**NAO Podcast on Electronic Monitoring Transcript**

**Hello and welcome to the NAO podcast**

**The Ministry of Justice has used electronic monitoring for the management of offenders since 1999. In 2011 the Ministry sought to re-procure the service through a multi-supplier model, but the programme has been heavily delayed and a new service is not yet in place. The NAO have published a report which explored the key reasons for the delays and assess if the Ministry has learnt lessons from its past experiences in its current approach. I’m joined by Oliver Lodge, the Director who worked on the report.**

**Why was there this desire to expand electronic monitoring?**

There were a few reasons. The existing contracts with G4S and Serco were coming to an end in 2013 and the Ministry saw an opportunity to both reduce the cost of EM and encourage new suppliers into the tagging market to reduce its reliance on big providers.

But the Ministry also wanted to take advantage of advances in technology, notably GPS, to provide more flexibility for future sentencing options. So it set out to procure a new bespoke, world leading tag that combined GPS and Radio Frequency technology to be used on all tagged offenders. It did this because it assumed there’d be a high demand for the new tag. Unfortunately it didn’t do enough to establish the case for a big expansion of location monitoring. There is limited evidence on the effectiveness of location monitoring in the UK and the Ministry didn’t run a pilot to test demand. In some ways the programme was a solution looking for a problem.

**How was this supposed to work?**

The Ministry chose to use a ‘Tower’ approach for the new service, where different elements of the service are contracted for through different providers. So separate providers supply the tags, the mobile communication network, the processing of data, and the monitoring service itself, with all this work being pulled together by what’s termed an integrator. By breaking up the service the Ministry hoped to attract new, smaller providers, and introduce greater flexibility so that it could swap out providers over time and take advantage of advances in technology.

The Ministry hoped to sign the contracts by August 2012 and start using the new tags some 15 months later by November 2013.

**So we have that as the Department’s plan. What happened in reality?**

It’s fair to say things didn’t go to plan and the Ministry’s ambitious timetable proved unachievable. Firstly the signing of the contracts was delayed in 2013 when the Ministry discovered overbilling in the existing G4S and Serco contracts. Two failed procurements for the tags then extended the delivery timetable further. There were issues with other suppliers too, including a dispute with the integrator over the interpretation of the contract.

The Ministry itself contributed to the delays. It lacked the capabilities required to manage a programme of this size and complexity, especially bearing in mind that it had never used the Tower model before. It suffered from high staff turnover, including at leadership level, because staff were being pulled on other programmes deemed of higher priority. To illustrate, the programme has had 5 SROs in six years. The Ministry’s governance arrangements were also weak, characterised by a lack of accountability to the SRO and teams operating in silos. All of this caused the Ministry’s decision-making to be excessively slow at times.

We also report on the Ministry’s failure to flex its management approach to take into account the much more limited resources of smaller suppliers on the programme.

**You said that this programme has been delayed by 5 years – has it actually achieved the benefits it was supposed to?**

Put simply, no it hasn’t. First and foremost the programme was intended to reduce the cost of running the EM service by between £9 million and £30 million per year, and remember it hoped to have the new tags being used by November 2013. The five year delay means that the new tags will not be deployed before the end of 2018, and the savings have therefore not been delivered so far. On top of this the programme has so far cost £60m, and will cost a further £70m before it’s complete. The Ministry has, however, claimed price reductions of just over 10% in the running of the existing monitoring contract.

Beyond the financial savings, the programme was also expected to deliver benefits from providing more flexible sentencing options, hoping that courts would use the new tags as an alternative to more costly prison sentences. In its original business case the Ministry estimated that between 160,000 and 220,000 offenders would be tagged under the new service in 2016-17. The actual figure for the existing service is likely to be less than 65,000. So nowhere near expected levels.

**And what’s happening now?**

The Ministry recently announced that is has appointed G4S as preferred bidder for the new tags, which will be “off the shelf” rather than bespoke. This is a pragmatic approach, recognising that GPS tracking is not required for all offenders, but represents a marked departure from the Ministry’s original aims. It also means that the new service will be much closer to what was in place before the programme started.

The good news is that the Ministry has made improvements and taken action to address many of the issues we identified. For example, it has benefited from more stable leadership since the arrival of a full-time, rather than part-time, SRO in 2016, and it is currently looking to make governance changes. Alongside this, there are signs that the culture of the programme has improved, not least since the resolution of disputes with suppliers.

Importantly, the Ministry is also finally running pilots of GPS tags to inform its decisions, and it as a revised set of more deliverable and prioritised set of objectives for the programme.

**I’m assuming the NAO isn’t going to say this was value for money - So what does the NAO recommend?**

You’d be correct. And we make a number of recommendations, both about the EM programme and also the Ministry’s wider commercial and programme management because it’s important that lessons are learned from this programme.

Crucially, we recommend that the Ministry keeps sufficient technical and programme management capability in place for the remainder of the programme. This is especially important as the Ministry has brought the integrator role in-house, which will require much closer management of the service.

It will also have to make the most of the pilots, which currently look like they may not provide sufficient information on the level of demand for GPS tagging or the impact on reoffending. And the Ministry has a lot of work to do to promote the appropriate take-up of tagging options by the courts to reverse the steep decline in usage that has occurred.

Our wider recommendations for the Ministry have to do with the management of SMEs on large programmes, the scrutiny of business rationales for developing new applications for technology, and the planning of resources when there are multiple competing priorities.

**If you would like to find out more about this report, the full report and an executive summary are available on our website,** [**www.nao.org.uk**](http://www.nao.org.uk)**. Or you can follow us on twitter @NAOorguk or on Facebook www.facebook.com/NAOorguk/**

**Thank you listening.**