**Strategic Assessment**

**Title: PSI 18 - Explore Options for Improving the Efficiency and Effectiveness of Prisoner Transport**

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**Project Sponsor: Chief Officer, Ministry of Home Affairs**

This Strategic Assessment has been developed using the template for the Project Future “Conceptualisation Phase”.

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# OVERVIEW

## Introduction

In September 2014, Ernst and Young (E & Y) were commissioned by the Cayman Islands Government (CIG) to identify areas within the CIG that were not performing as efficiently as they could be and/or which were operating at a significant cost to the CIG. A report entitled “Project Future” was produced which outlined several recommendations for efficiency gains.

The recent introduction of a video link between the Court and the Prison has reduced the need for transport and hence has reduced costs. Where still necessary, prisoners are currently transported between the Court and Prison by Government vehicles. There is an active market for security services on the islands though not directly comparable to prisoner transport. It could be expected, though, that the market would respond should Government wish to contract for these services.

Cabinet wishes to explore options for improving the efficiency and effectiveness of custodial/prisoner transport, inclusive of:

* Reviewing the efficiency and effectiveness of current prisoner and custodial transport activity; and
* Considering the scope to increase the use of external contractors and how the work might be appropriately packaged

This proposal flows from the following section of the aforementioned EY Report:

13.1.1- Outsourcing and employee mutual, custodial/prisoner transport. EY identified the potential for headcount savings of approximately 5 Prison Officers and cost savings to be realised from paying $18 per hour for the service versus the current loaded costs of $33 per hour.

## Purpose

This Strategic Assessment seeks formal approval by Cabinet to take the investment proposal to the next phase: to develop an Outline Business Case for outsourcing custodial/prisoner transport to the private sector.

The Strategic Assessment:

* Defines and confirms the need to invest in change;
* Identifies preferred ways forward, supported by a limited number of viable short-listed options for further analysis; and,
* Identifies the investment required to develop an Outline Business Case.

# STRATEGIC CONTEXT

## Organisational Overview

The key aims of Her Majesty’s Cayman Islands Prison Service (HMCIPS) are to serve the public by keeping in custody those committed by the courts. It is the duty of HMCIPS to look after such persons with humanity and help those persons lead law-abiding and useful lives in custody and after release.

The organisation employs 153 full time equivalent staff, and has an annual expenditure of $13,269,433.

## Key Drivers

In addition to the recommendations made in the 2014 E&Y report, additional internal and external drivers for this Strategic Assessment include the following:

* That the existing arrangements can be significantly improved;
* Currently, HMCIPS cannot provide any development opportunities due to the fact that staff are redeployed to provide court transportation services on a daily basis. Consequently, such redeployment of limited staff consistently results in the closure of the vocational training workshops, the library, and the livestock management site.

## Relationship to Government’s Policy Priorities

Improvements to the efficiency and effectiveness of custodial/prisoner transport services align with and could help to achieve the following policy priorities identified by Cabinet:

* Reducing public expenditure and the size of the civil service; and
* Improving the effectiveness and efficiency of the public sector.

This strategic issue also relates to the following organisational outcomes/ policies/ strategies:

* Prison Service Strategy
* Prison 2015/2016 Business Plan
* Consistent opening of the vocational training unit.

# THE CASE FOR CHANGE

## Investment Objectives

**Investment Objective 1:**

Achieve reductions in the cost of Prisoner transport of up to $220,000.

**Investment Objective 2:**

Maximise potential front line service improvement through reinvestment of savings and redeployment of affected staff.

**Investment Objective 3:**

Improve service performance.

**Investment Objective 4:**

Maintain safe and secure prisoner transportation.

## Existing Arrangements

The current arrangement that is in place for transporting prisoners is that auxiliary police officers are responsible for their transport from the police cells to court and then from court to the prison. Prison staff are then responsible for transporting prisoners from the prison to court and back again.

**Prison**

On average, 5 Prison Officers are detailed for escort duties. However, this can vary significantly from day to day. Escort duties include escorting prisoners to court, medical appointments and to sign legal papers. Staff are redeployed from other areas such as the library and workshops which results in a curtailed rehabilitation regime for prisoners. This delivers inconsistent rehabilitation programmes and enforces a chaotic daily routine which prisoners often experience in their lifestyle when out of Prison, and is something that we want to counteract rather than replicate. It also builds frustration that can manifest itself by a growing number of incidents in the Prison, which in turn causes tensions to rise.

**Police**

There are 11 Auxiliary Police Officers detailed to the custody suite at the Courts per day. 2 of these are responsible for transporting prisoners to court and also from the court to Northward and Fairbanks Prisons.

## Key Business Problem(s)

* Growing demands that require maximization of deployment of prison officers to support front line services;
* Inconsistent regime delivery in the prisons due to increased and variable escort demands which diverts prison officers away from delivering rehabilitative programming and other constructive activities for prisoners;
* The use of Prison and Police Officers for roles that do not require their full range of skills and power, which is ineffective and inefficient;
* Increased dissatisfaction with the duplication of effort, trivial work and inefficiency of the extant arrangements, aggravated by a lack of coordination between the agencies involved;
* Frustration at arrangements and systems that do not allow for the recording of accurate data on either performance or incidents, making performance improvements difficult; and
* Need to improve performance and implement new working practices and technology.

## Key Considerations

The accent on continuous improvement in the provision of rehabilitation has resulted in increased funding to support prison-related functions. However, cost reduction measures also play a key role, and within the backdrop of greater public scrutiny of spending strategies, HMCIPS would indeed benefit from exploring ways to optimally prioritize and compromise on certain activities to target limited resources to best effect.

In addition, any external providers for prisoner custodial/transport services would need to meet the following four high-level performance standards:

1. Accessible, safe and secure escort services to users of the police custody and prison facilities:
* Ensure escorting arrangements are decent for all prisoners receiving the service, being benchmarked against appropriate best practices and standards; and
* Ensure that custody staff has relevant and current skills, profiles and necessary powers under the Law and are accompanied by proper supervisory cover to meet the priorities of escort management operations.
1. Efficient, effective and accountable services:
* Maintain service delivery in line with budgetary requirements for fiscal responsibility;
* Provide an appropriate range of services at reduced cost while retaining quality control;
* Ensure all relevant facilities and services are controlled by appropriate staff having the correct profiles and knowledge to meet the priorities; and
* Ensure key modes of governance (legal, market, and network) are strengthened to promote compliance with legislation, resource/cost efficiency and control, as well as a strategic PPP.
1. Support RCIPS and HMCIPS strategic plan:
* Provide a secure environment with respect to the various services;
* Ensure all relevant information and evidence is gathered consistently, preserved, and exchanged in line with established guidelines;
* Conduct quality management including reviews of processes and procedures with a view to increasing effectiveness and realising efficiency gains;
* Provide consistency of service, allowing for variations in practice where justifiable, and taking into account relevant guidelines and best practices; and
* Improve continuity of service by reducing instances of front line abstraction to cover security-related duties which disrupts prison regimes.
1. Quality services that meet the overarching responsibilities of the RCIPS and HMCIPS:
* Act with fairness, integrity and respect at all times;
* Support the reduction of self-harm, violence, and security breaches through proactive monitoring, appropriate risk assessments and information sharing; and
* Mutual respect and sophisticated governance structures to anchor stakeholder relationships.

## Key Constraints and External Dependencies

**Table 1: Key Constraints and External Dependencies**

|  |  |
| --- | --- |
| **CONSTRAINTS** | **Notes** |
|  |  |
| **DEPENDENCIES** | **Notes and Management Strategies** |
| **Interest of private company**  | If external providers are to be considered as part of the potential solutions, this strategy is dependent upon an appropriate private company(ies) being interested in providing this service. It is not a service that is currently offered in the Cayman Islands and will therefore be a completely new initiative. Interested service providers would have to put a bid in to win the contract and would have to be prepared to meet the initial outlay costs. These costs will include the hiring and training of staff and the purchasing of a PECS compliant vehicle. |
| **Private company capacity**  | If a company does express interest, they must have the capacity to meet the requirements and comply with complex legalities of engaging with these departments within the criminal justice system.  |
| **Law amendment**  | If private sector providers are considered, this project will require legislative amendments as current laws do not recognise Custody Officers or make provision for outsourcing of such services.  |

## Conclusions

* In conclusion, the preceding analysis has demonstrated that that there is a clear rationale for investing in change. If viable solutions can be identified, this project could potentially result in: realising and maximising the effective use of resources across the range of activities associated with prisoner escorting and court custody requirements within the Cayman Islands Criminal Justice System;
* Providing better value for money by using appropriate staff to conduct court custody and escort work activity. It is believed that staff are not required to be police or prison officers;
* Removing the duplication of effort and consequent inefficiency produced by the existing arrangements; Providing uniformity and consistency of service delivery throughout the Cayman Islands; Obtaining better management information about the delivery of service with a focus on continual improvement;
* ‘Joining up’ agencies in a way that delivers a complex service and improves multi agency working between key partners; and
* Delivering ‘Best Value’ and making use of the best practices learned from

 established providers in the prisoner escort service sector in the UK.

If, however, the private sector is to successfully play a long term role in supporting police functions on behalf of the RCIPS, firms must be able to demonstrate competency in the delivery of clear benefit. Firms must also be prepared to adhere to the same level of accountability and scrutiny, which is likely not only to mean having an “open book” mentality but may also stretch further to include referral to investigative and oversight bodies. It is vital that private sector partners demonstrate capacity to shift its business process such that they can adopt the public service ethos necessary for the provision of public services.

Creating public-private partnerships in the arena of prisoner transportation services is one strategic option by which arrangements may result in benefits including increased organisational agility. Such arrangements may also increase value for money in the use of limited human capital resources and potentially lower the cost of operating, while assisting in the process of delivering efficiency gains to address changing demands. However, it will be prudent to avoid becoming so dependent on any one contractor that the Government is strategically exposed to either service interruption or price gouging.

However, it is important to note that if the decision is made to outsource this service, there will be no assumption of a reduction in headcount for either the Prison or Police Services.

The reason for this is that the Prison Service is currently 18 Prison Officers short and therefore the staff that currently provide court and other escort duties will be redeployed to other duties/ responsibilities within the Prison, specifically in the areas of offender rehabilitation, which will add value to the service being provided. Similarly, auxiliary Police Officers will be redeployed to provide front line assistance to Police Officers.

Based on initial market research, it is unlikely that the decision to outsource prisoner transport services will cause existing Prison Officers to resign from HMCIPS in favour of taking up employment with the contracted vendor.

Whilst no immediate cost savings will be realised, and in-fact, employing the services of a private company will add costs, it is a good example of a “spend to save” exercise.

Savings will be realised as there will be no need to recruit additional staff within the Prison and Police Services, which would incur a higher cost. Therefore, the savings will be seen over a longer period of time, particularly as relates to pension payments.

# IDENTIFICATION AND SCREENING OF POTENTIAL SOLUTIONS

## Evaluation Criteria

**Table 2: Critical Success Factors**

|  |  |  |
| --- | --- | --- |
| **Critical Success Factor Categories** | **Broad Description** | **Critical Success Factors Specific to Your Proposal** |
| Strategic Fit and business needs | How well the option:* meets agreed upon investment objectives, the related business needs and service requirements; and
* is aligned with the organisation, provides synergy and supports other strategies, programmes and projects.
 | **Consultation with Target Group.**Deliver safe and secure escort services |
| Potential value for money | How well the option optimises value for money (i.e. the optimal mix of potential benefits, costs and risks). | **Cost-benefit analysis** Reduces number of Prison/Police Officers involved in supporting custodial/transport services |
| Supplier capacity and capability | How well the option:* matches the ability of potential suppliers to deliver the required services; and
* is likely to result in a sustainable arrangement that optimises value for money.
 | **Regulatory Compliance and Policy Effectiveness**Market exists/could be created to deliver  |
| Potential affordability | How well the option:* meets the sourcing policy of the organisation and likely availability of funding
* matches other funding constraints
 |  |
| Potential achievability | How well the option is likely to be delivered, given:* in view of the organisation’s ability to assimilate, adapt, and respond to the required level of change; and
* How well it matches the level of available skills a required for successful delivery.
 |  |

## Long List of Options

We have explored making in-house changes to improve efficiency, such as video link and scheduling medical appointments throughout the days of the week, but have reached the limit of diminished returns with these initiatives.

Stakeholders have identified the following list of potential options as follows:

**Table 3a: Option Description**

|  |  |
| --- | --- |
| **Option Number and Name** | **Option 1 - Do Nothing**  |
| **Description** | To retain current services and make no changes. Therefore, the police will maintain responsibility of transporting individuals charged with offences from the Custody Suite to the Court and then from the Court to the Prisons. Prison Officers will also retain responsibility for transporting prisoners from the Prisons (Northward and Fairbanks) to the Court and also for their supervision whilst there. They will also retain responsibility for transporting to and from medical facilities. The cost breakdown for this is as follows:* Police staff cost - $95,216.40 (the cost of 2 auxiliary Police Officers)
* Police vehicle cost- $46,967
* Prison staff cost for court appearances only - $90,100 per annum (the cost of 2 Prison Officers including pension, allowances)
* Prison staff cost for court and medical escorts - $192,500 CI per annum which is the cost of 1 x Supervising Officer and 3 x Prison Officers
* Prison vehicle cost – $63,000.
 |
|  | **Option 2 - Contracting out court services**  |
|  | To contract out the court escort services to a private company. The private company will take over responsibility for transporting all persons in custody from Custody Suite to Court, Court to Prison and vice versa. This will be done in a Prison Escort Custodial Services (PECS) compliant vehicle and with the use of correctly trained Custody Officers. * Custody Officer Staff costs – approximately $83,200 -111,000 CI per annum (the cost of 4 x Custody Officers: 2 for Police and 2 for Prison)
* Vehicle cost - $151,000 CI (not including shipping) to purchase
* Staff training costs - $1200 per officer
* Vehicle maintenance costs - $5,000 approximately
 |
|  | **Option 3: Contracting out both court and medical services**  |
|  | To contract both medical and court escort services to a private company. * Based on a staffing level of 6 x Custodial Officers (2 for Police and 4 for Prison). This will total approximately $124,800 -166,400 CI per annum
* Staff training costs - $1200 per officer
* Vehicle costs - $151,000 to purchase.
* Vehicle maintenance costs-$5,000 approximately
 |

The cost to the Cayman Islands Government will occur when charges are levied by the private contractor to supply custody officers and for the use of their vehicles and other relevant equipment in order to transport prisoners safely and efficiently between the police station, prisons, courts and hospital.

Currently no private company offers this service and therefore costs have been estimated by using the salaries of UK custody officers as a comparator. Current staffing costs alone for the CIG are on average $287,716.40. This does not include the cost of purchasing, fuelling and maintaining vehicles. Based on estimates and projections, research suggests that significant financial savings will be realised should this project go ahead.

## Screening of Options

The long list of options is appraised against the identified CSFs.

* A **Green** assessment indicates fully meets
* A **Yellow** assessment indicates partly meets; and
* A **Red** assessment indicates does not meet

**Table 4: Screening of Options**

|  |  |  |  |
| --- | --- | --- | --- |
| **Option** | **CSF1: Strategic Fit & business needs**  | **CSF2: Potential value for money**  | **CSF3: Supplier capacity & capability**  |
| **Option 1 - Do Nothing** | The needs of the business are being met however a significant amount of resources are being spent where skills are required elsewhere. This is having a detrimental impact on functions within the prison.  | Poor value for money due to highly skilled staff members performing a low skill task.  | Prison resources (capacity) are being significantly stretched.  |
| **Option 2 – Contracting out court services**  | This would meet some of the business needs, other parts of escorts (medical services) would still need to be resources from within the prison.  | As long as a private company provides an efficient service with correctly trained staff this would provide improved value for money, however excessive costs would still sit with the prison regarding medical escorts.  | There would still be some demands on prison capacity.  |
| **Option 3 – contracting out both court & medical services** | All business needs would be met.  | As long as a private company provides an efficient service with correctly trained staff this would provide good value for money.  | All demands on prison and police capacity would be removed |

**Table 5: Option Findings**

|  |  |  |
| --- | --- | --- |
| **Options** | **Overall Assessment** | **Rationale (reasons for exclusion)** |
| **Option 1 - Do Nothing** | Retained as baseline |  |
| **Option 2 - Contracting out court services** | Viable | Would assist with demands on Prison staff and police auxiliary, whose skills are desperately required elsewhere. Other areas of work are being neglected or are suffering as a result of these resources having to be used for escort services. Whilst this option would still require some resources to be allocated for medical services, it would still free up some staff to do more appropriate duties.  |
| **Option 3: Contracting out both court and medical services**  | Viable  | Would assist with demands on Prison staff and police auxiliary, whose skills are desperately required elsewhere. Other areas of work are being neglected or are suffering as a result of these resources having to be used for escort services.Therefore, there is a strong case to be made for adopting this option of contracting out escort services and appropriately redeploying prison/police resources. Over time, significant efficiency savings will be realized.  |

## Short-Listed Options

On the basis of this analysis, the recommended short-list for further, more detailed assessment in the Outline Business Case is as follows:

* **Option 1**: Do Nothing (retained as a baseline comparator)
* **Option 2**: Contracting out court services
* **Option 3**: Contracting out court and medical services

**Table 6: Estimated costs of short-listed Options**

|  |  |  |  |
| --- | --- | --- | --- |
| **Option (all figures in $CI p/a)** | **Option1:****Do Nothing** | **Option 2** | **Option 3** |
| Capital Costs | 109,967 (vehicle purchase price) | 83,200 – 111,000 (staffing costs) |  124,800-166,400 (staffing costs) |
| Running costs | 197,500 (staffing and vehicle maintenance costs) | nil | nil |
| Income | nil | nil | nil |
| Savings against Do nothing baseline | n/a |  |  |
| Net savings | n/a  |  |  |
| Net present value  | 307,467 |  |  |

It must be noted that the costs presented as part of this Strategic Assessment are estimated/ projected expenses and as such, they are subject to variation.

Moreover, prisoner transport is directly tied to public safety, the rule of law and the exercise of human rights. As this project involves the provision of prisoner transport services by a private contractor, the key principles that must be rigidly applied during procurement are parity, fairness and transparency, along with robust evidence that the approach being adopted is in the best interest of the public and those who use the services.

Therefore, subjecting prisoner transport services to compulsory competitive tendering and awarding a contract to the firm that drives employment terms and wages down the most is not a viable solution, especially when motivated, highly productive, qualified staff is essential. Consequently, management must be ready for and understand the complex governance required to effectively manage supplier contracts in this arena.

As established, the concept of outsourcing, while driven by cost reduction, encompasses alignment of initiatives with business goals; i.e. taking a proactive approach in managing present issues and pursuing an optimal balance of cost savings and quality of service.

Fundamentally, bidders must demonstrate that they can meet specified objectives in the areas of delivery, quality, and transformation, as well as provide a level of savings over the proposed period of time that exceeds the “affordability threshold”. Moreover, aspects such as pre-screening for profile certified training programmes and (3) non-exclusivity clauses will carry financial implications.

## Stakeholder Management

The key stakeholders that have an interest in the expected outcomes or can influence the investment proposal have been identified as indicated in the table below:

**Table 7: Key Stakeholders**

| **Stakeholder** | **Interest** |
| --- | --- |
| **Internal** |
| Ministry of Home Affairs | The Ministry is mainly focused on the country’s national security and public safety. The Ministry is responsible for providing policy direction and monitoring the overall performance of its departments. |
| HMCIPS | Strategic deployment of limited resources with the aim of maximizing the efficient use of officer skill-sets as it relates to provision of vocational training and interventions for prisoners. |
| RCIPS | Strategic deployment of limited resources with the aim of maximizing the efficient use of officer skill-sets in the provision of other policing functions.  |
| **External** |
| General Public | Cost effective use of public funds |
| Courts | Professional and adequate security staffing |
| HSA/ other health providers | Regular and proficient staff at medical appointments |

Failure to adequately consult with the target group may result in an inability of the RCIPS/HMCIPS to identify anticipated costs, lack of clarity or clashes between regulatory requirements and existing cultural/market dynamics.

# INVESTMENT REQUIRED TO DEVELOP AN OUTLINE BUSINESS CASE

## Methodology

CIG would consult with private security companies and industry experts who have experience in delivering the services required, and create an accurate cost model. HMCIPS Security and Operations Department and Finance Departments will assist with this. If approved, a detailed project plan would be set out using best efforts to estimate timelines for milestone, activities, tasks, and subtasks necessary to complete the project.

## Financial Implications

The financial implications for the development of an Outline Business Case are expected to be minimal. It is anticipated that 6-8 in-depth focus groups will be held with various stakeholders and will cost in the region of $2500 - $3000 to facilitate. The Prison Service will endeavour to cover these costs from their existing budget.

## Public Service Implications

It is envisioned that the development of the OBC will require a considerable commitment of time and resources from both the Prison Service and the Ministry, which is challenging, due to the lack of policy and administrative resources (i.e. staff) that exists in both entities.

The Prison Director will be required to lead on the development of the OBC, and due to vacancies in key roles in his Senior Management Team, there is the potential for there to be a negative impact on other deliverables due to the diversion of his time to this project.

In addition, the operations of other public entities/ stakeholders (for example the RCIPS and the Courts) may be negatively impacted to a degree, due to the time and resource constraints mentioned above and the overall time that it takes to complete the OBC.

## Legal Implications

New governing legislation relative to the custody and transportation of prisoners in the Cayman Islands will need to be introduced to enable alternatives to the current practice to be implemented.