

1. The value of money appraisal conducted by SPS for Phase 1 of In-cell mobile telephony during Covid-19 dated 21 September 2020

From: [redacted]

[redacted]

21st September 2020

SCOTTISH PRISON SERVICE (SPS): IN-CELL MOBILE TELEPHONY (COVID-19) PHASE 1

FILENOTE: VALUE FOR MONEY APPRAISAL

Purpose

1. To provide a value for money appraisal in relation to the procurement activity undertaken to deliver in-cell mobile telephony in all prisons in Scotland during and beyond the COVID-19 pandemic.
2. This paper focuses on Phase 1 – Mobile Phones/SIMS and a Mobile Device Management System. Additional procurement activity was commissioned as the project progressed (to provide coverage and capacity at all sites). A separate value for money appraisal will be undertaken for the Phase 2 activity.

Background

3. The COVID-19 epidemic had a profound impact on all aspects of the SPS operation. SPS made a number of key decisions to reduce the risk of spread of the virus and the impact on those living and working in prisons in Scotland. This included an early decision to curtail aspects of the regime and move to basic regime entitlement due to pressures on staff numbers and the challenge of achieving and maintain social distancing in a prison setting.
4. The above measures included the temporary cessation of prison visits and a significant increase in the periods of time during which individuals would be confined to their cell. This raised issues for SPS to manage including the ability of those in our care to make contact with family and friends and to support their mental well-being.
5. The pre-existing prisoner pinphone (PIN) system is deployed in communal areas within each residential hall and presented COVID-19 response issues around the ability to achieve social distancing, limiting unnecessary movement and the risk of contamination through shared devices. As a result, it was assessed that it had become critically important that SPS provided the ability for those in our care to make telephone contact with family and friends when restricted to being located in their cell.

Identifying A Solution

6. Given the urgency of this requirement, in March 2020, SPS Digital Services, under the instruction of the National Coronavirus Response Group (NCRG), immediately commenced exploring possible solutions. Due to need for rapid deployment and both the complexity or deliver or security limitations of alternative solutions, it was identified that a solution based on mobile telephony presented the most expedient and realistic approach. Digital Services held initial discussions with

[redacted], the incumbent supplier of mobile phones to SPS for staff use. The contract with [redacted] was called off from a Scottish Government Framework Agreement. (However, this was originally intended for providing mobile phones for SPS staff use only and never envisaged for use to provide services to people in our care).

7. As well as providing a rapid solution, the challenges presented in providing a mobile telephony solution in a prison setting were already understood by SPS. This included the need to achieve a minimum level of control and security features which were summarized in the statement of requirements and options assessed for delivering these minimum requirements:
 - I. Mobile and sim only;
 - II. Mobile and sim and the use of a Mobile Device Management System (MDMS); and
 - III. Hybrid of the above.

An appraisal of the options determined that option II was the only viable route to achieve the required rapid deployment whilst meeting the SPS pre-requisites, particularly around security and control features. (More details are provided in the procurement route – see 12 below).

Strategic Considerations

8. It was always understood that the provision of telephony via a mobile network in a prison setting would be likely to have a number of limitations. This includes the likelihood that there will be significant gaps in network coverage across Scotland, in individual prisons and even in residential areas themselves where SPS is aware that the physical design of prisons acts as a natural barrier to mobile signals. It was therefore recognised, from the outset, that achieving workable in-cell access to everyone in custody was unlikely to be achievable at least in the short-term and that, if a viable solution was to be procured within a workable timeframe, the delivery of access to a majority of those in our care might be a reasonable outcome at least initially. This is with the recognition that notwithstanding the need to maintain COVID-19 restrictions, the existing prisoner PIN phone system could be used as a contingency where required.
9. Initial signal testing of devices confirmed that at some sites, signal coverage would be highly limited and in the case of HMP Shotts for example, effectively unworkable. As the project progressed and site surveys were undertaken, a greater understanding of the limitations of the mobile solution were identified. This not only included the signal coverage issues but it also became apparent that there were severe limitations on the mobile network to handle the volume of calls that would be made and the concurrency of these. All of this presented a significant operational risks which needed to be managed very carefully. SPS addressed this by agreeing to schedule calling activity and limiting user access to pre-agreed timeslots. This was a sizeable piece of work for Operations Directorate colleagues to manage.
10. The SPS priorities are set out above with the need to address an urgent and immediate need. The strategic outlook was primarily for the period of COVID-19 response. However, it was very difficult for SPS to make a planning assumption in this regard as the extent and duration of “lockdown”, physical distancing measures and the need for significant regime constraints was itself indeterminable.
11. Some consideration was therefore given to the potential for medium to long-term use of a mobile telephony solution. This includes the possibility of retaining mobile phones in use for some or all of those in our care beyond COVID-19 restrictions, subject to assessment of key aspects including:
 - SPS ongoing duty of care and the health and wellbeing of those in our care;
 - security provision being validated and determined to be manageable in the longer term;
 - whether a mobile telephony solution, if fully effective, should be retained in the longer term alongside the existing prisoner PIN phone system (which is the current means of telephone communications and includes its own self-funding financial model);

- affordability i.e. the possibility of introducing a charging structure to enable the solution to be financially sustainable after the COVID-19 period (during which time call costs to those in custody are expected to remain free of charge); and
- Assessment of mobile telephony against existing and planned project activity to provide in-cell telephony and other in-cell services and the associated timeframe for any such project and procurement activity.

Procurement

12. The approach to procurement for the in-cell telephony is set out in the approved procurement route.
13. The procurement route confirmed that SPS would undertake the procurement of the mobile phones/SIMs and the MDMS in accordance with the Public Contracts (Scotland) Regulations 2015 regulation 33(1)(c) and 33(3) with the decision to do so informed by Scottish Procurement Policy Note 4/2020 “Procurement Regulations During COVID-19 Outbreak” (20th March 2020).

14. Mobile Device and SIM

14.1. Requirements (Mobile Device and SIM)

There were a number of key factors considered by SPS when selecting a suitable mobile device. This included ensuring that:

- the mobile device was fit for purpose and not over-specified (SPS did not require a smartphone) and the functionality/technology was as basic as was needed (to make a call). This would limit the opportunity for the mobile devices to be abused (e.g. access the internet, use Bluetooth, camera, etc.). This was challenging due to the nature of the market which is continually being developed to meet consumer demand for more functionality rather than less;
- there was consistency of the mobile devices across all sites if possible and at least in the early stages of the project. This would avoid any future issues when it came to managing the devices (e.g. unknown security issues, supply, stock, adding/removing SIMS, configuring with the MDMS, etc.); and
- there was sufficient stock availability at short notice due to the initial requirement being for some 8000 devices. This number would allow SPS to provide a mobile device to each user with some contingency stock. The initial order quantity allowed SPS to purchase enough to meet current demand have a contingency in place for replacement/ faulty/damaged devices and also meet future increase in population without over-purchasing and holding onto unnecessary stock. (Note that the prison population had dropped to c. 6,500 due to a reduction in court activity and early release schemes but had previously increased to 8300+ prior to COVID-19).

14.2. Costs and Value for Money Appraisal (Mobile Device and SIM)

- SPS decided on the [redacted], a 2G mobile device with a long battery life and made from polycarbonate (a robust material). The [redacted] provided SPS with the required functionality but without any of the modern technology features that are offered in a more modern smart phone. [redacted] offered the balance of being inexpensive but suitably durable.
- The [redacted](without a SIM) was benchmarked across a number of resellers in the market. The lowest sourced price was £17.95. However, it was not clear as to whether the volume of handsets could be sourced from a single supplier within the required lead time at this price. Various SIMS were priced at £5 per month giving a potential overall cost per set up of £23.95. [redacted] offered SPS the same bundle for [redacted under sec 33(1)(b)]

with an additional spare 750 SIMs). Based on the quantities required, SPS obtained a commercial reduction of [redacted under sec 33(1)(b)]

15. See Table 1 below.

Final Costs - Mobile Device and SIM

Description	Quantity	Market Unit Price	Total	Contract Unit Price	Total
Mobile Device ([redacted])	8000	£17.95	£143,600	[redacted]	[redacted]
SIM	7500	£ 5.00	£ 37,500	[redacted]	[redacted]
Spare SIM	750	£5.00	£ 3,750	[redacted]	[redacted]
Total			£184,850		[redacted]

Table 1 Benchmark Price vs. Actual (Mobile Device and SIM)

16. Mobile Device Management System (MDMS)

16.1. Requirements (MDMS)

- The intention of a MDMS is to optimize the functionality and security of mobile devices while allowing administrators to control, secure and enforce policies on smartphones, tablets and other endpoints. The majority of MDMS promote enhanced capability and communications which in many respects, the opposite of what SPS required with our focus being providing basic voice call functionality with controls and limitations on the system to prevent access to additional functions.
- [redacted under s35(1)(f)]
- A MDMS was identified (marketed by BT One Phone (BTOP)) that could be deployed within the extremely tight timescales. However, this MDMS did not originally meet the technical and security-related functionality currently utilised by the existing prisoner phone system. The MDMS was a standard ‘off the shelf’ product designed for a more standard application. However, as it was also developed by BTOP, it could be adapted to meet SPS’s needs. Discussions took place to explore whether the system could be enhanced to meet the SPS requirements.

16.2. Costs and Value for Money Appraisal (MDMS)

- The standard price for purchasing one subscription for the BTOP system is [redacted]. This is their standard package and gives a range of benefits such as unlimited minutes/texts, bundles of data and access to a support desk. However, this was not what SPS required and it did not offer any of the specific requirements SPS needs relating to security restrictions. Note: The market price of this system for 7500 users would be [redacted]. Prior to any technical discussions taking place, SPS clearly stated that any such proposal would be unaffordable, especially as the MDMS would not be fit for purpose for SPS with its standard functionality.
- One of the challenges for SPS is that it did not wish to commit to a long-term contract until such time that certain conditions were met. This included confirmation that any system works effectively when deployed i.e. signal coverage, call concurrency but also security and control of the devices in use and above all, [redacted]

- Following discussions, BTOP provided its initial developed commercial proposal in April 2020 which was based on access to the MDMS for up to 8250 subscriptions (reflecting the prison population prior to lockdown and numbers subsequently reducing due to reduced court activity and, later, early release schemes). The initial proposal offered a 6- or 24-month contract based upon all users accessing the system to make calls for up to 60 or 120 minutes per day. A fixed price of [redacted] was included for set up costs. This was made up of license fees, call recording, training, script development, the barring of incoming calls and project management fees. The total cost of the initial proposal is set out in the Table 2 below.

	6-Mth Contract	24-Mth Contract
System development/ set up	[redacted]	[redacted]
Recurring charge (60 mins/120 mins per day)	[redacted]	[redacted]
Total Cost	[redacted]	[redacted]

Table 2 - Initial

Proposals for MDMS

- SPS had concerns about the potential overall cost based on committing to such large call volumes. The total 24-month cost based on up to 2 hours per day per individual would be in excess of [redacted]. The volume of call activity had been determined by BT by assessing the average daily numbers of potential users at HMP Barlinnie and extrapolating this. However, SPS considered that this was not representative of the likely true demand for services and would be an over-provision beyond what was actually needed i.e. the facility for those in its care to be able to make daily calls to a limited group of family and friends whilst in-cell. In finalising the requirement, SPS needed to assess the affordability as well as the availability. Furthermore, SPS had concerns about the capability of the underpinning 2G network to provide coverage and call concurrency across all of its sites to support the proposed call volumes.
- SPS entered into negotiations with BT with a view to making this more commercially viable and improving the overall value for money. Following detailed discussions and escalation within BT, a revised proposal was obtained on 27th April 2020. Included within this were subscription charges based on options for different monthly bundles of minutes (ranging from c. 300 to c. 3000 minutes per month).
- SPS assessed the options closely (including the likely capacity and capability of the network to support a high number of calls) and identified that, through close operational management (and call scheduling), a much lower overall call commitment would be manageable. This would significantly reduce the overall project costs for SPS and it was determined that this would still meet the key project objectives of allowing everyone in custody to make calls from in-cell on a daily basis.
- SPS selected the option which provided 304 minutes per month per user. This option included a recurring charge of [redacted] per user (subscription) per month, irrespective of contract period. This enabled SPS to agree to a minimum contract period of 6-months during which it could assess performance and ongoing need before making further commitment (see 15.2). The negotiation also resulted in a reduction of the fixed price for system development and set up to [redacted]. The revised proposal was as detailed in Table 3 below (6-month contract cost and projected 24-month costs shown):

	6-Mth Contract	24-Mth Costs
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System development/ set up	[redacted]	[redacted]
Recurring charge (304 mins per user per month)	[redacted]	[redacted]
Total Cost	[redacted]	[redacted]

Table 3 - Revised Proposals for MDMS

- The overall costs based on a reduced but manageable volume of minutes per user now represented a significant reduction in project costs for SPS [redacted]
- [redacted], SPS entered into further dialogue with BT with a view to making further adjustments to enhance the overall proposal further. This included:
 - Removal of HMP Kilmarnock in its entirety as the operator of this prison agreed to install its own telephony service based on existing infrastructure and at its own cost. Therefore, all associated set up and running costs were removed. It is worth noting that there was no option to remove sites from the ‘rolled up’ costs for the BTOP System as these had already been committed and pre-booked within the BT Group. However, as BT had split the overall set up costs in its original commercial proposal to allocated [redacted] per site, SPS reasoned that this value should now be removed to reflect the removal of Kilmarnock for which no utility would be received. BT was eventually able to accede to this request and the [redacted] cost removed along with all associated subscription charges originally designated for HMP Kilmarnock (550);
 - A small increase to the monthly minute allocation from 304 to 310 minutes per user at no additional cost. While this provides a low commercial benefit (c. £600 per month) it provides users with the value of additional call time; and
 - Adjusting the overall number of user subscriptions to actual numbers in custody (including HMP Addiewell) which was 6505 as of June 30th 2020. BTOP wished to fix this at its modelled number of 7500 but SPS had this changed to reflect actual numbers in custody at the time of contract signing. The value of this change was the equivalent of [redacted] per month if the prison population remained static during the contract term. It is worth noting that SPS has the flexibility to adjust the number of subscriptions during the contract term to reflect the numbers in custody.
- The above adjustments provided a further reduction in the project costs with the 6-month contract costs reducing by [redacted] and the 24-month projection by [redacted]. The final commercial position is as follows:

	6-Mth Contract	24-Mth Costs
System development/ set up	[redacted]	[redacted]
Recurring charge (310 mins per user per month)	[redacted]	[redacted]
Total Cost	£885.9K	£1.465m

Table 4 - Final Commercial Position for MDMS

17. Value for Money Appraisal - Conclusion

In normal circumstances, a project of the scale and complexity of In-Cell Mobile Telephony would take many months to plan, assess delivery options and produce a detailed statement of requirements and then at least 6 months to procure. This would involve an advertised EU competitive tender procedure or a call off under an existing framework. This would allow the procurement activity to drive the development of

business need, final solution selected and also to provide a competitive dynamic upon which to base any value for money assessment.

In practice, as set out in the background, this project was commissioned under extreme urgency as part of the SPS operational response to Covid-19, the immediate and ongoing threat to operational stability and the health and well-being of those in its care. SPS therefore elected to identify a potential best fit supplier and to develop detailed requirements in conjunction with the supplier, informed by the capability of available solutions.

This approach makes the determination of value for money very difficult in the absence of a truly meaningful competitive benchmark. Nonetheless, a record of value for money improvement is possible through the record of proposal development, negotiation and the overall commercial position reached as detailed in this paper.

In assessing value for money the following should be considered:

16.1 Negotiated Outcome

- SPS has been able to expediently develop and implement a viable and effective solution which meets a range of functional requirements which is not available 'off the shelf'. A number of system enhancements were negotiated as the project progressed to make the solution as effective as possible for operational management across SPS sites;
- The solution effectively provides a 'dedicated and uncontended private network' within SPS sites with a range of security and control features which are appropriate for use in a prison setting;
- Active negotiation with the supplier has resulted in a reduction in the overall cost of the emergent MDMS solution from the early proposals with projected costs of up to [redacted] (based on 24-months usage) to the final contracted position of £1.465m (based on 24-months usage); and
- Benchmarking of the handsets demonstrates that the overall cost for mobiles and SIMs offered good value for money when compared to alternative sources. Also, SPS was able to secure supply in the volume required.

16.2 Timeline / Return on Investment

- The investment timeline for this project was always difficult to ascertain because the Covid-19 response period is impossible to determine and the longer term use of mobile phones in cells is yet to be confirmed. However, SPS has been able to sign a 6-month contract which provides flexibility to extend up to a total 24-month period. This has the benefit of not over-committing expenditure until the solution's effectiveness has been properly tested in use and ongoing legal authorisation for continued use confirmed;
- Notwithstanding the above, SPS will be able to extract greater utility and the overall value derived from the solution will improve, the longer the solution is in use;
- SPS had commissioned a project at HMP & YOI Polmont to provide telephones in cells using digital handset technology based on a wired solution. The project was scheduled to deliver the system in September 2020 with a project budget of [redacted] excl. VAT. SPS has stopped this project at an early stage in the expectation that there is a real possibility that the mobile-based solution, if enhanced through the introduction of a second phase (to provide full signal coverage and greater capacity) will offer a viable alternative and any future investment in projects such as that proposed for HMP & YOI Polmont will no longer be necessary; and
- SPS has the option of introducing a charging mechanism for the system in the future and this will be a key consideration in any decision about the timeframe for using the in-cell telephony solution and the return on investment derived from it.

16.3 Operational Benefits

Real value for money derived from this project can only truly be determined by considering the wider benefits and outcomes from its use and this is best measured over a period of time in use. However, the rapid deployment of a workable in-cell telephony solution had an immediate impact on the SPS operation including:

- The ability to contribute to operational stability in prisons during the impact of the Covid-19 pandemic and where SPS necessarily closed large parts of the regime to prevent spread of infection;
- Normal prison regime activities such as work, education, access to out-of-cell exercise, and family visits have been reduced or fully suspended for the foreseeable period. (Daily social interaction and family contact is seen as vital to maintaining good order and supporting wellbeing);
- The service has had a significant uptake and impact from deployment. As the first few sites being deployed on a sequential basis from 15th June, some 16,500 call had been made by 30th June; and
- Due to the Covid-19 response. There is limited access to face to face support services (including counselling, social work, Samaritans Listener scheme etc.) due to national and prison specific infection control measures. A number of calls were made to the Samaritans very quickly after deployment and by 30th June with only 6 sites live, more than 350 calls had been made to the Samaritans. It is impossible to know the real impact here but it is evident that this is being used to support the personal well-being of those in the care of SPS.

This file note provides an appraisal of Value for Money in respect of the In-Cell Mobile Telephony Project undertaken as part of the SPS Covid-19 response. This considers Phase 1 of the project. A similar file note for Phase 2 of the project will be submitted separately.

[redacted]

21st September 2020

2.The value of money appraisal conducted by SPS for Phase 2 of In-cell mobile telephony during Covid-19 dated 28 September 2020

From: [redacted]

[redacted]

28th September 2020

SCOTTISH PRISON SERVICE (SPS): IN-CELL MOBILE TELEPHONY (COVID-19) PHASE 2

FILENOTE: VALUE FOR MONEY APPRAISAL

Purpose

1. To provide a value for money appraisal in relation to the procurement activity undertaken to deliver in-cell mobile telephony in all prisons in Scotland during and beyond the COVID-19 pandemic.
2. A value for money appraisal on Phase 1 one of the project – the provision of Mobile Phones/SIMS and a Mobile Device Management System is retained on file (see point 5 below).
3. This paper focuses on Phase 2 of the project and the additional procurement activity required to provide improved signal coverage and capacity at all sites.

Background

- 17 The COVID-19 pandemic had a profound impact on all aspects of the SPS operation. As part of SPS's response to COVID-19 and regime restrictions brought into prisons in Scotland (including the closure of prison visits), the SPS National Coronavirus Response Group (NCRG) commissioned a project to seek to urgently provide an in-cell telephony solution to allow those in the care of SPS to make and maintain contact with family and friends.
- 18 A solution was procured using mobile telephony supported by a Mobile Device Management System ('BT one Phone' or 'BTOP') – this is now referred to as Phase 1 of the project. Further background to the project and procurement activity can be found in the attached value for money appraisal (see documents no.1)

Strategic Considerations

- 19 The in-cell telephony project was commissioned to respond to an urgent operational need and to provide direct support to the SPS Covid-19 response. Phase 1 of the project was intended to deploy a solution as rapidly as possible. This was with the recognition that the effectiveness of the mobiles might be limited at some sites and in some areas of sites in particular.
- 20 It was understood from the outset that the provision of an effective service across all prison sites would be challenging due to the operational environment and the limitations around signal coverage and strength. However, as Phase 1 of the project progressed and detailed site surveys were conducted, the extent of this problem became clear. It also became evident that the phone masts local to many of the sites would not be able to accommodate the anticipated large number of concurrent mobile calls from people confined to cell. SPS was able to manage this during Phase 1, to an extent, by introducing call scheduling in order to limit the duration and number of calls being made at each site at any given time. However, some sites had poor (or worse) signal strength and coverage

and in the specific case of HMP Shotts, the Phase 1 solution was not considered viable and no attempt was made to implement at that site.

- 21 The project explored how the technical limitations might be addressed if in-cell mobile telephony was to be used in the longer term. It became apparent that for the coverage and capacity issues to be properly addressed at all sites, SPS would need to make a substantial investment in infrastructure to support the mobiles. This would include the provision of signal boosting in residential areas to ensure that all areas had sufficient coverage and capacity to provide a viable service in the longer term. Furthermore, to address the shortcomings with local mast capacity and the limits around call concurrency, SPS would need to provide fibre backhaul to most, if not all, sites.
- 22 The provision of signal boosting and capacity ('Phase 2') would be a significant investment, well beyond the initial plan for Phase 1 and there were a number of considerations for SPS to assess before Phase 2 could be commissioned:
 - 22.2 The primary consideration was arguably the timeframe for use of in-cell mobile telephony. The justification for significant further investment in this area is more readily made if the in-cell mobile telephony solution is to be used in the longer term and potentially beyond the Covid-19 response period. However, it was already clear that this period itself could not be readily determined (and still cannot as of September 2020). Uncertainty continued to exist around the possibility of further waves of Covid-19 and the potential for further lockdown either locally or nationally, during which SPS would now consider it necessary to continue to provide an in-cell mobile telephony solution to support operational stability and wellbeing of those in its care.
 - 22.3 On a practical level, the provision of Phase 2 of the project would take many months to deliver due to the planning and site survey work required and the number of sites involved. Therefore, any decision to progress would require an early instruction from SPS in order to enable the site survey work to commence and a viable site by site solution determined (for signal boosting). In the case of the fibre backhaul, the work would need to be booked as a priority due to the backlog of work resulting from the ongoing Covid-19 restrictions.
 - 22.4 SPS was also fully aware that the legal authorisation to permit use of 'Authorised Personal Communication Devices' was temporary in nature and made as part of The Prisons and Young Offenders Institutions (Coronavirus) (Scotland) Amendment Rules 2020 (the Amendment Rules).
[redacted]
 - 22.5 Consideration of the procurement and contracting activity required to deliver the Phase 2 activity. The objective would need to be to ensure that there was as much flexibility around the contracts as possible to enable SPS to cease the services should the provision of the in-cell mobile telephony solution need to be discontinued for any reason and at any point in the future.
 - 22.6 Finally, SPS needed to consider whether it could still obtain utility from any of the infrastructure if its use needed to be discontinued at any point. This was particularly the case in respect of the fibre backhaul which could be re-purposed to carry both voice and data in future, should this be required.

Based on an assessment of the above points, SPS decided to commission the Phase 2 activity as expediently as possible. The approach to the procurement and an assessment of value for money is provided below.

23 Requirements (Signal Boosting - 'In-Building' Solution)

Phase 1 of the solution relies on the accessing the 2G macro network provided by [redacted]. As the Phase 1 of the project progressed, it was confirmed that the signal coverage at all sites was likely to be limited and in some sites, worse than this.

The purpose of providing an in-building solution was therefore to provide mobile signal through the use of Pico/Micro cells in the residential areas of establishments. This would be supported by directional antennas to increase the signal coverage where required. The SPS existing Local Area Network would then be used to connect the calls to the 2G macro network. Once complete, SPS would in effect have a dedicated and uncontended mobile network with a range of security and control provisions commensurate with use in a secure environment.

24 Requirements (Fibre Backhaul)

As described above, one of the issues encountered in the early part of the project was the variable and often very limited capacity at the local masts to support multiple mobile calls being made through the 2G macro network from SPS establishments. In order to ensure that the BTOP system has sufficient capacity to enable multiple concurrent calls in the volumes anticipated, SPS identified that procurement of fibre backhaul was required. In procuring the fibre, SPS would also be able to assess whether further resilience would be required through the provision of secondary lines as contingency (failover). This is customary for data networks where failover is crucial to ensuring continuity. For the in-cell telephony project, it would need to be determined as to how important this was and the cost:benefit of doing so.

Procurement

- 25 The procurement route for Phase 1 is detailed on the attachment below. This established that SPS would undertake the procurement of the mobile phones/SIMs and the MDMS in accordance with the Public Contracts (Scotland) Regulations 2015 regulation 33(1)(c) and 33(3) with the decision to do so informed by Scottish Procurement Policy Note 4/2020 “Procurement Regulations During COVID-19 Outbreak” (20th March 2020)
- 26 The Phase 2 requirements also required expediency in order that SPS could deliver both signal boosting and fibre backhaul at the earliest opportunity. This would provide an in-cell telephony service at all sites (including HMP Shotts which was omitted from Phase 1 due to technical inhibitors) and also address the issues with signal coverage and capacity that had been identified early in the project.
- 27 For the ‘In-Building’ requirement (signal boosting), the specific signal boosting requirements at each site could not be determined without a detailed site survey. SPS did not have the expertise to undertake this work itself. The procurement route for Phase 2 is detailed on the attachment below. It considered the options available with expediency and ‘speed to market’ once again being the key drivers here. It was assessed that the additional signal boosting work should be instructed as a contract change to the Phase 1 BTOP contract with BT.
- 28 This is a departure from the standard practice that SPS follows for any substantial contract activity. SPS routinely advertises contract opportunities above £20k in value and similarly follows the competitive (advertised) procedures as required for all ‘Regulated Procurements’; as set out in the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2015. The reasoning for this is set out in the Procurement Route documents.
- 29 As well as the urgency attached to this requirement, SPS established that BT had previously undertaken this type of work in an operational prison environment with a number of Ministry of Justice sites and was therefore familiar with some of the challenges that these physical environments present. BT would also be able to make reasonable and informed assumptions to enable the production of desktop surveys to enable indicative costs to be produced at an early stage. By incorporating the signal boosting into the existing contract with BT, SPS would be able to seek assurances from BT around that the overall system compatibility and ensure that there were no configuration issues.

30 For the Fibre Backhaul requirement, SPS considered a competitive tendering exercise and also expanding the fibre provision from its existing flexible band with provider for voice/data ([redacted]). However, there was a clear benefit from sourcing this from BT as part of the overall in-cell telephony solution with BT being responsible for providing the dedicated and secure mobile network. Furthermore, the Covid-19 restrictions in operation would mean that the timescales for sourcing fibre would be difficult to assure due to restricted service provision in operation and prioritisation. BT would be able to offer assurances that the fibre provision was prioritised as supporting an essential service. Finally, SPS established that fibre services from BT could be called off directly and compliantly from the Crown Commercial Services 'Network Services 2' framework agreement.

31 Costs and Value for Money Appraisal (Phase 2 Solution)

31.2 Indicative Costs

Before commissioning any of the Phase 2 services, SPS required to establish indicative costs. BT was able to provide this in the case of Fibre Backhaul, by applying the call-off rates from the Crown Commercial Services framework agreement. Options were therefore provided for 1-year and 3-year framework pricing based on primary lines or primary and secondary lines (failover). The indicative costs are summarised in Table 1 below. Due to the inability of SPS to confirm the time period for the services (see section 9 above), the costs are compared over a 12-month and 24-month period for illustrative purposes.

In addition, BT identified that there may be excess construction charges for deploying new fibre where extensive engineering work is required, for the primary and/or secondary lines at each site. The extent of this would only be determined by survey when the engineers attend site.

Fibre Backhaul	Indicative Costs (12 months)	Indicative Costs (24 months)	Notes
1-year framework pricing (primary only)	[redacted]	[redacted]	Includes an initial installation charge
1-year framework pricing (with secondary)	[redacted]	[redacted]	Includes an initial installation charge
3-year framework pricing (primary only)	[redacted]	[redacted]	No installation charge (inclusive)
3-year framework pricing (with secondary)	[redacted]	[redacted]	No installation charge (inclusive)

Table 5 - Indicative Costs (Fibre Backhaul)

In the case of the In-Building work, BT was able to undertake desktop surveys and in so doing, apply its experience of delivering signal boosting into a number of HMPPS prison sites in England and Wales - including some Victorian establishments which presented similar challenges to some of the SPS sites. The indicative costs are provided in Tables 2 below:

In-Building Services	Indicative Costs (12 months)	Indicative Costs (24 months)
Signal Boosting – supply and installation (15 sites)	[redacted]	[redacted]
Signal Boosting Equipment (maintenance)	TBC	TBC

Table 6 Indicative Costs (In-Building Work)

31.3 Final Costs and Value for Money Appraisal

Fibre Backhaul

Based on the indicative costs (see above), SPS expected to request 3-year framework pricing with secondary lines at an estimated cost of [redacted]. This was on the basis that this offered significantly better overall value for money than the 1-year pricing. When comparing the pricing over a 12-month and a 24-month period, the costs would be c. >50% and >40% lower respectively for the same service. In addition, the 3-year contract pricing did offer termination provisions should SPS be unable to continue with the mobile solution in the longer term for any reason. Furthermore, SPS Digital Services was satisfied that there remained the possibility of re-purposing the fibre backhaul to carry other voice/data services should this be required and provide ongoing utility in the event that the in-cell mobile telephony solution was discontinued for any reason. SPS would also be able to determine whether secondary lines were required at all sites and potentially further reduce the cost and, at the same time, avoid some of the associated excess construction charges, which themselves had yet to be determined (see above).

As the site surveys were progressed for Phase 1, SPS was able to assess the final requirements from the fibre backhaul provision, with a view to improving the overall value for money. This included:

- A better understanding of the signal coverage at each site from the Phase 1 BTOP solution. This enable a more informed assessment as to whether secondary fibre was required at all of the sites (i.e. on the basis that the Phase 1 solution itself, if effective enough, could ostensibly act as a secondary should the primary fibre fail). As a result, SPS determined that secondary lines were only required at 3 sites where the Phase 1 service was poor or non-existent, namely: [redacted under s35(1)(f)]
- In the case of HMP & YOI Cornton Vale, the first site to be implemented, the Phase 1 solution performed better than originally anticipated. Given that the establishment is due to close when the new Women's National Facility (under construction) comes into service and the existing prison was operating at reduced capacity, it was determined that there was insufficient value for money justification for providing fibre backhaul so this site was removed completely from Phase 2 with the operational risk here deemed to be manageable.
- HMP Kilmarnock, a privately operated prison was also removed entirely from the fibre backhaul requirement. This followed discussions with the prison operator and HMP Kilmarnock being given permission to implement its own viable solution for in-cell telephony and to do so at its own expense.
- The potential excess construction charges (ECCs) at each site were estimated to be [redacted]. However, the removal of the requirement for secondary fibre also removed much of the ECC costs. This was revised to [redacted] (this included a number of project management days), a reduction of [redacted].

Table 3 below provides a comparison of the final contract costs over 12 and 24 months. This timeframe is selected because SPS is unclear as to how long the in-cell mobile telephony service will be in operation (see 9.1. above). However, the Phase 1 solution has been procured on a minimum contract term of 6 months with the option to extend to 24 months so the comparison considers both the 24-month period and a shorter 12-month period. The above changes resulted in a reduction of the overall cost for the fibre backhaul from the original indicative costs estimate of [redacted] to a final cost of £162k, a reduction of [redacted], assuming a 24-month period.

[redacted under sec 33 (1)(b)]

In-Building Solution (Signal Boosting)

Detailed site surveys were undertaken at each site alongside the original desktop surveys. This confirmed the signal availability and coverage at all of the sites and allowed BT to adjust the proposed solution required to achieve full coverage in the required areas (adjustment of the number and positioning of boosters and aerials). In practice, there was very little variation in the overall cost from the original indicative costing. SPS was able to remove HMP Kilmarnock and HMP & YOI Cornton Vale from the scope of the In-Building Solution. This was for the reasons set out above and resulted in an overall reduction of the in-building cost of [redacted] (based on a 24-month comparison).

Table 3 details the final contract costs for Phase 2 solution. The final cost over 24 months of £1,673k includes the reduction through commercial discussions of [redacted].

Final Costs (Contract)	Indicative Costs (12 months)	Indicative Costs (24 months)	Final Contract Costs (12 months)	Final Contract Costs (24 months)	Reduction (24 months)
Fibre Backhaul (rental of lines)	[redacted]	[redacted]	£81k	£162k	[redacted]
Excessive Construction Charges (ECCs)	n/a	n/a	£25k	£25k	[redacted]
In-Building Solution - Installation	[redacted]	[redacted]	£1,201k	£1,201k	[redacted]
In-Building Solution - Maintenance	n/a	n/a	£143k	£285k	n/a
Phase 2 Costs Total				£1,673k	[redacted]

Table 7 - Phase 1 - Final Costs vs. Indicative Costs

* Indicative costs assumes sourcing of both primary and secondary lines based on the lowest (3-year framework) pricing.

** Reduction in ECCs due to reduced use of secondary fibre and removal of HMP & YOI Cornton Vale and BT absorbing its proposed additional project management costs.

32 Value for Money Appraisal - Conclusion

As set out in the value for money appraisal of the Phase 1 of this project, in normal circumstances, a project of the scale and complexity of In-Cell Mobile Telephony would take many months to plan, assess delivery options and produce a detailed statement of requirements. Following this, it would take at least 6 months to procure. This would involve an advertised EU competitive tender procedure or a call off under an existing framework. In this way, the procurement activity would help to drive the development of business need, final solution selected and also provide a competitive dynamic upon which to base any value for money assessment.

The backdrop to the project was one of considerable uncertainty around the impact of Covid-19 and how this might evolve over time. Central to this was the inability of SPS to determine how long the response period would last or the types of response measures that would be necessary as things progressed i.e. to contain the spread of Covid-19 in prisons and to ensure the safety and well-being of all those who live and work in a prison setting.

Phase 1 of the project was commissioned under extreme urgency and the even the full scope of Phase 1 was not fully known at the outset, it evolved as the project progressed. Similarly, the Phase 2 requirements came about only once SPS understood the likely extent of the deficiencies in the (fairly rudimentary) Phase 1 solution as the sites were surveyed and the Phase 1 solution started to be deployed.

SPS also began to understand that the Covid-19 response period was not going to be short-term nor was there any certainty about the need for future local or national lockdowns.

SPS did, however, act swiftly and decisively as soon as it was understood that a more effective and resilient in-cell mobile telephony solution was going to be required and for a longer period than was at first understood. These allowed any commissioning and procurement activity to be undertaken promptly to enable the Phase 2 solution to be developed and delivered rapidly to support the Covid-19 response.

SPS therefore elected to utilise the 'best fit' supplier to develop detailed requirements in conjunction with the supplier, informed by the capability of available solutions and ensure that the Phase 2 solution was compatible with Phase 1. This approach makes the determination of value for money very difficult in the absence of a truly meaningful competitive benchmark. Nonetheless, a record of value for money improvement is possible through the record of proposal development, negotiation and the overall commercial position reached as detailed in this paper.

Once again, any value for money assessment should also consider the following:

1.1. Timeline / Return on Investment

- The investment timeline for this project was always difficult to ascertain because the Covid-19 response period is impossible to determine and the longer term use of mobile phones in cells is yet to be confirmed. However, SPS has been able to contract for Phase 1 and 2 in a way which provides some flexibility on the contract period. This has the benefit of not over-committing some of the expenditure until the solution's effectiveness has been properly tested in use and ongoing legal authorisation for continued use confirmed;
- Notwithstanding the above, SPS will be able to extract greater utility and the overall value derived from the solution will improve, the longer the solution is in use;
- SPS had commissioned a project at HMP & YOI Polmont to provide telephones in cells using digital handset technology based on a wired solution. The project was scheduled to deliver the system in September 2020 with a project budget of [redacted] excl. VAT. SPS has stopped this project at an early stage in the expectation that there is a real possibility that the mobile-based solution, if enhanced through the introduction of a second phase (to provide full signal coverage and greater capacity) will offer a viable alternative and any future investment in projects such as that proposed for HMP & YOI Polmont will no longer be necessary; and
- SPS has the option of introducing a charging mechanism for the system in the future and this will be a key consideration in any decision about the timeframe for using the in-cell telephony solution and the return on investment derived from it.

1.2. Operational Benefits

Real value for money derived from this project can only truly be determined by considering the wider benefits and outcomes from its use and this is best measured over a period of time in use. However, the rapid deployment of a workable in-cell telephony solution had an immediate impact on the SPS operation including:

- The ability to contribute to operational stability in prisons during the impact of the Covid-19 pandemic and where SPS necessarily closed large parts of the regime to prevent spread of infection;
- Normal prison regime activities such as work, education, access to out-of-cell exercise, and family visits have been reduced or fully suspended for the foreseeable period. (Daily social interaction and family contact is seen as vital to maintaining good order and supporting wellbeing);
- The service has had a significant uptake and impact from deployment. As the first few sites being deployed on a sequential basis from 15th June, some 16,500 calls had been made by 30th June; and

- Due to the Covid-19 response. There is limited access to face to face support services (including counselling, social work, Samaritans Listener scheme etc.) due to national and prison specific infection control measures. A number of calls were made to the Samaritans very quickly after deployment and by 30th June with only 6 sites live, more than 350 calls had been made to the Samaritans. It is impossible to know the real impact here but it is evident that this is being used to support the personal well-being of those in the care of SPS.

This file note provides an appraisal of Value for Money in respect of the In-Cell Mobile Telephony Project undertaken as part of the SPS Covid-19 response. This considers Phase 2 of the project. A similar file note for Phase 1 of the project was submitted on 21st September 2020.

[redacted]

28th September 2020