie Gibb who came in off her leave to give staff some well-deserved R&R in the form of foot massages. They also had stalls for energy saving, a smoothie bike, HR, Meditation and Ice Water baths, gel nails and a representative from Glasgow City College with advice and information on e-learning courses for staff.



To mark Anti-Bullying week, they held an "Odd Sock Day", and asked the women to design their very own odd socks to be turned into a poster. There were lots of entries, and two were chosen to be included on the poster. The idea behind the odd socks is that just because an odd sock is different from the rest, does not mean it doesn't have a purpose, just like people. We don't have to like everyone, but we do have to respect them. The poster also included information on how to report bullying from a personal perspective, or if someone thought that someone else was being bullied.

Development of a new and modern national facility for women in custody is set to reach an important landmark and as such we announced plans to close HMP & YOI Cornton Vale. HMP & YOI Stirling, which is being built on the same site, is due to open in the summer of 2023. It will be the third new, purpose-built facility for women in custody, following the opening of the Bella and Lilius Community Custody Units (CCUs), this year. The CCUs are the first of their kind anywhere in the UK, and follow an approach set out in the bold and ground-breaking Strategy for Women in Custody. The strategy is founded on the principle that services for women in custody should be designed especially for the needs of women, and also take account of their likely experience of adversity and trauma. The new HMP & YOI Stirling will have this approach at its heart. It will also be smaller, more modern, and with better facilities, than HMP & YOI Cornton Vale, which was built in 1975. It is an important milestone in the SPS's success in continuing to meet the challenges set by Lady Elish Angiolini, in her Commission on Women Offenders report, which also paved the way for our CCUs.

HMP Dumfries

March 2023 saw both staff and those in our care at HMP Dumfries working alongside care services to enhance community connections and understand more about those living with dementia, as part of the 'Forget-me-Not' garden project. The project, ran in partnership with charity Trellis Scotland and NHS Dumfries and Galloway's IDEAS (Interventions in Dementia, Education, Assessment and Support) team, looked to build knowledge and experience for care and prison staff, around the positive impact that gardening has on those living with the condition. HMP Dumfries' five-acre garden was identified as the perfect space



for this project, and staff at the establishment were keen to welcome the groups as part of their community engagement initiative. Individuals in our care prepared and set up the garden space, including designing

activities, in a way that would allow ease of access for the gardeners in the group with dementia. Others built planters and filled them with plants to be displayed.

In September 2022, to mark Hidden Heroes Day, the Governor of HMP Dumfries, Andy Hunstone, held an event to recognise the fantastic work that those working in the prison do. The event was attended by around 60 staff from all functions across the establishment. The Governor said that it was important to recognise everyone who plays a part in all aspects of the prison's success in making it a safe and caring environment. Long service awards were also issued to those who have shown dedication and commitment to SPS and HMP Dumfries for a significant period of time.

In November 2022, as part of Men's Health awareness month, HMP Dumfries welcomed Roly Proudlock from 'Prostate Buddies D & G' support group within Dumfries, to deliver information and support sessions to staff and those in our care. The purpose of the information session was to raise awareness, and support men and their families and friends who have recently been diagnosed with, or are concerned about, Prostate Disease or Prostate Cancer. The sessions were well attended by both staff and those in our care, with positive and welcoming feedback received.

HMP Edinburgh

The Recovery Café (The Cove) has been continually evolving since its creation in 2021. The Cove is a vital part of the recovery agenda for HMP Edinburgh and is a lifeline for those in our care on their recovery journey. As of February 2023, 10% of the establishment visit the Cove in any given week. The space is available to all and has a wide range of partner agencies as well as supporting different models of recovery, whether you are suited to a harm reduction model or an abstinence model. The First Line Manager (FLM) and Officers of the Cove are progressive and continually looking for fresh ways to inspire residents in recovery.



Officer Colin O'Flaherty was recently awarded a Butler Trust commendation for his exceptional efforts leading the 'Christmas Gift Scheme' which has been led by Colin with stakeholders for 21 years. The scheme has existed for 36 years through which Colin visits those donating gifts, covering 800 miles per year and working with Barnardo's to ensure that families linked to the establishment receive gifts. In 2019 for example 229 children from 119 families received gifts from HMP Edinburgh visitor centre.

The media station at HMP Edinburgh was upgraded during the pandemic to allow more sophisticated media to be shared with those in our care. This has proven to be an asset for individuals who could be better informed about how the pandemic is having an impact on their regime, lives and plans for the establishment. This included messages from the Governor in Charge and health experts on the importance and value of vaccines as well as other public health information. The radio station upgrade has since gone on to be a normal part of the prison environment and incorporates the successes of residents, information, public health information, harm reduction information and events.

HMP Glenochil

This year HMP Glenochil is leading the way in partnership with the NHS in the successful delivery of opiate replacement therapy, Buprenorphine, a replacement for methadone. The uptake at this establishment has been significant and it has proportionally the largest uptake of all prisons in Scotland with circa 60 patients successfully transitioning to it. Patients remain very positive about its effect and are encouraged to continue their treatment as they transition back into the community.

Prisoner Councils for each of the Prisoner Population Groups was introduced for the first time this year. The men were asked to make applications to be Council Members and applications were sifted and members successfully selected. These meetings are co-chaired with senior managers and look to work on the co-production of regime design in the future. It is early in concept, however one that is fundamental to supporting 'user voice' and ensuring we adapt to the needs of those in our care.



HMP Glenochil also continued to have success in the ARTS, as platinum Awards winners of the Koestler Awards. This year they have worked with SpaceART Scotland securing an exhibition at Holyrood around the artwork of individuals in our care. This provided an opportunity to speak to various politicians about the benefit of creative work in prisons.

HMP & YOI Grampian

In March 2023, Prison Chaplain Julie Innes, was nominated for her "enormous sense of care and compassion" with a prestigious Butler Trust commendation. During the pandemic, she launched a virtual recovery café and in-person 'conversation cafés', providing a safe space for open discussion in an informal setting. She was praised for sharing "positive and aspirational stories" throughout lockdown with those in HMP & YOI Grampian's care, which helped to support their mental health and gave hope at a difficult time. She also established a clothing bank for the women in custody, collecting items from her local community to ensure everyone had access to warm and suitable clothing, toiletries, and essential items. The bank has also provided white goods, food parcels, and other household items to women who had been released from custody and needed essential items. She has also recently completed an accredited course in counselling, to better support those in our care.



In November 2022, the women in our care at HMP & YOI Grampian held their own Scottish Week as part of the wider Peterhead communities Summer Gala. They organised and delivered a fantastic event in the form of an afternoon of activities. These included a nail station, board games and mindfulness activities. For the women taking part, this was a part of their life skills course which covers a vast array of activities, courses and qualifications with each course being tailor made for that specific individual's needs. The work done between staff and the individuals in our care, allows staff to build positive relationships and some of the activities provided include employability, budgeting, emotion management, social skills and behavioural awareness to name a few.

Also in November 2022, Individuals in our care were involved in a collective effort with charity Stella's Voice UK to provide items for those affected by the crisis in Ukraine. Charity shed workers, under the care of Officer Jayne Bones who co-ordinated the project, have been working hard to wash, dry and iron clothes, bedding and blankets for men, women and children in orphanages and refugee camps. Stella's Voice, who have shops based in Peterhead & Aberdeen, are a charity dedicated to ensuring that "Every item, no matter how small, helps to change a life".

HMP Greenock



In January 2023, staff at HMP Greenock held their bi-annual fundraiser for Erskine, which continues to raise funds since its introduction. Erskine, Scotland's largest veterans' charity, has close links to the Scottish Prison Service. Many of the staff and individuals in HMP Greenock have either served, or have loved ones, in our Armed Forces. The original idea for the fundraising effort began in 2020, during the first Covid lockdown, when staff decided to support local charities, who were unable to carry out their usual fundraising due to restrictions. The fundraisers are now held

twice a year, at both Easter and Christmas, HMP Greenock and Erskine staff donating items to be raffled off. This year's event, which included the sale of scratch cards, raised £205. One winner kindly donated their cash prize back to Erskine, taking the total to £255. To date the fundraisers have donated £2086 to Erskine charity.

HMP Greenock secured a fantastic 27 Koestler Awards this year. 'The Hearing', a handmade book inspired by an individual in our care's experience of being deaf as a child, received a Platinum Award.

In January, HMP Greenock held their latest life skills course, in partnership with NHS and Fife College. The course, delivered 4 days per week over a 5-week period, is designed to provide individuals in our care with the opportunity to learn new skills, improve relationships whilst they are in custody, and to assist them in living independently upon release. Topics covered in the course include cooking, personal finances, employability, laundry, healthy eating and emotional awareness. On completion of the course, participants receive an SPS Certificate in Life Skills, a Royal Environmental Health Institute of Scotland (REHIS) certificate, and SQA recognised certificates from Fife College.

HMP Inverness

In December 2022, the visitors centre Visitor Centre began opened to the public dedicated 'warm bank', in partnership with Action for Children (AFC). Staff at the establishment have been working hard on ways to support the surrounding community over the coming weeks/months. Hot soups and drinks were served to anyone who visited and 'Winter Warmth Boxes' were prepared to help people at home. Each box contained a blanket, warm hat, gloves, one pot meals/slow cooker recipe cards, and canned/dried food. The boxes were tailored to the needs of the recipient, with items such as colouring books, baby sleeping bags and warm coats available. Items were donated by staff and people in our care at HMP Inverness, along with a number of local businesses, including Johnny Foxes, Kinmylies Spar, Home Bargains, B&M, Go Outdoors, Eating With the Kids, HobbyCraft and Mountain Warehouse. Action for Children representatives were also on hand to provide outreach services to those in need.



Two members of the HMP Inverness team received successful nominations to attend the Royal Garden Party at Holyrood Palace later this year. Family Contact Officer Chrissy Catlin was nominated for her work in raising awareness and facilitating Naloxone training sessions for families and friends of prisoners and for her continued dedication to developing family contact. Activities Officer Sheena MacSporran was nominated for her commitment to Recovery activism and providing support for identified individuals through their Recovery journey. The relationship she has developed with the Scottish Recovery Consortium has enabled HMP Inverness to train a number of staff in Recovery Essentials.

Operations Officer Jackie King from HMP Inverness was honoured by former Olympic rower, Dame Katherine Granger DBE and presented with a Royal Humane Society Certificate for Resuscitation, following her heroic efforts, along with members of the Findhorn Coastal Rowing Club, in saving the life of a teammate.

Back in April 2021, one of Officer King's teammates suffered a cardiac arrest on the shore. The crew were quick to take what proved to be lifesaving action, in performing CPR and using the defibrillator until such time as paramedics attended the scene. The defibrillator that was installed in Findhorn had been provided by Kieran's Legacy, which funds defibrillators across North East Scotland and promotes CPR awareness. Officer King was invited to a ceremony in January 2023 to receive her award, in front of special guests including the Lord Lieutenant of Moray, CEO of the Resuscitation Council UK, Wildcat Cardiac Responder Development Lead and the founders of Kieran's Legacy.

HMP Kilmarnock

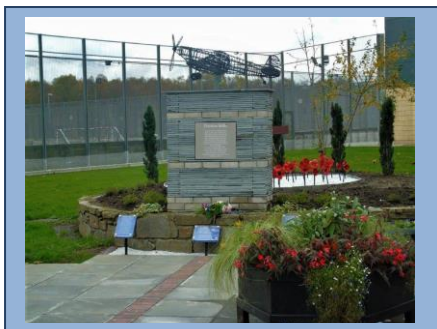
In June 2022 HMP Kilmarnock opened the Ayrshire Foundation Hub in our external visitors centre, this was the culmination of many months negotiations and work between the prison and our multiple Ayrshire stakeholders including Ayrshire council, over 100 guests and dignitaries attended the opening event MPs, MSPs, HMIP, Local Councillors, SPS, Ayrshire council leads and the Hub was officially opened by the Lord Provost himself, true multi stakeholder cooperation to achieve a terrific outcome.



For our staff we introduced a series of different recognition and rewards within Kilmarnock. Staff long service awards although already in situ, were enhanced to provide vouchers of £250 to each long service person, some of the recognition and rewards were really quite basic targeting that 'Thank You' approach. Staff BBQs, bringing the Coffee Cart into the prison and buying all staff a coffee and a bun, staff raffles with some decent prizes, the EPF (Employee committee) hosting quiz nights and events for staff, we also introduced. We also introduced an annual staff sports calendar, including a volleyball competition, where HMP Kilmarnock proudly sit top of the league after 3 events.

HMP Kilmarnock will officially transfer to the SPS in March 2024. SPS staff are working in partnership with KPSL and Serco to ensure this is done in a way, which meets the needs of both staff and those in custody, and of our wider justice and community partners, and continues the successful approach that HMP Kilmarnock has developed over many years.

HMP Low Moss



HMP Low Moss opened a new Memorial Garden as a peaceful space to allow quiet contemplation for those in our care and our staff. The centrepiece, made from recycled materials, was a culmination of the hard work and effort of individuals from different establishments. The monument is accompanied by a mural, completed in partnership with colleagues from Fife College, which features the shadow of a soldier looking down on a field of poppies. This steps up plans to reinvigorate support services for veterans. They also held a veterans' networking event, bringing together both internal and external partners.

They also established a pilot programme together with East Dunbartonshire Health and Social Care (HSCP) and MacMillan Cancer Care to offer a cancer support service to those in our care and staff working in the establishment, this service is called Improving the Cancer Journey (ICJ). The project involves a number of partners including East Dunbartonshire HSCP, MacMillan, NHS, Social Work, Early Years Scotland. In order to access the service the individual must be affected by cancer (either directly or indirectly). Those in our care with cancer or those without cancer but who are worried about relatives in the community with cancer can use the service. Similarly staff with cancer or staff without cancer but who are worried about relatives in the community with cancer can use the service.

In November 2022, Officer Melloy was recently selected nationally across all establishments to represent the Scottish Prison Service at the Cenotaph, in London, on Remembrance Day. A former member of our Armed Forces, Officer Melloy accepted the invite and represented the SPS with distinction. Alongside

HMPPS and NIPS colleagues, he took part in the march past the Cenotaph and stopped by Downing Street for a memorable photograph.

HMP Perth

Individuals in our care at HMP Perth made and donated birdfeeders, benches, and planters to Goodlyburn and City of Perth Early Childhood Centre (COPECC). There are 97 children registered at the centre, many of whom have additional support needs. The initiative gave those in our care an opportunity to hone or develop woodworking skills, whilst contributing to an exceptionally worthy cause.

As a way to engage remand prisoners and get them involved in purposeful activity, HMP Perth created a Crisp Packet project seeking to provide blankets for the Salvation Army. Staff researched what was involved with our two life skills passmen and together they made our first blanket. The passmen then taught a remand work party how to take a crisp packet and make it into a survival product for those facing homelessness.

HMP Perth held the first Medicated Assisted treatment workshop (MAT) across the justice landscape. The workshop was well represented with colleagues from SPS, health, third sector, advocacy as well as those individuals currently in custody. This looked to focus on an individuals' pathway from community to justice, promoting timely access to MAT, lived experience, choice, family involvement and trauma informed care.



HMP & YOI Polmont

In December 2022, young men in our care have been learning new skills from leaders in the hospitality and catering sector. The young men taking part in the life skills course were taught culinary skills by professional chefs, and learned dining room and front of house etiquette, as part of the World Host event organised by staff at Polmont and the Springboard UK charity. At the end of the week, they showcased their new skills by serving afternoon tea to representatives of international hotel groups, Apex Hotels and Hilton Hotels & Resorts. From sandwiches to choux buns, carrot loaf and scones, the young men served up a series of culinary delights, with not a crumb left on a plate. They also had the unique opportunity to talk to the hotel representatives about possible careers in their industry, and opportunities they might have upon release.



The Duke of Edinburgh Award Scheme is a partnership between the Duke of Edinburgh Award Scheme, HMP & YOI Polmont and Barnardo's. Throughout 2022/3 there were 12 Bronze awards completed and 3 Silver awards completed. All young people work extremely hard to gain their sectional certificates. Those involved showed their hard work and dedication to the award and put in outstanding effort to learn new skills, focus on their fitness and volunteer to help others.

HMP & YOI Polmont facilitated a successful transition of the women offenders from HMP & YOI Cornton Vale to HMP & YOI Polmont's Blair House as part of the decommissioning process of HMP & YOI Cornton Vale. This also included pre-work of the transition of female young people to another Polmont Hall and the change in status to receiving female admissions directly from the courts. This has required significant adjustment to working practices for both HMP & YOI Polmont and HMP & YOI Cornton Vale. Both staff groups have fostered strong and effective working relationships whilst in Polmont which has greatly benefited the people in our care. They co-produced the creation of individualised management care plans for those transferring from HMP & YOI Cornton Vale and through engagement sessions they have been able to identify the risks and support requirements to provide a positive platform for the transition. This has been a true testament to relationships forged with minimal distribution to the establishment and those individuals in our care.

HMP Shotts

As part of the recovery from the pandemic, an Innovative Case Management Support Strategy was developed by Case Management FLM Ross Currie with the aim to support and empower staff through development of case management skills and knowledge, raising standards within HMP Shotts and positively impacting those in our care. Shotts continues to deliver this and has been given approval by Director of Operations to continue this over the next year until 2024. Two Case Management Support Officers Mandy O'Connor and Graeme Murray are in post on a temporary basis to deliver this and to further support the new Case Management FLM Jim O'Neill in driving this forward. The approach is being well received across the establishment and the team continue to build strong relationships with the Residential Teams and Partners allowing them to support, deliver the strategy and drive up the standards.

Significant work has been undertaken as part of a pilot programme, to focus on Recovery, Wellbeing and Harm Reduction within HMP Shotts. An acting Harm Reduction and Inclusion FLM, Wendy Stewart and Recovery Officer Bernard Bell are now in post and have made inroads in bringing the local and national recovery community into HMP Shotts for the benefit of our residents. Both are working tirelessly and ambitiously building internal and external relationships to ensure the best possible services are available to those in our care. During a recent visit by the Non-Executive Directors, they were able to see examples of this in practice, sitting in on a Recovery Group engaging with residents and a community support worker, which gained fantastic feedback. Further works are in the pipeline such as a recovery / wellbeing hub area within the establishment.



In January 2023, Shotts welcomed staff from the **Inveraray Jail** Museum in Argyll for an educational visit, to allow them to compare the older jail with a modern prison. The visit started with a presentation from William Stuart, Governor of HMP Shotts, alongside Head of Operations, Mitchell Baillie, and FLM Wendy Stewart. It covered the establishment's history and current role within the Prison Estate. The visitors were then treated to a tour of the prison. A Q&A session ended the day, which led to discussions on ways to develop relationships between old and new. HMP Shotts plan to contribute to the story of the museum by providing information that can be displayed to visitors.

WHO WE ARE AND WHAT WE DO

The Scottish Prison Service (SPS) is an Executive Agency of the Scottish Government and was first established in April 1993. The SPS Framework Document sets out the policy and resources framework set by Scottish Ministers within which the SPS operates. As an Executive Agency, the SPS is funded by the Scottish Government.

The SPS is responsible for those who are committed to its care by the Courts and is accountable to the Scottish Parliament for the delivery of custodial care in accordance with The Prisons and Young Offenders Institutions (Scotland) Rules 2011.

The impact of our work is felt beyond the prison walls. SPS works with multiple partner agencies, including third sector organisations, to keep the public safe and to support people to live crime-free lives. We operate the Victim Notification Scheme for registered victims of crime, who have the right to receive information about the progression and eventual release of people convicted of the offence against them. On behalf of multi-agency justice partners, we also manage the contract for the Scotland-wide Court Custody and Prisoner Escorting Service for the provision of safe and secure transport for those in custody to and from courts and appointments.

At 31 March 2023, 14 prisons were directly operated by the SPS and a further two were run by private sector operators under contract to SPS. During the year, the Bella and Lilius Centres were opened, and HMP YOI Cornton Vale ceased to be an operational establishment. Appendix 1 shows the locations of these prisons.

Our operating context is dynamic, demand-led, and extremely complex. Prisons are small communities, which operate 24 hours a day, 7 days a week. They are also the working environment for our staff and as such, there are a range of regulatory and legal requirements that must be met. We directly employ around 4,600 staff and on a daily basis in 2022-23 accommodated around 7,400 individuals in our care. Appendix 2 details the current organisational structure in place.

We deliver our work in accordance with our organisational values:

Belief – We believe that people can change.

Respect – We have proper regard for individuals, their needs and their human rights.

Integrity - We apply high ethical, moral and professional standards.

Openness – We work with others to achieve the best outcomes.

Courage – We have the courage to care regardless of circumstances.

Humility – We cannot do this on our own, we recognise we can learn from others.

National Policy Context

The role of Scotland's prisons is derived from two key documents: the Scottish Government's ['Vision for Justice in Scotland 2022'](#) and the Scottish Sentencing Council's 'Purposes of Sentencing'.

The Vision for Justice states:

'there will always be a need for prison where a risk of serious harm is posed and custody can provide an important opportunity for rehabilitation...imprisonment for short periods is counterproductive and our evidence consistently shows that those serving short-term sentences reoffend more often, although it should be noted that those who receive community sentences have often committed less serious crimes. The long-term aim is that people should only be held in custody where they present a risk of serious harm'.

This vision makes it clear that Scotland 'must look to redefine the role of custody in the context of needing to better support individuals' rehabilitation, by taking a trauma-informed and person-centred approach whilst also ensuring public safety.'

As an executive agency of Scottish Government, our work contributes to the delivery of the national outcomes specified in the [National Performance Framework](#). In particular, our work aligns with the following outcomes within that framework:

- We live in communities that are inclusive, empowered, resilient, and safe.
- We respect, protect, and fulfil human rights and live free from discrimination.

We also deliver actions that contribute to realising the National Strategy for Community Justice.

A summary of our policy context is also given in Appendix 10.

2022-23 Strategic Themes

For 2022-23, SPS extended the life of its current Corporate Plan by one financial year to provide a bridge between the 2019-22 Corporate Plan and the Corporate Plan for 2023-28. To better align to the Vision for Justice we adopted the following themes, against which this Annual Report describes performance:



OUR SERVICE TODAY

Scotland's prison system operates in an ever changing context. Scotland's prison population has increased in recent years, mainly due to increases in average sentence lengths and increases in the use of remand. The turnover of Scotland's prison population has reduced due to overall reductions in the use of imprisonment.

Scotland's prison population continues to be unprecedented in its complexity, mainly due to a changing mix of crime, with more serious crime as a proportion and increased reporting of sexual crimes, in particular, this complexity is illustrated by increasing demand for health and social care. Despite longer term reductions in crime, there are more upward pressures than downward for Scotland's prison population; and there has been a general decline in the female population and the number of young people in custody has continued to reduce.

Scotland's prison system pressures, resourcing and stability are all inextricably linked. The prison system can only unlock and shift resources towards rehabilitation if prison pressures are reduced, especially those populations that increase overcrowding by virtue of the need to keep them separate, impacting on single cell occupancy (people on remand, people with a history of sexual offending, people involved in Serious and Organised Crime).

The increases in people coming in to our care with histories of serious offending is drawing prison system capacity increasingly towards safety and security. This, in turn, impacts on system capacity to meet wider expectations around rehabilitation and reintegration.

The levers that would enable Scotland's prison system to unlock and shift resources more towards rehabilitation mainly lie outside the prison system itself. SPS is therefore fully supportive of steps being taken to prevent serious crime – and the long prison sentences that come with serious offending - happening in the first place, the steps to increase alternatives to imprisonment and alternatives to remand. We also recognise that we cannot manage the risks and meet the needs of Scotland's prison population on our own.

Looking Forward

We continue to take lessons from the pandemic to make progress in the delivery of support and care for individuals and for their families. In the coming year (2023-2024), we will publish our new 2023-28 Corporate Plan, the first ever to span over a 5 year period, the plan will set out our new strategy objectives for us as an organisation as well as refreshed values.

The first of 5 annual delivery plans that supports the corporate plan will deliver some major milestones. We will open HMP&YOI Stirling which will see us continue to fulfil the pledges we made in the bold and ground-breaking Strategy for Women in Custody. HMP Kilmarnock will transition back into the Scottish Prison Service's control, a first in Scotland for a project of this size and complexity. In addition we will see the implementation of in-cell telephony across the estate and it is anticipated we will complete the pre-construction phases of our modernised estate- HMP Highland and HMP Glasgow.

We look forward to this innovation in delivery but we must continue to be mindful for persistent pressures arising from of an increasing prison population in both numbers and complexity and the continuing fiscal challenges.

Our Population

The size and nature of our population has varied over time and is determined by the level and type of crime, Government policy, legislation and policies and practice across the wider justice system.

From 2000-01, the prison population rose from an average of 5,868 to a high of 8,179 in 2011-12.

The period between 2011-12 and 2017-18 saw a reversal of this trend, with a steady decline in the average population, falling to 7,464 in 2017-18. Despite a decline of 29% in the number of individuals receiving custodial sentences over the past decade, 2018 saw the prison population increasing, with a sustained rise during the year. The population surpassed 8,000 in February 2019, reaching a high of 8,336 in October

2019. It remained over 8,000 until the end of March 2020 when the impact of Covid-19 resulted in fewer people being sent to custody due to the suspension of court business.

As a result of the restrictions imposed in the first quarter of 2020, the overall prison population saw a sharp decline following the first national lockdown. The average weekly population decreased by 15.2% over a period of 11 weeks declining to the lowest level (6,869) since December 2006. However, the resumption of court activity at a higher level saw the population increase again. This increase in population was as a result of a rapid increase in male adult Remand numbers over the next 4 months which increased by approximately 800.

Our population has also become more complex as a result of the increasing proportion of those in our care who have to be accommodated separately due to their legal status (remand or convicted), sex, age or offending history, for example, those with a history of sexual offending and individuals with links to Serious and Organised Crime.

This complexity is further illustrated by the increase in demand for health and social care services across the prison estate in recent years. It is important to recognise that, managing this complexity within the limitations of Scotland's prison system capacity, challenges the relationship between prisons and local communities.

The short term reduction in population in early to mid-2020 has not reduced this complexity, although the reduction in the volume of the population enabled us to help meet public health expectations through the accommodation of a higher proportion of individuals in single cell accommodation to combat the spread of the COVID19 virus in high risk residential areas in our prisons.

The emergence of the highly infectious Omicron variant of COVID-19 in the second half of 2021 and into the first 4 months of 2022 had resulted in significant number of positive cases within Scottish prisons. The population remaining lower at that time had allowed for more people to be located in Single Cell accommodation than previously anticipated.

As the impact of COVID-19 on prisons lessened, there was a reduction of approximately 7% in Short Term Prisoner numbers, remand numbers have however remained higher than pre-COVID levels, approximately 2100 prisoners on average, which is similar to the 2021/22 figures. These changes in have resulted in an overall 1% reduction in population from 2021/22, creating an average of 7426 prisoners. 2022/23 saw fluctuations in the population demographic despite the 1% reduction described above. Male adult figures did increase, however there were reductions of both male and female young adults in custody of 17% jointly. Figures for women in custody also reduced during the year to create an average of 283.

However, in the first 3 months of 2023, numbers in custody in Scotland have increased in the region of 200 which is an increase of about 3%, in contrast to the overall reduction for the whole reporting year. The trend appears to be starting to show an increase in numbers in general and is being closely monitored and actions taken to reduce the impact on establishment and prisoner groups.

With removal of restrictions on physical distancing, and the expansion of the courts to tackle the backlog in summary and solemn cases across Scotland, we may not be able to plan in terms of absolute numbers going forward, evidence suggests that we can make a reasonable planning assumption that the population will continue to increase in numbers and in complexity. Further information on Scotland's prison population can be found on the Scottish Government website here: [Scottish Prison Population Statistics 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/prison-population-statistics-2021-22/pages/1-introduction.aspx)

To mitigate these risks, we:

- continue to work with the Scottish Government and a range of justice partners in developing an agreed understanding of how to manage the needs of an increasingly complex prison population;
- contribute to the work of the Health and Justice Collaboration Improvement Board and the Health and Social Care in Prisons Programme Board, aimed at improving the delivery of health and social care provision in prisons;
- utilise intelligence led prison management processes;
- continually monitor the design, maintenance and use of the physical estate; and
- promote a person centred approach to case management.
- Contribute to the Serious and Organised Crime Group (SOCG) Taskforce

Risk Management

The principal risk areas (having been scored 'high' on the Corporate Risk Register during the reporting year) that are associated with 'key elements' described in the 2022-23 Delivery Plan were as follows:

- **Prison population demand exceeding capacity** – the changing volume and complexity of the prison population can make it more difficult to house those in our care safely and humanely and deliver the full range of services we would want to. This risk remained stable through much of the reporting year, but has started to increase significantly after the end of Q4. Mitigations included data monitoring and the development of longer-term population management options.
- **Insufficient capacity of SPS workforce** – without the necessary people with the necessary skills, we may struggle to deliver services and make improvements. The completion and progress of a number of 2022-23 key elements have been impacted by limitations of the operational and non-operational capacity of the workforce, as described in the Performance Analysis. Mitigations included refreshed recruitment campaigns and work focussing on absence management.
- **Financial pressures due to inflation and challenges of accurate forecasting** – through the year, financial volatility threatened to increase spend on a range of infrastructure projects and on basic costs (such as food and utilities). This, in addition to a lack of senior financial expertise, made medium-term financial planning not possible. This area remained a high risk throughout the year. Mitigations included the recruitment of senior finance professionals, monitoring of the external financial environment, and contract management.
- **Inability to deliver individually-focussed rehabilitative services** – SPS has legal duties focussed around rehabilitative services and the progression of those in our care through their sentences. There is a risk that we cannot deliver on these duties. Through the year, this risk increased, driven largely by workforce pressures. Mitigations have included revised strategies for securing psychology resources and plans being put in place for longer-term reviews of case management.
- **Not creating and maintaining safe and healthy prison environments** – SPS works in partnership with the NHS to support the health and care needs of those in Scotland's prisons. There is a risk that SPS does not meet its duty of care in this respect. Through the year, this risk increased slightly due to on-going staffing pressures post-COVID. Mitigations have included reviewing recent health-focussed scrutiny, progressing with the development of health strategies, and improved strategic engagement with NHS partners.
- **Quality of SPS' data, information and evidence for effective decision making** – ensuring there is high-quality information for effective management is crucial for SPS as a public service and the need for improvements in this area have been identified. Through the year, this risk increased slightly, driven by increased scrutiny. Mitigations have included the creation of a new data and analysis function, who have taken forward improvements to data processes and reporting.
- **Delivery of the Scottish Court Custody and Prisoner Escorting Service contract** – ensuring, on behalf of multi-agency justice partners, the effective delivery of the Scottish Court Custody and Prisoner Escorting Service contract - including responding to a new post-COVID operating model - has been a significant risk for SPS this year. It has remained a consistently high risk. Mitigations have included enhanced contract management and engagement with partners.
- **SPS not meeting increasing need and demand for technological innovation** – with changes in working and communication expectations post-COVID, we need to keep pace with technological developments. This remained a high risk through the year, driven by the risk of cyber-attack. Mitigations have included cyber resilience improvements, the creation of a digital strategy, and in-cell technology developments.

All of the above risk areas continue to pose a threat to SPS's objectives in 2023-24 and beyond. The increasing volume and complexity of the prison population will likely be the greatest risk. The transition of HMP Kilmarnock in to SPS operations is also a possible future strategic risk for SPS.

OUR PEOPLE

The success of the SPS relies on the performance of its people. It is the workforce who, through the delivery of frontline services or by enabling frontline services, empower those in custody to change their lives and reduce reoffending. It is these colleagues who maintain secure custody in safe and ordered prisons and maintain decency and respect for others. Their exceptional work is unseen, and at times, unrecognised by the wider public.

We recognise that this is challenging work and that the SPS must create the environment our staff deserve to maximise their chances of success. That is why we are committed to creating a culture in which everyone feels the sense of job satisfaction and recognition. We aim to create a healthy and respectful environment that promotes positive relationships and allows people learn, reflect and grow in a safe environment.

We know this begins with effective leadership and is dependent on strong professional relationships which are built around a trauma informed approach to everything we do. During 2022/23, leadership opportunities were increased for both new and existing leaders across SPS, these included SPS' Leading with Awareness Programme and Franklin Covey's 7 Habits of Highly Effective People Programme.

Our 2022 People Survey provided encouragement with a higher number of employees returning positive responses across seven of the nine themes, including "My Manager", "Learning and Development" "Inclusion and Fair Treatment" and "Organisational Objectives and Purpose". The "Pay and Benefits" theme continues to require most improvement, and we will actively work with our TUS Partners to seek opportunities to increase the percentage of positive responses in this area. Other areas for improvement include the "Engagement Index" which identifies the correlation with emotional attachment to our work, and "Taking Action on the Survey".

We are taking a number of steps to create a healthy workplace including the launch of SPS' Employee Passport, adding a range of personal wellbeing activities and interventions for our workforce. SPS' first Menopause Policy was published in February 2023 and work to revise our Wellbeing Policy and supporting guidance continued throughout 2022/23. During 2022/23 sick absence reduced by 17.4% in comparison with the previous financial year and we will continue to build on this.

OUR RESOURCES

The Scottish Parliament approved the 2022-23 budget for SPS of £478m. There was a budget adjustment of an additional £6.6m for the impact of implementing IFRS 16, the accounting for leases. Financial sustainability was a significant challenge in the year with the impact of Inflation and the cost of living increases particularly in utilities, fuel and prisoner food supplies. This required additional in year funding from SG of £14.5m. These challenges are expected to continue into 2023/24 and beyond due to the current economic pressures.

The appointment of a permanent Director of Finance role to the SPS Executive team was confirmed in March 2023. A key priority will be to develop of a medium-term financial strategy linked to the 2023-28 corporate planning process. This will set out the longer-term financial strategy and capital investment plans for the organisation.

To mitigate this risk, we will:

- Continue to work with colleagues in the Scottish Government on medium/longer term financial planning; and
- Continue with the senior structural review which aims to address the structure and alignment of the corporate governance arrangements to ensure we are best positioned to meet current and future demands

PERFORMANCE SUMMARY

This Annual Report reflects on performance relating to the SPS Annual Delivery Plan 2022-23. The period of the 2019-2022 Corporate Plan was extended by a year, and the Annual Delivery Plan developed to provide a bridge between the 2019-2022 planning period and the 2023-28 planning period.

In that Annual Delivery Plan, 5 themes and supporting objectives were created. These are described in “Who We Are and What We Do” section above. ‘High-Level Actions’ are set out against each theme and ‘Key Elements’ describe how we will deliver each Action. The Annual Delivery Plan was designed to be flexible, depending on prevailing environmental conditions as we emerge from the pandemic. Actions, Key Elements and indicative timescales will be reviewed and monitored and reported against on an ongoing basis through SPS Executive Management Group and Advisory Board. These Actions and Elements are discussed in more detail in the Performance Analysis.

Operational service-delivery performance is also described here, in reference to SPS Key Performance Indicators (KPIs). A summary of trend information on these KPIs is given at Appendix 9a.

Finally, a summary of financial performance is provided in this section.

During 2022-23, the next SPS Corporate Plan, covering the five-year period 2023-28, was developed. With this, new key actions, priorities, and organisational measures are being developed, which will form the basis of future performance reporting.

PERFORMANCE SUMMARY 2022-23

STRATEGIC THEME	COVID
STRATEGIC OUTCOME	Addressing the ongoing impact of the COVID-19 pandemic and continuing to focus on recovery and transformation.

As we recover from the impact of Covid-19 on our workforce regime onto those in custody, we are committed to working with our partners as part of the wider justice reform, in line with Scotland’s strategic framework and public health guidance. The Annual Delivery Plan included one Action for this Outcome, comprising three Key Elements.

Monitoring of positive Covid-19 cases across the SPS estate continued through the year. SPS has been actively engaged with the Criminal Justice Board and Justice Board through this reporting year, including contribution to the Criminal Court Recovery Modelling produced by the Scottish Courts and Tribunals Service. GEOAmev and SPS, on behalf of the Multi Agency Liaison Partners (MALG), undertook work, which is still in-train, to recalibrate the SCCPES contract to meet the service demand, post COVID19. SPS has been engaged in a number of activities around prison projections (primarily with Scottish Government Justice Analytical Services). SPS received a request from the Scottish Government Covid-19 Inquiry Response Team which sought detail of all Covid-19 related ministerial submissions and provided an inventory of documentation held in response to the request. Further detail on each Element is provided in the Performance Analysis below.

STRATEGIC THEME	SAFETY AND SECURITY
STRATEGIC OUTCOME	Population management, the security of our estate and an environment that is safe for staff and those in our care.

This theme gave a commitment to both those in custody and our staff group. The Annual Delivery Plan included one Action for this Outcome, comprising six Key Elements.

This theme focussed on core prison-management functions and developing our operations. As part of a review of our Intelligence Management Policy, a revised reporting model was designed and procurement began for body worn cameras. The development of population management contingencies resulted in

draft short-term recommendations. Progress was more limited than anticipated on the development of a Serious Organised Crime plan - with engagement taking place with HM Prison and Probation Service (HMPSS) for this work but not taken significantly further during the year- and further responses to the management of those in our care under the Terrorism Act (2000), which requires psychology resource in order to progress. Work on these will continue in to 2023-24 and beyond and more detail on each Element is provided in the Performance Analysis below.

STRATEGIC THEME	HEALTH AND WELLBEING
STRATEGIC OUTCOME	Improving the mental and physical health & wellbeing of those in our care through the adoption of person-centred and trauma-informed approaches.

The Annual Delivery Plan included four Actions for this Outcome, comprising ten Key Elements.

This theme provided an opportunity to focus attention on the different aspects of health and wellbeing as we moved into recovery from the Covid-19 period. A number of significant milestones have been achieved within these Actions. With regards to developing trauma-informed practice, training and pilots have been developed and rolled out and will inform the long-term implementation of a trauma-informed strategy for the organisation. Through this reporting period the recruitment of the Head of Health was completed, as such the Health and Wellbeing strategy is on track for publication in Autumn 2023.

The review of the Gender Identity policy continued during the year and was subject to extensive external scrutiny which saw interim measures put in place for the placement of transgender people in our care. The lessons learned have been included from the recent case reviews of transgender people in custody, engagement has continued across the criminal justice system to improve data reporting for the admission process for transgender people, and the statutory and implications of a revised policy position have been explored. A further significant key milestone progressed through this reporting year was delivery of the Women’s Strategy, namely the opening of both Liliias and Bella CCUs, and the decommission and closure of HMP Cornton Vale. Work will continue on understanding the population for the Women’s Estate, in coming years including commencing an evaluation of the new female estate. Further detail on each Element is provided in the Performance Analysis below.

STRATEGIC THEME	PREVENTION AND EARLY INTERVENTION
STRATEGIC OUTCOME	Addressing the impact of poverty & deprivation, including supporting positive family environments, social networks & relationships.

The Annual Delivery Plan included two Actions for this Outcome, comprising three Key Elements.

Each Key Element within this Outcome has progressed. The development of a new Family Strategy is at an advanced stage and will have a focus on communication and engagement with families through active consultation to inform practice and facilitate participation wherever possible. The Corporate Parenting Policy and the Mother and Baby Policy were also progressed, with supporting research being taken to the Young People’s Strategy Group. Work to prepare for the incorporation of the United Nations Convention on the Rights of the Child (UNCRC) in to Scots Law Options has been underway, particularly focussing on training provision and how best to mainstream Children’s Rights and Wellbeing Impact Assessments in to SPS’ work.

A Communication Friendly Environment project began at HMP & YOI Polmont, with easy- read resources developed as part of this collaborative work with Specialist Speech Language Therapist staff at Polmont and SPS College. Further, the pilot phase of Control and Restraint 2, a method of non-pain inducing restraint, became operational in HMP/YOI Polmont, Bella and Liliias CCUs. The pilot will run for a total of 12 months, with regular updates on progress throughout the next reporting period. Further detail on each Element is provided in the Performance Analysis below.

STRATEGIC THEME	PROTECTING THE PUBLIC AND REDUCING REOFFENDING
STRATEGIC OUTCOME	Enabling sustainable reintegration via strong progression, risk management and release processes and protocols.

The Annual Delivery Plan included one Action for this Outcome, comprising three Key Elements.

Progress was more limited than was hoped for during this reporting period across this Outcome, primarily due to a lack of capacity and a need to focus on responses to critical service challenges. While a business case to support the Implementation of the Psychology Strategy was successful, recruitment into the necessary posts was not possible. The First Grant of Temporary Release (FGTR) process was streamlined but wider work on reviewing Case Management and preparations for release will form an area of major focus for the next Corporate Plan period. This will include consideration of social work models and funding, the consideration of which in 2022-23 was impacted by the need to manage the provision of critical services.

STRATEGIC THEME	ENABLERS
STRATEGIC OUTCOME	Developing our People and Organisational Development – enabling or cross-cutting activities that enable (good-quality) delivery.

Ascertaining our foundation for improvement has been a real focus throughout the 2022-2023 Corporate Plan, to bridge us towards the revised 2023-2028 Corporate Plan. The Annual Delivery Plan included five Actions for this Outcome, comprising 23 Key Elements.

Strong progress has been made on many major aspects of this Outcome during the 2022-2023 reporting period. Preparations for the construction of HMP Glasgow and HMP Highland continued, with considerations being made for the uncertain financial position. HMP Kilmarnock project team is now also fully recruited with a Gateway review completed, this project team itself will project manage HMP Kilmarnock's transition into the Public Sector when the current contract ends in 2024. Further, SPS Headquarters successfully moved building through 2022-2023, and has committed to a hybrid-working approach for those staff based at Headquarters, Fauldhouse and SPS College.

Significant progress has also been made in terms of our corporate Improvement Framework reporting, including improvements to the report production process and developmental work on organisational KPIs and understanding of data management at SPS, and our Corporate Planning and Corporate Risk Management processes and expectations, for which guidance was developed and awareness sessions delivered. The preparatory work (provision of cabling within establishments and award of contract for in-cell telephone services) for implementation of In-cell digital transformation has progressed during 2022-2023, though significant progress and development work will continue in coming years. Progress is anticipated within the next reporting period on the Communications Strategy (for which an initial draft was produced but not further progressed), Climate Change Strategy (for which an initial set of Net Zero recommendations were developed but not further progressed), People Development (for which a revised Leadership strategy was developed and governance arrangements for HR transformation were established) and the Finance Framework (which saw the introduction of Electronic Purchasing Cards, but other work on financial policy and infrastructure limited by staffing availability). Further detail on each Element is provided in the Performance Analysis below.

Managing Operational Performance

We are committed to building a Safer Scotland and the safety and security of our prisons is paramount. We face many of the challenges that communities face outside our boundaries and as such we are never complacent.

This past year has seen the organisation continue its performance recovery, with the ongoing backdrop of COVID19 in everyday lives. The organisation is using learning identified during the pandemic to its advantage and seeking to shape new structures in how we conduct our core business.

In a custodial setting, we have seen very positive progress against the vast majority of our Key Performance Indicators, shown below:

KPI1a	Extreme Risk Escapes
KPI1b	Escapes at other supervision level
KPI2a	Serious Prisoner on Staff Assaults
KPI2b	Minor & No Injury Prisoner on Staff Assaults
KPI2c	Serious Prisoner on Prisoner Assaults
KPI2d	Minor & No Injury Prisoner on Prisoner Assaults
KPI 3a	Purposeful Activity Hours
KPI 3b	Average Purposeful activity Hours per week per Convicted prisoner
KPI4a	% of education classes spent delivering literacy skills
KPI4b	% of education classes spent delivering numeracy skills
KPI5a	Vocational & Employment Related Qualifications
KPI5b	Vocational & Employment Related Qualifications at SCQF level 5 or above
KPI6	Employability Prospects Increased
KPI7	Reduced Substance Abuse
KPI8	% of ICM Case Conferences with CJSW in attendance
KPI9	Average Annual Cost Per Prisoner Place
KPI10	Reducing Carbon Emissions

This is despite a year where we continue to recover from the pandemic and during sustained periods where our establishments were short of complemented resource on a daily basis, all the while managing an ever increasing and complex prisoner population.

As a learning organisation, we continue to evolve and have introduced a number of initiatives in our determination to reduce violence within our prisons. Our response to the safety and security of our prisons remains robust and we act in an agile manner to both new and existing threats. The Strategic Risk and Threat Group which was established in 2017 has further identified the emerging risk and trends which includes the changes in the way violence is perpetrated in our prisons.

We continue to manage the issues surrounding Serious Organised Crime Groups (SOCG) and Organised Prisoner Networks (OPN) within all Scottish prisons, the use of illicit substances (which has reduced 25% in past year however remains a risk) and misuse of medication and the effect these have on both those in our care and staff in establishments.

The Management of an Offender at Risk due to any Substance Policy (MORS) has seen a significant increase in the number of people in our care who have been managed under this policy, over the last few years. The introduction of the legislation to photocopy prisoners general correspondence was introduced in December 2021, and this has resulted in a 66% reduction in the number of mail items testing positive for an illicit substance, 41% reduction in the number of drug related emergency escorts and 25% reduction in the number of drug takes incidents.

KPIs 1a and 1b Escapes from Secure Custody are baseline indicators of SPS's delivery of secure custody.

There was **one escape from SPS** custody of a prisoner of any supervision level in the reporting year 2022/23, the first such incident since 2017. An individual from HMP Greenock slipped their handcuff's whilst at hospital and struggled free of staff, to escape the hospital grounds. He was re-apprehended a few hours later by Police Scotland and returned to establishment.

KPI 2a Serious Prisoner on Staff assaults. The number of serious prisoner on staff assaults for 2022/23 has reduced during this reporting year with **only 5 incidents in comparison to 9 in 2021/22.**

This performance is a very positive indicator of prisoner and staff relationships in our establishments and demonstrates momentum in building and maintaining safe communities in a prison setting.

SPS continues to take pro-active steps to mitigate against the risk of use of illicit substances which we know is linked to incidents of violence. The introduction of key processes and policy has directly impacted upon the number of people being managed under the influence of unknown substances policy (MORS), which has helped contribute towards a reduction of violence in the prison environment.

SPS continue to manage individuals who present an extreme risk of violence as well as those with acute and chronic mental health issues. Together with NHS partners (where and when appropriate) we manage these identified risks to both the individual and others in a way that supports the physical and wellbeing needs of the individual.

The requirement to manage individuals who present an extreme risk of violence and the ongoing management of people who may present with mental health issues remains an area where we maintain a focus of resource to help ensure we achieve our duty of care.

We continue to work with our criminal justice partners, in particular with our NHS colleagues, to ensure that those who have been identified as having mental health issues are managed appropriately to reduce the risk of violence.

Identification of the motivation behind all assaults has improved as a result of SPS introducing violence investigation processes across all prisons, and the additional work carried out to identify all violent incidents that occur in a prison setting.

KPI 2b prisoner on staff minor and no injury assaults. The numbers recorded against this measure has **decreased to 259 from 323 incidents, across all prisons except for HMP Cornton Vale and Greenock** for the reporting year 2022/23.

The majority of these incidents (92%) occur in the larger closed male establishments with 95% of all staff assaults occurring in those establishments who receive admissions direct from the courts.

The violence against staff has occurred predominately within the residential areas where individuals are on remand or serving a short term sentence. It is assessed that prisoner on prisoner interpersonal violence is a contributing factor with staff being assaulted whilst intervening in these incidents.

Only 7% of assaults against staff were carried out by individuals who were under the influence of an unknown substance at the time. This reflects the change in presentation and behaviour of those consuming illicit substances from aggressive and violent in nature to individuals now presenting as extremely lethargic and, at times, unconscious, often due to the varying changes in chemicals used in substances that are consumed.

26% of prisoner on staff assaults occurred when staff intervened to manage individuals who were displaying disruptive behaviour and a further 17% of assaults occurred when staff were carrying out their routine duties. Only 3% of assaults were carried out by individuals who were presenting with mental health issues at the time.

KPI 2c Serious prisoner on prisoner assaults. The number of occurrences of serious prisoner on prisoner violence for the **reporting year 2022/23 has decreased to 91 from 108 incidents** compared to 2021/22.

The majority of these incidents occur in the larger closed male establishments where serious prisoner on prisoner violence is carried out by multiple perpetrators. It is assessed that a number of the serious assaults are linked to SOCG nominals taking action against rival groups and in a number of cases individuals are accepting high value contracts to carry out violence as directed by prominent individuals. Other motivations identified for this type of violence include drug related debt, external issues and retaliation for alleged bullying.

Only 2 other incidents of Serious Prisoner on Prisoner Assault was recorded in any other establishment other than the large male closed estate, with 1 each at HMP Dumfries and HMP Inverness. Over one third of all serious prisoner on prisoner assaults occurred within HMP Addiewell. SPS have increased support to HMP Addiewell, via an agreed improvement plan, in order to support a reduction in violence.

At HMP & YOI Cornton Vale, HMP Castle Huntly and HMP Greenock, there were no assaults of this serious nature.

Additionally, with many of the larger male adult SPS establishments being over capacity, despite the reduction in population, there is limited scope to manage those who perpetrate conflict by keeping them separate from others including those with SOCG links and other OPN and the issues that arise with increased populations within limited places availability.

KPI 2d Minor and No injury prisoner on prisoner assaults there has also been a decrease in this set of recorded prisoner interpersonal violence for 2022/23 compared to the reporting period 2021/22, with 1,409 compared to 1,723 incidents. The majority of these incidents occur in the larger closed male establishments, specifically to those establishments who receive admissions direct from the courts. These incidents occur predominately within the residential areas, with those occurring in cell and out of sight of SPS staff.

A recent analysis of these incidents have attributed a large portion of these as being attributed to individuals identified as having links to SOCG. The number of individuals in custody with links to SOCG has more than doubled in the last 6 years from 268 in 2017 to 589 in 2023. The majority of these individuals are located within the central belt. Many of our significant SOCG nominals have the capability and influence to operate across many establishments for the purpose of introducing illicit substances and orchestrating violence.

KPIs 3, 4, 5 & 8 relate to personal development, rehabilitation and progression

KPI 3a reports on the delivery of Purposeful Activity (PA) hours and the time formally recorded being spent on work and work related employability, learning and education provided by our learning provider, training interventions such as Vocational Training and other positive prison based activities such as access to Physical Education or Spiritual and Pastoral Care.

Attendance at counselling or rehabilitative Programmes is also recorded within this measure, and the SPS has focussed on the high risk groups in relation to Programme delivery which support reduction in risk in relation to recidivism and supports people's progression through their sentence.

KPI 3a is the overall reported measure on a quantitative basis and has increased by **over 20% on the delivery of Purposeful Activity hours over the reporting period in comparison to the previous year 2021/22**, where it was still restricted due to the COVID19 Pandemic. With the lifting of pandemic restrictions, we have been able to offer more purposeful activity opportunities again to those in our care. However, due to ongoing staff shortages caused by a hybrid of complement shortfall and sickness absence, establishments are all too regularly requiring to close some work parties to ensure that appropriate staffing is maintained in residential areas.

Establishments are piloting a variety of new operating regimes structured at providing the most effective service for their local populations. This includes consideration of providing more structured purposeful activity in the evenings, whereas previous regimes were focussed on daytime activity. With a finite staffing resource, impact and popularity of these regimes continue to be monitored to ensure that SPS provides positive opportunities to support learning, development and pathways for progression.

Additionally, due to the high prison numbers in those establishments where the SPS specialises in the high risk programmes; Self Change Programme (SCP) for High risk violent offenders and Moving Forward, Making Changes (MF:MC) for medium and high risk sex offenders; it has become increasingly difficult to facilitate a transfer to these establishments for those with the identified needs. An additional complexity includes enemies and the potential for impact on good order and operational stability of the establishment.

KPI 3b average purposeful activity hours per week per convicted prisoner is the measure used to quantify the public sector establishment's ability to meet the requirement of Rule 80 of the Prison and Young Offenders Institutions (Scotland) Rules 2011, which states that every convicted prisoner is required to work.

The number of average hours per week has **increased from 17 hours per week to 19 hours per week** over the reporting year 2022/23.

The increase in PA availability is due to establishments having fewer restrictions in attending PA across all establishments. Staff absence and complement shortfall over the reporting 12 months, while lower than in 2021/22, has restricted the number of PA hours delivered in the reporting year, with those Regime and Activity staff being required on occasions to be redeployed into residential settings to support operational delivery.

KPIs 4a and b relate to the delivery of literacy and numeracy as a percentage of the number of Prisoner Learning Hours delivered by our Learning, Skills and Education (LSE) provider.

Our Education provider has now settled into a different operating model post pandemic and has delivered a consistent performance level compared to 2021/22 on % of education classes delivering Numeracy skills (c26%), and has shown an increase delivering Literacy skills from 35% to 40% in 2022/23.

KPIs 5a, on vocational and employment related qualifications, demonstrates a significant increase in **delivery of 57% compared** to the reporting year 2021/22, but still only 79% of the pre COVID19 levels.

This increase is primarily related to reduction in restrictions and the ability to provide more opportunity in educational environments to learn and develop new and existing skills. This has been achieved both by SPS and Education Provider delivery. Whilst we believe there is scope to further increase delivery in future years, it should be noted that establishments have changed emphasis in relation to educational delivery, and it may be that the levels of attainment will not return to the number of qualifications seen before the outbreak of COVID19. Changes in measuring attainment now reflect qualitative measures such as the personal wellbeing and the health of those in our care.

This will not detract from the improved delivery of a more targeted approach, working to continue to deliver a more contextualised learning in areas providing purposeful activities, including gymnasiums and large production work sheds, with further qualifications achieved, but at a more individualised, person centred, based method of achievement.

KPI 5b, covering those vocational and employment related qualifications at SVQ level 5 or above, demonstrates a significant increase position of **395% compared** to the final reported position last year, but it is still only about 61% of the position reported pre COVID 19.

Delivery against this measure is predominately from our LSE provider who support the delivery of qualifications at SCQF level 5 and above primarily in literacy and numeracy, as well as supporting Distance Learning at other attainment providers including the Open University. Similarly to narrative in KPI 5a, through operating and assessing a new education delivery model, it remains unclear whether delivery in this area will return to pre COVID 19 levels (as described above) however we are very pleased with direction of travel in previous 12 months.

KPI 8 - % of ICM case conferences with CJSW in attendance is an indicator which measures the success of collaborative work which takes place between Local Authority Criminal Justice Social Work departments in the area the establishment is located and/or the area the person resides in and is relevant for those serving sentences that are subject to enhanced Integrated Case Management (ICM). This process is central to supporting people's progression, preparation for release and community reintegration.

ICM case conferences with Criminal Justice social workers in attendance increased to 95.3% for 2022/23 as against 93.6% for the year 2021/22.

The continued use of technology to permit remote dial in to Case Conferences has built and maintained a strong foundation to enable community partners to participate in this important platform during a person's progression whilst in prison. This online technology has helped to mitigate against many of the previous identified issues in attendance, and now permits a hybrid option of either in person and remote participation to help achieve this excellent collaboration between Partners.

Financial Performance and Results for the Year

Financial performance is monitored throughout the year and reported to the Advisory Board on a routine basis. As an Executive Agency of the Scottish Government, SPS' expenditure forms a section within the Scottish Government Justice Portfolio and the results will be recorded in the Scottish Government Consolidated Accounts for 2022-23.

The Scottish Parliament approves funds to the Scottish Government (SG) and related bodies at the start of the year and variations to these via the Autumn Budget Revision (ABR) in October and a Spring Budget Revision (SBR) in January. The Scottish Parliament approved a budget for SPS of £478,045k, details of which are contained in the Budget (Scotland) Bill 2022-23 Supporting Document. Details of the ABR and SBR budget revisions made by SPS can be found at www.gov.scot/publications/spring-budget-revision-2022-23-supporting-document/documents/

At ABR, SPS received £6,644k of DEL funding for the forecast budgetary impact of IFRS16, and £193k was returned to the SG as a minor profiling adjustment.

At SBR, £5,627k of capital DEL was surrendered to the SG relating to the re-phasing of the development of the prison estate. £932k of funding was also surrendered to SG for IFRS16 and PFI balance sheet adjustments. In addition to this, SPS received an additional £14,635k of resource DEL for cost pressures primarily relating to the 22/23 pay award and the impact of high inflation. £6,110k was also received to provide for the forecast impact of AME and DEL provisions, impairments and depreciation adjustments.

A comparison of the SPS final outturn with the SBR for 2022-23 is detailed below. The table does not include notional charges of £110k (Note 18 in the Notes to the Accounts).

	Actual Outturn	Revised Budget	Over/ (Underspend)
	£000	£000	£000
Total Departmental Expenditure Limit (DEL) ¹	414,453	414,446	7
Total Outside DEL Expenditure ²	83,978	83,526	452
Annually Managed Expenditure (AME)	520	710	(190)
Total Expenditure	498,951	498,682	269

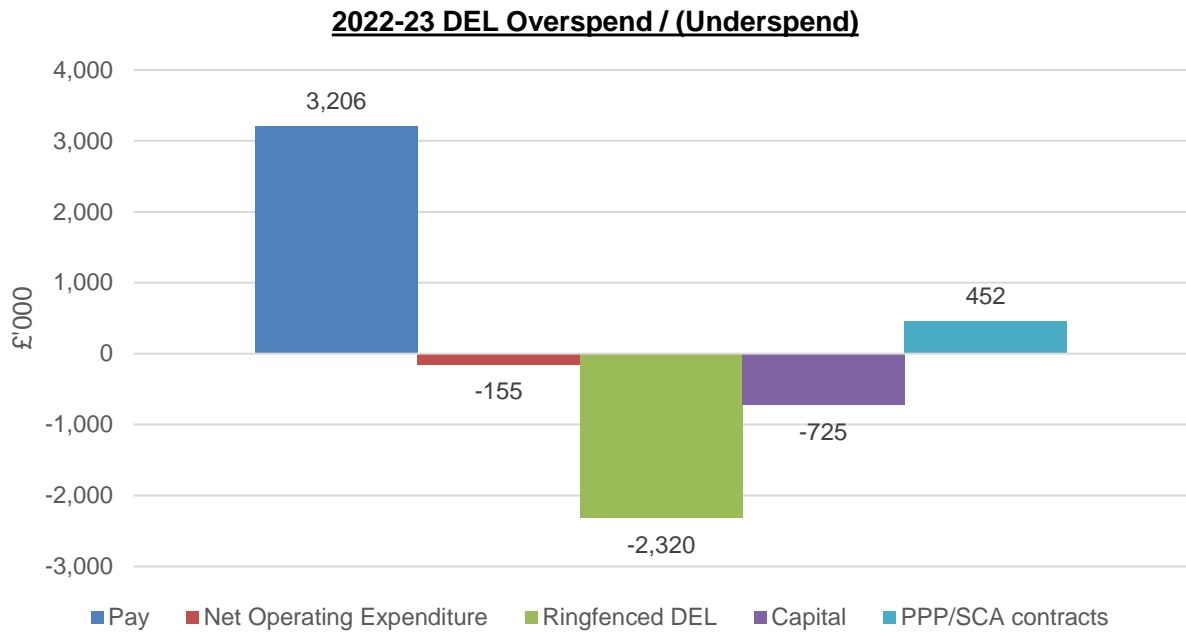
Total expenditure for the year was £498,951k against the SBR budget position of £498,682k.

The DEL overspend of £7k is attributable to a resource overspend (including capital charges) of £732k which has been offset by a capital underspend of £726k. The resource overspend is largely attributable to increase in staff costs (£3,206k) and other current expenditure (£504k) with underspend in running costs (£988k) and depreciation (£2,320k). ODEL overspend is a result of increased PFI contract costs (£452k).

¹ DEL budget limits are set in the Annual Budget.

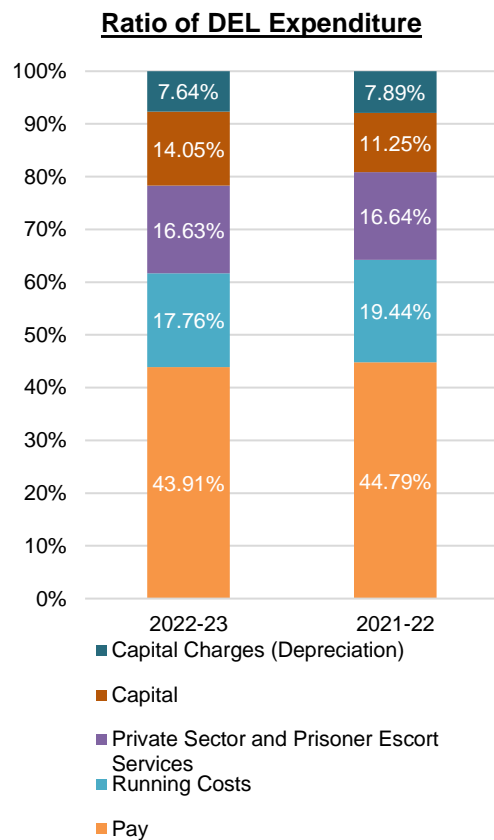
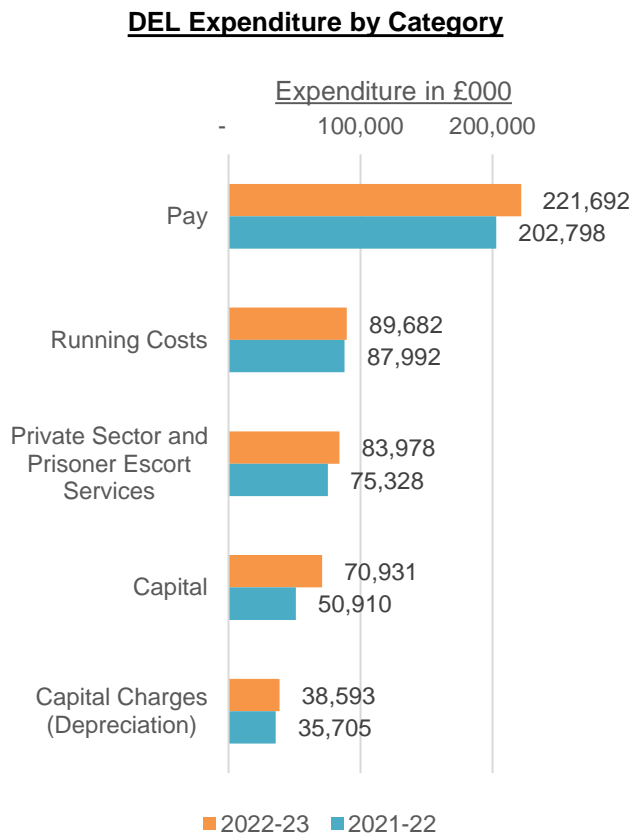
² Outside DEL expenditure includes costs associated with PPP/PFI contracts for HMP Addiewell and HMP Kilmarnock and the Court Custody and Prisoner Escort Service Contract.

The net DEL overspend is summarised by expenditure type below:



Analysis of Expenditure

The most significant expenditure category for SPS relates to pay (2022-23: 43.91%) followed by running costs (2022-23: 17.76%).



Net Expenditure for the Year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 81. SPS has reported net expenditure for the year of £428,101 (2021-22 £394,302k). This is an increase of 8.57% from 2021-22 and is attributed to increased staff costs and other costs in general.

The following table shows the reconciliation between the actual outturn and the net operating costs reported in the SoCNE. The reconciliation takes account of non-cash charges and HM Treasury Consolidated Budgeting Guidance.

	£000
Total expenditure	498,951
Add: notional charges (Note 18)	110
	499,061
Less: capital expenditure (Note 4, 5 & 6)	(70,960)
Net expenditure for the year (SoCNE)	428,101

Statement of Financial Position

The Statement of Financial Position in on page 82.

Changes in Property, Plant and Equipment and Intangible Assets

As at 31 March 2023, SPS property, plant and equipment, right of use assets and intangible assets have a net book value of £1,323,469k (2021-22 £1,223,837k). This represents an overall 8.14% increase in value from 2021-22. The increase in value of £98,632k mainly relates to £66,127k of capital purchases (71% of which related to major infrastructure projects and 11% related to digitalisation projects), £71,232k of net upward revaluation adjustments against land and buildings, offset by a £42,583k depreciation charge. £5,230k of the increase is related to the impact of IFRS16 right-of-use assets with the opening figure of £939k.

As part of the five-year rolling programme, on site valuations were carried out by a professionally qualified RICS accredited firm at the following locations; HMP Castle Huntly, HMP Dumfries, HMP Greenock, HMP&YOI Polmont, the Bella Centre, the Liliac Centre and the SPS Central Stores Warehouse. Indexation was applied to all other non-specialised land and buildings and re-valued at 31 March 2023. In addition, desktop valuations were carried out for remaining specialised buildings as at 31 March 2023.

As at 31 March 2023, SPS Land and Buildings have a net book value of £1,183,250k (2021-22 £1,121,609k), which represents a 5.50% increase in value from 2021-22. This increase in value is reflective of the impact of the revalued land and buildings in year and indexation. A £74,985k net upward revaluation was recognised through the revaluation reserve, offset by a £3,754k loss on revaluation recognised in the SoCNE. This loss related to the Bella and Liliac Centres which became operational in 2022-23, due to the valued amount of the Centres being £3,754k less than the total cost to build.

Trade and Other Payables

Included within payables is an amount of £73,044k (2021-22 £77,873k) representing the imputed finance lease for properties at HMP Addiewell and HMP Kilmarnock and for vehicles used in the Scottish Court Custody and Prisoner Escort Contract.

Payment of Creditors

SPS' policy is to pay all invoices, not in dispute, in 30 days or the agreed contractual terms if otherwise specified. SPS aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in these terms.

During the year ended 31 March 2023, SPS paid 98% (2021-22 98.9%) of all invoices received within the terms of its payment policy. The payment delays in some of the invoices are attributed to incomplete reports/backups on review and lack of human resources at times.

SPS has sought to achieve the Scottish Government's aspiration to pay suppliers within 10 days. Payment performance on this basis was 89% (2021-22 90.7%).

PERFORMANCE REPORT – PERFORMANCE ANALYSIS

The purpose of this section is to provide a detailed analysis of the development and performance of the organisation in 2022-23.

PERFORMANCE ANALYSIS 2022-23

Throughout this Performance Analysis section, the SPS Directorate responsible for each element is given (as 'Lead Directorate'). These Directorates are:

- CS = Corporate Services
- FIN = Finance Directorate
- OCE = Office of the Chief Executive
- OD = Operations Directorate
- SSE = Strategy & Stakeholder Engagement

Strategic Theme	COVID
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Outcome	Addressing the ongoing impact of the COVID 19 pandemic and continuing to focus on recovery and transformation.
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Action	Develop an exit strategy as we move from the current Pandemic Plan along with a 'COVID Recovery' Framework for prisons moving forward.
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Key Element	Planned Timescale	Lead Directorate	Progress
Develop exit strategy and recovery framework, aligned with Scotland's Strategic Framework and Public Health Guidance.	Q1-Q4	SSE	Complete
Develop and embed RAG assessment of establishment recovery.	Q1-Q2	OD	Complete
Actively engage through Justice Board and Criminal Justice Board and associated programmes to support COVID recovery measures and prisons contribution to wider justice reform.	Q1-Q4	SSE	Ongoing

Develop exit strategy and recovery framework, aligned with Scotland's Strategic Framework and Public Health Guidance.

A COVID-19 Transition Plan, aligned to Public Health Scotland COVID-19 Guidance for Prison Settings, was published by SPS on behalf of the National Coronavirus Response Group in July 2022 and updated in February 2023. In Q3, the Clinical and Professional Advisory Group (for Prisons) was stood down and alternative arrangements were sourced to ensure ongoing partnership in prison healthcare. The SPS Health Team monitors Public Health Scotland guidance for updates, and prisons are now included in the Social Care and Residential Settings Guidance.

Develop and embed RAG assessment of establishment recovery.

Since Q1, the status of all Establishments in relation to COVID recovery has been monitored through a RAG assessment. This has helped to direct the response corporately. Through each quarter this RAG assessment focussed on regime activity and opportunity considering specific points in each day, with an outlook for the coming months. This is now routinely embedded.

Actively engage through Justice Board and Criminal Justice Board and associated programmes to support COVID recovery measures and prisons contribution to wider justice reform.

Throughout the reporting year we have continued active SPS representation at Chief Executive, Deputy Chief Executive and Director level at these Boards and in the work and groups that that stemmed from them. In particular, SPS has been engaged in Criminal Court Recovery Modelling activity, led by the Scottish Courts and Tribunals Service (SCTS) to consider the impact that changes in court operations may have on SPS services.

On behalf of the Justice Multi Agency Liaison Partners (MALG), SPS and GEOAmev are working to recalibrate the Scottish Court Custody and Prisoner Escorting Service (SCCPES) contract to meet the challenges that have arisen post-COVID19 (details outlined in page 56), which has changed the contractual volumes and expectations, with lower route movements, though higher court business and higher non-court business.

SPS has remained engaged in a number of activities around prison projections (primarily with Scottish Government Justice Analytical Services (JAS) this reporting year to help better understand short and medium-term trends in the prison population within the context of justice reform.

In late 2022, SPS received a request from the Scottish Government C-19 Inquiry Response Team which sought detail of all Covid-19 related ministerial submissions. SPS provided an inventory of documentation held in response to the request. SPS awaits further direction/instruction from the SG Inquiry Response Team.

Strategic Theme	Safety and Security
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Outcome	Population management, the security of our estate and an environment that is safe for staff and those in our care.
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Action	Improve design and delivery of safety and security services, including population contingency planning.
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Key Element	Planned Timescales	Lead Directorate	Progress
Develop and embed an SPS Serious and Organised Crime Group Plan.	Q1-Q4	OD	Ongoing
Review and respond to the management of those in our care under the Terrorism Act 2000 (TACT).	Q1-Q2	OD	Ongoing
Review the Intelligence Management Policy.	Q1-Q3	OD	Ongoing
Pilot of Body Worn Cameras.	Q1	OD	Ongoing
Development of Population Management contingencies.	Q1-Q4	OD	Ongoing
Review and develop operational policy, procedures, and a governance model to improve both service delivery in our establishments, and the safety of those that work and live within these communities.	Q1-Q4	OD	Ongoing

Develop and embed an SPS Serious and Organised Crime Group Plan.

Work began in Q2, with SPS engaging HM Prison and Probation Service (HMPSS) to support the SPS review of the Multi Agency Response to Serious Organised Crime (MARSOC) strategy, which focusses on the impact on external communities, and embedding into the SPS. This work will be further progressed

over the 2023/24 period, with a working Group established to progress the HMPPS and MARSOC Strategy implementation into SPS practice.

Review and respond to the management of those in our care under the Terrorism Act 2000 (TACT).

The Business Case for additional psychology resource to support the delivery of the new TACT Offenders Guidance continued to be developed alongside the policy and guidance for this through this reporting year. Operations Directorate and Strategy and Stakeholder Engagement have worked together during 2022-2023 to develop a policy, guidance and Business Case for additional Psychology resource, with HMP Edinburgh and HMP Perth as the planned pilot sites. The bid will be submitted to the relevant Scottish Government directorate, with work continuing during the 2023-2024 reporting period.

Review the Intelligence Management Policy.

Identifying the key workstreams in Q1 was followed by meetings held with the Information Security Manager regarding Subject Access Requests and dissemination of intelligence, from which a new structure was agreed. A revised intelligence reporting model was also developed and piloted with the Parole Board. It is anticipated this will be completed by Q2 of 2023/24 reporting period.

Pilot of Body Worn Cameras.

During 2022/23, the SPS Public Protection Unit has been in discussions with key contacts at HMPPS and HMP Addiewell to learn from the implementation of body worn cameras in those jurisdictions. In Q2, SPS initiated the equipment assessment and procurement processes. Plans have been submitted for the 2023/24 funding of the pilot roll out in three Establishments.

Development of Population Management contingencies.

In Q2, the Chief Executive commissioned a review of SPS’ approach to population management, to be led by the Operations Directorate. Analysis and consultation took place during the second half of the year to inform recommendations for change in the immediate to short term. This was to align the available accommodation to the current population, commensurate with risk and need and in a way that optimises the use of the estate as it develops and provides best value as far as possible. This will also lay the foundations for a longer-term Population Management Strategy, although it must be noted that an uncertainty in population numbers are making strategic planning difficult. At the end of Q4, recommendations for the immediate to short-term changes were drafted pending submission for approval. Work on the longer-term strategy will be ongoing during 2023/24.

Review and develop operational policy, procedures, and a governance model to improve both service delivery in our establishments, and the safety of those that work and live within these communities.

Through the reporting year, work continued on updates to the SPS Prisons Resources Library, which documents expected practice and standards within prisons. A list of the policies reviewed and amended as and when each is complete is to be published, and this will continue in the next reporting year. There have also been a number of recent engagement sessions with senior staff across SPS on wider organisational planning and performance arrangements. This has been undertaken by the Strategy and Improvement function to improve consistency in our assurance processes in support of the incoming 2023-28 Corporate Plan. This has been developed over the second half of this reporting year and will be embedded during 2023/24.

Strategic Theme	Health and Wellbeing
Outcome	Improving the mental and physical health and wellbeing of those in our care through the adoption of person-centred and trauma-informed approaches.

Action	Undertake the Gender Identity Policy Analysis and Review.
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Key Element	Planned Timescales	Lead Directorate	Progress
Complete the gender identity policy analysis and review, making recommendations on potential design and delivery options that meet our statutory and public sector obligations.	Q1-Q3	SSE	Ongoing

Complete the gender identity policy analysis and review, making recommendations on potential design and delivery options that meet our statutory and public sector obligations.

The review of the Gender Identity and Gender Reassignment Policy (2014) progressed steadily throughout this reporting year. In Q1-Q3, the focus was on the Evidence and Engagement phase which included the collection of over 200 surveys with people in custody, and over 30 hours of interviews with a range of stakeholders, including staff, people in custody, and external stakeholders. In Q4, the focus was on analysing the evidence collected. A 'lessons learned review' in relation to the management of a transgender individual currently in the care of the SPS in the male prison estate, undertaken in Q4, made recommendations for the policy review to consider. Moving into 2023/24, the team are now finalising the recommendations and policy documentation with the assistance and assurance of cross-directorate colleagues within SPS, and with partners across the criminal justice system – before progressing to the Authorisation and Publication phase.

Action	Develop a strategic framework to become a trauma-Informed organisation.
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Key Element	Planned Timescales	Lead Directorate	Progress
Design and implement a workshop for senior leaders, to raise awareness and encourage discussion to co-design Trauma Informed practice.	Q1	SSE	Ongoing
Develop the strategic framework in collaboration with internal and external partners, including specifying training requirements, that support trauma informed practice.	Q1-Q3	SSE	Ongoing

Design and implement a workshop for senior leaders, to raise awareness and encourage discussion to co-design Trauma Informed practice.

During 2023/24, two cohorts of SPS senior leaders completed NHS Education for Scotland's two-day 'Scottish Trauma Informed Leaders Training' (STILT) (50 attendees in total). Cohort three is scheduled to take place in Q1 of the 2023-2024, period which will see the remainder of the senior leaders in the organisation attend. Discussions are underway to agree a roll out of the training to Establishment and Directorate Senior Management teams during the 2023-2024 reporting period.

Develop the strategic framework in collaboration with internal and external partners, including specifying training requirements, that support trauma informed practice.

NHS Education for Scotland and clinical psychology partners were engaged in plans for a pilot project and framework approach for SPS based on the NHS framework, through Q1. The Terms of Reference were written, and a Working Group established to review a model trauma informed practice. Discussions at the first two cohorts of STILT (Scottish Trauma Informed Leaders Training) informed early strategic planning

coupled with a skills-mapping exercise and learning strategy. Through Q4 an internal trauma- informed steering group has been developed in HQ, which includes various pilot elements of a trauma-informed workforce across several sites including HMP Edinburgh, HMP Shotts, and HMP Perth. The Pilot is likely to run for at least an 18-month period across the 2023-25 period and will be project managed and coordinated to provide cohesive objectives and evaluation criteria. This project will inform the long-term implementation of a trauma informed strategy across the SPS.

Action	Develop a Health and Wellbeing Strategy for those in our care, recognising the changing and more complex needs of the prison population.		
Key Element	Planned Timescales	Lead Directorate	Progress
Develop and embed a Health and Wellbeing Strategy for those in our care and associated themed strategies including a focus on Children and Young People.	Q1-Q2	SSE	Ongoing
Targeted local engagement with NHS Partners to improve service delivery to those in our care.	Q1-Q4	OD	Ongoing
Implement agreed capacity for Harm Reduction Coordinators across the estate.	Q1-Q4	OD	Ongoing
Design and deliver the response to the Death In Custody Review, incorporating learning from Fatal Accident Inquiries.	Q1-Q2	SSE	Ongoing

Develop and embed a Health and Wellbeing Strategy for those in our care and associated themed strategies including a focus on Children and Young People.

Work to collate and theme recent reports and reviews of prison healthcare was undertaken during the year, resulting in the identification of over 500 recommendations or findings. The SPS Health team continue to work with Scottish Government to determine which are to be accepted and therefore embedded within strategy and policy.

Following conclusion of the Scottish Government Needs Assessments in Q1, the Mental Health Strategy Group was established in Q2 and initial drafts of both the SPS Drug and Alcohol, and Mental Health strategies were completed. Conversation cafes have been held in Establishments in Q3, and outcomes are to be considered and included within these strategies going forward.

Additionally, the recruitment of Head of Health took place in Q4. The development of the overarching Health and Wellbeing Strategy will continue in 2023-24.

Targeted local engagement with NHS Partners to improve service delivery to those in our care.

This reporting year saw changes to data systems to integrate Health Board data, though the rollout programme remains under development. A consultation on Mental Health Services in prisons also took place. The purpose of this consultation is designed to give a greater understanding of health needs for those in our care, needs can be cross referenced with NHS systems to better understand and meet these needs.

Implement agreed capacity for Harm Reduction Coordinators across the estate.

Q2 saw pilots of this post established in HMP YOI Polmont and HMP Shotts, with four more created in Q3. An options paper will be produced in 2023-24 to consider how best to use the resource to maximise positive impact across the SPS estate.

Feedback to date has been extremely positive from the establishments involved. Although the specifics of the work being carried out vary depending on local needs, all have been able to significantly increase the

support they can offer in relation to recovery work, building new partnerships with community groups to assist with this provision.

Feedback from establishments include “Those who are subject to Management of an Offender at Risk of any Substance (MORs) or Talk to Me (TTM) are supported earlier, for longer and more appropriately through the provision of this role”, and, “This role is now critical to the work undertaken at HMP Shotts and has brought synergistic benefits through increased partnership working both within and out with the prison. It is now one of our strongest tools we are utilising.”

Design and deliver the response to the Death In Custody Review, incorporating learning from Fatal Accident Inquiries.

During 2022/23, SPS engaged actively in the national Death In Custody Oversight Group and as such various internal actions and improvements have been taken forward including development and publication of a Family Support Booklet, an improved DIPLAR template process, and a submission regarding ways to raise concerns; all of these have been shared with the Family Reference Group for input. Throughout Q2, there was ongoing engagement with National Prison Care Network (NPrCN) to agree collaboration on shared actions. Through Q3, work also progressed in terms of staff wellbeing and a recommendation to review the SPS Critical Incident Response & Support (CIRS) Policy, which was agreed. Through Q4, work on the Family Support Booklet was concluded and this is now being printed before circulation across the estate.

Action	Deliver the Women’s Strategy in order to give effect to the Scottish government’s vision for women in custody.
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Key Element	Planned Timescales	Lead Directorate	Progress
Guide the operationalisation of HMP Stirling and the CCUs in Glasgow and Dundee within agreed timeframes and to budget.	Q1-Q3	SSE	Ongoing
Assess the capacity of other parts of the women’s estate to meet strategy requirements.	Q1-Q4	SSE	Paused
Develop and deliver arrangements for a long-term population management policy for the women’s estate.	Q1-Q4	SSE	Paused

Guide the operationalisation of HMP Stirling and the CCUs in Glasgow and Dundee within agreed timeframes and to budget.

During 2022/23, SPS successfully opened the two new transformative Community Custody Unit (CCU) sites: the Bella Centre became operational in August, and the Lilius Centre became operational in October. The CCUs feature shared house-style accommodation with communal living spaces and individual bedrooms. Women will be supported to live independently and to develop a range of life skills by taking responsibility for their own personal care, laundry and housekeeping. Q4 saw the closure of HMP Cornton Vale, with preparations ongoing for the opening of HMP Stirling in Summer 2023.

Assess the capacity of other parts of the women’s estate to meet strategy requirements.

While scoping work has been undertaken, this work was paused pending the opening and operationalisation of HMP Stirling.

Develop and deliver arrangements for a long-term population management policy for the women’s estate.

This activity was paused until work on the wider population management (as above) is progressed.

Strategic Theme	Prevention and Early Intervention.
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Outcome	Addressing the impact of poverty & deprivation, including supporting positive family environments, social networks & relationships.
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Action	Revise the Family Strategy, with focus on specific related products.
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Key Element	Planned Timescales	Lead Directorate	Progress
Focussed development on the expansion of parenting support provision across the prison estate.	Q1-Q4	SSE	Ongoing

Focussed development on the expansion of parenting support provision across the prison estate.

Work has been ongoing during the reporting year, with a draft Family Strategy having been sent to the Oversight Group for review and feedback and the Corporate Parenting Policy research being finalised and taken to the Young People’s Strategy Group during Q4. Proposed policy positions will be taken forward for approval in Q1 of 2023/24.

Action	Implement the refreshed Vision for Young People in Custody (2021).
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Key Element	Planned Timescales	Lead Directorate	Progress
Prepare and respond to the incorporation of United Nations Convention on the Rights of the Child Legislation into Scottish Law.	Q1-Q2	SSE	Ongoing
Implement the pilot of the revised non-pain-inducing restraint manual.	Q1-Q2	SSE	Ongoing

Prepare and respond to the incorporation of United Nations Convention on the Rights of the Child Legislation into Scottish Law.

During 2022/23, SPS focused on implementing non-pain inducing restraint as the most substantive component of SPS’s response to preparing for the incorporation of UNCRC legislation into Scots Law. The new framework is in line with the SPS Vision for Young People and Woman’s Strategy, which specify a more trauma-informed approach to managing people in our care and will increase the safety for all involved in an episode of restraint. In Q2, the SPS College also began evaluating the Children’s First UNCRC e-learning package being accessed by staff in HMP YOI Polmont and easy read communication materials are being developed to highlight what UNCRC means for SPS practice.

Implement the pilot of the revised non-pain-inducing restraint manual.

The pilot for Control and Restraint 2, a non-pain inducing restraint, became operational during Q4 in HMP YOI Polmont, Bella and Liliac CCUs, with HMP Stirling joining the pilot when it becomes fully operational. An evaluation was also commissioned to assess effectiveness during the 12-month pilot period. Instructor upskilling took place in two stages, and two Violence and Restraints Reduction (VRR) Managers were appointed to support the adoption of new practice.

Strategic Theme	Protecting the Public and Reducing Reoffending
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Outcome	Enabling sustainable reintegration via strong progression, risk management and release processes and protocols.
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Action	Recognise the changing and more complex needs of the prison population, working intensively with justice partners.
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Key Element	Planned Timescales	Lead Directorate	Progress
Continue to reflect and respond as appropriate to the Risk Management review, including implications on our Risk Assessment Tool and First Grant of Temporary Release processes.	Q1	SSE	Ongoing
Engage with Local Authority and Community Justice partners with regard to the future model of social work/care service delivery and funding arrangements.	Q1-Q4	SSE	Ongoing
Implement the Psychology Strategy in agreed phases with an associated offence related programme recovery process.	Q1-Q4	SSE	Paused

Continue to reflect and respond as appropriate to the Risk Management review, including implications on our Risk Assessment Tool and First Grant of Temporary Release processes.

Throughout this reporting year, discussions have been ongoing regarding progression and associated case risk management processes and training needs; and how to maximise the Open Estate and National Top End spaces. The First Grant of Temporary Release (FGTR) process was streamlined, and support visits were conducted with various establishments to improve quality assurance. Wider work on these issues has been rolled into delivery planning for the new Corporate Plan period (2023-2028), with links anticipated to the work on the wider population management (as above).

Engage with Local Authority and Community Justice partners with regard to the future model of social work/care service delivery and funding arrangements.

Limited progress has been made on this activity across all quarters due to staff capacity, which has largely been directed towards addressing service-critical issues. Consideration of a future model for social work/care has been rolled into the delivery planning for the new Corporate Plan period, linked to wider case management and progression processes and outcomes.

Implement the Psychology Strategy in agreed phases with an associated offence related programme recovery process.

Psychology resources have been working beyond capacity throughout 2022/23, and as such it has not been possible to implement the Psychology Strategy as planned. A small uplift in Psychology resource was agreed by EMG in Q3 but the recruitment campaign was unsuccessful in filling these new posts. Consideration of a delivery model for psychology services has therefore been rolled into the delivery planning for the new Corporate Plan period, linked to wider case management and progression processes and outcomes.

Strategic Theme	Enablers
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Outcome	Developing our People and Organisational Development – enabling or cross-cutting activities that enable (good-quality) delivery.
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Action	Deliver our priority commitments within the estate maintenance and development programmes to support delivery of a modern custodial agenda.
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Key Element	Planned Timescales	Lead Directorate	Progress
Preparations for the construction of HMP Glasgow.	Q1-Q4	CS	Ongoing
Continued preparations for HMP Highland and commence construction.	Q1-Q4	CS	Ongoing
Progress planning for expiry of Private Finance Initiatives contract for HMP Kilmarnock and transition to public sector operation.	Q1-Q4	OD	Ongoing
Relocation to new headquarters premises as part of our commitment to hybrid working and supporting national climate change.	Q1-Q3	CS	Closed

Preparations for the construction of HMP Glasgow.

During 2022/23, the design of HMP Glasgow progressed through the initial RIBA design work stages (Stage 0/1 and Stage 2), completing the concept design by January 2023, tentative work around the business case have been ongoing. At the end of the reporting period, discussions were ongoing with Scottish Government regarding the capital funding allocation for this project.

Continued preparations for HMP Highland and commence construction.

During Q1, a Project Executive was appointed to the HMP Highland project. During Q2 the ground source heat pumps advance works were commenced. Throughout Q3 and Q4 workstreams were identified, focusing on operational planning, construction, project management, and communications. The design and installation of pre-cast concrete panels, security windows/doors and ground improvements was instructed in January 2023. The ground improvements commenced in March 2023 to provide a stable base for the installation of foundations later in 2023.

Progress planning for expiry of Private Finance Initiatives contract for HMP Kilmarnock and transition to public sector operation.

A project team and project initiation documentation were created at the beginning of 2022/23 result. A benefits workshop was conducted, and an SG Gateway Review completed in early March. The

recommendations from the review remain in train at the end of the reporting period, with wider project workstreams related to Human Resources, Digital Services, Estates Maintenance and Dilapidation, Procurement and Contracts, and Communications ongoing.

Relocation to new headquarters premises as part of our commitment to hybrid working and supporting national climate change.

Despite supply chain volatility and energy cost concerns, construction fitout work was completed at One Lochside and SPS took possession in early Q3. SPS officially left its HQ, Calton House on the 30th of October, after 30 years, with staff occupation at One Lochside following a few weeks later, on 14th November, after a period of digital and facilities testing. Q4 saw continued change in working practice and embedding of the new working culture with the new office and culture empowering hybrid and digital working; whilst reducing SPS' HQ footprint by over 50%, positively affecting carbon emissions and energy consumption.

Action	Corporate strategic development; become a data, analysis and evidence-driven organisation.
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Key Element	Planned Timescales	Lead Directorate	Progress
Continued evaluation of the Improvement Framework to support integrated analysis and planning across SPS, including the development of dashboards.	Q1-Q4	SSE	Ongoing
Enhanced analysis to support workforce planning, spanning operational and non-operational roles.	Q1-Q4	CS	Ongoing
Develop the Corporate Plan and Delivery Plan for the 2023-28 period, including consultation with service users, staff group and strategic stakeholders.	Q1-Q4	SSE	Closed
Scope and develop a corporate Communications Strategy, in preparation for implementation during the 2023-28 corporate planning period.	Q1-Q4	OCE	Ongoing
Develop and implement a refreshed Climate Change strategy for SPS.	Q1-Q4	CS	Ongoing
Review and revise SPS's corporate Risk Management approach, aligned with business planning processes and ongoing evolution of the Improvement Framework.	Q1-Q4	SSE	Ongoing

Continued evaluation of the Improvement Framework to support integrated analysis and planning across SPS, including the development of dashboards.

The new Heads of Strategic Planning and Data & Analysis started in post in Q2, marking a significant step forward in capacity to undertake development work around the Improvement Framework. The focus during the latter half of the reporting period was on preparing to evolve the Improvement Framework format for 2023/24 to bring it in line with the new Corporate Plan (2023-2028). A paper specifying the intended approach to organisational performance monitoring for the new Corporate Plan 2023-2028 was approved in Q4. This included the development of specification for Corporate Key Performance Indicators aligned with organisational priorities, and the development of an accessible 'single source of truth' dashboard for population data. All of these strands will be pulled into a Data & Evidence Strategy for the organisation in the first half of 2023/24.

Enhanced analysis to support workforce planning, spanning operational and non-operational roles.

Through this reporting year, monitoring, audits and analysis of staffing levels has been ongoing, with considerable focus on operational capacity . A reporting tool to track recruitment activity across HQ functions, with quarterly reports highlighting pressure points began development in Q4.

Develop the Corporate Plan and Delivery Plan for the 2023-28 period, including consultation with service users, staff group and strategic stakeholders.

Through Q1-Q2 there was a strong focus on internal and external engagement, this was to ascertain appropriate content of the Corporate Plan, conscious of Stakeholder needs and input. The Diffley Partnership was appointed to carry out consultation with those in our care, prison visitors and SPS staff in each SPS-run establishment to further inform corporate plan development. Q3 saw initial analysis of evidence collected and a set of organisational objectives and principles drafted. These were shared with staff across the organisation for comment and feedback. Progress on this activity continued through Q4, with timelines for finalisation of the Corporate Plan and Annual Delivery Plan impacted by political changes and further development of the detailed 5-year delivery planning. At the end of Q4, however, the plans had moved to the "approval" stage of their development, and it is anticipated that the plans will be published in Q1 of 2023-24.

Scope and develop a corporate Communications Strategy, in preparation for implementation during the 2023-28 corporate planning period.

Initiation of development of a Corporate Communications Strategy commenced in Q1, with a broad outline structure in initial draft based on learning from other organisations. Discussions have been held at Governor level, with colleagues in Digital, HR, and within OCE. The Communications Team and wider Chief Executives Office began to address capacity challenges during the year through recruitment. Progress is anticipated for Q2 and Q3 of 2023-2024 with these capacity gaps anticipated to be filled.

Develop and implement a refreshed Climate Change strategy for SPS.

The Net-Zero Carbon Emissions Working Group (NZCEWG) submitted its Phase 1 report to the Carbon Management Strategy Board (CMSB) in Q2. This consisted of an initial review of relevant Scottish Government aims and objectives and recommendations on what actions SPS may need to take in response. The CMSB accepted the report’s findings in principle and requested the NZCEWG to develop a resourcing business case to support the reports recommendation. The business case was under development in Q3 and Q4, and will be passed to the CMSB early 2023-2024 reporting year for consideration.

Review and revise SPS’s corporate Risk Management approach, aligned with business planning processes and ongoing evolution of the Improvement Framework.

A new Corporate Risk Management function was established within SPS, who have completed a review of the Corporate Risk Register, designed and developed templates in line with business planning and Improvement Framework reporting, held a number of bespoke training sessions with business functions and Establishments, and formed a risk sub-owners group to moderate the Corporate Risk Register. Risk Management guidance was ready to be issued across the organisation at the end of Q4, as part of wider work on organisational planning, assurance and control, and a more structured life-cycle for the review of Corporate Risk Register developed.

Action	Digital transformation
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Key Element	Planned Timescales	Lead Directorate	Progress
Develop and implement in-cell digital services.	Q1-Q4	OCE	Ongoing
Continue implementation of the Electronic Purchase to Pay project (PECOS) across all sites.	Q1-Q4	CS	Ongoing

Develop and implement in-cell digital services.

The projects for cabling to cell and telephone services have been integrated into one programme. The current mobile phone service is scheduled to be removed on 31 July 2023, due to UK government legislation regarding the use of Huawei equipment in the telephone network. The Lord Advocate has approved the continued use of mobile phones by those in custody until that date.

The rollout of cabling to cells was almost complete by the end of the reporting period. This will initially be used for telephone services, but will be expanded to IT services in due course. A contract has been awarded for wired in-cell telephone services, including the calls and the logging/recording of calls for security purposes. These are planned for installation in advance of the scheduled removal of mobile phones.

Continue implementation of the Electronic Purchase to Pay project (PECOS) across all sites.

Q1 saw phase two of the HQ PECOS pilot achieved. Following feedback from the business and learning from the HQ pilot, revisions were made to the PECOS implementation plan for establishments and by the end of the reporting period, PECOS was live across all sites with the exception of HMP Stirling (opening Q1 23-24) and HMP & YOI Grampian (where there are staff shortages in Finance area). Levels of uptake have been lower than expected, highlighting a number of challenging legacy and manual processes. Therefore during Q4, a cross-functional PECOS Enablement Group was formed to support all sites to adopt PECOS as fully as possible during 2023-24 and beyond.

Action	Developing a finance framework.
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Key Element	Planned Timescales	Lead Directorate	Progress
Develop a financial strategy to deliver a sustainable position for SPS in the medium to long term.	Q1-Q4	FIN	Not started
Review of delegated financial authorities and governance framework within SPS.	Q1-Q4	FIN	Paused
Refresh of the finance policy manual.	Q1-Q4	FIN	Ongoing
Develop and improve the budgeting process and periodic monitoring of the resource and capital budgets.	Q1-Q4	FIN	Paused
Review the SPS finance structure to support the delivery framework and wider organisational requirements.	Q1-Q4	FIN	Ongoing
Initiate a review to look at cash handling and prisoner funds with the aim to minimise the use of cash within the SPS.	Q1-Q4	FIN	Ongoing

Develop a financial strategy to deliver a sustainable position for SPS in the medium to long term.

The staffing position across the Finance function was consistently challenging through this reporting year. As a result, it was not possible to progress key improvement projects by the end of Q4 as intended, such as the development of a medium-term financial strategy. The Director of Finance is now confirmed in post and considering structural changes to address significant capacity issues. Conversations have been ongoing throughout this reporting year regarding the Resource Spending Review internally, and with Scottish Government, which will form the basis of a key aspect of the medium-term financial strategy when this is started.

Review of delegated financial authorities and governance framework within SPS.

In Q1 Finance submitted the proposed changes to improve governance around recruitment and the awarding of RRA, though from Q2 this progress was impacted by the capacity challenges as suggested above, as such agreement on these proposed changes is still pending.

Refresh of the finance policy manual.

In Q1, considerable progress was made with several chapters updated and pending final review. As above, Q2-Q4 saw an impact on progress due to resource and capacity.

Develop and improve the budgeting process and periodic monitoring of the resource and capital budgets.

Limited progress was made in Q2 of this reporting year, though as noted above the pace of this progress through to Q4 was impacted by capacity of resource. This will be continued once resource is in place.

Review the SPS finance structure to support the delivery framework and wider organisational requirements.

As above, progress of this was limited this reporting year due to capacity and resource. Though Q3 saw a paper be developed by the Director of Finance for presentation to EMG regarding the Finance Function structure.

Initiate a review to look at cash handling and prisoner funds with the aim to minimise the use of cash within the SPS.

In Q1, the Project Lead was identified, while Q2 saw the introduction of Scottish Government Electronic Purchasing Cards (ePC) to support the purchase of prisoner sundries, purchases for Common Good Fund, and staff travel. A pilot was rolled out whereby the cards operated at three Establishments and following a review of the success of implementation, the Scottish Government Electronic Purchasing Cards were then rolled out across the organisation.

Action	People Development
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Key Element	Planned Timescales	Lead Directorate	Progress
Develop a Fair Work Strategy for SPS, incorporating Effective Voice, Opportunities, Security, Respect, Fulfilment and Respect.	Q1-Q4	CS	Ongoing
Implement the revised Leadership Strategy and review wider Continued Professional Development Pathways, including a revised behavioural competency framework considering both operational and non-operational staff groups.	Q1-Q4	CS	Ongoing
Introduce integrated Human Resources systems to reduce time spent on transactional activity.	Q1-Q4	CS	Ongoing
Deliver a series of Development Centres for Middle Management Grades (F Band).	Q1-Q4	CS	Ongoing
Implement Field-Based Applications (F+) for new Senior Managers.	Q1	CS	Paused

Develop a Fair Work Strategy for SPS, incorporating Effective Voice, Opportunities, Security, Respect, Fulfilment and Respect.

Following Senior Leadership workshops in Q1, a number of workstreams that sit within the Fair Work remit were initially progressed. However, during Q2, the Fair Work Strategy was paused due to other issues superseding the intended work, though recruitment for the Head of HR Central Services and Head of HR Operations was completed which eased resourcing issues and restarted progress the strategy aspect of Fair Work. Through Q3 this activity remained paused due to issues which included concluding the pay negotiations and implementation of the SPS 2022/23 pay award for all our people. Fair Work continues to be a priority for SPS and additional resource was secured during Q4 as a result of reduced resource requirements. This resource has been focused on developing a strategy for Organisational Development, aligned to the new Corporate Plan, to bring a greater person-centred focus and direction to the work being progressed across the Directorate.

Implement the revised Leadership Strategy and review wider Continued Professional Development Pathways, including a revised behavioural competency framework considering both operational and non-operational staff groups.

Following the approval of the Leadership Strategy at EMG in March 2022, aspects of strategy and delivery work have been progressed throughout Q1 to deliver on SPS' new Leadership Strategy. This was a cross-directorate piece of activity and discussions and engagement across directorates have continued through this reporting year. SPS' new Leadership Strategy has been developed and leadership features as part of the new Corporate Plan. Work has also been progressed to develop SPS' new Competencies for Success Framework (CSF), both documents have now been approved by SPS' EMG and it is intended to launch both following the publication of the new Corporate Plan 2023-28.

Introduce integrated Human Resources systems to reduce time spent on transactional activity.

Following the approval of the Business Case at Major Projects Management Group (MPMG) during Q4 2021/22, SPS engaged with the Scottish Government Gateway Review process in Q2. Project governance was established with the first Programme, Project Boards convened, and Terms of Reference agreed. During Q4, the MPMG accepted the outcome of the contract recommendation report following the successful procurement exercise, allowing the project team to proceed to award of contract for new HR systems and semi-managed Payroll service. Q1 of 2023-204 will see the project proceeding to the build stage of the project for HR/Payroll services.

Deliver a series of Development Centres for Middle Management Grades (F Band).

During Q1, work to agree the approach, design and roll out of the first development event was completed. An initial 2-day pilot for those currently acting-up to operational and non-operational G-Band roles took place during Q2. The F-Band internal and new external campaign concluded in Q2. The initial development centre took place in September with the first six positions piloting the 2-day event at SPSC. During Q3, final updates were made to the Competency Framework following a final round of stakeholder engagement. The revised framework is universal across all staff groups and levels, providing greater consistency and accessibility. A second round of external recruitment at F Band Middle Management level took place in Q3, reducing the vacancy levels further. This supports SPS' work in relation to Equality Outcomes and Leadership Strategy. During Q4, rollout of a leadership development training product commenced.

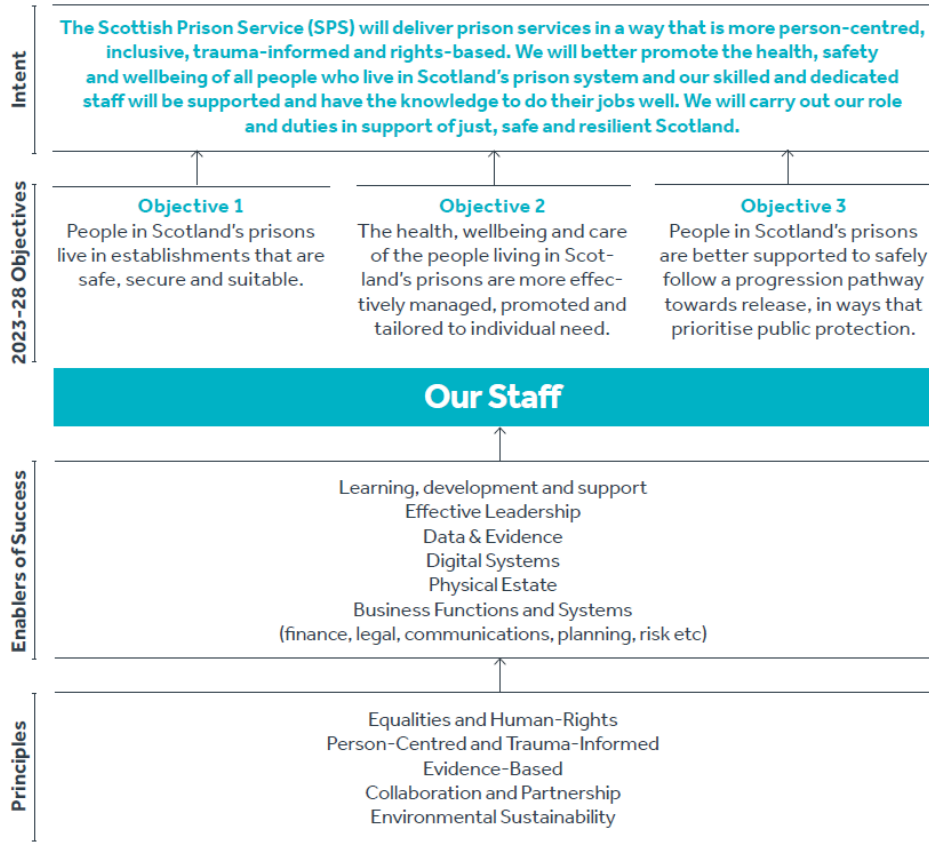
Implement Field-Based Applications (F+) for new Senior Managers.

During Q1, feedback from Governors-in-Charge was sought to shape the forward plan for the review of existing Field Based Applications (FBAs). During Q2, SPSC worked in partnership with subject matter experts to review the content and redesign the assessment strategies. The pilot for the initial two assessments will be ready in Q2 of 2023/24. Through Q4, three Field Based Applications have been developed and are ready for launch.

Future Plans and Expected Performance

The 2022/23 financial year demarked the final year’s delivery of SPS’s 2019 – 2023 Corporate Plan, with extensive planning and consultation underway during the 2022/23 period for the successor plan.

The 2023 – 2028 plan sets out the SPS’s ambitions for the next five years, embedding trauma-informed practices in the way SPS staff support those in our care. The graphic below illustrates the structure and foci of the plan.



Teresa Medhurst

Teresa Medhurst
Chief Executive
12 September 2023

ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE

The purpose of this section is to explain the composition and organisation of SPS' governance structures and how they support the achievement of our objectives.

DIRECTORS' REPORT

List of Board and Senior Leadership Team:

Chief Officer and Board Members:

Chair: Ann McKechin

Chief Officer and Accounting Officer: Teresa Medhurst

Deputy Chief Executive Officer: Jim Kerr

Executive Board Members: Gerry O'Donnell, *Director of Finance*
Allister Purdie, *Director of Operations (Interim)*
Sue Brookes, *Director of Strategy & Stakeholder Engagement (Interim)*
Adam Jobson, *Director of Organisational Development (Interim) (joined August 2022)*
Caroline Johnstone, *Director of Corporate Services (Interim) (until August 2022)*

Non-Executive Board Members: Ian Harley, *Chair of RMAC*
Gill Stillie
Lynne Clow
Stephen Uphill
Kay Hampton (*Until September 2022*)

The Chief Executive

The Chief Executive establishes the strategic direction of the SPS in conjunction with the Scottish Government; ensures public accountability; assures probity/integrity; allocates resources and monitors performance; reviews and manages risks facing the SPS; and develops capability and performance while ensuring sound corporate governance.

During the year the SPS moved from a three directorate model to a four directorate one. This model is made up of the Operations Directorate, the Strategy and Stakeholder Engagement Directorate, the Operational Development Directorate and the Finance and Estates Directorate.

Also during the year a permanent Director of Finance was appointed to the Senior Leadership Team, a position that was held on an interim basis since September 2021.

SPS Advisory Board

The SPS Advisory Board's role is to support the Chief Executive in providing leadership and in directing and controlling the organisation in the public interest.

The Advisory Board is chaired by Non-Executive Director Ann McKechin, who took up the role in January 2022. Prior to this, the Board has been chaired by Brigadier Hugh Monro CBE since 2016. The Advisory Board comprises SPS Executive Directors and Non-Executive Directors, who collectively act in an advisory capacity. In 2022-23, the board met formally on six occasions. Minutes of these meetings are published on the SPS website <https://www.sps.gov.uk/Corporate/Publications/Publications.aspx>.

A Register of Interests of Advisory Board members is held by the SPS and is reviewed twice a year. The register is also published on our website at [What Governs the Scottish Prison Service \(sps.gov.uk\)](https://www.sps.gov.uk/What-Governs-the-Scottish-Prison-Service).

Risk Monitoring and Audit Committee (RMAC)

RMAC is a sub-committee of the Advisory Board and is chaired by an Independent Member. The committee is chaired by Ian Harley, Non-Executive Director. Other members of the RMAC consist of Non-

Executive members of the Advisory Board and, if required to provide the necessary skills or number of members, additional independent individuals are appointed by SPS.

The role of the RMAC is to support the Accountable Officer in his or her responsibilities for issues of risk management, control, governance and associated sources of assurance, consistent with the expectations of the Scottish Public Finance Manual (SPFM) and the Scottish Government's Audit Committee Handbook.

The committee met on 5 occasions during 2022-23.

Information Security

The SPS takes Information Security very seriously and, at Board level, is the responsibility of the Senior Information Risk Owner. An Information Governance forum meets throughout the year.

There is an Information Security Unit based in HQ and a network of trained Information Security Officers throughout SPS. Robust information security policies are in place and staff are made aware of these policies through leaflets and presentations. All staff undertake the compulsory Cabinet Office e-learning course on protecting information.

Appointed Auditors

The accounts are audited by our auditors appointed by the Auditor General for Scotland. Under section 21 of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General has determined that Audit Scotland will be the appointed auditor for SPS for the financial years 2022/23 to 2026/27.

Audit Scotland carried out the audit of SPS' accounts for the financial year ending 31 March 2023. Audit Scotland determined that the notional fee for this service was £110,460 (2021-22 £116,370).

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 the Scottish Ministers have directed the Scottish Prison Service to prepare for each financial year a statement of accounts in the form and, on the basis, set out in the Accounts Direction on page 110. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the SPS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer of the Scottish Government has appointed the Chief Executive as Accountable Officer of the SPS. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the SPS' assets, are set out in Managing Public Money published by the HM Treasury.

Statement of the Disclosure of Information to Auditors

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Scottish Prison Service auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

As the Accountable Officer, I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

GOVERNANCE STATEMENT

Scope of Responsibilities

As Chief Executive, I am also the Accountable Officer (AO) with responsibility for maintaining a sound system of internal control that supports achievement of the Scottish Prison Service's (SPS) policies, aims and objectives set by Scottish Ministers. I am responsible to assure that the systems have been in place for the year under review and up to the date of approval of the annual report and accounts; whilst safeguarding the public funds and departmental assets for which they are personally responsible in accordance with the responsibilities assigned to them.

The AO is accountable to Scottish Ministers for the operation of the SPS; for providing advice and evidence on delivery to inform policy; for the management of SPS; and for planning its future development.

Governance Framework

The SPS is an Executive Agency of the Scottish Government and is required to comply with the Scottish Public Finance Manual. The SPS Framework Document (last produced in March 2016) sets out the policy and resources within which SPS operates, including delegated financial limits. The Framework Document requires an update and this will be progressed early in the next reporting year. The existing document can be found on SPS's web site at the following link <http://www.sps.gov.uk/Corporate/Publications/Publication-3925.aspx>

Advisory Board

The Advisory Board role and function is consistent with the remit detailed in the existing Framework Document. Non-executive and Executive Directors form the Advisory Board to enable the Chief Executive to effectively lead the organisation and ensure implementation of the policies and priorities of Ministers and the Scottish Government. During the year 2022-23, the Advisory Board met on six occasions.

During the year, Professor Kay Hampton stepped down from the role of Non-Executive Director (July 2022).

The role of the Advisory Board includes:

- Strategy – constructively challenging and contributing to the development of strategy, suggesting ambitious targets and innovative approaches for delivery;
- Performance – scrutinising the performance of management in meeting goals and objectives and monitoring the reporting of performance; and
- Risk – satisfying themselves of the reliability and integrity of risk management and internal control arrangements. Providing assurance that the framework for organisational governance is operating effectively.

To support this process SPS has engaged with colleagues in Scottish Government Department for Internal Audit and Assurance (DIAA) to develop support opportunities, training and to plan workshops focusing on governance, in April 2022 and again in September 2022. As part of a development plan, the Advisory Board is committed to taking part in an overall improvement focus, driven by the Chair, including an annual development session, 1:1 support meetings, a skills matrix and changes to the agenda, which will include operational staff presentations and staff observer spaces at meetings.

Risk Monitoring and Audit Committee (RMAC)

RMAC, chaired by Ian Harley Non-Executive Director, supports the Advisory Board in its work. The RMAC is responsible for overseeing risk, control and governance arrangements in place throughout the SPS and considers SPS exposure to financial risks, fraud and corruption as well as operational risk and its capacity to respond. The RMAC met on five occasions during 2022-23.

I attended the meetings as Chief Executive with three Non-Executive Directors and both internal and external auditors.

Strategic Delivery Group (SDG)

In February 2023, the Strategic Delivery Group (SDG) was established to oversee projects and pieces of work that are strategically and/or organisationally significant (excluding those that fall under the remit of the Major Projects Management Group (MPMG)) and ensure this work is connected to delivery across SPS and progresses the objectives of the 2023-28 Corporate Plan. The group is chaired by the Deputy Chief Executive and membership is made up of senior staff from across the organisation and a Non-Executive Director. The SDG met twice during the year.

Major Projects Management Group

The MPMG is the governance board that oversees the portfolio of major projects within the SPS and the Portfolio Management Office (PMO). Major projects are those that: meets the Scottish Public Finance Manual definition of a major investment; or is required to be supported by the SG Independent Assurance Review process; or will incur a one-off project cost of £2m (ex VAT) or more; or will bring an ongoing cost to SPS exceeding £1m per annum; or is assessed by MPMG as high risk for SPS. MPMG has a strategic role in agreeing priorities for the portfolio, agreeing the allocation of funding to projects, and setting the parameters for individual major projects. MPMG is chaired by the Chief Executive and membership includes a Non-Executive Director. MPMG met on 13 occasions during 2022-23.

SPS’ main strategic governance groups and their relationships are illustrated below:



Risk Management

The SPS operates a governance framework including a risk management strategy and formal systems of internal control. Following internal audit reviews, there have been a number of measures and developments planned and progressed. SPS is committed to operating a risk management strategy that underpins and supports the delivery of SPS objectives set out in the Corporate Plan for 2023-28 and contributes positively to the wider Justice Strategy and Programme for Government.

The existing risk strategy is compliant with the Scottish Public Finance Manual requirements and relevant guidance issued by Scottish Ministers. However, improvements are being taken forward. These include better alignment between risk, planning and performance at functional and corporate level. The risk strategy update has been initiated with resource in place to develop this further. We will continue to progress this work into the next reporting year, which will include support/training.

Internal Audit

SPS are supported by the Scottish Government DIAA to provide an overall annual assurance opinion level to me, RMAC and the Advisory Board. During the year there has been a gradual improvement on the risk control and governance framework within SPS and the rating has moved from limited to low reasonable. The rationale behind this is that while there have been some in-roads made around this framework within SPS, there is still considerable work to be undertaken.

In relation to the operational work undertaken, which forms assurance to me on compliance with delivery standards at an operational level, a Reasonable Assurance level opinion has been noted by the team.

Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the systems of internal control and corporate governance. My review is informed by:

- The work of the Audit and Assurance Unit, which provided an overall limited annual assurance opinion;
- Meetings of the Advisory Board within the financial year;
- Meetings of the Executive Management Group to deal with operational and other issues;
- Monitoring and reporting of performance against key performance indicators;
- A refined and improved Statement of Assurance process which has been introduced and provided by every Executive Director to myself. The effectiveness of this process is reported to RMAC;
- Reports and assurance to EMG, the Advisory Board and RMAC regarding Information Management;
- Annual report to the SPS Advisory Board from the Chairman of the RMAC concerning corporate governance and the control environment;
- Attendance of the Chairman of the RMAC at Advisory Board meetings, where a verbal update of RMAC business is provided;
- Reports from internal assurance providers (i.e. Head of Health and Safety, Head of Fire Safety and Divisional Head of Operational Support) on the adequacy and effectiveness of the arrangements, together with recommendations for improvements and the action management proposes taking to implement these;
- External Audit who report to the RMAC on SPS controls through management letters and other reports;

- Progression of management action from internal and external audit reports;
- Regular reviews of progress on the Annual Delivery Plan by the Advisory Board;
- Measures in place to ensure information security, and standardise and enhance the management of information risk. Information from the internal process for reporting and investigating information security and personal data related incidents. Cyber resilience planning benchmarking against the Scottish Government Cyber Resiliency Framework;
- The use of Project Management structures and a Major Project Management Group in addition to SG Justice Governance on capital projects. The support and scrutiny of gateway review processes for major projects;
- The Fraud Response Group (FRG) is chaired by the Director of Organisational Development and attended by a Non-Executive Director focusing on fraudulent activity within the organisation at an early stage. This group reviews lessons learnt, promotes awareness of fraudulent activity and influences policy development. The Chair of the FRG was transferred from the Chief Executive to the Director of Organisational Development during September 2021. Due to competing priorities, the group's policy and terms of references were not reviewed as planned in 2020-21 and 2021-22 and is now scheduled to take place within the next reporting year; and
- The SPS Financial Policy Guidance Manual provides standard authority for establishments, SPS College, Central Stores and Headquarters Directorates. Compliance with its contents is mandatory and maintains propriety in the control of Government expenditure and income. It ensures assets are properly safeguarded, that proper accounting records are maintained and ensures compliance with current legislation and Government financial procedures.

As part of our ongoing work and as part of the assurance process we continue to identify areas for improvement in our governance and internal control frameworks. I am content that the review, informed by all of the items detailed above has provided me with a clear understanding of the specific areas requiring action that contributed to the overall limited assurance. These areas are ones which I have in place actions to ensure we move to a position of enhanced assurance of the effectiveness of the systems of governance and internal control within the SPS.

External Audit

This will be the first year of external audit by Audit Scotland. Audit Scotland were appointed as SPS's external auditors by the Auditor General for Scotland for the period 2022-23 to 2026-27.

Personal Data Related Incidents

During 2022/23, there were no personal data related incidents, and therefore nothing was reported to the Information Commissioner's Office (ICO). There were no personal data related incidents in the previous year (2021/22).

Significant Matters

There have been a number of significant issues identified during the year in relation to the overall governance framework. These were:

Financial Sustainability

The Scottish Parliament approved the 2022-23 budget for SPS of £478.045m. During the year, changes to the budget were made at the budget revision stages (detailed in page 29). Due to the economic

pressures of high inflation and the impact of the cost of living increases, particularly in utilities and food costs, SPS required a resource funding increase of £14.5m at the spring budget revision.

Financial sustainability remains a challenge and further work is required to develop the medium term financial strategy to underpin the Corporate Plan and the longer term strategies and capital investment plans of SPS.

2022 Pay Deal

SPS reached agreement with constituent Trade Unions in November 2022 on a pay outcome for all staff for 2022/23. Agreement on pay arrangements was achieved against a backdrop of pressures on public finances and wider cost of living pressures, which delivered a pay increase of 5.9% for our lowest paid staff, mid earners 5.7%, and those on the highest salaries 4.5%.

Other commitments also formed part of the pay award, including exploring a right to disconnect policy, scoping the feasibility of reducing the working week and alternative pay structure arrangements, all of which comprise an ongoing agenda for SPS in partnership with constituent TUS partners.

New Governance and Leadership Structures

We have progressed positive changes in our organisational structures and leadership during the year. One substantive Director returned from secondment and assumed the role of Interim Deputy Chief Executive. The Operations and Strategy & Stakeholder Engagement Directorates have become part of the Interim Deputy Chief Executive's portfolio, along with the Digital Services and Strategy & Improvement functions. Recruitment for a permanent Director of Finance also concluded, replacing the interim position arrangements that had been in place. The functions of the Corporate Services Directorate have been separated between Finance and a newly created Organisational Development Directorate, with an Interim Director. These new organisational structures are reflected in the diagram at Appendix 2.

The recruitment for Deputy Chief Executive permanent post commenced in April 2023. Recruitment for the remaining 3 Director post will be taken forward in the next reporting year.

As noted above, the Strategic Delivery Group (SDG) was also established this year, complementing governance arrangements provided by the Major Projects Management Group (MPMG).

Resourcing Update

Although absence continues to be a corporate priority, SPS experienced a 17% reduction in annual working days lost per employee in the 12 month period to March 2023 in comparison with that to March 2022. During 2023/24, we will continue to monitor absence trends and identify what more can be done to improve attendance and health and wellbeing support for all staff across our organisation.

Workforce Planning also continues to be a priority. Work on SPS' corporate structure, which was previously identified as a risk, has also been progressed during 2022/23. SPS made 498 appointments to Operations and Residential Prison Officer roles during 2022/23 to support ongoing service delivery and the introduction of three new prison establishments to the prison estate – HMP&YOI Stirling, and the Bella and Lilius Community Custody Units. We anticipate that operational workforce planning needs will continue to be a priority as we take forward work to return HMP Kilmarnock to public sector ownership and begin to plan for the operationalisation of HMPs Highland and Glasgow in future years.

Furthermore, wider employment market trends have continued to affect retention and attraction across our non-operational support roles during 2022/23, which includes specialist services such as Estates, Psychology and Finance. We will take forward work over the course of the next financial year to ensure we remain competitive within the broader employment market and maximise attraction to all SPS job families and roles.

GEOAmeY – Scottish Courts Custody Prisoner Escort Service (SCCPES) Contract

GEOAmeY have reported that the changes in service requirement post-Covid has made the Contract financially unsustainable. As court volumes increase, other contractual elements of the contract remained at significantly lower levels than pre COVID. The Contract Management Unit (CMU) has been authorised to review the full range of options to ensure that the Contract is both viable and sustainable over its remaining contractual term. SPS remains committed to working through the Multi Agency Liaison Group (MALG) to ensure efficient and effective service delivery.

GEOAmeY continues to experience extreme difficulties with regards to recruitment and staff retention. Staffing levels have reduced to the lowest level since the start of the contract in 2019, and this has led to significant service delivery failures. This has impacted on all areas of the business, with contingency planning taking place to look at areas of support and what can be done to ensure the contractor can successfully deliver the various elements within contract.

During the reporting period, due to overall poor performance three separate contractual Improvement Notices (IN) were served on GEOAmeY. Specifically, in relation to providing escorts for Hospital Appointments, Police Identification Parades and Data Reporting and Validation and supporting contractual data provision to support invoicing.

The SPS Escort Monitor Team have also raised on-going concerns with regards to the health and wellbeing of individuals in the care of GEOAmeY e.g. length of time on buses and has focussed on these areas in question through support audits and review of service delivery specifically to address the welfare of custodies whilst in the care of GEOAmeY.

HMP Addiewell

HMP Addiewell also continues to experience staff attrition and recruitment issues, which is in line with the current market forces across the country. While they actively recruit staff, this increased turnover remains a risk with the increased proportion of inexperienced staff.

HMIPS completed a full inspection in November 2022, however due to concerns a follow up visit was carried out in January 2023. The findings from the Inspection and follow up identified serious concerns across most of the Prison. The main concern was that they assessed the establishment to be unsafe.

Due to the increased levels of violence being experienced within the Prison, a formal relaxation was granted on some contractual obligations whilst the Contractor plans and implements a strategy to identify and tackle the issues identified in their Action Plan which will improve safety across the establishment.

A serious incident of a fire in-cell in December 2022 led to investigation and inspection by the Scotland Fire & Rescue Service (SFRS). This has resulted in a Fire Enforcement Notice (FEN) being served on HMP Addiewell. A follow up visit by SFRS took place during the first Qtr. of the new reporting year with the FEN withdrawn after the SFRS were content with actions taken and the changes to fire procedures and training introduced by Addiewell. The individual involved in the December fire remains in hospital with life changing injuries.

Population Management

Details on how the SPS manages population are included in the 'Our Service Today' section. The average population was lower for the reporting year 22/23 compared to the previous year despite the increase in court business that was impacted by COVID19, but the trend since the start of 2023 is upwards, as the numbers attending court increase faster which has resulted in an increase in Qtr 4 (Jan - Mar 23) of the reporting year. However, the increase in male adults was offset by reducing females and young male adults.

SPS prisoner population remains diverse with an increasing level of complexity. This continues to place pressure on the establishments as they look to mitigate risk versus need whilst maintaining an

individualised approach and operational stability. We remain focused on prioritising work to relieve pressure where possible.

Transgender Placement

From 29 January 2023, precautionary measures were put in place that meant:

- No transgender person already in custody with any history of violence against women will be moved from the male to the female estate.
- No newly convicted or remanded transgender prisoner with any history of violence against women will be placed in the female estate. Violence against women includes sexual offences against women.

This followed an urgent case review of a high profile transgender individual convicted of sexual offences against women. In order to ensure operationalisation of the above measures, case reviews of all transgender individuals in our care were undertaken and in addition, any newly convicted or remanded transgender prisoner will initially be placed in an establishment commensurate with their birth gender. At the end of the reporting year, these measures remain in place. We continue to adopt an individualised risk based approach to ensure the safety of transgender individuals as well as other prisoners and staff. In the next reporting year we will continue to prioritise publication of the outcome of our review of the 2014 Gender Identity and Gender Reassignment Policy.

Women's Strategy

SPS opened 2 new innovative CCUs in 2022, Bella in Dundee was opened in June and Liliias in Glasgow was opened in October. Both facilities represent progress towards the recommendations made in Dame Elish Angiolini's Commission on Women Offenders report of 2011, delivering trauma informed and gender specific facilities for women in custody who are preparing for a return to their communities.

The new Womens National facility, HMP& YOI Stirling remains on track for an opening of Summer 2023. The facility will replace HMP&YOI Cornton Vale and deliver bespoke and world leading facilities for women in our care.

Fatal Accident Inquiries

SPS continues to support all inquiries following any Death In Custody. SPS remain committed to supporting these inquiries whilst remaining conscious of the impact and trauma caused whenever a loved one is lost.

SPS HQ Relocation

The lease on SPS Headquarters (HQ) at Calton House, expired at the end of October 2022. Working in conjunction with Scottish Government's Smarter Workplaces Team since August 2016, SPS identified a new workspace at Lochside Avenue, Edinburgh that allowed the progress of smarter working and an options appraisal for SPS' future HQ location, in line with HM Treasury Green Book's Guidance on Appraisal and Evaluation.

As well as the improvement in facilities and the modernisation of the building, space studies and staff surveys prior to the move, resulted in the space requirement for the new building being reduced in 2020 from the c26,000 sq. ft previously identified (compared to Calton House's 52,000 sq. ft) to c17,000.

Net-Zero Carbon Emissions

Work was undertaken during the year to develop a Carbon Management Strategy. The outcome of this review was the recommendation of establishing an appropriately resourced and skilled corporate climate change team to provide leadership, technical capability, and reporting / outcome tracking to enable SPS to deliver Net Zero in the timeframes set out by the Scottish Government's climate change ambitions to

achieve Net Zero carbon emissions by 2045.

Funding for a climate change team has been included in the SPS budget for 23/24 and a business case setting out the structure, delivery and recruitment strategy is being presented for approval by the SPS executive management group in summer 2023.

ACCOUNTABILITY REPORT – REMUNERATION AND STAFF REPORT

The purpose of this section is to provide information on the remuneration and pension arrangements of SPS' Advisory Board members. It also provides information on staff numbers and related costs for the year.

REMUNERATION REPORT

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Remuneration Policy

The remuneration of senior civil servants is set in accordance with the Civil Service Management Code available at www.gov.uk/government/organisations/civil-service and with independent advice from the Senior Salaries Review Body (SSRB).

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at

www.gov.uk/government/organisations/office-of-manpower-economics

The remuneration of the Advisory Board members is determined under the Civil Service Management Code. The remuneration of Non-Executive Board members is agreed with them on appointment.

Remuneration (including salary) and Pension Entitlements (audited)

The following sections provide details of the remuneration and pension interests of the SPS Senior Officials.

Remuneration (Salary and Pensions)

Single total figure of remuneration	Salary (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000) ³		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
T Medhurst <i>Chief Executive</i>	120-125	85-90 plus Acting Up Allowance 5-10			183	6	305-310	105-110
J Kerr <i>Deputy Chief Executive</i>	90-95 plus Acting Up Allowance 0-5	0-5 (85-90 Full Year Equivalent)			-6	12	85-90	15-20 (100-110 Full Year Equivalent)
G O'Donnell ⁴ <i>Director of Finance</i>	85-90	40-45 (80-85 Full Year Equivalent)			34	16	120-125	55-60 (85-95 Full Year Equivalent)
A Purdie <i>Interim Director of Operations</i>	80-85 plus Acting Up Allowance 0-5 plus RRA 5-10	75-80 plus RRA 5-10			-9	19	80-85	105-110
S Brookes <i>Interim Director of Strategy & Stakeholder Engagement</i>	80-85 plus Acting Up Allowance 0-5 plus RRA 5-10	75-80 plus RRA of 5-10			-5	25	85-90	115-120
A Jobson ⁵ <i>Interim Director of Organisational Development</i>	50-55 plus Acting Up Allowance 0-5 (90-95 Full Year Equivalent)	-			29	-	85-90 (120-125 Full Year Equivalent)	-
C Johnston ⁶ <i>Interim Director of Corporate Services</i>	25-30 plus RRA ⁷ 0-5 (90-95 Full Year Equivalent)	75-80 plus RRA 5-10			12	31	45-50 (100-105 Full Year Equivalent)	120-125
G Stillie <i>Non-Exec Director</i>	10-15	5-10					10-15	5-10
A McKechin <i>Non-Exec Director</i>	5-10	0-5					5-10	0-5
I Harley <i>Non-Exec Director</i>	0-5	0-5					0-5	0-5
K Hampton ⁸ <i>Non-Exec Director</i>	0-5	0-5					0-5	0-5
L Clow <i>Non-Exec Director</i>	0-5	0-5					0-5	0-5
S Uphill <i>Non-Exec Director</i>	0-5	-					0-5	-

Salary

'Salary' includes gross salary; overtime; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the SPS and thus recorded in these accounts. This total remuneration, as well as the allowances to which they are entitled, is paid by the SPS and is therefore shown in full in the figures above.

³ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

⁴ G O'Donnell was made permanent on 30 March 2023

⁵ A Jobson Interim Director of Organisational Development from 9 August 2022

⁶ C Johnston outward secondment to Scottish Government from 9 August 2022. Salary costs for this period fully met by Scottish Government

⁷ Recruitment and Retention Allowance

⁸ K Hampton left SPS 30 September 2022

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the SPS and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind paid during 2022-23 (2021-22 – nil).

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses paid during the year (2021-22 – nil).

Pay Multiples (audited)

The highest paid director had banded remuneration of £120,000-£125,000 in 2022-23 (2021-22 £95,000-£100,000).⁹ This is an increase of 26% from the previous financial year. The ratio of increase is high because the highest paid director in 2021-22 was acting up and hence not in the office for the full term of the reporting period. In the same reporting year, the average remuneration in respect of the employees taken as a whole was £37,342 (2021-22 £35,021)¹⁰. This is 6.6% increase over the previous financial year.

The range of remuneration in SPS in the financial year 2022-23 was £20,000-£25,000 to £120,000-£125,000 (2021-22: £15,000k-£20,000k to £115,000-£120,000). These remuneration figures exclude pension benefits.

The pay ratio information is shown in the table below:

	2022-23	2021-22
Highest Paid Director Salary Component	122,500	97,500
Highest Paid Director Total Pay and Benefits	122,500	97,500 ¹¹
25 th Percentile Salary Component	28,491	26,903
25 th Percentile Total Pay and Benefits	28,491	26,903
25 th Percentile Ratio	4.3:1	3.62:1 ¹²
50 th Percentile Salary Component	37,063	34,998
50 th Percentile Total Pay and Benefits	37,063	34,998
50 th Percentile Ratio	3.31:1	2.79:1 ¹³
75 th Percentile Salary Component	37,063	34,998
75 th Percentile Total Pay and Benefits	37,063	34,998
75 th Percentile Ratio	3.31:1	2.79:1 ¹⁴

The median pay ratio is consistent with SG pay policy. Excluding Directors, the pay ranges for staff are directly linked to the annual pay award in line with SG pay policy. The SPS Chief Executive and Directors are Senior Civil Servants (SCS) and their remuneration is set by the Scottish Government (SG). This is because SCS pay arrangements are reserved to the UK Government and SG decide how to implement those arrangements for the SCS across the Scottish Administration. Non-Executive Directors are appointed by SPS with daily rate salaries set in accordance with SG pay policy.

⁹ In 2021-22, the reported band was £115,000 - £120,000 with ratio of increase reported at 2%.

¹⁰ Restated from £33,163

¹¹ Restated from £120,000 to show the midpoint of banding

¹² Restated from 4.46:1

¹³ Restated from 3.43:1

¹⁴ Restated from 3.43:1

Pension Benefits (audited)

Officials	Accrued pension at age 65 as at 31/3/23 £000	Real increase in pension at age 65 £000	CETV at 31/3/23 £000	CETV at 31/3/22 £000	Real increase in CETV £000	Employer contribution to partnership pension account £000
T Medhurst <i>Chief Executive</i>	55-60 plus lump sum of 165-170	7.5-10 plus a lump sum of 17.5-20	1,381	1,087	174	-
J Kerr <i>Deputy Chief Executive</i>	45-50 plus lump sum of 90-95	0-2.5 plus a lump sum of 0	926	841	-14	-
G O'Donnell <i>Director of Finance</i>	0-5	0-2.5	43	13	23	-
A Purdie <i>Interim Director of Operations</i>	40-45 plus lump sum of 110-115	0-2.5 plus a lump sum of 0	961	887	-21	-
S Brookes <i>Interim Director of Strategy & Stakeholder Engagement</i>	45-50 plus lump sum of 105-110	0-2.5 plus a lump sum of 0	985	891	-18	-
A Jobson <i>Interim Director of Organisational Development</i>	30-35 plus lump sum of 50-55	0-2.5 plus a lump sum of 0-2.5	446	408	16	-
C Johnston <i>Interim Director of Corporate Services</i>	25-30	0-2.5	361	345	8	-
G Stillie <i>Non-Exec Director</i>	No Pension Entitlement					
A McKechin <i>Non-Exec Director</i>	No Pension Entitlement					
I Harley <i>Non-Exec Director</i>	No Pension Entitlement					
K Hampton <i>Non-Exec Director</i>	No Pension Entitlement					
L Clow <i>Non-Exec Director</i>	No Pension Entitlement					
S Uphill <i>Non-Exec Director</i>	No Pension Entitlement					

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch

into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to **alpha** have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment)

Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for Loss of Office

There were no SPS Senior Officials that left on Voluntary Exit, Voluntary Redundancy or Compulsory Redundancy terms.

Spending on Consultancy and Temporary Staff (audited)

The table below shows the total costs on temporary staff and consultancy for the year ended 31 March 2023 along with the prior year comparisons.

	2022-23 £000	2021-22 £000
Temporary staff	3,373	2,595
Consultancy	136	130

Off-payroll Appointments (audited)

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater.

	Total
No. of existing engagements as of 31 March 2023	7
<i>Of which, no. that existed:</i>	
less than 1 year	3
for between 1 and 2 years	1
for between 2 and 3 years	2
for between 3 and 4 years	-
for 4 or more years	1

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater.

	Total
No. of temporary off-payroll workers engaged during the year ended 31 March 2023	16
<i>Of which:</i>	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	16
Subject to off-payroll legislation and determined as out-of-scope of IR35x	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: No. of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023:

	Total
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	13

STAFF REPORT

As at 31 March 2023 there were 4,562 staff in post including five Non-Executive Directors. The split across grade and gender is detailed in the table below. This section is audited.

	2022-23			2021-22		
	Male	Female	Total	Male	Female	Total
Senior Civil Servants	2	1	3	2	1	3
Directors	2	1	3	1	2	3
Non-Executive Directors	2	3	5	2	4	6
Employees	2,892	1,659	4,551	2,955	1,622	4,577
Total	2,898	1,664	4,562	2,960	1,629	4,589

Staff Numbers and Related Costs (audited)

The following sections have been subject to audit by SPS' auditors.

The table below shows the staff costs for the year ended 31 March 2023 along with the prior year comparisons.

	2022-23	2022-23	2022-23	2021-22
	Permanently employed staff £000	Others £000	Total £000	Total £000
Staff costs				
Wages and salaries	158,946	3,535	162,481	149,700
Social security costs	17,637	19	17,656	15,094
Other pension costs	41,696	44	41,740	38,344
Sub-total	218,279	3,598	221,877	203,138
less recoveries in respect of outward secondments	(185)	-	(185)	(340)
Total net costs	218,094	3,598	221,692	202,798

Permanently employed staff includes staff employed on fixed term contracts. Others includes costs associated with agency staff and inward secondees.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes, but Scottish Prison Service is unable to identify its share of the underlying assets and liabilities. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation

<https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts>

For 2022-23, employers' contributions of £39,372k were payable to the PCSPS (2021-22 £37,970k) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £780k were paid to the appointed stakeholder pension provider, Legal & General. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £23k, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.

During the reporting year, eight individuals (2021-22 five individuals) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £29k (2021-22 Nil).

Average Number of Persons Employed

The average number of whole-time equivalent persons employed during the year was as follows:

	<u>2022-23</u>	<u>2021-22</u>
Directly employed	4,256	4,282
Other	8	8
Total	<u>4,264</u>	<u>4,290</u>

Directly employed includes non-permanent staff.

Reporting of Civil Service and Other Compensation Schemes – Exit Packages (audited)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	8 (13)	8 (13)
£10,000 - £25,000	-	10 (6)	10 (6)
£25,000 - £50,000	-	16 (13)	16 (13)
£50,000 - £100,000	-	55 (41)	55 (41)
£100,000 - 150,000	-	0 (1)	0 (1)
£150,000 - £200,000	-	0 (2)	0 (2)
Total number of exit packages	-	89 (76)	89 (76)
Total resource cost/£	-	£4,819,368 (£3,900,800)	£4,819,368 (£3,900,800)

Comparative data is shown (in brackets) for previous year

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 2022-23. £4,819k exit costs were paid in 2022-23, the year of departure (2021-22 £3,901k). Where the agency has agreed early retirements, the additional costs are met by the agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table. There were no Voluntary Exit Schemes (VES) approved by Cabinet Office.

Attendance and Wellbeing

Sick absence in SPS is measured in average working days lost (AWDL) which is the total amount of absence incurred divided by the number of employees. AWDL in 2022-23 was 17.1 which is a 17.4% decrease on the previous year. Indicatively, decreases in SPS' AWDL figure can be attributed to reductions in Covid-19 related and musculoskeletal absence. By way of comparison with His Majesty's Prison and Probation Service (HMPPS) in England and Wales, SPS' AWDL figure remains higher than that of HMPPS.¹⁵ However, it must be noted that HMPPS utilise additional policies, such as a disability leave policy, which will generate a positive impact on their overall AWDL figure.

Further, when extracting sick absence caused by COVID-19, AWDL for 2022-2/23 was 15.2, which is 1.3% lower than pre pandemic figures in 2019/20. Despite these improvements, the SPS remains concerned by high levels of sick absence and is focused on attempting to better understand and prevent the causes of absence.

We recognise that our challenge is reducing long term sick absence, with the majority of that absence caused by mental health or musculoskeletal factors. We also recognise that a significant proportion of people who were long term sick have now left the organisation, particularly in the 50-59 age group. We therefore undertook work to better understand this with the aim of reducing the number of people who are dismissed on the grounds of long term sick absence.

Health checks, vaccination programmes and health promotion and awareness campaigns are all provided by the SPS. We continue to provide physiotherapy and have recently introduced a Body Fluid Exposure and Sharps Injury Helpline, that includes a 24/7 risk assessment process and onward referral to relevant support services.

We provide a wide range of mental health support including virtual mental health clinics, mobile phone applications, desktop support, and access to counsellors through our Employee Assistance Programme. The SPS also continues to offer 'Mentally Healthy workplaces for Managers' with a total of 15 courses and 116 staff attending in 2022.

Employee Engagement

SPS' best source of feedback on levels of employee engagement is through the participation of the annual Civil Service People Survey. The Survey seeks employee's views on nine key themes that are known to shape people's motivation and experiences at work, benchmarked against other areas of the Civil Service. Our response rate (the number of employees who participated within the Survey), saw an increase of 9%, rising to the highest level since 2017.

Whilst our overall Survey engagement index remained the same as 2021 (56%), we saw an increase across seven of the nine Core Themes, with the highest increases being seen within themes "My Manager", "Inclusion and Fair Treatment" and "Learning and Development".

Our employees are our core asset, and it is of significant importance that our staff are engaged with, understand organisational change, are enabled to provide a contribution to SPS's future, and can see that their contribution is recognised. Our 2019 – 2022 Corporate Plan set out our Strategic Themes and Outcomes, supporting our employees to understand how the work they deliver contributes to SPS'

¹⁵ HMPPS staff lost an average of 12.6 working days to sickness absence in the 12 months ending 31 March 2023 (including COVID sickness)

Objectives, with a view to this leading to increased levels of employee engagement (Survey core theme “Organisational Objectives and Purpose”).

STRATEGIC THEMES				
DEVELOPMENT	ENGAGEMENT	IMPACT	STANDARDS	COLLABORATION
STRATEGIC OUTCOME:	STRATEGIC OUTCOME:	STRATEGIC OUTCOME:	STRATEGIC OUTCOME:	STRATEGIC OUTCOME:
We will have the right people, with the right skills, in the right place at the right time.	Everyone has a voice and contributes meaningfully to our corporate improvement journey.	Our services are efficient, effective and provide value for money.	Our prisons are safe, healthy and positive places in which to live and work.	Growing and strengthening our stakeholder and partner networks and relationships to achieve better outcomes for those in and leaving our care.

The creation of lifelong learning, enhanced development opportunities, strengthening the leadership capability of staff, and creating an environment where our staff are encouraged to participate and engage in the future development of our service, were key actions within the strategic themes of *Engagement* and *Development*. To further support this work we have developed our Leadership Strategy that puts relationships and values at the heart of everything we do, correlating to the core Survey themes of “Leadership and Managing Change”, “Inclusion and Fair Treatment” and “My Manager”. The Leadership Strategy is underpinned by collective leadership principles and outlines three key themes, Developing Leadership, Empowering Leadership and Enabling Leadership. The work being delivered through the Strategy includes the introduction of leadership Development Pathways and specific programmes such as The 7 Habits of Highly Effective People.

In response to our Survey results, we have revisited our Competency Framework; the foundation of the behaviour-based values tested through our recruitment and promotion assessments, our Professional Charter and our Standards of Behaviour, and have created a new Behavioural Competency Framework, which outlines the behaviours that are essential to support effective performance in our organisation. It will form the basis of our people management processes and provide a common language for how we go about our daily work; it does not describe what we do in each of our roles, but how we do it. It will help us to assess, manage and improve performance aligned to our personal goals and organisational objectives. The framework is underpinned by the SPS core values, recognising the integral connection between our personal values and our behaviours. The framework outlines eight core behavioural competencies, which apply consistently to all roles, regardless of the nature or level. This ensures there is one transparent set of standards, which all employees will be expected to work to, regardless of the job we do. As well as defining each of the eight behavioural competencies, the framework describes what each competency looks like in practice, and includes development questions to support self-reflection and development activities.

Our continued participation within the People Survey enables us to better understand the lived experiences of those who work within the SPS, and this information helps us in the development of our employee policies. Alongside using this evidence in the development of policy Equality and Human Rights Impact Assessments (ERHIA), the responses to the Survey assist us in determining, in conjunction with our TUS partners, which policies SPS should give priority.

Our Hybrid working policy, rolled out across our Headquarters, College and Fauldhouse facilities, enables our employees to achieve a greater degree of work/life balance (less time commuting, balance of dependents care in emergencies, cost savings due to less petrol etc.).

In recent months, we have published SPS’ first Menopause Policy, alongside the development of online Menopause training sessions and the Charity for Civil Service “Peppy” Menopause App, providing employees impacted by the Menopause with appropriate support and guidance.

We have introduced our Employee Passport, enabling employees to have one document, aimed at capturing a range of circumstances that may have an impact on their working life. Alongside the Passport, we are developing our understanding of how we support our colleagues who require reasonable

adjustments, working with Scottish Government colleagues to enhance our learning. We will embed this learning within the work we are undertaking as part of our Attendance Management policy review. Our Attendance Management policy, Employee Passport and Menopause policy all form part of the wide ranging personal wellbeing activities we are undertaking as part of our Health and Wellbeing Action Plan, informed in part through Survey responses provided within Survey section “Personal Wellbeing”.

SPS introduced our Employee Wellbeing policy in 2017, and our Survey results are giving us the opportunity to use our employee voice feedback to inform the policy review we are currently undertaking. A review of our Acting Up policy has also commenced, in conjunction with our TUS partners, which will ensure our practices are fair and consistently applied.

Employment Relations and Reward

Employment Relations & Reward (ER&R) lead on the development, review and delivery of HR policies and procedures, pay and reward outcomes, employee engagement initiatives and works in partnership with our Trade Union Partners.

HR policies provide an important and fundamental framework for the management of all employment related issues and are aligned with our Corporate Plan. In keeping with our commitment to providing an inclusive and supportive working environment, we were pleased to launch our new Menopause Policy, which outlined our commitment to providing person-centred support to all employees experiencing the menopause.

In November, SPS moved to our new Headquarters facility at One Lochside. This new office space provides opportunities to work smarter together with enhanced technology and greater collaboration and supports greater flexibility for some of our staff to work under a hybrid model.

In March 2022, SPS set out its commitment to operate HR in a ‘fit for purpose’ way. This will provide the SPS with efficient and effective HR services, defining and achieving a workforce and talent agenda, delivering business strategy, driving workforce performance and engagement, positively influencing the culture, and enhancing the experience for our people. To achieve this, a programme of change has been developed that will see our transformation to a digitally enabled and user centred HR function that will provide a stable digital HR platform to enable effective service delivery and allow SPS to continue to meet its legislative obligations.

Through the adoption of innovative technology and online collaboration tools it offers opportunities to develop more efficient and effective ways of working that create capacity and empower the end user. The programme is underway with the exercise to procure integrated HR systems to replace our existing Core HR, Payroll & Recruitment systems is on track and will see SPS award a contract of services by Q1 of 2023/24.

Additionally, we have continued to explore opportunities to deliver HR services more efficiently using existing technology. As a result, during 2022/23 new online pay forms were launched that remove paper-based processes and improve the efficiency of our pay processing.

Our 2022 Pay Award removed the first pay point in our lower to mid-range pay scales. This positively impacted on the SPS ability to attract candidates by reducing the time in which it takes an employee to move through the structure. It was also acknowledged of the cost of living crisis people are experiencing and positively impacted on the gender pay gap. To enhance the supportive environment for development and focus attention on performance improvement, the 2022 Pay Award also saw the removal of the barrier for employees with a live formal performance warning on the pay settlement date (1 April 2022) to receive pay progression.

Furthermore, in addition to continuing to be an Equal Pay and Living Wage employer, the SPS increased the number of paid weeks of Occupational Maternity / Adoption and Shared Parental Pay. Our employee benefits package was enhanced through the introduction of a new technology purchase scheme and increasing of the value limit of the Cycle-to-Work Scheme, enabling greater opportunity for staff to access e-bikes. In support of the health and wellbeing benefits available to our staff, we also relaunched the opportunity to register for dental cover.

The Butler Trust celebrates and promotes the best in UK prisons, probation and youth justice. In addition to our activities to celebrate Hidden Heroes Day in September 2022, we were also delighted that two SPS employees and one HMP Addiewell employees were awarded Butler Trust Commendation Awards, receiving their awards in a ceremony in London in March 2023. One further employee is to be awarded a Butler Trust Certificate of Recognition, to be presented at their establishment.

We continue to be committed to the Fair Work agenda and this is reflected in our long-standing partnership agreement, Forward Together, with the Trade Union Side (TUS). The SPS recognise the positive impact of working together in partnership and are committed to developing a Fair Work Strategy, shaped around the 5 principles to bring together the variety of work currently being undertaken or planned which promotes employee engagement and supports an environment of trust, respect and inclusion at all levels.

Equality and Human Rights

We are committed to ensuring our staff, and everyone we work with, are treated fairly, with dignity and with respect for their human rights. We are committed to fulfilling and, where possible, going beyond our obligations as both an employer and as a public sector provider under the relevant Equality and Human Rights Legislation.

We have continued to deliver work across all three Equality Outcomes (our Outcomes), which reflect the areas of equality that we identified in 2020 required the greatest focus, set against our commitments and obligations under the Justice Sector.

We have explored the development of resources, materials and approaches to drive the engagement and attraction of the SPS employer brand across underrepresented groups. This work is supported through the scoping of new approaches to advertising, identifying platforms for advertising external vacancies, through organisations including Stonewall and Diversity Jobs. Local establishments have also worked hard at positively engaging their communities to create a better understanding of SPS and the variety job roles within. These are targeted specifically at underrepresented groups including gay men and people from a minority ethnic background, the groups we identified within our Outcomes as needing our greatest focus, and our diversity jobs boards includes an LGBTQ+ jobs board which all our vacancies are pulled over to automatically upon posting to our own jobs board. Alongside our advertising routes, we encourage applications through the Disability Confident Scheme, a government initiative designed to encourage employers to recruit and retain disabled people and those with health conditions. In the 2022-23 reporting year, 322 applicants selected that they wished their application to be considered under the Disability Confident Scheme. Of these, 79 were progressed to the later stages in the selection process (beyond application shortlisting), 42 withdrew their application mid-process and 13 remain active in the earlier stages of the selection process at this time (pre-shortlisting).

The mental wellbeing of our employees and those within our care continues to be one of our corporate priorities, as detailed within the Outcomes. Throughout 2022 we have sought a range of opportunities to ensure our colleagues have access to a range of support mechanisms. Mental health training for managers, virtual mental health clinics, and the usage of mental health Apps have all formed activities under our employee Wellbeing Action Plan.

We are currently in the process of developing and reviewing our Attendance Management and Employee Wellbeing policies to ensure they continue to provide the widest range of mental health support initiatives, and in 2022, we introduced our first ever Menopause policy. This will include making sure that HR and line managers have the capability and support to provide the health and wellbeing offer. These policies will be supported through the roll out of an Employee Passport scheme, providing a framework for the recording of supportive measures to enable employees to remain within the working environment.

To build on the mental health support outlined above, we have commenced engagement on the delivery of trauma informed services, with a view to introducing interventions and restorative culture programmes for our employees. The development of our Mental Health Strategy for those within our care continues, and we continue to work in partnership with a range of Justice and third sector partners to inform our development.

At the heart of our work is the lived experiences of our employees and those within our care, and our Outcomes identified the need to further develop our data sources and evidence base including seeking the living experiences of those we come into contact with, both employees and those within our care. Through the introduction of new digital systems, we have explored a range of possibilities to support our people metrics, alongside our existing systems.

We are committed to ensuring the consistent mainstreaming practices and procedures in our prisons, in line with and informed by human rights and equalities, and our Equality and Diversity (E&D) Managers' Forum plays an integral part in taking these practices forward. The forum is a platform for our establishment based E&D managers to come together every two months to share areas of good practice, network, take on discrete projects to improve E&D mainstreaming nationally and receive information on priorities and developments, which form part of our Corporate direction. Work has already begun to improve monitoring and reporting standards and processes and the meeting has hosted guest speakers to hear about pioneering projects being delivered in our prisons, including the integration of neurological practices within HM&YOI Polmont.

We continue to work with other Justice Partners and through our involvement in the Cross Justice Working Groups, we will continue to seek opportunities to share learning, good practice and resources. Our involvement in the British Sign Language Justice Partner working group is giving us further insight into how we can ensure our policies and practices are inclusive to all.

We recognise that Equality and Human Rights Impact assessments (EHRIs) are an important tool to ensure our policies align with our equalities and human rights requirements. We carry out EHRIs as part of our approach to our policy review and development, allowing us to consider how our policies may impact, positively or negatively, on groups or individuals in relation to one or more of the protected characteristics as well as on human rights of all people in our care, staff and visitors. Measures for monitoring the ongoing impact on equalities and human rights are also developed as part of the EHRIA. In line with our Equality Duty, all EHRIs are published on our public website. EHRIs have been undertaken on some major areas of strategy and policy this year including SPS' Women's Strategy, revised guidance for the refreshed Chaplaincy Framework, Anti-Corruption Policy, SPS' Attendance Management policy and our first organisational Menopause policy.

Work has commenced on reviewing our existing EHRIA guidance and documentation, including additional guidance on our requirements under the Fairer Scotland Duty.

We continue to focus on the role SPS has in meeting the needs of all those within our care. In 2022 we undertook a review of SPS's complaints mechanism as it pertains to 16 and 17 year olds looking to assess its effectiveness and the extent to which it aligns international human rights standards and guidelines. Our next steps will scope undertaking a comprehensive review of the current complaints mechanism for all service users in SPS care to assess its appropriateness, effectiveness and its compliance with international human rights standards as well as statutory obligations. In the meantime, we have made steps to make the existing complaints mechanism more accessible to foreign nationals through translating complaints forms into the most widely spoken foreign languages.

Work also continues to review SPS's 2014 Gender Identity and Gender Reassignment policy for those within custody. The purpose of the review was to develop an updated and evidence-based corporate policy position, clearly articulating an updated intent and how this would be achieved, consistent with the obligations of SPS as a public body and as a prison service. The review has completed its evidence and engagement stage and progress is now being made on analysis of all the evidence gathered to date and assessment of policy options that have emerged in the course of the review. Once analysis is complete, we will draft the revised policy, guidance and subject it to quality assurance as part of the 'authorise and publish' stage, we envisage publication to be in 2023. Some changes have already been made to the management of transgender individuals in our care to help improve transparency and guidance to ensure an individualised approach. An EHRIA is taking place as a key component of the policy review to ensure it is consistent with SPS obligations as a public body and prison service.

TUS Facility Time

As a public sector employer with more than one trade union representative and more than 50 employees, SPS is required to publish a report outlining the "facility time", (agreed time off) for employees to carry out trade union roles.

Currently, SPS has four recognised trade unions, the Prison Officer's Association (Scotland) POA(S), the Public & Commercial Services Union (PCS), Prospect and the Prison Governors Association (Scotland) (PGA(S)). Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2017 sets out what information should be published, which to the year end 31 March 2023, is as follows:

Number of Relevant Trade Unions Representatives	Full Time Equivalent
104	101.78
Of Whom:	Percentage of Time Spent on Facility Time
43	0%
21	1-50%
15	51-99%
25	100%
Total Facility Time Hour	Percentage of FT on paid TU Activities
55,859	32.61%
Percentage of pay bill spent on FT	0.69%
Total Cost of FT	£1,533,262.32
Total Pay Bill	£221,692,070

Workforce Planning

This year continued the upward trend in Prison Officer recruitment, with the successful appointment and development of 498 Prison Officers, this represents a 24% increase on the previous year with a further increase planned for 2023-24. This upward trend is reflective of a number of factors including the scale of internal promotion activity, an increase in turnover, as well as on-going growth of the prison estate through redevelopment activity.

Staffing levels across operational uniformed roles averaged 2% below complement across the year. Workforce planning challenges have continued largely as a result of employment market conditions and economic inactivity impacting on recruitment and retention.

The turnover rate for all staff groups within the 2022-23 reporting year was 9% which is a 1% increase on the previous year and remains in line with SPS' average turnover trend. SPS' recruitment delivery programme is aligned to projected turnover rates taking account of internal and external factors which may impact overall staffing levels.

This year has brought opportunities for increased engagement within local and online communities, and with prospective applicants in support of our recruitment activity, and our stated priority of having a workforce which is representative of Scottish society. Two key leadership development programmes have been launched aligned to our Leadership Strategy to increase capability and capacity of our leaders and internal and external recruitment has continued to deliver positive outcomes at middle and senior leadership levels.

As an inclusive and progressive employer, our latest Modern Apprenticeship Programme was successfully launched without age restrictions for applicants and with salaries in line with the national living wage.

ACCOUNTABILITY REPORT – PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

The purpose of this section is to provide details of any losses incurred by SPS during the year.
It also contains the Independent Auditor's report.

ACCOUNTABILITY REPORT – PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

PARLIAMENTARY ACCOUNTABILITY REPORT

Losses and Special Payments

The following losses and special payments have been included in the accounts:

Losses statement	2022-23		2021-22	
	Cases	£000	Cases	£000
Cash losses	172	114	154	7
Losses of accountable stores	273	(14)	273	8
Fruitless payments	10	33	10	291
Total	455	133	437	306
Special payments	409	5,854	320	5,424

Special payments include amounts paid out relating to Civil Service and other compensation schemes. Also included in Special payments are amounts settled for prisoner compensation and their related costs (see notes to the accounts 14 and 17).

Gifts

No gifts were made during the year.

Remote Contingent Liabilities

There are no remote contingent liabilities to disclose.

Income from Services

There are no material income from services during the year.

Teresa Medhurst

Teresa Medhurst
Chief Executive

12 September 2023

INDEPENDENT AUDITOR'S REPORT TO SCOTTISH PRISON SERVICE, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT

INDEPENDENT AUDITOR'S REPORT

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Scottish Prison Service for the year ended 31 March 2023 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2023 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been

prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Oliphant

Michael Oliphant FCPFA
Audit Director
Audit Scotland
102 West Port
Edinburgh
EH3 9DN

12 September 2023

FINANCIAL STATEMENTS AND NOTES TO THE ACCOUNTS

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2023

	Note	2022-23 £000	2021-22 £000
Income			
Income from sale of goods/services	2	(6,425)	(5,955)
Non-cash revenue grant	2	0	(979)
Other operating income	2	(130)	(217)
Total operating income		(6,555)	(7,151)
Expenditure			
Staff costs	3	221,692	202,798
Other expenditure	3	207,438	192,656
Total operating expenditure		429,130	395,454
Net operating expenditure		422,575	388,303
Finance expense	3	5,526	5,999
Net expenditure for the year		428,101	394,302
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs:			
Net (gain) / loss on revaluation of property, plant and equipment		(74,985)	(65,249)
Comprehensive net expenditure for the year		353,116	329,053

The notes on pages 85 to 109 form part of these accounts.

Statement of Financial Position

as at 31 March 2023

	Note	2022-23 £000	2021-22 £000
Property, plant and equipment	4	1,317,647	1,223,060
Right of use assets	5	5,230	-
Intangible Assets	6	592	777
Trade and other receivables	11	38	38
Total non-current assets		1,323,507	1,223,875
Current assets			
Assets classified as held for sale	9	68	-
Inventories	10	4,253	3,965
Trade and other receivables	11	9,482	6,948
Cash and cash equivalents	12	828	813
Total current assets		14,631	11,726
Total assets		1,338,138	1,235,601
Current liabilities			
Trade and other payables	13	(52,585)	(48,635)
Lease liabilities	5	(700)	-
Provisions	14	(4,083)	(3,833)
Total current liabilities		(57,368)	(52,468)
Total assets less current liabilities		1,280,770	1,183,133
Non-current liabilities			
Other Payables	13	(69,675)	(75,157)
Lease liabilities	5	(5,309)	-
Provisions	14	(10,210)	(13,399)
Total non-current liabilities		(85,194)	(88,556)
Total liabilities		(142,562)	(141,024)
Total assets less total liabilities		1,195,576	1,094,577
Taxpayers' equity and other reserves:			
General Fund	SoCTE	749,296	709,329
Revaluation Reserve	SoCTE	446,280	385,248
Total equity		1,195,576	1,094,577

Teresa Medhurst

Teresa Medhurst
Chief Executive
12 September 2023

The Chief Executive authorised these financial statements for issue on 12 September 2023.

The notes on pages 85 to 109 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2023

	Note	2022-23 £000	2021-22 £000
Cash flows from operating activities			
Net operating expenditure	SOCNE	(428,101)	(394,302)
Adjustment for non-cash transactions:			
Depreciation	4/5/6	47,006	39,551
Impairment	8	29	691
Notional charges	18	110	116
Other adjustments		0	234
Loss on disposal of assets		80	0
Interest payable on net operating cost for financing		5,701	5,968
Decrease/(Increase) in inventories	10	(289)	266
(Increase) in trade receivables	11	(2,533)	(1,140)
Increase in trade payables		11,691	20,526
(Decrease)/Increase in provisions	14	(2,939)	(623)
Net cash outflow from operating activities		(369,245)	(328,713)
Cash flows from investing activities			
Purchase of property plant and equipment		(75,084)	(56,387)
Purchase of intangible assets		0	(46)
Proceeds of disposal of property, plant and equipment		15	6
Net cash outflow from investing activities		(75,069)	(56,427)
Cash flows from financing activities			
From the consolidated fund		454,005	400,206
Movement in lease liabilities		6,009	0
Capital element of payments in respect of finance leases and PFI contracts		(9,984)	(9,054)
Interest element of finance leases and PFI contracts		(5,701)	(5,968)
Net financing		444,329	385,184
Net increase/(decrease) in cash and cash equivalents in the period		15	44
Cash and cash equivalents at the beginning of the period	12	813	769
Cash and cash equivalents at the end of the period	12	828	813

The notes on pages 85 to 109 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2023

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 1 April 2021		690,541	332,767	1,023,308
Net funding from the Scottish Government		400,206	0	400,206
Comprehensive net expenditure for the year	SoCNE	(394,302)	65,249	(329,053)
Auditors remuneration	18	116	0	116
Transfers between reserves		12,768	(12,768)	0
Balance at 31 March 2022		709,329	385,248	1,094,577
Net funding from the Scottish Government		454,005	0	454,005
Comprehensive net expenditure for the year	SoCNE	(428,101)	74,985	(353,116)
Auditors remuneration	18	110	0	110
Transfers between reserves		13,953	(13,953)	0
Balance at 31 March 2023		749,296	446,280	1,195,576

The notes on pages 85 to 109 form part of these accounts.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2023

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (FReM) issued by HM Treasury and the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of SPS for the purpose of giving a true and fair view has been selected. The particular policies adopted by SPS are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The accounts are prepared using accounting policies, and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in *International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors*. Changes in accounting policies which do not give rise to prior year adjustments are reported in the relevant note.

The functional and presentation currency of the agency is the British pound sterling (£). The figures are rounded to the nearest Thousand unless otherwise indicated.

Going Concern

SPS is an Executive Agency of the Scottish Government and is funded by Scottish Government. The Accountable Officer has considered the budget allocation for 2023-24 and considers that SPS will continue to operate. The accounts are therefore prepared on a going concern basis.

Accounting Convention

The accounts have been prepared under the historic cost convention modified to account for the revaluation of non-current assets, inventories, financial assets and assets held for sale, where material.

Changes in Accounting Policy and Disclosures

Changes in Accounting Policies and New and Amended Standards Adopted

IFRS 16 Leases is required for adoption across government bodies under the FReM from 1 April 2022. IFRS 16 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases, with some exemptions. This replaces the previous standard, IAS 17 Leases.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2022

The implementation date for IFRS 17 is not yet confirmed and the impact has not yet been determined. The Financial Reporting Advisory Board are considering implementation of the standard in the public sector.

Key sources of judgement and estimation uncertainty, estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Agency makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Agency makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within

the next financial year are addressed below within the individual accounting policies and notes to the accounts.

The most significant estimates made by the Agency relate to the valuation of SPS properties and the sums recorded in provisions and contingent liabilities for staff and prisoner claims at 31 March. To assist the Agency with the estimates in valuing property in accordance with the FReM, SPS commissions a professionally qualified Royal Institute of Chartered Surveyors (RICS) accredited firm to undertake a five-year rolling programme of valuations with annual indexation considerations for the years in between. The valuations are prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book. UK VPGA 5 addresses the valuation of central government assets for accounting purposes. Specialised operational dwellings and other buildings not falling under full valuation rolling programme are estimated based on desktop valuation exercise from a professionally qualified RICS accredited firm every year.

The SPS engage the services of the Scottish Government Legal Directorate, the Department of Work and Pensions and other legal firms to assist in preparing estimates of potential liabilities for staff and prisoner claims. The SPS also engage the services of professional accountancy firms to assist in the estimates for PFI/PPP Contracts and other Service Concession Arrangements.

Change in Accounting Estimate

Indexation

The indexation adjustment recorded in the 2022-23 accounts is calculated as the movement between the opening index as at 31 March 2022 and the closing index as at 31 March 2023. The index applied to buildings is based on a quarterly forecast which may be subject to change.

Property, Plant and Equipment

Title to the freehold land and buildings shown in the accounts is held in the name of the Scottish Ministers.

Land

Land is shown at fair value in accordance with the FReM and IFRS13 Fair Value Measurement.

Dwellings and Other Buildings

Non-specialised dwellings and other buildings are shown at fair value less subsequent depreciation in accordance with the FReM and IFRS13 Fair Value Measurement.

Specialised operational dwellings and other buildings are valued using the Depreciated Replacement Cost (DRC) method in accordance with the FReM.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Valuation and useful life estimates in respect of SPS land and buildings have been supplied by the District Valuer Services (DVS), a division of the Valuation Office Agency. Valuations are carried out by a Royal Institute of Chartered Surveyors (RICS) Registered Valuer and have been conducted in accordance with the professional standards RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book. UK VPGA 5 addresses the valuation of central government assets for accounting purposes. Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS). Measurements stated are in accordance with the RICS Professional Statement 'RICS Property Measurement' (2nd Edition) and, where relevant, the RICS Code of Measuring Practice (6th Edition).

The Valuer has regard to the RICS UK GN titled 'Depreciated Replacement Cost (DRC) Method of Valuation for Financial Reporting', as supplemented by Treasury guidance.

A full revaluation of land, dwellings and other buildings is carried out as part of a five-year rolling programme in accordance with the FReM. Appropriate indices provided by the Valuer are used to restate values in the intervening years between full valuations. In addition a desktop valuation exercise is carried out for assets not falling under rolling programme each year. The normal threshold for capitalisation of land and buildings is £1,000.

Plant and Equipment, Fixtures and Fittings, Motor Vehicles and Information Technology

Depreciated historic cost has been used as a proxy for the fair value of plant and equipment, fixtures and fittings, motor vehicles and information technology. All of the assets in these categories have low values and short useful economic lives which realistically reflect the life of the asset and a depreciation charge which provides a realistic reflection of consumption. The normal threshold for capitalisation of assets in these categories is £1,000.

Assets under Construction

Assets under construction are carried at the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets under construction are transferred to either the appropriate category of property, plant and equipment or intangible assets when completed and ready for use.

Revaluation Reserve

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation reserve in taxpayers' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity; all other decreases, including permanent diminutions as a result of a clear consumption of economic benefits or service potential, are charged to the statement of comprehensive net expenditure.

Depreciation is charged to expenditure on the revalued amount of assets. An element of the depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on revaluation and is transferred from the revaluation reserve to the general fund.

Depreciation

Land held under freehold is not depreciated. Assets under construction are not depreciated until the asset under construction is capable of operating in the manner intended by management.

Depreciation and amortisation is provided on all other tangible and intangible non-current assets at rates calculated to write off the valuation, less estimated residual values, of each asset evenly over its expected useful life. Asset lives are assessed on an asset-by-asset basis as follows:

Freehold buildings	Not exceeding 80 years
Buildings held under PFI/PPP contracts	Not exceeding 80 years
Fixed Plant	Not exceeding 40 years
Fixtures and Fittings	3 - 20 years
Plant and Equipment	3 - 20 years
Motor Vehicles held under Scottish Court Custody and Prisoner Escort Service	unexpired lease term
Other Motor Vehicles	5 - 10 years
Information Technology Equipment	3 - 10 years
Information Technology - Software	3 - 10 years
Information Technology – Licences	unexpired lease term

Depreciation and amortisation is not charged in the month of acquisition but is charged over the useful economic life and in the month of disposal.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive net expenditure. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to the general fund.

Assets Held for Sale

A property is derecognised and held for sale under IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations when all of the following requirements are met:

- It is available for immediate sale;
- A plan is in place, supported by management and steps have been taken to conclude the sale; and
- It is actively marketed and there is an expectation that the sale will be made in less than 12 months.

Assets held for sale include assets where SPS intends and expects to sell within one year from the date of classification of held for sale. Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

Donated Assets

In Accordance with IAS16 Property, Plant and Equipment and the HM Treasury Financial Reporting Manual, donated assets are capitalised at their fair value on receipt and this value is recognised as income and taken to the Statement of Comprehensive Net Expenditure. The donated assets are revalued, depreciated and subject to impairment review in the same way as non-current assets. Subsequent revaluations are taken to the revaluation reserve. Where the donor has imposed a condition that the future economic benefits embodied in the donation are consumed as specified by the donor, or returned to them, then the receipt is treated as deferred income.

Intangible Assets

Intangible assets are valued on a historic cost basis. Future economic benefit has been used as the criteria on assessing whether an intangible asset meets the definition and recognition criteria of IAS38 Intangible Assets where assets do not generate income. IAS38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.'

Amortisation is applied at rates calculated to write off the cost by equal instalments over the estimated useful life.

Impairment

Impairments are recognised in accordance with IAS 36 Impairment of Assets as adapted by the FReM. An impairment reflects a diminution in the value of an asset as a result of a clear consumption of economic benefits or service potential.

At each reporting date, the department assesses all assets for indications of impairment. If any such indications exist, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts. If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount.

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to net operating costs in the SoCNE. If the asset has previously been revalued, any remaining revaluation reserve balance (up to the level of the impairment loss) is released to the General Fund.

Any reversal of an impairment loss is recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised, with any remaining amount recognised in the revaluation reserve.

Leases

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility. SPS determines whether to lease or purchase based on value for money considerations, such as whether the underlying asset is required for its entire life or for a more limited period. IFRS 16 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases (apart from the exemptions listed below).

Scope and Exclusions – SPS as Lessee

In accordance with IFRS 16 Leases, contracts, or parts of contracts, that convey the right to control the use of an asset for a period of time are accounted for as leases.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, incorporating both the right to obtain substantially all the economic benefits from the asset and to direct its use. If so, the relevant part of the contract is treated as a lease.

When making the above assessments, SPS excludes two types of leases. Firstly, those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £1,000 when new, provided those items are not highly dependent on or integrated with other items.

Secondly, contracts whose term (comprising the non-cancellable period together with any extension options SPS is reasonably certain to exercise and any termination options SPS is reasonably certain not to exercise) is less than twelve months.

Initial Recognition – SPS as Lessee

At the commencement of a lease (or on the date of transition to IFRS 16, if later), SPS recognises a right-of-use asset and a lease liability.

The lease liability is measured at the value of the remaining lease payments discounted either by the interest rate implicit in the lease, or where this is not readily determinable, SPS' incremental rate of borrowing. This rate is advised annually by HMT in the annual PES paper (0.95% for leases recognised at 1 April 2022). Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension options SPS is reasonably certain to exercise and any termination options SPS is reasonably certain not to exercise.

In the event that a lease contract has expired, but SPS remains in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with IFRIC 21 Levies. The right-of-use asset is measured at the value of the lease liability, adjusted for: any lease payments made before the commencement date; any lease incentives received; any incremental costs of obtaining the lease; and any costs of removing the asset and restoring the site at the end of the lease.

Enhancements to leased assets such as alterations to a leased building are not classified within right-of-use assets but remain classified as property, plant and equipment in accordance with the FReM.

Subsequent Measurement – SPS as Lessee

After initial recognition, the right-of-use asset will be measured using the fair value model. SPS considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value, in the case of non-property leases, and for property leases of less than five years or with regular rent reviews.

The value of the asset will be adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability as described below. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

The lease liability will be adjusted for the accrual of interest, repayments, reassessments and modifications.

Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where we no longer expect to exercise an option; modifications are changes to the lease contract.

Reassessments and modifications are accounted for by discounting the revised cash flows: using a revised discount rate where SPS becomes or ceases to be reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease, change the consideration or the scope; or at the existing discount rate where there is a movement in an index or rate that will alter the cash flows, or the amount payable under a residual value guarantee changes.

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset over the life of the lease, together with any impairment of the right-of-use asset and any change in variable lease payments, that was not included in the measurement of the lease payments during the period in which the triggering event occurred. Rental payments in respect of leases of low value items, or with a term under twelve months, are also expensed.

Transitional Arrangements

We have applied a number of options and practical expedients on initial adoption of IFRS 16, these principally being mandated by the FReM.

IFRS 16 has been adopted retrospectively using the 'cumulative catch-up' approach, without restatement of comparative balances. Consequently, the financial statements for 2021-22 have been prepared in accordance with the previous standard, IAS 17 Leases.

For leases previously treated as operating leases, the right-of-use assets have been measured at the present value of the remaining lease payments, adjusted for any prepayment or accrual balances in respect of the lease payments. SPS has used hindsight in determining the remaining term of leases and no adjustment has been made for leases whose term ends within twelve months of the date of first adoption.

Estimates and Judgements

Where a lease is embedded in a contract for services, the amount to be recognised as the right-of-use asset and lease liability should be the stand-alone price of the lease component only. Where this is not readily observable, a determination will be made by reference for other observable data, such as the fair value of similar assets or price of contracts for similar non-lease components.

As discussed above, SPS has determined the lease term by assessing the level of certainty as to whether termination or extension options will be exercised. In making these judgements, reliance has been placed on the professional judgement of Estates staff, supported by information on corporate asset management plans, other business strategies, investment already made in the underlying asset, ongoing business needs and market conditions.

SPS has determined that the cost model is a reasonable proxy for fair value in most cases, because the rents payable are aligned to open market rates.

Financial Instruments

The SPS does not hold any complex financial instruments. The only financial instruments included in the accounts are trade and other receivables, cash and cash equivalents, trade and other payables and PFI/Other Service Concession Arrangements. Trade and other receivables are recognised at fair value less any impairment for any amounts assessed as irrecoverable.

An impairment of debt for irrecoverable amounts is made where there is evidence that the SPS will be unable to collect an amount due in accordance with agreed terms. Liabilities including trade and other payables and PFI/Other Service Concession Arrangements are recognised at fair value. Where the effect is material, estimated cash flows of financial liabilities are discounted.

The SPS has considered its exposure to the following risks from the use of financial instruments: -

- **Liquidity Risk**
Liquidity risk is the funding risk to SPS that liabilities cannot be met when they fall due or can only be met at an uneconomic price. SPS has no borrowings and relies primarily on funding from the Scottish Government for its cash requirements. SPS is therefore, not exposed to liquidity risks.
- **Credit Risk**
Credit risk is the risk of financial loss to SPS if a debtor or counter party fails to meet its contractual obligations and arises from the trade receivables and other debtors.

SPS carries out appropriate credit checks on potential customers before significant sales transactions are entered into in order to mitigate the credit risk from any single counterparty. The maximum exposure to credit risk is represented by the carrying value of trade receivables on the statement of financial position.

- **Market Risk**
Market risk is the risk to SPS that the value of an investment will decrease due to moves in market factors. SPS has no material deposits, and all material assets and liabilities are denominated in sterling. SPS is not, therefore, exposed to interest rate or currency risk.
- **Cash and Cash Equivalents**
Cash and cash equivalents include cash in hand, deposits held at call with banks, cash balances held by the Government Banking Service and other short-term highly liquid investments with original maturities of three months or less.
- **Inventories**
Inventories are assets in the form of materials or supplies which are consumed or distributed in the course of SPS operations. Inventories include equipment, uniforms, locks and other operational consumables and are included in the Statement of Financial Position (SOFP).

Stock and work in progress are valued as follows:

- Finished goods are valued at the lower of cost or, where materially different, current replacement cost and net realisable value;
- Work in progress is valued at the lower of cost, including appropriate overheads, and net realisable value.
- **Service Concessions and Private Finance Contracts**
SPS assesses the contracts that utilise assets to determine if the contract represents a service concession arrangement under the conditions of IFRIC 12, Service Concession Arrangements. Contracts which meet the recognition criteria are recognised in the statement of financial position.

- **PFI/PPP Contracts**

PFI/PPP transactions are accounted for in accordance with IFRIC 12, as adapted for the public sector context by the FReM.

The SPS has awarded Public Private Partnership (PPP) contracts, to design, construct, manage and finance prisons at HMP Kilmarnock and HMP Addiewell. Both contracts were let for 25 year operating periods, commencing in March 1999 for HMP Kilmarnock and in December 2008 for HMP Addiewell.

Assets and liabilities that are assessed to be on balance sheet are measured as follows:

- Where the contract is separable between the service element, the interest charge and the infrastructure asset, the asset will be measured in accordance with IFRS 16 Leases, with the service element and the interest charge recognised as incurred over the term of the concession arrangement.
- Where there is a unitary payment stream that includes infrastructure and service elements that cannot be separated, the various elements will be separated using estimation techniques including obtaining information from the operator or using the fair value approach.

The SPS recognises a liability for the capital value of the contract. That liability does not include the interest charge and service elements, which are expensed annually through the statement of comprehensive net expenditure.

Assets are subsequently measured consistently with other assets in their class using IAS16, Property, Plant and Equipment, adopting an appropriate asset revaluation approach. Liabilities are measured using the appropriate discount rate, taking account of the reduction arising from capital payments included in the unitary payment stream. Any revenue received by SPS is recognised in line with IFRS 15, Revenue from Contracts with Customers.

In both, the financial models supplied by each project operators do not separately identify a costed lifecycle maintenance programme. SPS has therefore opted not to set aside amounts from the unitary payment as payment for lifecycle maintenance. Instead, when the project operators replace a capital asset, the fair value of this replacement item is recognised as property, plant and equipment, balanced by a credit to the revaluation reserve.

The replaced asset's existing value is written out of property, plant and equipment and either impaired or debited to the revaluation reserve.

In accordance with IFRS 16 Leases, contingent rentals are defined as the 'portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time'.

Examples contingent rents include payments governed by movements in future price indices. Both financial models calculate contingent rent as follows:

- The change in cash unitary charge arising from indexation is offset against the impact of applying the same indexation factor to the real terms operating and lifecycle costs; and
- Any remaining cash difference between the change in unitary charge and the indexation factor's effect on operating costs is charged to contingent rent.

Other Service Concession Arrangements

The Scottish Court Custody and Prisoner Escort Service Contract meets the requirements of IFRIC 12 and are recognised in these accounts as a service concession arrangement.

The infrastructure assets related to this contract are recognised as non-current assets. These assets are accounted for in the same manner as other assets within the same class.

The useful economic life was determined as the duration of the contract. The interest rate used was derived by comparing the total payments under the contract to the element which constitutes capital repayment.

Where the SPS meets the controls test under IFRIC 12, the underlying assets are recognised on the statement of financial position. For leased assets, the lease is treated according to IFRS16 Leases, and the asset and corresponding liability is capitalised. This includes the deferred residual interest which is recognised as a long-term liability and reflects the liability to make future capital payments.

Income

SPS accounts for income in accordance with the recognition criteria set out in IFRS15 Revenue from contracts with customers. SPS revenue contracts do not span across financial years. The main sources of income for SPS include sales from prisoner's canteen, sale of goods produced by prison industries and income from the prisoner telephone system. Income is recognised when the amounts can be reliably measured, and services have been rendered and/or goods dispatched. Income is stated net of VAT. All revenue grants are matched with the expenditure to which they relate.

Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs and Other Post-retirement Benefits

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS), which are unfunded multi-employer defined benefit schemes, but the SPS is unable to identify its share of the underlying assets and liabilities.

The schemes are accounted for as a defined contribution schemes under the multi-employer exemption permitted in IAS19 Employee Benefits. The SPS recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS/CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/CSOPS.

In respect of the defined contribution schemes, the SPS recognises the contribution payable for the year. Early severance payment obligations are expensed in the year in which the decision of the departure is agreed. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill health. The full amount of the liability for the additional costs is charged to the outturn statement at the time the SPS commits itself to the retirement, regardless of the method of payment.

In previous years, the SPS met the additional costs in respect of employees who retired early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The SPS provided for this in full when the early retirement programme became binding by establishing a provision for the estimated payments.

Termination Benefits

SPS accounts for termination benefits in accordance with IAS 19 Employee benefits. Termination benefits are payable as a result of a decision to terminate an employee's employment before the normal retirement date, and the liability is recognised when the offer of the benefits can no longer be withdrawn at the earlier

of i) acceptance of the offer by the employee or ii) when a legal, regulatory or contractual restriction on the ability to withdraw the offer takes effect.

Provisions and Contingent Liabilities

In accordance with IAS37 Provisions, Contingent Liabilities and Contingent Assets, provisions for staff and prisoner claims, are recognised in the statement of financial position when the SPS has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted and future cash flows using the discount rate prescribed by HM Treasury.

Related Party Transactions

Material related party transactions are disclosed in the notes to the accounts in line with the requirements of IAS24 Related party disclosures.

Value Added Tax

The majority of services provided by the SPS fall out with the scope of Value Added Tax (VAT). However, the manufacturing and sale of goods to external bodies is subject to VAT on both inputs and outputs. The SPS can recover this input VAT as well as VAT on certain contracted-out services. Income is shown in the accounts net of recoverable VAT.

Insurance

With the exception of Public Private Partnership contracts, no outside insurance is affected against fire, explosion, common law, third party and similar risks, except where there is a statutory requirement to do so.

Third Party Assets

SPS holds as custodian monies belonging to third parties. These assets are not recognised on the Statement of Financial Position and are disclosed within the notes to the accounts.

Segmental Reporting

The SPS currently operates three segments, namely;

- Public Prisons
- Private Prisons; and
- Scottish Court Custody and Prisoner Escort Services (SCCPES)

IFRS 8 Segmental Reporting requires operating segments to be identified on the basis of internal reports about components of the SPS that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and assess their performance. The SPS reports segmental information within its consolidated operating cost statements which are prepared on the basis of its portfolios.

Events After the Reporting Period

Events after the Reporting Period are events that occur between the end of the reporting year and the date of the Annual Report and Accounts being authorised for issue. In accordance with IAS10 Events after the Reporting Period, events are either adjusting or non-adjusting.

Adjusting events are those that provide evidence of conditions that existed at the end of the reporting year. Non-adjusting events are those that are indicative of conditions arising after the reporting year. Events after the reporting period which have had an effect on the Annual Report & Accounts for 2022-23 are disclosed in Note 23.

2. Income

	2022-23	2021-22
	£000	£000
Income from sale of goods/services		
Income from prisoner's canteen	5,364	4,954
Sale of prison industries	373	311
Prisoner telephone system income	437	509
Profit on sale of assets	15	16
Other income	236	165
	6,425	5,955
Non-cash revenue grant	0	979
Other operating income	130	217
	6,555	7,151

Income from the sale of goods and services includes sales of goods produced by prison industries, income from the prisoner telephone system and sales to prisoners through the prison canteen.

3. Other Expenditure

	2022-23	2021-22
	£000	£000
Staff Costs		
Wages and Salaries	162,351	149,461
Social Security Costs	17,640	15,065
Other Pension Costs	41,701	38,272
PFI service charges	39,634	35,719
Prisoner escort and court custody service	28,862	24,628
Repairs and maintenance	15,642	19,036
IT Purchases	2,192	1,725
Victualling and other supplies	17,681	16,052
Other current expenditure	16,624	15,907
Heat, light, telephone etc.	14,276	11,584
Interest charges	5,711	5,976
Rates	6,616	6,425
Other staff related costs	9,816	8,386
General expenditure	4,215	4,106
Prisoner earnings	2,767	2,645
PPP/PFI contingent rent	5,155	4,553
Short-term and low value leases		
- Land and buildings	464	862
- Other	22	336
Finance lease	3	2
Non-cash items		
Depreciation and impairment	47,035	40,242
Auditors' remuneration	110	116
Provisions (utilised)/provided for in year	(2,756)	(647)
Accruals written back in the year	(1,000)	0
Use of non-cash revenue grant	0	979
Loss on disposal of assets	80	0
Borrowing costs of provisions (unwinding of discount on provisions)	(185)	23
	434,656	401,453

Staff costs shown in this table differ from those included in the Staff Report as they include costs for non-permanent staff and are net of recharges for outward secondees. Further analysis of staff costs is located in the Staff Report on page 67 in the Accountability Section. The increase in other staff related costs relates mainly to an increase in compensation payments.

Interest charges £5,711k and credit in borrowing costs of provisions £185k represent the finance expense in the SoCNE. Other expenditure in the SoCNE is the balance remaining after staff costs and finance expenses have been deducted (£207,438k).

Depreciation is applied to tangible, donated and intangible fixed assets. There were impairment charges of £29k in 2022-23 (2021-22 £715k).

Higher value items within Other current expenditure included:

	2022-23	2021-22
	£000	£000
Social work	5,189	4,846
Nursing fees	2,157	1,914
Education fees	4,728	4,559
Cleaning materials & equipment	2,232	1,954

4. Property, Plant and Equipment

Including Donated Assets	Land	Buildings	Dwellings	Motor Vehicles	Plant & Equipment	Computer Equipment	Fixtures & Fittings	AUC	Total
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2022	74,759	436,253	665,156	10,421	27,113	15,928	638	84,665	1,314,933
Additions	0	721	1,035	89	1,109	1,017	10	62,146	66,127
Completed AUC	0	12,730	13,876	0	2,345	351	0	(29,302)	0
Revaluation	1,026	(10,537)	(10,218)	0	0	0	0	0	(19,729)
Impairment	0	0	0	0	0	0	0	0	0
Reclassification	(20)	55	(115)	0	0	0	0	0	(80)
Disposals	(80)	0	0	(129)	(939)	(3,202)	(32)	(2)	(4,384)
At 31 March 2023	75,685	439,222	669,734	10,381	29,628	14,094	616	117,507	1,356,867
Depreciation									
At 1 April 2022	0	21,952	32,607	5,695	21,499	9,585	534	0	91,872
Charged in year	0	15,341	22,463	976	1,690	2,094	19	0	42,583
Revaluation	0	(36,411)	(54,550)	0	0	0	0	0	(90,961)
Impairment	0	0	0	0	0	0	0	0	0
Reclassification	0	9	(20)	0	0	0	0	0	(11)
Disposals	0	0	0	(129)	(904)	(3,199)	(31)	0	(4,263)
At 31 March 2023	0	891	500	6,542	22,285	8,480	522	0	39,220
Carrying Value at 31 March 2023	75,685	438,331	669,234	3,839	7,343	5,614	94	117,507	1,317,647
Carrying Value at 31 March 2022	74,760	414,300	632,549	4,726	5,615	6,343	104	84,663	1,223,060
Asset financing:									
Owned	75,685	390,186	579,390	472	7,343	5,614	94	117,507	1,176,291
Finance Leased	0	0	0	3,367	0	0	0	0	3,367
On-balance sheet PFI/PPP	0	48,145	89,844	0	0	0	0	0	137,989
Carrying Value at 31 March 2023	75,685	438,331	669,234	3,839	7,343	5,614	94	117,507	1,317,647

4. Property, Plant and Equipment (*continued*)

Including Donated Assets	Land	Buildings	Dwellings	Motor Vehicles	Plant & Equipment	Computer Equipment	Fixtures & Fittings	AUC	Total
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2021	74,768	410,663	626,427	10,370	26,121	11,003	722	40,495	1,200,569
Additions	0	14	9	157	1,575	311	1	48,802	50,869
Completed AUC	0	332	382	0	338	4,878	0	(4,237)	1,693
Revaluation	47	25,403	38,581	0	0	0	0	0	64,031
Impairment	(55)	(160)	(242)	0	0	0	0	(279)	(736)
Reclassification	0	0	0	0	0	0	0	(118)	(118)
Disposals	0	0	0	(105)	(921)	(264)	(85)	0	(1,375)
At 31 March 2022	74,760	436,252	665,157	10,422	27,113	15,928	638	84,663	1,314,933
Depreciation									
At 1 April 2021	0	8,303	12,097	4,847	21,013	8,307	605	0	55,172
Charged in year	0	14,127	21,296	954	1,399	1,542	16	0	39,334
Revaluation	0	(460)	(758)	0	0	0	0	0	(1,218)
Impairment	0	(18)	(27)	0	0	0	0	0	(45)
Reclassification	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	(105)	(914)	(264)	(87)	0	(1,370)
At 31 March 2022	0	21,952	32,608	5,696	21,498	9,585	534	0	91,873
Carrying Value at 31 March 2022	74,760	414,300	632,549	4,726	5,615	6,343	104	84,663	1,223,060
Carrying Value at 31 March 2021	74,768	402,360	614,330	5,523	5,108	2,696	117	40,495	1,145,397
Asset financing:									
Owned	74,760	366,858*	543,937	481	5,615	6,343	104	84,663	1,082,761*
Finance Leased	0	0	0	4,245	0	0	0	0	4,245
On-balance sheet PFI/PPP	0	47,442*	88,612	0	0	0	0	0	136,054*
Carrying Value at 31 March 2022	74,760	414,300	632,549	4,726	5,615	6,343	104	84,663	1,223,060

* £7,815k has been restated from Owned assets to On-balance sheet PFI/PPP.

5. Right of Use Assets

A lot of leases treated as operating leases until 31 March 2022 have now been recognised on-balance sheet as right-of-use assets and lease liabilities. As a result, we have recognised an additional £939k of right-of-use assets.

Our lease contract comprise of lease of land and buildings, plant and equipment and vehicles. The most significant lease is the Wallace House (ROU asset value £4,827k) as at 31 March 2023.

Right of Use Lease Assets

	Land and Buildings £000	Other £000	Total £000
Cost or valuation			
At 1 April 2022	0	939	939
Additions	4,827	6	4,833
Derecognition	0	0	0
Remeasurement	0	0	0
Revaluations	0	0	0
Impairment	0	0	0
Reclassifications	0	0	0
Impairment	0	0	0
Reclassifications	0	0	0
At March 2023	4,827	945	5,772
Depreciation			
At 1 April 2022	0	0	0
Charged in year	250	292	542
Recognition	0	0	0
Derecognition	0	0	0
Revaluation	0	0	0
Reclassification	0	0	0
At 31 March 2023	250	292	542
Carrying amount at 31 March 2023	4,577	653	5,230
Carrying amount at 1 April 2022	0	939	939

Right of use (RoU) lease assets comprise:

	2022-23 £000
Assets valued at net present value of future lease payments	5,230
Assets valued at depreciated replacement cost (DRC)	0
Assets valued at existing use value (EUUV)	0
Total	5,230

Lease Liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below. The cash flows are presented net of irrecoverable VAT.

	2022-23
	£000
Amounts falling due	
Not later than one year	757
Later than one year and not later than five years	1,896
Later than five years	3,764
Less interest element	(408)
Balance as at 31 March 2023	6,009
Current	700
Non-current	5,309
Total lease liabilities	6,009

Amounts Recognised in the Statement of Comprehensive Net Expenditure

	2022-23
	£000
Depreciation	542
Interest expense	62
Low value and short term leases	486
Irrecoverable VAT on right of use leases	47
Income from sub-leasing right of use assets	0
Expense relating to variable lease payments	0
Total	1,137

Amounts Recognised in the Statement of Cash Flows

	2022-23
	£000
Interest expense	62
Repayments of principal on leases	482
Total	544

Reconciliation from the IAS 17 operating lease commitment on 31 March 2022 to the IFRS 16 opening lease liability on 1 April 2022

This table reconciles the amounts of SPS's operating lease commitments as at 31 March 2022, to the lease liabilities as at 1 April 2022 immediately following adoption of IFRS 16. The operating lease commitments figure has been restated for assets that have been reclassified that were previously considered as RoU assets.

	2022-23
	£000
Revised operating lease obligations disclosed at 31 March 2022	10,473*
Adjustments from IAS 17 to IFRS 16	
Leases not transitioning to IFRS 16 (low value & under 12 months)	(542)
Leases not transitioning to IFRS 16 (committed but lease not yet commenced)	(8,157)
Adjustment for non-recoverable VAT	(609)
Adjustment for discounting of cash flows	(61)
Equity adjustment	(237)
Different lease term under IFRS 16	72
Revised right of use assets disclosed as on 1 Apr 2022	939

**The obligations under operating lease of £13,252k disclosed in the annual reports for 2021-22 have been decreased by £2,779k because of necessary corrections for errors. Out of the corrections, £2,720k decrease relates to classification error of software licenses, £114k decrease relates to calculation error of kiosks and £55k increase relates to equity adjustment due to calculation difference under operating lease instead of finance lease assumption.*

6. Intangible Assets

	Information Technology	Software	AUC	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2022	1,131	3,035	367	4,533
Additions	0	0	0	0
Completed AUC	0	0	0	0
Impairment	0	0	(31)	(31)
Reclassification	0	0	0	0
Disposals	(1,098)	(800)	0	(1,898)
At 31 March 2023	33	2,235	336	2,604
Amortisation				
At 1 April 2022	1,130	2,626	0	3,756
Charged in year	0	153	0	153
Reclassification	0	0	0	0
Impairment	0	0	0	0
Disposals	(1,097)	(800)	0	(1,897)
At 31 March 2023	33	1,979	0	2,012
Carrying Value at 31 March 2023	0	256	336	592
Carrying Value at 31 March 2022	1	409	367	777
Asset financing: Owned	0	256	336	592
	Information Technology	Software	AUC	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2021	1,437	2,692	2,175	6,304
Additions	0	14	32	46
Completed AUC	0	31	(1,724)	(1,693)
Impairment	0	0	0	0
Reclassification	(306)	306	(116)	(116)
Disposals	0	(8)	0	(8)
At 31 March 2022	1,131	3,035	367	4,533
Amortisation				
At 1 April 2021	1,174	2,373	0	3,547
Charged in year	1	216	0	217
Reclassification	(45)	45	0	0
Impairment	0	0	0	0
Disposals	0	(8)	0	(8)
At 31 March 2022	1,130	2,626	0	3,756
Carrying Value at 31 March 2022	1	409	367	777
Carrying Value at 31 March 2021	263	319	2,175	2,757
Asset financing: Owned	1	409	367	777

7. Financial Instruments

As the cash requirements of the SPS are met through the spending review process, financial instruments play a more limited role in creating and managing risk than in a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the SPS' expected purchase and usage requirements and the SPS is therefore exposed to little credit, liquidity or market risk.

8. Impairment Analysis

Property, Plant and Equipment	2022-23	2021-22
	£000	£000
Downward valuation charged to SoCNE	3,754	0
Impairment charge	29	715
Impairment reversal	0	(23)
Revaluation reserve	3	178
Total	3,786	870

9. Assets Classified as Held for Sale

	2022-23	2021-22
	£000	£000
At 1 April	0	0
Reclassification	68	0
Revaluation	0	0
Disposals	0	0
At 31 March	68	0

10. Inventories

The main categories of inventories held are:

	2022-23	2021-22
	£000	£000
Consumables	3,213	3,125
Works, estates and locks	1,085	1,076
Industries raw materials, work in progress and finished goods for resale	1,262	994
Provision for obsolete stock - specific	(1,307)	(1,230)
	4,253	3,965

11. Trade and Other Receivables

Analysis by type	2022-23	2021-22
	£000	£000
Amounts due within one year:		
Recoverable VAT	6,667	4,003
Trade receivables	142	84
Other receivables	256	140
Prepayments and accrued income	2,417	2,721
	9,482	6,948
Amounts due after more than one year:		
Other receivables	38	38
	9,520	6,986
Total	9,520	6,986

12. Cash and Cash Equivalents

	2022-23	2021-22
	£000	£000
Balance at 1 April	813	769
Net change in cash and cash equivalents	15	44
Balance at 31 March	828	813

The following balances at 31 March were held at:

Government Banking Service	603	588
Commercial Banks	184	182
Cash in hand	41	43
Balance at 31 March	828	813

13. Trade and Other Payables

Analysis by type:	2022-23	2021-22
	£000	£000
Amounts due within one year:		
Other taxation and social security	4,036	3,912
Trade payables	11,519	8,736
Accruals and deferred income	26,722	26,355
Other payables	4,230	3,990
Amounts due to Justice Department	828	813
PFI/PPP and other service concession arrangements <1 year	5,250	4,829
	52,585	48,635
Amounts due after more than one year:		
PFI/PPP and other service concession arrangements >1 year	67,794	73,044
Other accruals	1,881	2,113
	69,675	75,157
	122,260	123,792
Total	122,260	123,792

14. Provisions for Liabilities and Charges

	2022-23 £000	2022-23 £000	2022-23 £000	2022-23 £000	2021-22 £000
	Prisoner Claims	Injury Benefit	Other Charges	Total	Total
Balance at 1 April	1,110	13,995	2,127	17,232	17,855
Provided in the year	580	10	1,323	1,913	3,729
Provisions utilised in the year	(153)	(620)	(470)	(1,243)	(3,477)
Unwinding of discount	0	(184)	0	(184)	23
Provisions not required written back	(125)	(2,874)	(426)	(3,425)	(898)
Balance at 31 March	1,412	10,327	2,554	14,293	17,232

	2022-23 £000	2022-23 £000	2022-23 £000	2022-23 £000	2021-22 £000
	Prisoner Claims	Injury Benefit	Other Charges	Total	Total
Not later than one year	1,412	614	2,057	4,083	3,833
Later than one year and not later than five years	0	2,356	0	2,356	2,442
Later than five years	0	7,357	497	7,854	10,957
Balance at 31 March	1,412	10,327	2,554	14,293	17,232

Prisoner Claims

A number of historical claims brought by prisoners which concerned prison conditions remain in the courts.

There are various reasons for this including the withdrawal of the Solicitors acting for the offender. These have been reported in previous Annual Reports.

A number of other recent convention rights claims have been lodged in court and provision has been made for these. These challenges relate to Articles 3, 6, 8 and 9 of the European Convention of Human Rights.

Section 14 of the Scotland Act 2012 repealed the Convention Rights Proceedings (Amendment) (Scotland) Act 2009 and amended the Scotland Act 1998 to provide a one-year time limit for convention rights claims similar to that contained in the Human Rights Act 1998. This means that a convention rights claim brought against Scottish Ministers must be brought against Scottish Ministers within one year unless a court or tribunal considers it 'equitable having regard to all circumstances' to allow a claim out with this time limit.

Injury Benefits

Injury Benefits include estimates of amounts payable to former employees for loss of earnings under the Civil Service Injury Benefit Scheme.

Other Charges

Other charges include estimates of amounts payable for staff compensation and related costs as well as demolition and dilapidation costs.

15. Commitments under PFI Contracts and Other Service Concession Arrangements

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet PFI and other service concession transactions was £73,650k (2021-22 £64,901k). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

Minimum Lease Payments:

	2022-23	2021-22*
	£000	£000
Due within one year	74,297	69,252
Due later than one year and not later than five years	226,685	251,008
Due later than five years	325,947	374,923
Total	626,929	695,183
Less: interest element	(33,645)	(39,284)
Present value	593,284	655,899

Service Elements Due in Future Periods, included above, are:

	2022-23	2021-22
	£000	£000
Due within one year	63,761	58,784
Due later than one year but not later than 5 years	186,076	209,280
Due later than 5 years	270,403	309,962
Total service elements due in future periods	520,240	578,026

**The total PFI contracts and Service Concession Arrangement for 2021/22 has been restated due to the revision of the HMP Addiewell and HMP Kilmarnock accounting models. The accounting models were revised to reflect high RPIx inflation and the impact this has had on the current contractual cost of prisoner places, and the forecast consequential impact on future years. The total present value commitment for the remaining term of the contracts as at 31 March 2022 has increased by £70,436k (+13%) from £585,463k to £655,899k.*

PFI Contracts

The SPS has awarded Public Private Partnership (PPP) contracts, to design, construct, manage and finance prisons at HMP Kilmarnock and HMP Addiewell. Both contracts were let for 25 year operating periods, commencing in March 1999 for HMP Kilmarnock and in December 2008 for HMP Addiewell. Both contracts are treated as on balance sheet in accordance with IFRIC 12, Service Concession Arrangements.

The minimum lease payments that SPS is committed to make over the remainder of the respective contract periods are included in the above table in respect of HMP Kilmarnock and HMP Addiewell. The annual payments will vary over the remaining life of each contract in accordance with the specified indexation and unitary charge mechanisms. The capital liability for HMP Kilmarnock is now nil, however, payments for the service element continue to the end of the contract.

Other Service Concession Arrangements

In March 2018, the SPS awarded a contract for Scottish Court Custody and Prisoner Escort services to GEOAmev PECS. The contract was let for an eight-year period with an option to extend for a further four years. The service commenced in January 2019 and expires in January 2027. The vehicles provided with the service are treated as on balance sheet in accordance with IFRIC 12, Service Concession Arrangements. The minimum lease payments that SPS is committed to make over the remainder of the respective contract periods are included in the above table. The annual payments will vary over the remaining life of the contract in accordance with the specified indexation and unitary charge mechanisms.

In the event of termination of these contracts, in accordance with Scottish Government guidance, the SPS has committed to pay certain amounts to the contractor according to defined formulae in the respective contracts. The specific value of the termination sum would depend on the reason for termination and the timing in relation to the contract expiry date.

A copy of the contracts for HMP Kilmarnock, HMP Addiewell and Scottish Court Custody and Prisoner Escort Services are available on the SPS website www.sps.gov.uk

16. Capital Commitments

Contracted capital commitments at 31 March not otherwise included in these accounts:

	2022-23	2021-22
	£000	£000
Property, plant and equipment	32,962	27,354

17. Contingent Liabilities

The Agency has the following contingent liabilities:

	2022-23	2021-22
	£000	£000
Prisoner claims	1,668	1,173
Other charges	433	477
	2,101	1,650

Other contingent liabilities include amounts in respect of claims by staff for potential liability in cases where challenges have been made against SPS but which await legal consideration or court decisions. Also included are amounts relating to staff relocation where the outcome of a future events gives rise to a potential liability.

Prisoner claims relate to amounts for potential liability in cases where challenges have been made against SPS but which await court consideration. Also included in prisoner claims is an amount in relation to the Redress Scheme in response to the Redress for Survivors (Historical Child Abuse in Care) (Scotland Act) 2021 which provides for financial and non-financial redress to survivors of historical child abuse in care settings in Scotland.

18. Notional Charges

The following notional charge has been included in the accounts:

	2022-23	2021-22
	£000	£000
Statutory audit services	110	116
Total auditor's remuneration	110	116

The audit fee is a notional charge, as notified to us by our auditors, Audit Scotland.

19. Key Financial Target

The annual average cost per prisoner place, which excludes capital charges, exceptional payments and the cost of the Court Custody and Prisoner Escort contract, in 2022-23 was £44,620 (2021-22 £41,786*).

For information purposes, the actual annual average cost per prisoner place, calculated on a resource accounting basis (including depreciation and impairment charges), in 2022-23 was £50,578 (2021-22 £46,892).

The actual annual average cost per prisoner place including exceptional payments in 2022-23 was £44,677 (2021-22 £41,858**). Exceptional payments include charges/release of provisions for prisoner compensation and related costs.

*Restated from £41,858.

**Restated from £41,786.

20. Related Party Transactions

The SPS is an Executive Agency of the Scottish Government. The Scottish Government is regarded as a related party with which the SPS has various material transactions during the year. In 2022-23, none of the Board Members, members of key management staff or other related parties has undertaken any material transactions with the SPS.

21. Third Party Assets

At 31 March 2023 the SPS operated bank accounts holding funds in respect of prisoners monies and common good funds. The balances on these accounts are held on behalf of prisoners and are therefore not included in the financial statements. The value of the funds held in these accounts are set out in the tables below.

21.1 Prisoners Funds

	2022-23	2021-22
	£000	£000
Balance as at 1 April	1,037	1,133
Funds paid In during the year	9,712	8,982
Funds paid out during the year	(9,575)	(9,078)
Balance at 31 March	1,174	1,037

21.2 Common Good Fund

	2022-23	2021-22
	£000	£000
Balance as at 1 April	253	229
Funds paid In during the year	356	372
Funds paid out during the year	(404)	(348)
Balance at 31 March	205	253

The Common Good Fund in each establishment exists for the benefit of the prisoners in custody at that establishment.

22. Analysis of Net Expenditure by Segment

The SPS currently operates three segments, namely:

- Public Prisons
- Private Prisons; and

- Scottish Court Custody and Prisoner Escort Services (SCCPES)

The SPS is legally required to deliver custodial services for all those sent to it by the courts. During 2022-23 there were fifteen publicly managed prisons and two privately-managed prisons.

Out of the fifteen publicly managed prisons, Cornton Vale was discontinued towards the end of the year in preparation for opening of HMP Stirling. During the year, two Community Custody Units (CCU) came into operation i.e. Bella and Liliias.

The location of each of the establishments is listed in Appendix 1. SPS agrees a service framework with each public sector prison and manages private sector providers of prisons and custodial services under contract arrangements.

Copies of the services agreements with the publicly managed prisons and contracts with the privately managed providers of custodial services are available on the SPS website www.sps.gov.uk

	2022-23				2021-22			
	Public Prisons	Private Prisons	SCCPES	Total	Public Prisons	Private Prisons	SCCPES	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Operating income	(6,555)	0	0	(6,555)	(7,151)	0	0	(7,151)
Expenditure	355,367	50,164	29,125	434,656	330,584	45,928	24,941	401,453
Net expenditure for the year	348,812	50,164	29,125	428,101	323,433	45,928	24,941	394,302
Non-current assets	1,182,151	137,989	3,367	1,323,507	1,083,576*	136,054*	4,245*	1,223,875

**The non-current assets for 2021-22 have been restated to report the corrected figures. There was an error in the previous year's reported figures.*

23. Events after Reporting Date

In accordance with the requirements of IAS 20 Events after the Reporting Date, events are considered up to the date on which the accounts are authorised for issue.

On 10 June 2023, HMP Stirling opened for operations.

APPENDIX TO THE ACCOUNTS



SCOTTISH PRISON SERVICE

DIRECTION BY THE SCOTTISH MINISTERS

in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2006 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 29 March 2001 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated 17 January 2006

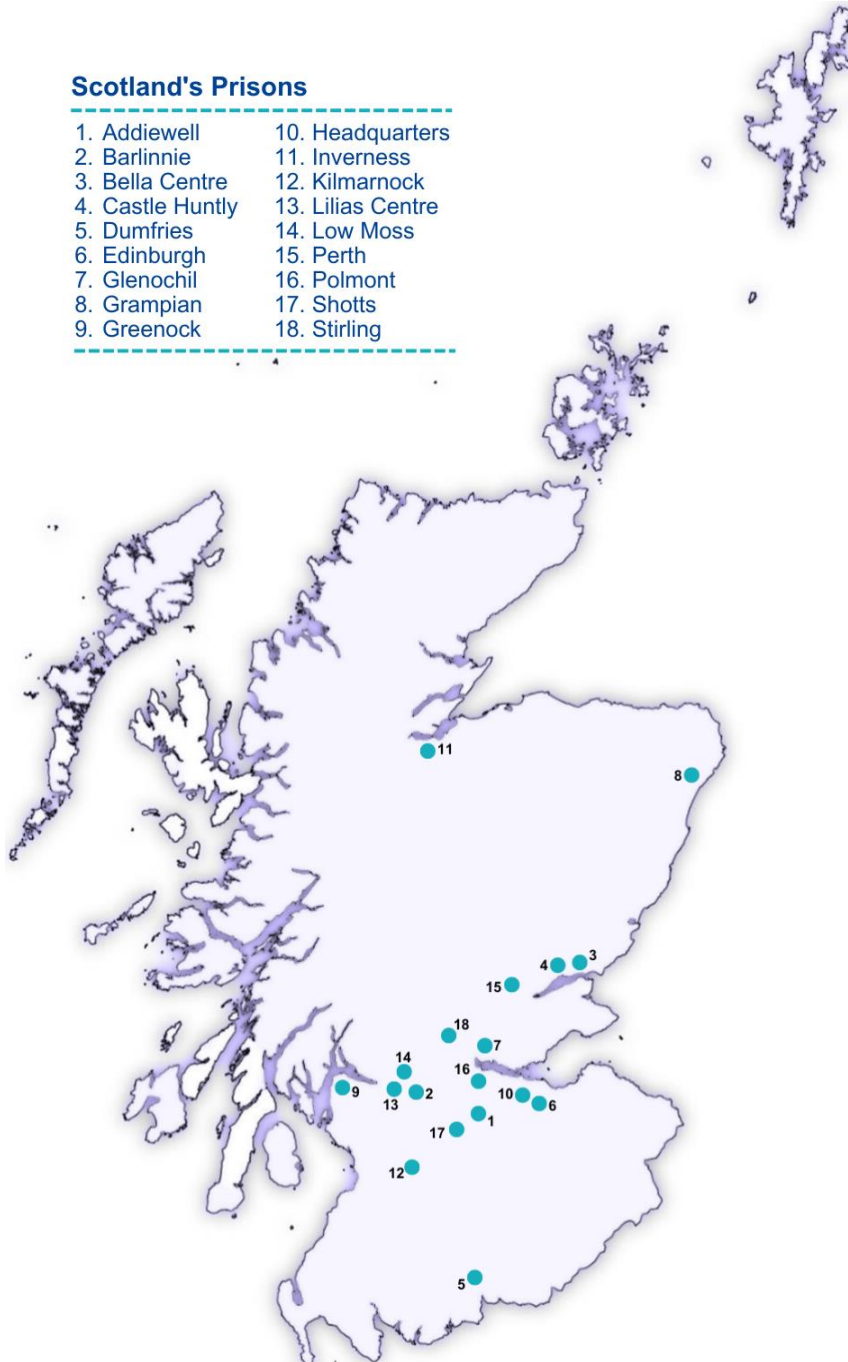
APPENDICES

APPENDIX 1

LOCATION OF ESTABLISHMENTS

Scotland's Prisons

- | | |
|------------------|--------------------|
| 1. Addiewell | 10. Headquarters |
| 2. Barlinnie | 11. Inverness |
| 3. Bella Centre | 12. Kilmarnock |
| 4. Castle Huntly | 13. Lillias Centre |
| 5. Dumfries | 14. Low Moss |
| 6. Edinburgh | 15. Perth |
| 7. Glenochil | 16. Polmont |
| 8. Grampian | 17. Shotts |
| 9. Greenock | 18. Stirling |



APPENDIX 2

ORGANISATIONAL STRUCTURE

OFFICE OF THE CHIEF EXECUTIVE			
<ul style="list-style-type: none"> Audit and Assurance Legal Services Communications and branding Chief Executive Business Support Unit Digital Services Corporate Planning and Performance Strategy and Innovation 			
CHIEF EXECUTIVE			
DEPUTY CHIEF EXECUTIVE			
DIRECTORATE OF STRATEGY AND STAKEHOLDER ENGAGEMENT	OPERATIONS DIRECTORATE	ORGANISATIONAL DEVELOPMENT DIRECTORATE	FINANCE DIRECTORATE
<ul style="list-style-type: none"> Policy and Strategy Offender Outcomes and Services Health and Wellbeing Research Stakeholder Engagement Women's Strategy Team Young Peoples Strategy 	<ul style="list-style-type: none"> Governors in Charge of Operational Delivery (Prisons, YOI and CCUs) Public Protection Prison Services and Contracts Operational Planning and Policy Performance and Improvement 	<ul style="list-style-type: none"> Human Resource Management HR Digital Transformation Organisational Development Corporate Learning and Development (SPS College) 	<ul style="list-style-type: none"> Financial Policy & Services Procurement Policy and Services Estates and Technical Services

APPENDIX 3

AVERAGE DAILY POPULATION AND MAXIMUM NUMBER BY ESTABLISHMENT 2022-23

Establishment	2022-23					
	Average Population			Maximum Population		
	Male	Female	Total	Male	Female	Total
Adults						
Addiewell	720	-	720	726	1	726
Barlinnie	1234	-	1235	1300	1	1301
Bella (1)	-	7	7	-	9	9
Cornton Vale (2)	-	46	46	2	63	63
Dumfries	189	-	189	196	-	196
Edinburgh	789	73	862	816	90	900
Glenochil	726	-	726	746	-	746
Grampian	397	32	429	416	40	448
Greenock	146	46	192	178	53	217
Inverness	109	-	109	125	-	125
Kilmarnock	541	-	541	551	-	551
Lilias (3)	-	8	8	-	14	14
Low Moss	786	1	787	849	1	849
Open Estate	120	-	120	147	-	147
Perth	634	-	634	658	-	658
Polmont	56	75	131	74	111	185
Shotts	541	-	541	548	-	548
Young Adults						
Cornton Vale	-	1	1	2	3	3
Grampian	-	1	1	2	2	2
Polmont	154	4	158	169	9	176
Total	7143	283	7426	7299	309	7583

Establishment	2021-22					
	Average Population			Maximum Population		
	Male	Female	Total	Male	Female	Total
Adults						
Addiewell	707	-	707	726	1	726
Barlinnie	1215	-	1215	1273	1	1273
Cornton Vale	-	54	54	1	66	66
Dumfries	186	-	186	195	-	195
Edinburgh	797	71	868	826	83	900
Glenochil	717	-	717	750	-	750
Grampian	399	31	430	418	39	458
Greenock	142	48	190	148	56	202
Inverness	110	-	110	122	1	122
Kilmarnock	532	-	532	552	1	552
Low Moss	835	-	835	882	-	882
Open Estate	137	-	137	159	-	159
Perth	647	-	647	676	-	676
Polmont	73	69	142	81	77	155
Shotts	542	-	542	547	-	547
Young Adults						
Cornton Vale	-	2	2	1	4	4
Grampian	-	1	1	2	3	3
Polmont	184	5	189	203	7	208
Total	7223	283	7505	7346	308	7634

- (1) Bella Centre opened on 2 August 2022, the average numbers are for the period until 31 March 2023
- (2) Cornton Vale closed on 2 March 2023, the average numbers are for the period 1 April 2022 until closure
- (3) Lilias Centre opened on 26 October 2022, the average numbers are for the period until 31 March 2023

APPENDIX 4

AVERAGE DAILY POPULATION IN ESTABLISHMENT BY TYPE OF CUSTODY 2021-22

Average Daily Population in Establishments by Type of Custody: 2022-23		%age increase	2021-22
Remand: Subtotal	2145	1.71%	2109
Persons under sentence: sub total			
Under four years	2044	-7.59%	2212
Four Years and over (including life sentence and lifer recalls)	3237	1.66%	3184
Total	7426	-1.05%	7505

APPENDIX 5

ABSCONDS AND FAILURES TO RETURN 2022-23

Absconds and Failures to Return - 2022/23								
		Barlinnie	Cornton Vale	Grampian	Greenock	Open Estate	Polmont	Total
Abscond		0	0	0	0	0	0	0
Failure to Return		0	0	0	0	1	0	1

APPENDIX 6

BREACHES OF DISCIPLINE AND OUTCOME IN PENAL ESTABLISHMENTS BY SEX AND AGE 2022-23

Breach of Discipline	Male Adults	Female Adult	Male YA's	Female YA's	Total Males	Total Females	Number of Cases
has in his or her possession, or concealed about his or her body or in any body orifice, any prohibited article;	3309	72	118		3427	72	3499
has in his or her possession, or concealed about his or her body or in any body orifice, any article or substance which he or she is not authorised to	1423	71	37		1460	71	1531
has in his or her possession whilst in a particular part of the prison, any article or substance which he or she is not authorised to have when in that part of the prison	466	35	36		502	35	537
Possessing an unauthorised/prohibited article/quantity of an article	5198	178	191		5389	178	5567
breaches the requirements of rule 62A(9) without reasonable excuse;	712	28	18		730	28	758
uses an authorised personal communication device in breach of the requirements of any direction made by the Scottish Ministers under rule 62A(11);	36	8			36	8	44
fails without reasonable excuse to return an authorised personal communication device to an officer as ordered in accordance with rule 62A(10);	421	40	9		430	40	470
has in his or her possession an authorised personal communication device in breach of the restrictions imposed by the Governor under rule 62A(3)(a);	290	32	29	2	319	34	353
Breaches on using an authorised Mobile phone in a prison setting	1459	108	56	2	1515	110	1625
has in his or her possession, or uses, an authorised personal communication device which was not provided by the Governor for use by that prisoner;	474	28	35		509	28	537
disobeys any lawful order;	3026	128	94		3120	128	3248
uses threatening words or behaviour;	1284	77	37		1321	77	1398
uses abusive or insulting words or behaviour;	741	66	25	1	766	67	833
using threatening/abusive/insulting words or behaviour	2025	143	62	1	2087	144	2231
consumes, takes, injects, ingests, conceals inside a body orifice, inhales or inhales the fumes of any substance which is an article which he or she has in their possession;	3	2			3	2	5
consumes, takes, injects, ingests, conceals inside a body orifice, inhales or inhales the fumes of any substance which is a prohibited article;	1469	12	4		1473	12	1485
consumes, takes, injects, ingests, conceals inside a body orifice, inhales or inhales the fumes of any substance which is unauthorised property; or	9				9	0	9
administers a controlled drug to himself or herself or fails to prevent the administration of a controlled drug to himself or herself by another person	321	27			321	27	348
Consuming/taking/injecting/inhaling or concealing an unauthorised or prohibited article	1802	41	4		1806	41	1847
 fights with any person;	1561	65	208		1769	65	1834
destroys or damages property	1194	89	90		1284	89	1373
intentionally endangers the health or personal safety of others;	383	26	31		414	26	440

recklessly endangers the health or personal safety of others.	1993	55	65		2058	55	2113
Intentionally or recklessly endangering the health or personal safety of others	2376	81	96		2472	81	2553
Assault	1405	74	211	3	1616	77	1693
Unauthorised absence or presence in any part of the establishment	402	2	46		448	2	450
Disobeying a rule or direction	213	28	10		223	28	251
intentionally refusing to work or failing to work properly	81	6	3		84	6	90
sale or delivery of an article allowed only for prisoners own use	52	10	1		53	10	63
sells or delivers to any person any article which he or she is not authorised to have;	112	6	3		115	6	121
sale or delivery of an article allowed only for prisoners own use	164	16	4		168	16	184
takes improperly any article	104	2	3		107	2	109
denies access to any part of the prison to any person other than a prisoner;	6				6		6
intentionally obstructs any person, other than a prisoner, in the performance of that person's work at the prison;	90	8	5	1	95	9	104
intentionally obstructs any person, other than a prisoner, in the performance of that person's work at the prison;	96	8	5	1	101	9	110
Smoking in an area where smoking is not permitted	28	19	7		35	19	54
commits any indecent or obscene act;	66	3	2		68	3	71
Arson	22		5		27		27
disrespectful to any officer, worker or visitor	60	6	5		65	6	71
fails to return to prison when he or she should return after being temporarily released under Part 15;							
fails to comply with any condition upon which he or she is temporarily released under Part 15; or	1		1		2		2
Failing to return from temporary release or comply with a condition of such release	1		1		2		2
fails, without reasonable excuse, to open his or her mouth for the purpose of enabling a visual examination	12	1			12	1	13
detains any person against his or her will;	2	1			2	1	3
escapes or absconds from prison or from legal custody;	2				2		2
attempts/incites/assists another prisoner to commit or attempt to commit, any of the above	232	6	15	1	247	7	254
Total:	22005	1033	1153	8	23158	1041	24199

Punishments Awarded	Male Adults	Female Adult	Male YA's	Female YA's	Total Males	Total Females	Number of Cases
Forfeiture of privileges	20242	584	958	4	21200	588	21788
Stoppage or deduction from earnings or other cash	19897	624	944	3	20841	627	21468
Caution	1643	115	82		1725	115	1840
Confinement to Cell	1983	90	105		2088	90	2178
Forfeiture of other entitlements	511	14	3	1	514	15	529
Total:	44276	1427	2092	8	46368	1435	47803
Breaches of discipline per head of average prison population	3	4	7	1	3	4	3

APPENDIX 7

STAFF IN POST

Staff in Post

As at 31 March 2023 there were 4562 staff in post

Staff in Post Table – This table details the gender, employment type and disability spilt for the organisation.

Employees in Post - As at March 2023	Total	Full Time	Part Time	Full Time Equivalent (FTE)	Disabled (Self-Declared)
Female	1,664	1,433	231	1,573	125
Male	2,898	2,509	389	2,703	246

SPS Board (Which includes all senior civil servants within SPS)

SPS Board – This table reflects the gender spilt for SPS Board Members as at 31/03/2023.

As at March 2023	Chief Executive	Directors	Non - Executive Directors	Total
Female	1	1	3	5
Male	0	4	2	6

Staff in Post: Age Groups

Staff in Post: Age Groups – This table details the gender spilt by age group for the organisation.

As at March 2023	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	Over 65	Total
Female	114	611	427	325	176	11	1,664
Male	107	585	550	656	910	90	2,898

Staff in Post: Ethnicity

Staff in Post: Ethnicity – This table details the ethnicity indicated by the staff within SPS. Where the ethnicity group has less than 5 members this has been shown as “<5” to ensure compliance with the Data Protection Act.

Employees in Post - As at March 2023	
Ethnicity	Total
Asian Other	<5
Black African	<5
Black Caribbean	<5
Black Other	<5
British African	<5
British Asian Other	<5
British Pakistani	<5
Indian	<5
Mixed Other	<5
Mixed White and Asian	<5
Not Advised	2653
Mixed White and Black African	<5
Pakistani	<5
Prefer not to Disclose	320
Scottish Asian Other	<5
White	433
White English	74
White Gypsy Traveller	<5
White Irish	8
White Northern Irish	12
White Other	13

White Polish	<5
White Scottish	1017
White Southern Irish	<5
White Welsh	<5

Leavers: Age Groups

Leavers: Age Groups - This table details the gender split by age group for the organisation for all employees who have left the organisation in the 12 month period 01/04/2022 to 31/03/2023.

As at March 2022	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	Over 65	Total
Female	14	43	35	14	23	11	140
Male	10	52	38	31	107	34	272

Recruitment

Recruitment - This table details the gender split, ethnic group, disability declarations and non-full time employments types for all employees who have joined the organisation in the 12 month period 01/04/2022 to 31/03/2023.

Appointments 2022 - 2023	Male	Female	Ethnic Minority Group		Disabled (Self Declared)	Part Time / Job Share
413	227	186	Not Advised	386	<5	16
			Black African	<5		
			Scottish Asian Other	<5		
			White	7		
			White English	<5		
			White Scottish	16		

Recruitment: Age Groups

Recruitment: Age Groups - This table details the gender split by age group for the organisation for all employees who have joined the organisation in the 12 month period 01/04/2022 to 31/03/2023.

As at March 2023	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	Total
Female	48	73	40	19	6	186
Male	54	97	46	20	10	227

Exceptions

Exceptions – This table details all appointments of staff which fell outside our standard recruitment process. That is they were classified as not being appointed under open and fair competition.

Secondments	Former civil servants	Conversion to permanency
1	4	1

There were no exceptions in the following Categories:

Temporary appointments
 Support for government employment programmes
 Highly specialist skills
 Interchange with the Northern Ireland Civil Service
 Transfer of staff from other public bodies
 Transfers of organisations into the Civil Service – non-TUPE
 Transfers of organisations into the Civil Service - TUPE

Promotion

Promotion - This table details the gender split, ethnic group, disability declarations and non-full time employments types for all employees who were promoted within the organisation in the 12 month period 01/04/2022 to 31/03/2023.

The following personnel were promoted:

Promoted 2022 - 2023	Male	Female	Ethnic Minority Group		Disabled (Self Declared)	Part Time / Job Share
334	182	152	Not Advised	216	21	6
			Prefer not to Disclose	15		
			White	29		
			White English	<5		
			White Northern Irish	<5		
			White Other	<5		
			White Scottish	65		

APPENDIX 8

PARLIAMENTARY ACCOUNTABILITY 2022-23

Category of Response	No. Received	No. of Replies issued within 20 working days	No. of Replies issued out with target date
MSP's Letters for Ministerial Reply	0	0	0
MSP's Letters for Chief Executive Reply	107	97	7
Total (2022-23)	107	79 (73.8%)	28 (26.2%)

Scottish Parliamentary Questions

Year	Total	Ministerial Replies	Chief Executive's Replies
Year ended 31 March 2023	34	3	31
Year ended 31 March 2022	43	3	40

APPENDIX 9a

KEY PERFORMANCE INDICATORS ^a

		2022-23	2021-22	2020-21	2019-20
KPI1a	Extreme Risk Escapes	0	0	0	0
KPI1b	Escapes at other supervision level	1	0	0	0
KPI2a	Serious Prisoner on Staff Assaults ^b	5	9	8	12 (12)
KPI2b	Minor & No Injury Prisoner on Staff Assaults ^b	259	323	290	358 (401)
KPI2c	Serious Prisoner on Prisoner Assaults ^b	91	108	67	112 (125)
KPI2d	Minor & No Injury Prisoner on Prisoner Assaults ^b	1,409	1,723	1,388	2,892 (3,629)
KPI 3a	Purposeful Activity Hours	4,766,653	3,967,795	3,410,103	6,082,903
KPI 3b	Average Purposeful activity Hours per week per Convicted prisoner	19	17	14	19
KPI4a	% of education classes spent delivering literacy skills	39.8%	35.0%	35.8%	38.3%
KPI4b	% of education classes spent delivering numeracy skills	26.1%	26.2%	27.9%	24.5%
KPI5a	Vocational & Employment Related Qualifications	19,391	12,327	6,411	24,569
KPI5b	Vocational & Employment Related Qualifications at SCQF level 5 or above	926	234	143	1,526
KPI6	Employability Prospects Increased	-	-	-	-
KPI7	Reduced Substance Abuse ^c	-	-	-	-
KPI8	% of ICM Case Conferences with CJSW in attendance	95.3%	93.6%	91.0%	88.1%
KPI9	Average Annual Cost Per Prisoner Place ^d	£44,620	£41,786	£39,343	38,151
KPI10	Reducing Carbon Emissions ^e	-	-	-	-

^a An explanation of Operational Performance Indicators is shown at Appendix 9b.

^b The data in brackets would have been reported if the SPS had not changed the definition of the KPI Assaults from 1 October 2019. This change was agreed by the EMG, and the Cabinet Secretary is aware of the change in definition. The new figures are recorded by the number of incidents and not by the numbers of people involved, unless it is a serious assault, where it is clearly defined, then it will be reported as more than 1. Also, perpetrator has to be found guilty in Orderly Room, and/or incident reported to Police.

^c Annual Prevalence Testing did not take place in 2019-20, 2020-21, and was replaced by Drug Trend Testing in 2021-22, 2022-23.

^d The average cost per prisoner place excludes capital charges, exceptional payments and the cost of the Court Custody and Prisoner Escort Contract. SPS publishes cost and performance information on the latter separately on its website. Comparative figures from previous years have been restated.

^e A separate report is published on our website.

APPENDIX 9b

Key Outcomes	KPI	Definition	Related National Outcomes	Related National Indicators
SPS maintains secure custody and good order				
We live our lives safe from crime, disorder and danger.	1. Escapes	a) Extreme risk. b) All other supervision levels. c) Absconds. d) Incidents of failure to return.		Reduce re-conviction rates
Our public services are high quality, continually improving, efficient and responsive to local people's needs.	2. Assaults	a) Serious prisoner on staff assaults. b) Serious prisoner on prisoner assaults. c) Other prisoner on staff assaults. d) Other prisoner on prisoner assaults.		Reduce re-conviction rates
SPS cares for prisoners with humanity and offers them appropriate opportunities				
We live our lives safe from crime, disorder and danger.	3. Purposeful Activity Hours	Any supervised and/or structured activity that contributes to reducing re-offending.	We realise our full economic potential with more and better employment opportunities for our people.	Reduce reconviction rates. Improve levels of Educational attainment. Increase Physical Activity
Our public services are high quality, continually improving, efficient and responsive to local people's needs.	4. Increase in Literacy and Numeracy	a) The percentage of prisoner learning hours delivered with a primary aim of developing literacy skills. b) The percentage of prisoner learning hours delivered with a primary aim of developing numeracy skills.	We are better educated, more skilled and successful, renowned for our research and innovation. Our young people are successful learners, confident individuals, effective contributors and responsible citizens. We live longer, healthier lives. We have improved the life chances for children, young people and families at risk.	Reduce reconviction rates. Improve levels of Educational attainment.
SPS maintains secure custody and good order				
We live our lives safe from crime, disorder and danger.	5. Vocational qualifications	a) Number of vocational and employment-related qualifications. b) Number of vocational and employment-related qualifications at SCQF level 5 or above.	We realise our full economic potential with more and better employment opportunities for our people.	Reduce reconviction rates. Improve levels of Educational attainment. Improving the skill profile of the population.
Our public services are high quality, continually improving, efficient and responsive to local people's needs	6. Increase in employability	The percentage of prisoners accessing JobCentre Plus' pre-release service who move into employment, education or training within 13 weeks of release.	We are better educated, more skilled and successful, renowned for our research and innovation.	Reduce reconviction rates. Improving the skill profile of the population.
	7. Reduced or stabilised drug misuse	The number of prisoners testing positive on entry compared with the number testing positive on exit.	Our young people are successful learners, confident individuals, effective contributors and responsible citizens.	Reduce reconviction rates. Reducing the number of individuals with problem drug use.
	8. Integrated Case Management case conferences with social work contributions	The percentage of case conferences held for prisoners to be released to Scotland where the community Criminal Justice Social Worker attended.	We live longer, healthier lives. We have improved the life chances for children, young people and families at risk.	Reduce reconviction rates. Reducing crime victimisation rates.
SPS offers value for money to the taxpayer				
Our public services are high quality, continually improving, efficient and responsive to local people's needs.	9. Average annual cost per prisoner place			Improve people's perceptions of the quality of public services.
We value and enjoy our built and natural environment and protect it and enhance it for future generations.	10. Reducing Carbon Emissions	From 2010, a 20% reduction in carbon emissions by 2015 with anticipated savings over the 5 year plan equating to 45,335 tonnes of CO2, and £8.1m.	We reduce the local and global environmental impact of our consumption and production.	Reduce Scotland's Carbon Footprint. Reduce waste generated.

APPENDIX 10

STRATEGIC POLICY FRAMEWORK

<p>NATIONAL PERFORMANCE FRAMEWORK OUTCOMES</p>	<p>Communities: We live in communities that are inclusive, empowered, resilient and safe.</p>
	<p>Human Rights: We respect, protect, and fulfil human rights and live free from discrimination.</p>

<p>THE VISION FOR JUSTICE IN SCOTLAND: VISION</p>	<p>A just, safe resilient Scotland</p>				
<p>THE VISION FOR JUSTICE IN SCOTLAND: AIMS</p>	<p>We have a society in which people feel, and are, safer in their communities.</p>	<p>We work together to address the underlying causes of crime and support everyone to live full and healthy lives.</p>	<p>We have effective, modern person-centred and trauma-informed approaches to justice in which everyone can have trust, including as victims, those accused of crimes and individuals in civil disputes.</p>	<p>We support rehabilitation, use custody only where there is no alternative and work to reduce reoffending and revictimisation.</p>	<p>We address the ongoing impact of the COVID-19 pandemic and continue to renew and transform justice</p>

SPS STRATEGIC THEMES 2022-23	COVID	Safety and Security	Health and Wellbeing	Prevention and Early Intervention	Protecting the Public and Reducing Reoffending	Enablers
SPS STRATEGIC OUTCOMES 2022-23	Addressing the ongoing impact of the COVID-19 pandemic and continuing to focus on recovery and transformation.	Population management, the security of our estate and an environment that is safe for staff and those in our care.	Improving the mental and physical health & wellbeing of those in our care through the adoption of person-centred and trauma-informed approaches.	Addressing the impact of poverty & deprivation, including supporting positive family environments, social networks & relationships.	Enabling sustainable reintegration via strong progression, risk management and release processes and protocols.	Developing our People and Organisational Development - enabling or cross-cutting activities that enable good-quality delivery.

APPENDIX 11

COURT CUSTODY AND PRISONER ESCORT SERVICE

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2022-23 Total	2021-22 Total	2020-21 Total	2019-20 Total	%age change	%age change (COVID effect 21/22)	%age change (COVID 20/21)
Number of Court Arrivals	4640	5638	5357	5219	5957	5561	5524	5688	4957	5512	5661	6539	66253	50114	44544	103123	32%	13%	-57%
% Arrived on time	58.47%	53.97%	59.44%	63.81%	58.03%	53.1%	56.55%	50.95%	47.61%	53.10%	53.95%	54.47%	55.3%	74.5%	89.9%	80.5%			
Non court escorts	1689	1789	1723	1745	1821	1589	1655	1721	1031	1175	1400	1741	19079	12257	9744	34340	56%	26%	-72%
Court Cell Areas Operated	837	830	806	833	914	825	822	859	760	791	671	782	9730	10979	8214	8933	-11%	34%	-8%
Court Docks Staffed	2029	2245	2141	2011	2271	2130	2123	2316	1755	2124	2027	2348	25520	24269	14776	25704	5%	64%	-43%
Number of Prisoners Unlawfully at large	0	1	1	1	0	0	0	1	1	1	0	0	6	3	2	6	100%	50%	-67%
Total Secure Journeys	2692	3092	2852	2761	3043	2823	2621	2736	2099	2513	2464	2909	32605	30408	23532	46137	7%	29%	-49%
Total Community Journeys	442	459	409	417	467	424	418	437	249	189	231	283	4425	4546	844	6488	-3%	439%	-87%

Still subject to contractual ratification