

**GMB**

Mary Turner House,
22 Stephenson Way, Euston
London, NW1 2HD
020 7391 6700
info@gmb.org.uk
www.gmb.org.uk

Minister of State
The Rt Hon Edward Argar MP
House of Commons
London
SW1A 0AA

By email: edward.argar.mp@parliament.uk

Date: 15.01.24

GEOAMEY PECS 4 CONTRACT – GMB CONCERNS

Dear Minister,

I am writing on behalf of GMB as the sole recognised representative of staff employed by GeoAmeY on the PECS 4 contract (North Lot) to raise a number of concerns.

In October last year I wrote to Ms Angela Constance, Cabinet Secretary for Justice and Home Affairs in Scotland, raising a number of concerns about the impact the loss-making Scotland contract is having on the PECS 4 Contract (North Lot).

We have previously been advised by GeoAmeY that the PECS 4 and Scotland contracts are considered, and operate separately, but the most recent annual accounts indicate a high degree of cross-subsidy is occurring, which we believe is negatively impacting on its PECS 4 contract.

The current issues that they are experiencing on both contracts, particularly regarding staff retention due to low wages, has been exacerbated by their decision to pay significant shareholder dividends of nearly £10M in the past two years alone, in the wider context of what the Company itself describes as the declining profitability of the PECS 4 contract.

Initial feedback from the Scottish Minister is that the workforce investment in Scotland is having a positive impact on staff retention and consequently court operations.

However this contrasts with PECS 4, where the profits from this contract have been subsidising the Scottish contract, with the Company claiming it cannot address the issue of staff retention due to funding constraints.

This constraint has resulted in GMB members returning a 98% rejection of the Company wage offer for 2023.

This is a significant warning to the Company and ultimately the HMPPS that there is overwhelming anger at the current state of affairs, and as in Scotland it could impact negatively on court operations, as well as putting the health and safety of Officers in jeopardy due to a shortage of staff.

There is also a further risk of increased staff shortages with the proposed increase in the 2024 National Living Wage which will further erode the value of the work performed by this professional and vital workforce.

GMB believes that the current operation of the PECS 4 Contract (North Lot) has similar echoes to Scotland, and we are concerned that the operations are going to run into the ground, requiring further state funds, again putting the health and safety of Officers in jeopardy due staff shortages.

Ultimately we believe that the payment of significant shareholder dividends at the expense of contract performance and workforce investment, has similar echoes to the corporate behaviour of Thames water, which has attracted strong criticism from across the spectrum.

Therefore we would request an opportunity to present our concerns and to assess if the Company is consistent in its description of its activities and contractual operations, including the wider issue of its decisions to divert funds to corporate shareholders at the expense of frontline staff and contractual obligations.

I look forward to a positive reply from you.

Yours in union.



EAMON O'HEARN
NATIONAL OFFICER

CC Ruth Cadbury, Shadow Minister for Justice
Tim Coates, Head of PECS