

# The Scottish Executive's

Consultation on the Future  
of the Scottish Prison Estate



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**SCOTTISH PRISON SERVICE ESTATE**

**CONSULTATION PAPER**

# PROPOSALS FOR THE FUTURE OF THE SCOTTISH PRISON SERVICE ESTATE

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# PROPOSALS FOR THE FUTURE OF THE SCOTTISH PRISON SERVICE ESTATE



## Foreword

1. The Scottish Prison Service ["SPS"] is a key but often unsung player in Scotland's Justice System. The SPS holds in custody people sentenced by the courts and those remanded awaiting trial. Scotland's prison estate is in need of major upgrading. Much of it was built in Victorian times and, although our Victorian ancestors built prisons to last, they are not suited to a modern prison service.

2. The Executive is committed to creating a 'Safer and Fairer Scotland': Significant success has been achieved as crime overall, measured both by recorded crime and victim surveys, is reducing. There remain serious problems of violent and drug related crime. The prison system has an important part to play in dealing with crimes. Imprisonment is not the answer - we believe - for many less serious offenders, and that is why the Scottish Executive has been acting to increase the range and quality of the non-custodial disposals available to our courts. For example, Restriction of Liberty Orders ("electronic tagging") are being made available to all Scottish courts this year. But there will remain serious offenders and crimes where deterrence and the protection of the public will require sentences of imprisonment, often of substantial length. These are matters for the judiciary, not the Executive, to determine in each case. We need a prison system and a prison estate which is capable of dealing with such offenders. The SPS has launched a new agenda of Correctional Excellence focussed on increased protection for the public by aiming at reduced levels of re-offending. It is critical that the prison estate is suitable for the new strategy.

3. As a first step towards creating a modern correctional agenda we need to replace the approximately 1900 prisoner places in Scotland that, during lock up periods, do not have access to toilet facilities other than chamber pots, buckets, or porta potties which have to be 'slopped out'. Some of our prisoners are still being held in wooden huts built for the Second World War effort. These and other problems of an outmoded estate are intensifying as the buildings require more and more repair and as the prisoner population increases as it is projected to do. Overcrowding brings many difficulties (and the sharing of cells without sanitation is particularly undesirable). We should aim to provide flexible, safe cellular accommodation which allows each prisoner reasonable personal space and dignity.

4. The most important issue however is that the unsuitable accommodation makes it harder for the SPS to engage prisoners in one of its key tasks of preventing re-offending. That is why decisions have to be made now about the future shape of the SPS estate. These decisions will determine the forward planning for the estate over at least the next 10-year period so that the focus for the SPS can move from managing prisoners in poor accommodation to reducing re-offending by helping prisoners to address their offending behaviour.



5. The Scottish Prison Service has taken steps to improve the efficiency and effectiveness of the prison estate. As part of its "Living Within Our Means" Review, in November 1999, the SPS took action to close HMP Dungavel and HMP Penninghame prisons; to mothball the Peterhead Unit; to amalgamate HMP Perth and HMP Friarton; to merge smaller units; and to move ahead with the planned closure of HMRI Longriggend.

6. Following from the "Living Within Our Means" Review, it was clear that a more fundamental examination of the prison estate was required. Since the issues involved expenditure which is significant for the whole Scottish Executive budget it was determined that Scottish Ministers would take the final decisions in light of the SPS work which has been called simply the "Estates Review".

7. The Estates Review costs have been separately and independently verified by PricewaterhouseCoopers ('PwC'). Ministers asked PwC to carry out this detailed verification task so that decisions could be taken in the knowledge that the financial assumptions underpinning the Estates Review were sound.

8. Having studied the findings of the Estates Review and the PwC work, the Executive has decided to make the proposals contained in this Consultation Paper. Our proposals affect all of us in Scotland, not only those who work in the SPS, or are held in custody, but the taxpayer who pays the costs, and all of us who live our lives more safely because of the work of those who look after our prisoners. In preparing these proposals the Executive have been determined to ensure that our policy of securing best value for money is clearly demonstrated. The future shape of the prison estate is affected by the future number of prisoners, by initiatives being taken forward by the Executive to tackle the levels of crime in our society, particularly serious crime which remains unacceptably high, and by the Executive's continuing development of credible alternatives to custody for lesser crimes.

9. We are publishing the statistical basis for the projected prison population as an appendix to the Estates Review and separately PricewaterhouseCoopers independent report to assist proper public scrutiny of these proposals. In addition, SPS have recently published the contract between SPS and Kilmarnock Prison Services who have built and operate Scotland's first PFI at Kilmarnock.

10. The Executive's proposals focus on three main challenges: **to provide enough places for the prisoner population; to end the practice of slopping out in our prisons as quickly as possible; and to find the option which represents the best value for money to the taxpayer**, bearing in mind the other demands on our nation's money for healthcare, schools, etc. This paper puts forward the Executive's firm proposals: but no decisions have been taken and the Executive wishes to consider the views of all those who respond to this public consultation before reaching its decisions.

11. The consultation period lasts until Wednesday 12 June 2002. I urge all those with an interest to contribute their views.



**Jim Wallace MSP**  
**Deputy First Minister and Minister for Justice**

## Introduction

1. The Scottish Executive must soon make decisions about the long term future of the Scottish Prison Service ["SPS"] estate if the SPS is to achieve its Vision of Correctional Excellence, "to be recognised as the leader in prisons' correctional work which helps reduce recidivism and thereby offers value for money for the taxpayer". A key step towards that Vision would be to put an end to the practice of prisoners slopping out and have in place enough decent accommodation to hold safely Scotland's prisoners during this decade and beyond. This paper reviews the main options to achieve these objectives. Prison accommodation takes a long time to plan and build.

2. Most decisions about the prison estate should, and in the future will, remain the responsibility of the SPS, such as where to build new prisoner accommodation ("houseblocks") or to repair or to close existing accommodation. Such matters are operational decisions and it is right that the Agency Board remains in control of the SPS in accordance with the SPS Agency Framework document. In late 1999, the SPS made a number of decisions about action required to increase the efficiency of its prison estate. That work made clear that the scale of the improvements needed to create an estate fit for purpose was significant and fundamental to the future of the SPS. That realisation led to the SPS Estates Review.

3. Due to the complex issues involved, the SPS Estates Review has been a long task but it is now complete. Its findings on the estimated costs of the options examined have been separately analysed and endorsed by independent consultants, PricewaterhouseCoopers ["PwC"]. The work by PwC separately verifies the financial assumptions underpinning the Estates Review. The SPS Estates Review including the statistical basis for the projected prison population and the PwC report are also separately published today.

4. We have considered the SPS Review, the PwC findings and the projections of prison population, together with the possible impact on short-term prisoner and remand prisoner numbers of new Executive policies and alternatives to custody. This document now puts forward the Executive's recommended proposals. It begins by providing a brief background to the work currently being done by SPS and its aspirations for the future, then outlines the present condition of the prison estate, and the demand for prisoner places. The options considered are then reviewed together with their impact on the timescale for ending slopping out. The options for 3 key prisons HMP Barlinnie, HMP Low Moss and HMP Peterhead are then outlined. The future of the estate with regard to women offenders will be considered by SPS in the light of the report on women offenders from the group chaired by the Deputy Justice Minister. All options are supported by financial costing models confirmed by PwC. The impact of the proposals on prisoners and on SPS is then discussed. The paper concludes with a summary of the options and the Executive's proposals on which respondents are asked to focus.

5. All those with views or comments are invited to submit these by 12 June 2002 to:

Estates Review Team  
Scottish Prison Service Headquarters  
Room 338  
Calton House  
5 Redheughs Rigg  
EDINBURGH EH12 9HW  
Or, email to: [er.consult@sps.gov.uk](mailto:er.consult@sps.gov.uk)

Note: Responses may be made public unless the respondents make clear that they wish their response to remain private.

## The Scottish Prison Service

1. The Scottish Prison Service, an agency of the Scottish Executive Justice Department, delivers prison services to the Scottish Executive. Most people go about their daily lives unaware of the work being done by the SPS every day of the year. This is not surprising since most of the work is carried out behind security walls or fences. Yet the work of the SPS is vital to the wellbeing and protection of Scottish society.
2. For most people, ideas of prison life comes from television or films. These images are wrong. Prisons are not glamorous. Prisons contain a wide range of individuals not only master criminals, drug barons or multiple murderers. All of Scotland's convicted prisoners will have committed crimes, and sometimes serious crimes and many will be people from whom the public needs to be protected; but many have also been victims of crime and are also themselves easily preyed upon by more unscrupulous criminals. A challenge which the SPS has faced in recent years has been the massive growth in the numbers of prisoners who have a pattern of drug misuse. Eighty to ninety per cent of prisoners are drug takers.
3. Although the SPS currently holds an average of about 6,200 prisoners a day, there are over 30,000 people who are received into prison every year including sentenced prisoners, fine defaulters and remands. The substantial number of receptions for remand and very short-term sentences makes it difficult for the SPS to undertake the important task of trying to get these individuals off drugs, to tackle their educational difficulties, and to enable them to address their offending behaviour etc., so that they have a better chance of getting a job and staying away from crime when they are released. The Executive will, in due course, publish a separate report on short-term offenders.
4. Many offenders have never been in employment. Most will have no educational qualifications: indeed most have poor reading and writing skills. A number are illiterate and have little numeracy. Some will be homeless. Many of the young offenders have been 'looked after' children. The Executive believes that many prisoners can be helped by a combination of the work done in prisons and outside to address offending behaviour. Prison can be an opportunity to deal with some health problems, especially drug misuse, to improve poor reading and numeracy skills, to make prisoners more employable through training and education, and above all to give those whose offending behaviour stems from poor esteem, some self-confidence and a feeling of self worth.
5. The Executive has introduced new forms of non-custodial sentences and is extending their availability. Many of the newer initiatives have yet to prove their worth fully in meeting the twin aspirations of punishment and rehabilitation. There are also further measures yet to be tested including piloting the use of the Children's Hearing System for immature and vulnerable petty offenders of 16 and 17 years of age. The Executive is also determined to place the victim more centrally within the justice system. It expects that systems of restorative justice will play a significant part in the justice system of the 21<sup>st</sup> century in Scotland.
6. This is the context in which the Scottish Prison Service launched its Vision in December 2000. The SPS Vision states: "**Correctional Excellence: SPS will be recognised as the leader in prisons correctional work which helps reduce recidivism and therefore offers value for money for the taxpayer**" and this Vision now firmly underpins the work of the SPS.

7. This focus by the SPS on correctional excellence, rehabilitation and care is very important. A prison system should help to reduce crime by working with prisoners to help them change their behaviour so that they are not released simply to offend again and return to prison. The sad fact is that 40%-50% of Scotland's prisoners return to prison within just 2 years of being released, and the figure for returnees in the young [16-21] and short-term adult [over 21] categories are even higher though these figures compare favourably with international comparisons. Prison should not just be about locking people away from society; it should be about helping them realise that their behaviour can change and that there is a different way to live their lives. This makes economic and social sense too because it should reduce crime and all the costs and the misery associated with it.

8. The SPS has done a great deal already to bring innovative education and correctional programmes into prisons. Many programmes are now accredited following a rigorous assessment. More needs to be done, but this can only succeed if prisoners have accommodation that meets the test of decency, and in which they feel safe. A significant part of the present estate is not fit for this purpose and the conditions in which almost a quarter of prisoners are required to live militates against the aims of the SPS Vision.

## **The Scottish Prison Estate**

9. The Scottish prison estate is an eclectic mix of buildings. There are 17 prisons (16 in Scotland and a temporary prison, HMP Zeist in the Netherlands). Much of the estate is Victorian but these prisons do not meet the standards expected in a modern society. In 2002, it is not satisfactory that around 1,900 of prisoners in Scottish prisons are required to go through a process of slopping out every day. Moreover it is equally unacceptable that SPS staff, and those in other organisations which deliver services in prison, have to work in these conditions.

10. Most people don't know what prison life is like and never will. Their view of prison might be a glimpse of roofs over brick wall or through a security fence. Prisons often look just like an odd mixture of buildings. In fact, every prison is very much like a small town or village. Prisoners' residential accommodation is usually in the form of "houseblocks" in which the prisoners live in cells, sometimes in single occupancy, but sometimes sharing. Some prisoners are still housed in old-fashioned dormitory accommodation. Whatever the shape of its accommodation, each prison has its own educational facility, workshops, sports facilities, and even a shop. Its inhabitants need to be able to visit the doctor and the dentist, to meet visitors, to go to work or to study; all the things that happen in any town or village any day of the week. The difference is that these things happen within the secure perimeter of the prison and almost every service has to be brought in and delivered in a controlled way to the prisoners: they cannot go out to get them.

11. The largest prison in Scotland is HMP Barlinnie, near Glasgow, where over 1,000 prisoners are currently held although the current available capacity is 825 places. The smallest is HMP Inverness, holding just over 100 prisoners and hidden away just a few minutes from the town centre, but with just as vital a role to play in the community. Different prisons have different roles. Some, like Barlinnie and Inverness, are local prisons accepting all the prisoners sent to them by the courts, either sentenced, or remanded awaiting trial or reports. These prisons need to be near the population centres because the prisoners must be able to go to court, to receive legal visits, and to be visited often daily by their families. The latter is especially important. Families should not be punished too: a prisoner is someone's husband or wife, partner, or son or daughter, and families should be able to visit them regularly. Each year, there are as many as 10,000 children who have a parent in prison. Maintaining family ties and contact is essential because it helps prisoners to cope, not only during their time in prison, but also during their integration back into community on release.

12. Some prisons concentrate on particular categories of prisoner: long-term, women, young offenders, etc. The following Table A gives a brief description of the prisons, their design capacities, and the types of prisoners they hold.

**Table A**

**ESTABLISHMENTS**

<b>Local Prisons</b>  (Design Capacity)	<b>The main function of a local prison is to serve its geographical area and it receives prisoners direct from the courts. Normally it accommodates all male remands and male adult convicted serving up to four-year sentences. Locals may also accommodate females and Long Term Prisoners (LTP).</b>
Aberdeen ( 155 Spaces)	Additionally has a small unit for females. Takes a small number of LTPs for accumulated visits or operational reasons.
Barlinnie (1009 Spaces)	Largest prison in Scotland serving the busy West of Scotland courts. Holds Long Term Prisoners on conviction until space is available at their allocated establishment.
Dumfries (162 Spaces)	Local prison for Dumfries and surrounding area. It also has a small female unit (temporarily closed). See also Dumfries YOI.
Edinburgh (643 Spaces)	Large local prison for Lothians, Borders, and South Fife. Holds Long Term Prisoners on conviction until space is available at their allocated establishment. It has a national top-end facility for LTPs nearing the end of their sentence.
Greenock (254 Spaces)	Local prison for West of Scotland courts. It has a national top-end facility for LTPs nearing the end of their sentence.
Inverness (108 Spaces)	Local Prison serving Highland and Island courts. It also has a small female unit.
Kilmarnock (548 Spaces)	Local prison serving South West Scotland. Like Perth, it might better be described as a mixed prison as it holds male remands, and male adult short and long-term prisoners. It is run under contract by a private company.
Perth (593 Spaces)	Local prison serving Tayside including North Fife. Like Kilmarnock, it might better be described as a mixed prison as it holds male remands, and male adult short and long-term prisoners.
<b>Short-Term Prison</b>	<b>Although this prison deals with a local area it is not a local prison in that it does not take remands and does not receive prisoners direct from courts.</b>
Low Moss (375 Spaces)	This establishment takes short-term male adult prisoners allocated from Barlinnie. Prisoners are accommodated in dormitory conditions.
<b>Long-Term Prisons</b>	<b>These prisons do not receive LTPs direct from the courts but from local prisons or from the National Induction Centre.</b>
Glenochil (496 Adult Spaces)	The main part of this establishment is for LTPs including a section for sex offenders who have refused to participate in the Sex Offending Treatment Programme. There is also a completely separate YOI within the same perimeter.
Shotts (528 Spaces)	Shotts is an establishment for convicted LTPs only. Within its perimeter it also includes in separate units the National Induction Centre (NIC) and Shotts Unit. The NIC takes prisoners serving 10 years to life at the start of their sentence whilst the Unit (temporarily closed) takes prisoners who require intensive work prior to returning to mainstream conditions.
Peterhead (306 Spaces)	This establishment is for convicted sex offenders serving terms of four years and over, including life sentence prisoners.

<b>Young Offenders</b>	<b>Young Offenders' Institutions are for 16-21 year old offenders.</b>
Dumfries (162 Spaces)	The Young Offender section of HMP & YOI Dumfries takes Long Term Male Young Offenders until they are of age to move to Adult LTP establishments. They also accommodate some Y.O.s who have been difficult to manage at Polmont.
Glenochil (174 Spaces)	The Young Offenders at Glenochil are accommodated separately from the adult population and are of lower security category either serving short sentences or nearing the end of longer sentences.
Polmont (422 Spaces)	This is the main Young Offenders' Institution in Scotland and holds all categories of convicted male young offenders and allocates Y.O.s, as appropriate, to Glenochil and Dumfries.
<b>Open Prisons</b>	<b>These establishments primarily hold adult male LTPs in open conditions preparing them for release. They also accommodate some short-term prisoners of lowest security category.</b>
Castle Huntly (151 Spaces)	
Noranside (135 Spaces)	
<b>Female Prison</b>	
Cornton Vale (230 Spaces)	This establishment accommodates all female remands and convicted prisoners and young offenders with the exception of the small numbers in the local units at Aberdeen, Dumfries, and Inverness.
<b>Miscellaneous</b>	
Zeist (6 Spaces)	This establishment was built in the Netherlands to hold defendants in the Lockerbie trial. Currently it holds the one prisoner convicted at the trial pending his appeal. It is operated and managed by the SPS.

**NOTES:**

1. Though shown in two separate categories, HMP & YOI Dumfries and similarly HMP & YOI Glenochil are single establishments under one Governor-in-Charge.
2. The two Open Prisons are to be managed by one Governor-in-Charge.

## Scotland's Prisoner Population

13. Prisoner population projections are not made by the SPS nor by Ministers, but by professional Scottish Executive statisticians who study long-term trends. The recent evidence is that crime is falling in Scotland whether measured by recorded crime or by regular Crime Survey evidence, which studies victimisation rates. Nonetheless, the prisoner population is rising and despite some occasional decreases, the overall trend is upward. Currently, around 6,200 prisoners are being held in custody. This is around 300 more than a year ago, and compares with about 4,800 in 1992.

14. So why are prisoner numbers on the increase if crime is falling? There are many factors affecting the future prison population. The largest variables are the numbers convicted and sentenced to custodial as opposed to non-custodial sentences, the length of sentences imposed by the courts and the length of sentences actually served. Firstly the combination of Executive policies in support of the police have resulted in the highest detection rate since 1939. In particular, the Executive has introduced direct measures to deal with crime, particularly serious and drug related crime. Resources have been allocated to allow record police numbers and this step, together with improved management and better technology, has led to these high detection rates. Levels of drug related crimes and violent crime remain high, and police action to deal with them properly leads to convictions which merit substantial sentences of imprisonment. This is reflected in the prison population we see today. 41% of our convicted population have been found guilty of a serious crime of violence and 15% were sentenced for drug offences. 43% of the average daily prison population are serving sentences of four years and over.

15. As the criminal justice system increasingly concentrates on more serious crime and as we become more successful at finding and prosecuting the individuals responsible for such crimes, we would expect to see greater numbers being imprisoned for longer periods of time. The Executive's new policies and legislation to tackle domestic abuse and to protect alleged rape victims from direct questioning by the accused may also lead to an increase in the numbers of sentenced offenders.

16. Because, in part, of the increasing use of alternatives to court proceedings such as fiscal fines and warnings, the proportion of convicted offenders fined by the courts has been decreasing; down from 77% of all sentences in 1990 to 65% in 2000. There has been a modest growth in the absolute number and relative use of community based sentences such as probation, community service orders, restriction of liberty (electronic tagging) orders and supervised attendance orders; up from 5% of all sentences in 1990 to 11% in 2000. The use of custody also increased from 7% of all sentences in 1990 to 13% in 2000. But custodial sentences have also lengthened steadily since 1980 and are on average over 40% longer.

17. The Scottish Executive has already made clear its view that custody should be used only for the most serious crimes and offenders. For instance the average daily prison population of 61 for fine default represents around 7,700 receptions into custody since the average fine defaulter spends only 3 days in prison. Two fifths of prisoners received into custody have been sentenced for crimes of dishonesty and a further third for an "other" crime or offence mainly petty assaults, breach of the peace etc. That cannot make good sense and the Executive is keen to find alternative, but nonetheless effective, penalties for such individuals. The Executive's policies on extending and introducing new sentences are designed to offer the courts a variety of robust alternatives to custody which can not only satisfy the requirements for a punishment element but also provide a better chance of rehabilitation. These measures include supervision orders along with deferred sentences, extension of the Children's Hearing System to vulnerable and immature 16 and 17 year olds and the rolling out of restriction of liberty orders (electronic tagging). Increased bail

provisions and bail supervision for lesser offences, as an alternative to remand, would complement the above measures.

18. As these measures mainly provide alternatives to short-term prison sentences, they therefore have a much greater impact upon reception numbers than on the average daily prison population. The introduction of Drug Courts and Drug Treatment and Testing Orders (DTTOs) are one measure designed to tackle high tariff offenders and may therefore have a more significant impact upon the average daily prison population. An estimated reduction of 300 in the daily population has been suggested once these disposals are fully operational. However it is very difficult to estimate the overall extent of any possible reduction in the population of prisoners serving any particular length of sentence as a result of extending non-custodial disposals. Experience in the 1990s has shown that over a period when the use of community penalties grew, the prison population also grew.

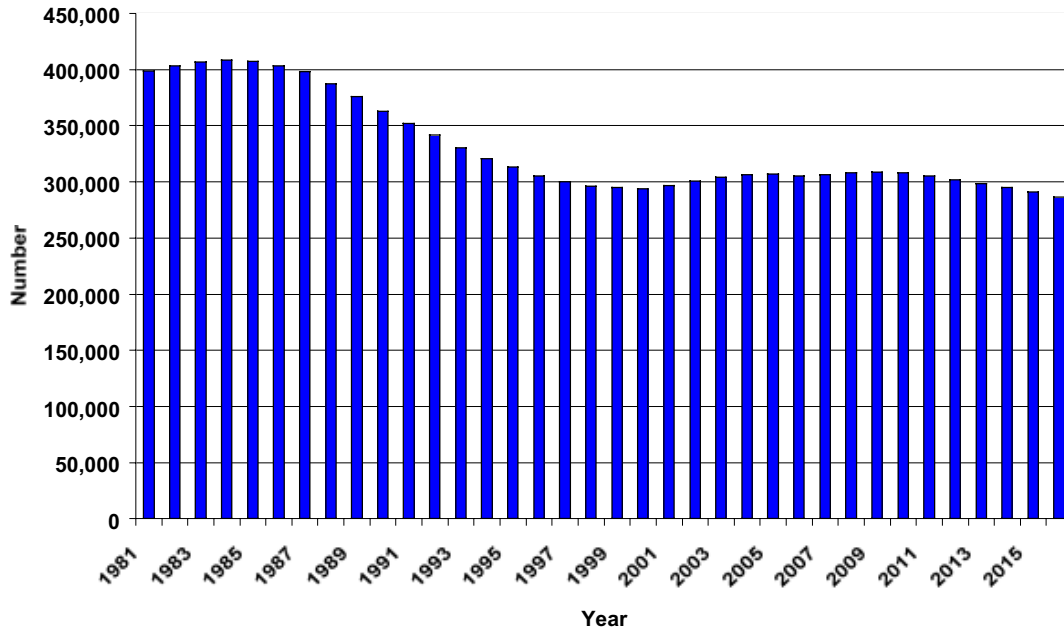
19. There are other factors affecting the prison population. However these are only likely to have a marginal effect if any on overall numbers. They are:

- finding better ways of dealing with fine defaulters (7,700 receptions annually serving an average 2.8 days - an average daily population of only 61)
- the abolition of 'additional days' awarded by Governors for disciplinary reasons
- the setting of punishment parts for mandatory life prisoners, which could result in some coming into the review system sooner than expected and others later - but they will only be released if the Parole Board determines it is safe to do so.

20. Projecting the future prisoner population is a very difficult task. The projections which have been made do not depend on forecasts of crime levels for the years ahead. They are based on the numbers entering custody over the past 10-28 years and the sentencing trends observed over that period, since it is the sentencing behaviour of the courts which most immediately determines the prison population and this is largely outwith the control of the Executive. As the projections do not depend on forecasts of crime levels, they also are unaffected by any impact of demographic changes. Analysis has concluded that there is no clear relationship between the level of crime and the number of young people, as other socio-economic and cultural factors clearly have a stronger effect on crime levels. In any case the numbers of young people up until 2011 are projected to remain relatively stable as illustrated in Chart A below. The projections of the prison population assume that the trends in sentencing behaviour will continue. On this basis the latest central projection, prepared in September 2001, is for a prisoner population which reaches 7,700 over the next ten years. There is in fact a possible range of realistic projections from 6,700 to 8,500, as illustrated in Chart B below.

Scottish Male Population aged 16-24<sup>(1)</sup>: projections to 2016

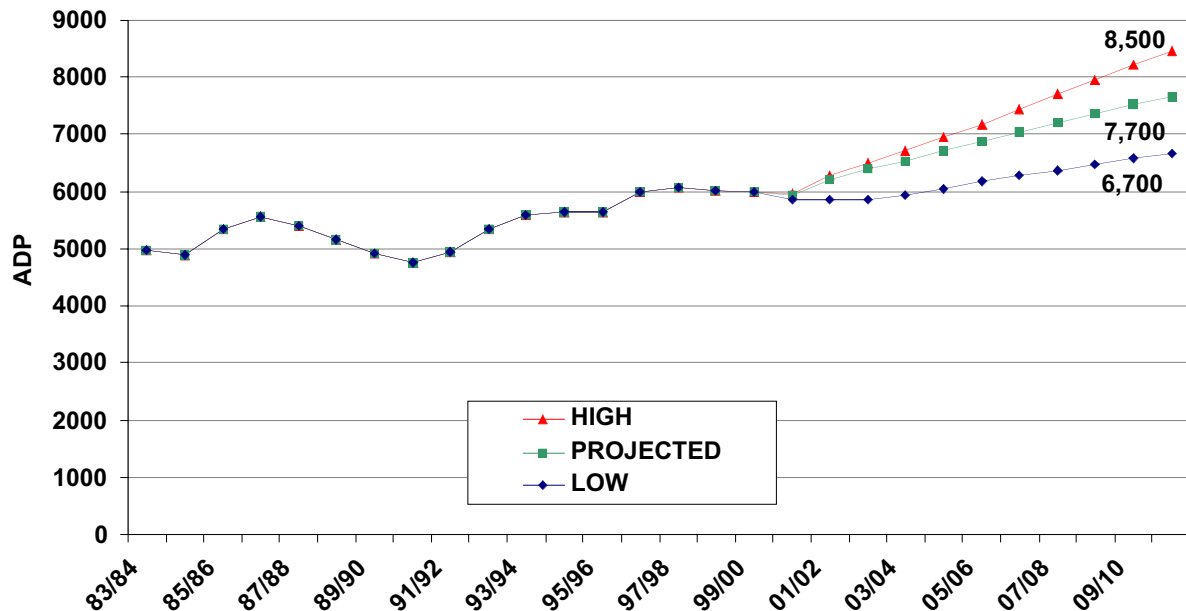
**Chart A**



<sup>(1)</sup> GRO(S) estimates 1981-2000; projections 2001-2016

Prison Population Projections to 2010/11

**Chart B**



21. Almost half (45%) of the projected increase shown by the central projection is in the long-term (4 years and over) prisoner population, with a similar share of the increase coming from the short-term (under 4 years) prisoner population. The remaining 10% of the increase comes from a projected growth in the numbers of remand prisoners. Again, this growth in the numbers on remand could be affected by alternatives to remand. The women offenders'

report will consider remand in some detail, though how many of their recommendations will be acceptable to the courts or could be introduced for male remand prisoners is uncertain.

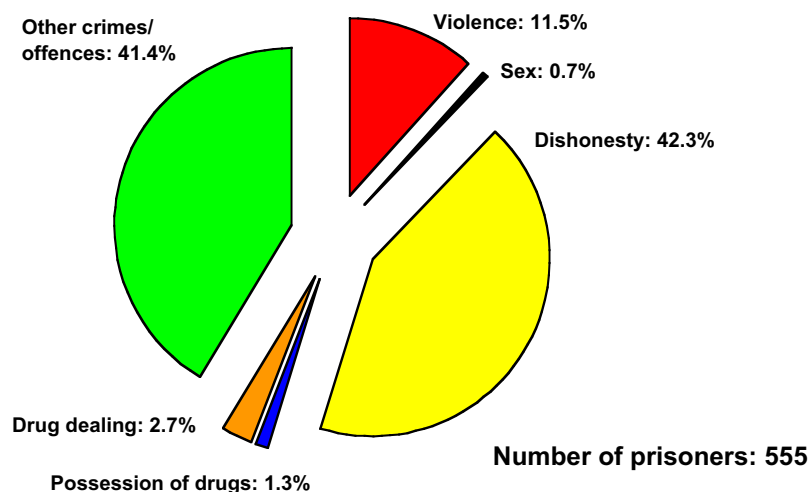
22. The most recent data available at the time of producing the September 2001 projections showed that there had been considerable increases in 2001 in the remand and short term sentenced prison population - specifically the number of adult prisoners sentenced to less than two years - leading to record prison levels. Whether these latest trends are reversed or slow down remains to be seen. The statistical assessment underlying the prison population projections is being published separately as an Appendix to the Estates Review.

23. Internationally, Scotland's prison population [115 prisoners per 100,000 population] places us around the middle of the range of imprisonment rates, but it is relatively high by Western European standards, as only 2 other EU jurisdictions, Portugal [127] and England and Wales [124] are understood to have proportionately higher prisoner populations. At the other extreme, the USA rate is 702. A number of European countries have lower proportionate prison populations which in some instances have been achieved by deliberate, nationally agreed sentencing policies brought into operation over many years.

24. Chart C illustrates the crime/offences of those serving less than 6 months. It is this shorter term prisoner population which might decline or at least remain static in the light of the Executive's policies on alternatives to custody. **However, it must be stressed that any reductions even in the short-term population will be dependent much more on the decisions of the courts than on either the reduction in crime or on the policies of the Executive.** Also, as can be seen from Chart C below, courts would have to cease passing virtually all sentences of less than 6 months if the average prison population were to be reduced by 500. This is unlikely to be acceptable to the judiciary or the public.

**Main crime/ offence of prisoners in custody on 30<sup>th</sup> June 2000 serving sentences for less than 6 months**

**Chart C**



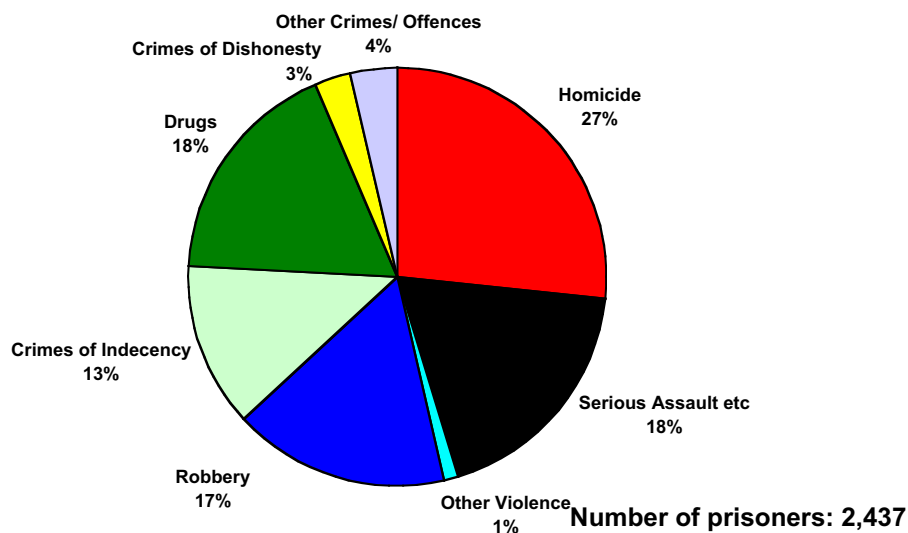
25. However, there is no question of reducing the Executive's commitment to dealing with crime. Non custodial penalties will be testing and the drive against serious crime remains strong. Our justice system will continue as at present to concentrate on such crimes. The work being undertaken to stop drug dealing and to tackle serious crime is likely to increase the long-term prisoner population, as many of these will be offenders for whom no disposal but imprisonment is appropriate. This is where the work of the Scottish Prison Service will be most important - in developing and running accredited intervention

programmes which aim to help offenders address their behaviour and so reduce their likelihood of returning to crime after they are released. So although the Executive will continue to make strenuous efforts to provide tough alternatives to custody, its key responsibility remains to ensure that there are sufficient prisoner places to meet projected levels of population and to allow the SPS to take forward its programme of work.

26. Chart D shows the crime/offence committed by those serving 4 or more years. Almost two-thirds of those in custody sentenced for 4 years or more (including Life) were sentenced for a violent crime, almost all having received sentences for homicide, serious assault or robbery. A further 13% were sex offenders. Most of the remainder had been imprisoned for drug crimes; these prisoners (18%) comprised nearly one-fifth of the population of long-term prisoners. Only a small proportion (3%) of long-term prisoners had committed crimes of dishonesty, one third of which were crimes of fraud. Chart E shows the sentence patterns for drug dealers.

**Main crime/ offence of prisoners in custody on 30<sup>th</sup> June 2000 serving sentences of 4 years or over (including life)**

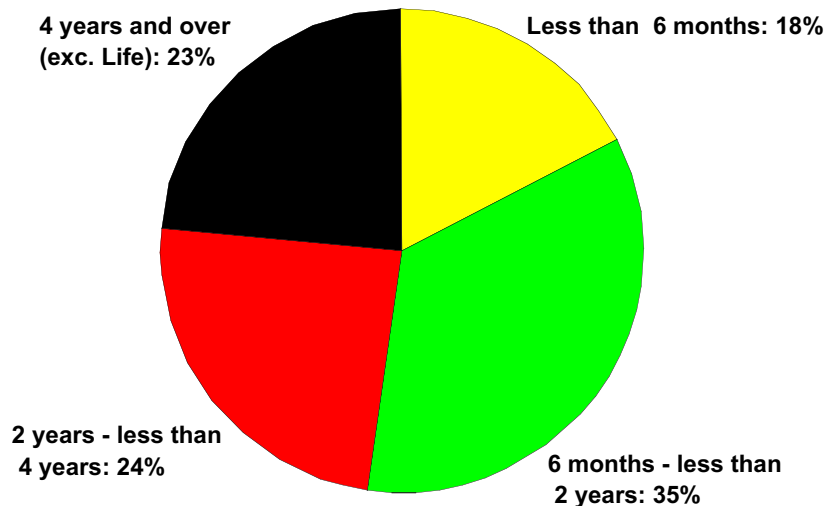
**Chart D**



## Sentence Patterns for Drug Dealing

### Sentence length distribution of offenders received into prison for drug dealing, 2000

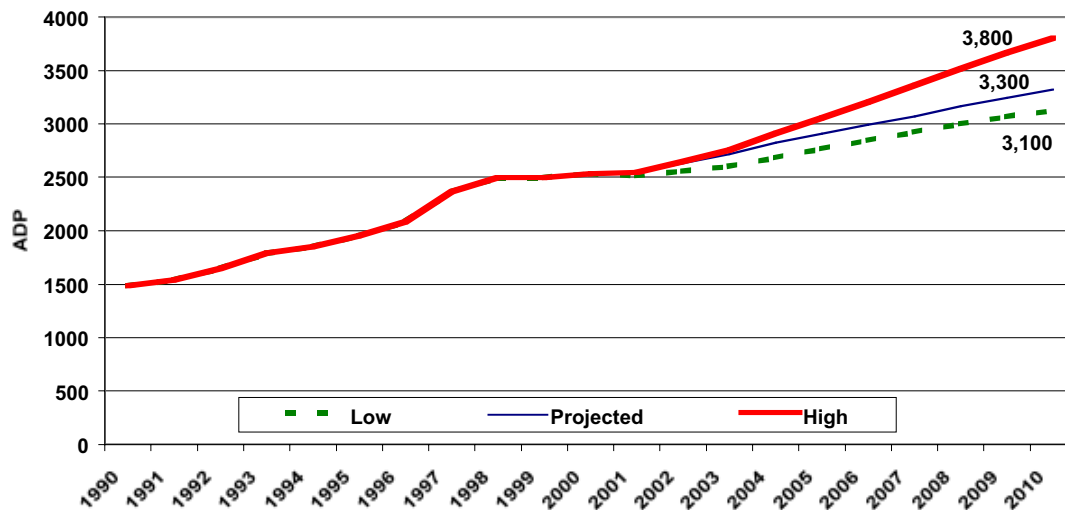
**Chart E**



27. It is impossible to predict future crime trends with any certainty, but at present it seems likely that the upward trend in drug crime will continue, while increased efforts by the police and the Scottish Drug Enforcement Agency will result in more of these offenders being detected and prosecuted. Such offenders are likely to receive long sentences. Executive policy will help to drive down crimes of violence by early intervention and social inclusion strategies, and a comprehensive strategy on alcohol (since alcohol is a major factor in violent crime), but this cannot be guaranteed to reduce the rates of conviction or the number or length of custodial sentences. On the contrary, the less tolerance is shown by society of crimes of violence, the more likely victims are to report such crimes and the courts to pass long sentences on such offenders if convicted. Furthermore, police efforts to tackle violent crime pro-actively, through campaigns such as the Spotlight Campaign or Safer Streets, have led to substantial increases in the numbers of offenders convicted by the courts for handling offensive weapons and these offenders are increasingly likely to get custodial sentences. The projected number of long term prisoners is shown below.

## Projected number of prisoners serving sentences of 4 years and over (inc life)

**Chart F**



28. It is projected that the number of prisoners serving sentences of 4 years and over (including life) will increase to 3,300 by 2010. This represents an increase from 2000 of 31 per cent. This compares with a 65 per cent increase in the numbers of such prisoners observed between 1991 and 2000. The projected figure for 2010 is closer to the lower realistic variant projection of 3,100 than the highest realistic variant projection of 3,800.

29. Although projections cannot offer an exact or dependable prediction of the future, we must take decisions now to ensure enough prisoner places to meet the future prisoner population. The work of the Estates Review is based on the projections available in early 2001 and, for planning purposes, SPS has continued with this more conservative assumption that the population will only reach around 7,200 prisoners in the next ten-year period, 1000 prisoners more than are held at present. This is within the range of projections but it is at the lower, though not the lowest, end. It assumes that some of the growth in population in the central projection does not take place, which is consistent with the Executive's policies to provide more alternatives to imprisonment. If numbers were slightly higher new prison accommodation, by its nature, would provide more flexibility to accommodate more prisoners without compromising the integrity of the estate's fitness for purpose. If numbers were lower, the new accommodation would provide the flexibility to carry out more readily the repairs needed to other parts of the prison estate. The Executive believes that 7,200 is a prudent assumption, as the SPS must be in a position to accommodate those whom the courts sentence to imprisonment. It is important that the SPS has the capacity and the right accommodation in particular to deal with long term prisoners whose offending behaviour needs to be addressed. The wide range of the projections emphasises the need both to develop the fullest possible range of effective non custodial disposals, as we already plan, and to retain the maximum flexibility in both the number and the use of prison places.

### Prisoner Accommodation Needs

30. To hold at least an average of **7,200** prisoners in appropriate accommodation and allow for the seasonal peak in numbers, SPS needs **3,300** new prisoner places within the ten-year planning cycle. **2400** of those spaces are required now to replace unfit and other temporary accommodation this figure comprises **1,900** places to end slopping out, and **500**

places to replace the poor accommodation at HMP Low Moss (discussed later in this Paper). Additionally **900** places are required to increase the overall capacity of the prison estate to hold the projected increase in prisoner numbers. New houseblocks and new prisons – whether public or private – will provide for temporary increases in capacity to meet fluctuations in demand. These will help the prison system to cope with seasonal changes in numbers, and could also help in the phasing of new accommodation over the period of this Review, especially in the first 5 years. But this flexibility is not a desirable long-term solution to accommodation needs.

Current Design Capacity	<b>6,300</b>
<i>Plus</i> Growth in prisoner numbers	<b>900</b>
Required Capacity	<b>7,200</b>
Current fit for purpose Accommodation	<b>3,900</b>
New places required	<b>3,300</b>

31. Could all or more of the total places required be delivered by means of new houseblocks or refurbishment of existing buildings? The SPS Estates Review has considered carefully the scope for providing new accommodation by increasing the houseblock accommodation capacity at some of its existing prisons. Where only residential accommodation needs to be replaced or increased, houseblocks have proved to be an acceptable, though not the most effective, solution where space existed within the perimeter and the infrastructure services had the capacity to cope with the increased population. There is a range of optimal sizes and configurations of establishments which reflects many considerations not least the need to maintain stability and good order. Building more houseblocks can jeopardise the smooth running of a prison so each case must be carefully considered.

32. In many cases, increasing the population of a prison requires more than simply providing additional houseblocks. Additional infrastructure has to be provided. These can include work, education, programme, medical and recreational (including sports) facilities. This is particularly relevant to meet the demands of the correctional excellence agenda. It can necessitate increasing kitchen facilities (so it can cope with the extra numbers of meals), or it can raise drainage, sewerage, power and water supply issues, or lead to a requirement for more staff facilities and more car parking areas for staff and visitors. The building of a new houseblock is also extremely resource intensive to SPS since each houseblock needs to be integrated both physically and operationally into the main prison, demanding considerable input from prison managers.

33. The capital cost of building a one-off houseblock is also high - the new houseblock at Polmont is costing £17 million and Edinburgh even more at £18 million in 2002 prices. Such costs are high compared with the cost of building a prison on a clear site partly because of the added difficulties of integrating the houseblock into an already established prison design. And it may be impossible to site the new buildings near to the existing buildings. Nor does this take into account any additional infrastructure costs. So houseblocks are poor value for money when compared to a whole new prison such as at Kilmarnock which cost about £33 million to build in 1999 prices. Since houseblock accommodation is also often difficult to integrate operationally and physically into an existing prison design, the running costs of a new houseblock will usually be higher in relative terms than the costs of operating a new prison.

34. Recent experience in SPS has demonstrated not only the considerable costs for houseblocks and refurbishment of accommodation but also the delay in delivering them. The new Polmont houseblock contract is expected to open some 2 years behind the original schedule envisaged when the project commenced. The problem of delay in delivering major projects is one found throughout much of the public sector: the ability to drive and deliver large complex projects is not good, and SPS is no exception.

35. Investment in new houseblocks and other additional accommodation at public prisons can contribute very substantially to the need. Depending on population trends, and operational demands, about 1,100 spaces can be supplied by this means. However, SPS advice, taking all the issues into account, is that this is not a viable solution to the provision of the further 2,200 new prisoner places it needs and to ending slopping out as quickly as possible.

### **Options for Delivering New Prisons**

36. The SPS operational view is that around 700 places is the optimum size for a new prison in terms of prison security and stability, performance and cost efficiency. Prisons in Scotland tend to range between HMP Inverness at about 100 places, and HMP Edinburgh, Shotts, Glenochil and Perth at 500-650. HMP Barlinnie at over 1000 prisoners is the exception. Taking this into account, the Estates Review has looked carefully at the delivery of **3 new prisons** to provide the 2,200 places required.

37. A prudent judgement of future demand suggests a need for three new prisons to be acquired to end slopping out. In order to progress this the SPS would have to proceed with the tendering process on 3 identified sites. In practice however availability of suitable sites, the obtaining of planning permission and the movement of the prisoner population make it likely that the actual process would be staggered so that two might be pursued more quickly than the third. A decision could then be taken on the letting of the final contract in the light of the prisoner population and trends at that time.

38. The options explored for the delivery of new prisons are:

- the public sector route where the public sector determines the design of the prison, contracts out the building work and operates the prison;
- an alternative public private partnership ("PPP") in which the private sector delivers the building to a required specification and provides facilities management, but the core 'operational' work would be retained by the public sector; and
- a public private partnership ("PPP") with the private sector where a private sector consortium designs, builds, finances and operates the prison in accordance with the terms of a contract with the public sector.

39. New prisons have been successfully delivered and operated both in the UK and world-wide by means of the first and last options. The PPP (private build public operate) model has never been used in the prisons sector, although it has been in the health and education sectors. Under these arrangements, the teaching or medical care remains in the public sector but maintenance, cleaning, security, etc is the responsibility of a private sector consortium who in return for these services, generate enough financial return on their initial capital investment (ie the cost of delivering the new building) over the period of the contract to make the project viable. Based on a careful examination of such models SPS advice is that the PPP private build, public operate model may well not translate well into the prisons sector

where the private sector role in successful PPP contracts has covered not only the delivery of ancillary services but also the delivery of core operations.

### New Prisons: the costing models

40. In the Estates Review, each of the three options has been evaluated and costed for the provision of a new 700-place prison to arrive at a total cost for 3 new prisons (totalling around 2,200 places). It was assumed for each model that the prison would be built to accommodate any mix of male prisoner although the SPS understandably wish to leave its options open for including additional female accommodation in case female prison population pressures continue to grow. Each option also includes the costs for running the new prison for a period of 25 years. It is of great importance that the full cost of these large investment decisions is considered. It is not merely the capital cost of a new prison building that is involved, as the cost of staffing and running the prison over 25 years is more significant than the initial cost of providing the facility. This appraisal allows the private sector and public sector options to be compared over the same period of time. Twenty-five years is a widely accepted period for investment appraisal. The work carried out by the SPS has been validated by PwC whose separate report endorses the conclusions about the relative costs of the 3 options. PwC have examined the way in which the SPS carried out its Review and have confirmed that the process is sound.

### Presentation of Costs

41. The financial costs for each model are presented in 2 ways - **Cash Value Real (CVR) and Net Present Value (NPV)**. The CVR represents the total cash expenditure of the option over 25 years expressed in March 2001 values excluding future inflation. The NPV represents the cash flow of the CVR discounted at the rate of 6%\* in accordance with current HM Treasury investment appraisal guidance. The NPV cost is the accepted way of enabling options with different cash flows to be compared on a fair basis. The CVR and NPV cost for each option calculated on this basis is referred to as the '**Comparison**' cost in this paper. Comparison figures are expressed in total cost terms. It is helpful to see the average annual cost per prisoner place over the 25 year period and so that too is included.

42. The costs of each option will therefore be presented as:

Comparison Cost		equals an average annual cost per prisoner place of	Comparison Cost	
CVR	NPV		CVR	NPV
£m	£m		£k	£k

43. The Comparison cost excludes the cost of any Value Added Tax (VAT), though in any given year the Scottish Executive budget would have to find the cash to pay the VAT on capital and other relevant expenditure. The CVR and NPV of each option has also been calculated to present the actual cost to the Scottish Executive taking account of the VAT as that is what the Scottish taxpayer would have to fund. The CVR and NPV cost for each option, calculated on this basis, is referred to as the 'Funding' cost and is fully detailed in the PwC Report.

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\* The PwC Report also explores the impact of discounting at 5% but it does not alter the relative positions of the options.

## Models: Costs

### Option 1: Public Sector Build and Operate

44. Most of the prisoner places in Scotland are provided and, under these proposals, will continue to be provided by the public sector. A lot of excellent work is carried out by the prison service. SPS's commitment to correctional excellence will rely heavily on everyone who works within Scotland's prisons. The prisoner programmes and activities are key parts of that correctional agenda but quantifying it is difficult since, like many areas of the public sector, there has been a reluctance to measure what is being delivered against detailed output requirements such as are specified in a contract.

45. The public sector would be responsible for the design and procurement of the new prison and for its operation. The public sector operating costs are however high when compared to comparable private sector providers. The main challenges under this option lie in the public sector delivering an output based design for a new prison, in contracting and managing such a large and complex building project to completion on time, to cost and in commissioning and opening it. Experience to date within SPS and other Public Service providers has been that such complex projects tend to overrun in both time and cost. SPS has neither designed nor built a prison for a generation and their recent experience of new houseblocks, refurbishments and other capital projects, has made it clear that the Agency do not have the depth and strength of skills to tackle such large scale projects. Acquiring these skills would be possible but an expensive and possibly prolonged process.

46. In evaluating this option therefore, account has been taken of the shortage of these necessary skills in SPS and the need for them to be acquired before this option is pursued.

47. Experience of recent prison projects is that a new prison built under this option would almost certainly differ from that built by the private sector because the way in which the public sector operates prisons is not the same as that of a private sector operator. Since there is no standard design for a new public sector prison, SPS have used the design for HMP Kilmarnock (the newest prison) as a starting point and have adapted this private sector designed prison only as necessary to suit the latest methods of SPS operation, staffing and levels of deployment. This has ensured that the assessment of the public sector option takes fully into account the potential benefits of the staff efficiencies from a modern design.

48. The PwC report sets out in detail how the final costings were achieved including those that have been adjusted for the risks which the SPS would have to absorb in managing such a large scale project. It takes into account too the risks of running a prison over the 25-year period which in the public sector option would rest with the taxpayer.

49. The cost of the public sector option for **one** new 700 place prison over a 25-year operating period is:

Comparison Cost		equals an average annual cost per prisoner place of	Comparison Cost	
CVR	NPV		CVR	NPV
£823.3m	£429.1m		£47.0k	£24.5k

**The total cost for 3 new prisons provided under the public sector option would therefore be approximately £2.5 billion CVR and £1.3 billion in NPV terms.**

## Option 2: PPP - Private Build, Public Operate

50. This form of public private partnership has been used to provide new hospitals and schools. The work carried out by PwC confirms however that no PPP model of this kind has yet been adopted in the prisons sector world-wide. The operational view from SPS is that delivery of this type of PPP model would present extreme difficulties since the facilities management work in a prison is inextricably linked to its operation. For example, cleaning work which in a hospital or school could be delivered by the facilities company is, in prisons, usually carried out by prisoners themselves under the close supervision of staff. The integrity of the physical fabric of a prison is inextricably linked to security and good order and so a fault which in another setting would be minor, can have serious consequences in a prison. However, this is not to say that some work within prisons is carried out by the private sector; clearly that happens e.g. medical services and education. The crucial difference in this model is that the private sector would need to absorb a high level of risk and it would be difficult to achieve that outcome and still deliver value for money. For example, if the central heating system failed and the prisoners rioted and caused damage to the prison the facilities company would need to take liability not only for the failure to provide heating but also for any resultant damage caused by the prisoners. The advice from SPS and PwC is that the market is not yet ready to accept this type of contract and the worldwide experience supports this view. It would be possibly costly and time consuming to embark on an experiment which acknowledges the operational concerns about this type of contract and its novel nature. PwC were asked to confirm the costs of a hypothetical option of this kind. For the purposes of producing costs, it was assumed that SPS would provide the design output specification for such a new prison, that it would be built by the private sector who would then continue to provide facilities management while the core operation of the prison would be commissioned and run in parallel by the public sector.

51. The PwC work has provided a range of possible costs for this option. However it is important to recognise what the costs mean: they are estimates which ignore the barriers to such contracts. There is therefore real risk that the limited opportunity for transferring facilities management and risks to the private sector means that the cost of this option might equal that of the full public sector option, (ie approximately £1.3 billion NPV for 3 new prisons).

52. To test the option in the absence of working examples, PwC ran a series of scenarios to determine the effect on costs of this option assuming that extensive changes could be made to the public sector method of operations, staffing and building costs.

53. For example; it is sometimes claimed that the costs of the public sector are higher because the specification for public sector designed buildings go beyond that required by the private sector. In the prison environment, the public sector buildings tend to be larger than those designed and operated by the private sector. A lot of this is due to history and the way the public sector operates, not least to the staffing systems used by the public sector. Higher costs and delays of public sector projects are undoubtedly due in part to the fact the public sector too often manages complex long-term projects poorly.

54. To test whether the prison construction cost is the key factor in the total difference in cost, PwC substituted the costs of a privately designed and built prison for the public sector costs and calculated how that affected the total costs of the private build, public operate option. PwC have also taken the scenario a further stage and assumed in the model that, not only could the public sector deliver a prison at private sector build costs, but that SPS could also reduce the public sector operating costs (already based on a new prison design) by as much as 20%, though such a hypothetical model would require cuts of over 30% in staffing numbers or by equivalent reduction in the staff pay bill. It should be recognised also that the private build, public operate option would inevitably result in operational risks returning to

the taxpayer but the estimated costs of this have not been added to this option for the purposes of this exercise.

55. The best estimate of the cost of the PPP - private build, public operate option for a 700 place prison over a 25-year operating period is:

<b>Comparison Cost</b>		<b>Comparison Cost</b>
NPV	equals an average annual cost	NPV
From £337.7m to £429.1m	per prisoner place of	From £19.3k to £24.5k

56. The PwC work demonstrates clearly that even if:
- a) SPS could build a new prison to private sector design and private sector costs;
  - AND
  - b) Added to this, SPS could achieve a 20% reduction in its total operating costs, exclusive of (a) above

then the PPP private build, public operate option would cost around £1.0 billion NPV for 3 new prisons.

**The cost for 3 new prisons provided under the hypothetical PPP - private build, public operate option would therefore be approximately £1.0 billion - £1.3 billion NPV.**

57. The estimated cost of this option is given only in NPV terms since it is derived from the NPVs of the public build and operate option, and the PPP - private build and operate options. This is because as stated above, no PPP - private build, public operate model currently exists for prisons. It is not possible therefore to create a meaningful Cash Value Real estimate for the PPP private build public operate option.

58. In addition PwC have offered the view that it is highly likely that, as the level of risk transferred to the private sector in this model would not be significant, the capital cost of the building would be likely to fall on to the balance sheet of the public sector. This means that the capital cost would have to be charged against the SPS capital budget requiring increased financial resources over the construction period.

59. The question might be asked that if this private build, public operate option is so difficult and expensive why can it work in some other sectors like schools and hospitals? So far as total costs are concerned - the basis of this analysis - the cost of private sector designed, built and operated hospitals or schools are not known because contracts for these have retained the public sector as operator and the main risks remain with the taxpayer. Prisons are different in that walls, fences, bars, doors and locks are integral to the process of custody and are not simply the part of the facility in which the service is provided. People in hospital may be reluctant to be there but they do not generally consider making their escape or attacking other patients, or damaging the buildings, or even rioting. It is easier therefore to decide what contractual risks rest with those who are responsible for the upkeep of the building and for the catering, cleaning etc and those which lie with the core operator. In prisons, splitting the risk is not such a simple task. If the prison is damaged, is that because it is poorly designed or built, or is it because the operator (in this case the public sector) has failed to control the prisoners? Is the level of damage normal or above what might usually be expected? Like the earlier central heating example, if the caterer fails to deliver adequate meals and there is prisoner unrest as a result, who should bear the cost of repairs? Is the caterer only responsible for failing to provide food or for all the direct or indirect consequences of their failure? These are the types of question which are difficult to answer

in this particular type of PPP model. The clear SPS view is therefore that such an option is not operationally safe and sound.

### Option 3: PPP - Private Build, Private Operate

60. A well established example of PPP in the prison sector is the privately built and operate prison, in which the public sector specifies clearly what it wants the prison to achieve and the supplier has the responsibility for providing the facility and operating it to deliver agreed outputs. In other words the SPS determines the outputs it is sensible for the taxpayer to buy, gets the best contractor to deliver those outputs and continues to check that the contractor delivers. This type of option separates the demand from the supply which has often proved to be a powerful spur to getting better value for money for the taxpayer because it introduces competition. The private build and operate option has proved a successful means of delivering and operating prisons in the UK and other parts of the world. There are 10 such contracts either successfully operating or awarded UK-wide including one in Scotland at Kilmarnock.

61. The private sector has shown that it can manage effectively the design and building of new prisons. Indeed it is currently the only source of expertise in designing and building whole prisons since the public sector has not done so for many years. If private build and operate prisons fail to open on time, then not only does the private sector provider fail to earn income, it can also incur financial penalties. In the operation of prisons, the private sector has shown that it can undertake this successfully. In these partnership arrangements between the private and public sector, the contract sets out the level of service to be delivered and a predetermined range of performance measures are checked frequently against the specification and full payment is made only if the public sector is satisfied that the required levels of performance have been met. This detailed level of scrutiny mostly on a daily basis of such privately managed prisons exceeds that of public sector prisons; and, of course, the latter do not face financial penalties for failure to meet performance targets.

62. PwC have confirmed current market cost of public private partnership (private build, private operate) for a new 700 place prison over a 25-year operating period as:

Comparison Cost		equals an average annual cost per prisoner place of	Comparison Cost	
CVR	NPV		CVR	NPV
£453.2m	£206.2m		£25.9k	£11.8k

Since contracts have been awarded steadily in this sector over the last few years there is strong confidence about the market price being achievable.

**The total cost for 3 new prisons provided under the PPP - private build, private operate option is therefore approximately £1.36 billion CVR and £0.6 billion NPV.**

## Summary of Costs of Options

63. The costs of the options are therefore estimated as:

OPTION		Comparison Cost 1 New Prison		Comparison Cost per prisoner place		Comparison Cost 3 New Prisons	
		CVR £m	NPV £m	CVR £k	NPV £k	CVR £m	NPV £m
1	Public Sector (PSC) Build and Operate	823.3	<b>429.1</b>	47.0	<b>24.5</b>	2,469.9	<b>1,287.3</b>
2	PPP Private Build, Public Operate	-	<b>337.7</b> to <b>429.1</b>	-	<b>19.3</b> to <b>24.5</b>	-	<b>1,013.1</b> to <b>1,287.3</b>
3	PPP Private Build and Operate	453.2	<b>206.2</b>	25.9	<b>11.8</b>	1,359.6	<b>618.6</b>

The current contract at Kilmarnock allows for an increase in capacity to cope with seasonal fluctuations in demand, a feature that could be incorporated into any new development. This does not affect the relative costs, which have been based on 700 places in each option.

### Reasons for the cost differences between options

64. The overall cost of the PPP private build and operate option was compiled by PwC by reference to the actual pricing of all similar contracts awarded in the UK over the last few years. This work established a firm market price for a new 700-place prison and estimated the likely construction cost element. The most reliable cost is therefore the £618.6 million for 3 prisons.

65. Until 3 years ago, SPS operated as a monopoly. No one else, in Scotland, provided custodial services on behalf of the taxpayer and no comparisons could be made between the quality, quantity and price of alternative provision of these services. That position ended when the first private prison opened in Scotland (it had ended a few years earlier in England and Wales). The result of these new prisons together with a considerable number of examples in other countries revealed that the cost per prisoner place offered by these new entrants to the market was much less than that of the original provider.

66. The SPS Estates Review has now shown that two prisoner places of an equivalent quality can be provided by the private sector compared with one place which the public sector can provide for the same cost. There is no single reason for this.

67. Using the base PwC data and experience and knowledge of the private and public prison sectors SPS has attempted to identify and explain where the main cost differences exist by reference to the detailed Option 1: Public Sector Build and Operate cost elements.

68. As a starting point, the Table below shows the main elements of the Public Sector model costs.

<b>COST CATEGORY</b>	<b>NPV £m</b>	<b>%</b>
Initial Construction Costs	104	24
Running Costs	260	60
Other Facility Costs	24	6
Cost of Project Risks	42	10
<b>TOTAL</b>	<b>430</b>	<b>100</b>

69. The key drivers of construction costs are:

### **Initial Construction Costs**

<b>Initial Construction Costs</b>	<b>NPV £m</b>	<b>% of Total Public Sector model NPV</b>
Buildings	55	13
Professional Fees	10	2
Preparation/ Infrastructure	27	6
Security/Equipment	12	3
<b>TOTAL</b>	<b>104</b>	<b>24</b>

**Note: Initial construction costs represent 24% of the PSC in NPV terms.**

70. The Table above shows that the buildings represent just over half the total construction costs. The Public Sector model design is based on modern prison designs adapted to reflect the latest public sector operational thinking. Since both private and public sector options start from an operator-led approach to design, the differences in building costs largely reflect the different operator requirements being placed on the construction company e.g. additional facilities/space, higher specifications. This in turn directly influences the other major elements of the construction cost. The baseline design for the new prison was derived from that at Kilmarnock scaled up from 500 to 700 places and then amended so that it would suit SPS methods of operating.

71. Experience from the 10 contracts awarded to the private sector in the UK demonstrates clearly that they can deliver buildings successfully - on time to specification and on budget. Tied into long term contracts, the private sector (builder and operator) must ensure not only that the short term objective of delivering the building on schedule and cost is achieved but also that the life cycle costs of maintaining and operating the building are minimised. During negotiations, the existence of competition also drives this process. After contract award the contract itself ensures that all parties must maximise their efforts and deliver as promised. This environment has never been successfully replicated in the public sector.

72. On design and construction, it is not uncommon that public sector costs are much higher than those in the private sector. SPS experience has identified that a history of delay during the pre-planning, design, build and commissioning (including agreeing staffing levels) stages has contributed to the construction project costs being uncompetitive. In addition, a tendency to over-specify the requirements and make changes to the buildings specification after the design is finalised has led to higher costs in the public sector construction projects. What SPS has done is to make realistic estimates that face up to the real costs of designing a complex place like a prison. The estimated capital costs on an equivalent basis are roughly double what the private sector spends in the initial capital phase. The private sector have

shown they can build the facility more quickly and efficiently than the public sector. SPS advice is that they have been working hard to address this issue. The experience of the private sector design and construction specialists - including those that work with private sector prison operators - has been harnessed on recent projects. The process for the procurement of new houseblocks or refurbishment works is being radically streamlined. The SPS advise that they are becoming more accomplished at setting output specifications for such work and this experience together with the lessons learned from the start up of the Polmont and Edinburgh projects, means that SPS is making steps to become more competitive in the delivery of construction projects. However, SPS consider it is unrealistic to think that the gap can be closed over the timescale needed to end slopping out quickly.

73. In order to see what impact the building costs have on the overall NPV, SPS asked PwC to calculate the reduction on the Public Sector model if SPS could match the performance of the private sector consortia in the provision of a new prison. Based on the PwC analysis, it is estimated that this would result in the Public Sector model construction costs of £104m NPV reducing to £64m NPV excluding risks on both. However, even with this improvement, the overall Public Sector model cost remains some 90% above the private sector option.

### Running Costs

74. Running costs are a significant element in the differences in costs, and within that the cost of staff is the single largest element. It is undoubtedly true that SPS staff costs are markedly higher than those of its competitors. SPS has, in common with most of the public sector, operated national wage rates and current pay rates are the sum total of many years of settlements which bore little relation to local labour market realities. The private prison operators have regional pay systems and tailor their terms and conditions to the local labour markets in which they operate, as do most other employers. Some of their terms and conditions are less generous than the public sector. But companies in the sector are reputable and cannot afford terms and conditions that do not attract and retain competent staff. Nor is it in their interests to do so. An important feature of a long term (25 year) contract is that operators have to live with any mistakes and given the complexity of running a prison it is in their interests to employ good staff and treat them well as failure to do so might result in not doing the job properly which would impact on the companies' return under the contracts.

75. Looking at the main elements of the running costs assuming a new prison, these are:

Running Costs	NPV £m	% of Total Public Sector model NPV
Recruitment and Start Up process	10	2
Staff Pay/NI/Pension etc	162	38
Facility related	21	5
Support services	22	5
Prisoner related	38	9
Other	7	1
<b>TOTAL</b>	<b>260</b>	<b>60</b>

**Note: Running Costs represent 60% of the Public Sector model in NPV terms.**

76. The staff costs in the Public Sector model represent SPS' latest views on achievable staff deployment and attendance within a new prison taking into account e.g. the new staffing attendance systems in SPS which were agreed with the unions only a few months ago and so represent the latest productivity level. As one would expect, the major factor in Public Sector model running costs is related to numbers of staff, their skill/grade mix and pay rates

including National Insurance and Civil Service pension costs. However, this represents only 38% of the total NPV of the Public Sector model.

77. More important perhaps is that, even after these changes, staffing levels within private sector operated prisons in the UK are estimated to be around 25% lower than public sector. Contrary to views by opponents of privately managed prisons that staffing levels are unacceptable, the SPS fully evaluated and accepted the robustness of the operator's staffing proposals and experience to date has reinforced SPS judgement that the levels of deployment work well.

78. Many individual members of staff in SPS are dedicated and deliver an excellent performance. But it is nevertheless very difficult for the SPS to improve value for money to the levels achieved by competitors as change is slow and hard to implement. The SPS view is that, despite some improvements in recent years in the way that it deploys staff, overall staffing levels remain high - experience of long delays on the introduction of the latest staff attendance systems demonstrated some of the difficulties in making the SPS more efficient.

79. SPS is aware of the need constantly to review its pay and conditions of service package to ensure that it is compatible with the delivery of a value for money service to the public. On pay only one of the elements (salary level) is open for SPS to change - both NI and pensions being fixed. SPS has two pay bands for prison officers. In the lower band prison officer average pay is around £16k excluding NI and pension. The average pay for the major proportion of prison officers, who are in the higher band, is around £23k excluding NI and pension. In the face of competition, SPS is seeking to reduce the number of officers employed in the higher band and lower the average pay of prison officers but not cut anyone's actual cash pay. Progress will however be slow.

80. The private sector say that they operate local recruitment and pay regional market rates for all grades of staff required to deliver the service. As a result of this strategy, the operators tend to obtain competitive pay rates for prisoner custody officers (broadly equivalent to SPS officers in the lower pay band). In the case of Kilmarnock, for example, the pay scales begin at the same rate as for SPS new recruits and the operators say that some staff who started at £12.5k when the prison opened are now being paid around £14k - individual pay depends on length of service. Pay etc is determined through joint negotiating committees involving the operator's staff unions for a norm of 45 hours per week including breaks (which compares with 37 hours excluding breaks in SPS). All members of staff in Kilmarnock are able to join a union, which is recognised by management.

81. The private sector operators are successfully recruiting good quality staff at all levels. At Kilmarnock, PCOs, who are required to pass SPS agreed training standards, would be eligible to work for SPS.

82. Although the information given above provides some indication of where the main differences in cost between the private sector and the public sector might lie, there are many other underlying reasons which are more difficult to isolate and quantify in terms of cost but are without doubt key contributors to the wide cost differential.

83. The main groupings are:

- the impact of competition;
- the business focus introduced by an enforceable contract;
- the benefit of accountable management structures;
- efficient operator-led design;
- flexible operating and deployment practices; and
- the incentive from robust performance measurement.

84. However SPS asked PwC to calculate on a hypothetical basis, the likely reduction on the Public Sector model if SPS could deliver the building at private sector costs and also match the performance of the private sector consortia by successfully tackling the differences in areas of running costs such as those highlighted above. As before delivering the building exactly as the private sector, would mean a reduction of £40m NPV on building costs to which PwC further calculated the impact of a 20% reduction in SPS operating costs. That would mean around a 30% cut in staff numbers or in pay or a combination of the two. This hypothetical option led to an estimated further reduction of £52m NPV in the Public Sector model. In other words, being able to deliver to private sector capital costs and making a 20% saving on SPS operating costs reduced the Public Sector model from £430m NPV to £338m NPV, compared to the £206m NPV of the private sector option.

## **Quality**

85. Arguments have been led by opponents of the concept that privately managed prisons are not tackling the issue of recidivism as well as the public sector. There is no evidence for this. Output in terms of whether prisoners will re-offend again once they have served their prison terms is difficult to relate to any single factor and therefore one of the outputs of a prison system (other than punishment and incapacitation through incarceration) is difficult to gauge. A number of intermediate outputs have therefore been adopted in many prison jurisdictions to measure whether prisons are doing well or badly. Most of these have to do with custody and order including purposeful work, rehabilitation, good medical services etc. In this respect, the SPS Board is clear that it has better hard data on what is happening at Kilmarnock (measured by over 50 detailed performance outputs) than it does for the prisons it manages itself. This is why it is driving forward its Vision which includes more clearly specifying what needs to be achieved in its own prisons and challenging and empowering management teams to achieve it.

86. Some comparable data is available from the prison survey. Each year the SPS hands out questionnaires to every prisoner in every prison over a short period and the results are collated. Comparing Kilmarnock prison with its nearest comparators in size and prisoner mix, Edinburgh and Perth, the survey shows overall no discernible difference in prisoners' experience. There are plus points and minus points at each of these 3 sites but overall the prisoner survey does not show what is being delivered at any of these 3 prisons as significantly different.

87. The SPS are therefore determined to improve the estate on their key sites to enable a more effective service to be provided by the public sector, and so that the public sector can better compete with the new providers. SPS have considerable skills and expertise and the SPS see no reason why, given the right incentives and management they could not provide an equivalent service (in equivalent buildings) though they doubt whether they could ever match, pound for pound, the costs of the private sector, but they consider that the cost gap can be very significantly reduced.

## Ending Slopping Out

88. It is a key aim of the Scottish Executive to provide all prisoners with proper access to night sanitation and so bring to an end the unsatisfactory practice of slopping out. The ability of the SPS to procure new prison accommodation is central to this aim because in older establishments, like Barlinnie and Peterhead, altering the existing accommodation would be expensive and extremely difficult. This paper returns later to the Barlinnie and Peterhead cases.

89. The two new houseblocks under construction at Polmont and Edinburgh will make an impact on the number of those slopping out. The difficulty of providing enough new places by means of more new houseblocks has already been highlighted. Refurbishing existing accommodation has proved even more problematic and costly because it means moving prisoners and staff.

90. Although Low Moss prisoners are not included in the slopping out statistics (as the dormitories have toilet facilities) the wooden hutted dormitory accommodation is clearly substandard and, of all the estate, is in greatest need of being replaced. The quickest and most effective means of replacing these buildings without delaying the ending of slopping out is to provide new prisons.

91. In determining the date of delivery for new prisons, a key factor in all of the options is the availability of suitable sites and the obtaining of planning permission. Setting the sites and planning issues aside, broad estimates of the time to end slopping out have been made for each of the options. The timescales need to take into account the projected growth in the prisoner population up to a 7,200 level. If the means used to procure new accommodation is slower it is more likely that ending slopping out will be delayed since the new places available would not keep pace with the rising population and prisoners would still have to be held in outdated accommodation.

92. The estimated timescales for delivering 3 prisons each of 700 places are:

<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>Public Build Public Operate</b>	<b>Private Build, Public Operate</b>	<b>Private Build Private Operate</b>
<b>11 Years</b>	<b>At least 11 Years</b>	<b>5-6 Years</b>

93. The SPS advice validated by PwC is that the untried nature of the arrangement under option 2 plus the longer period of contractual development mean that a timescale of at least 11 years might be necessary. The considerable differences in timescale between Option 3 and the other two is accounted for mainly by the longer time necessary for preparation and design (all of which would have to be done by SPS) followed by a longer period of contractual negotiation and design completion, especially for the untried Option 2 and the fact that the build and operational readiness phases would be longer. SPS would, for example, need to recruit and train hundreds of new civil servants just before opening day. Options 1 and 2 therefore provide for a prudent gap between the development of the first two prisons and the third as SPS have operational concerns about their capacity and the risks of attempting themselves to open three new establishments virtually simultaneously.

94. The estimates show that - excluding site and planning issues - the third option (private build & operate) could be expected to deliver the ending of slopping out some 6 years before the other options. The ending of slopping out within the estate would however also depend on the successful delivery of a number of public sector houseblock projects either by new build or by refurbishment. In total this would mean investment to provide around 1100 new places in the public sector and around 2,200 in the private sector.

95. The Scottish Executive's proposals are:

#### **Proposals: New Prisons**

On the best projections available, the prison population is likely over the next ten years to rise by at least 1,000 prisoners. A substantial proportion of the present prison estate is unsatisfactory, and needs to be replaced by new, purpose built facilities. Together these two issues suggest that 3 new prisons need to be built together with further major investment at SPS's existing key sites to provide a fit for purpose prison estate.

The analysis demonstrates clearly that by far the best value for money will be achieved by a partnership between the public and private sectors in which the private sector builds and operates the new prisons to outputs set and carefully monitored by the public sector. The cost will be roughly half that of providing the same places via the other options and offers the likelihood of delivering the new accommodation several years ahead of the alternatives, and with the lowest risk to the taxpayer. It also enables the pursuit of the Correctional Excellence agenda to be taken forward as soon as possible. There will also continue to be considerable investment in the public sector estate to improve SPS' competitive potential.

The Executive appreciates that there are some who take the view that there should be no private involvement in the running of prisons. The Executive is firmly of the view that what matters is the delivery of a good quality service at the best value for money, for the benefit of prisoners, the wider community and the taxpayer.

There is ample evidence, both from Scotland, elsewhere in the UK, and indeed world-wide, that the private sector can be contracted to deliver safe and effective prisons. More can be done to ensure that, as well as providing a safe and secure environment, such prisons (like all prisons) focus more on reducing re-offending and SPS intends to pursue that. On the basis of the rigorous work done and validated, the Executive is clear that the option of private build and operate prisons will end slopping out significantly earlier and offers considerably better value for money. Accordingly our proposal is that the new prison places that are needed beyond what can be added by houseblock developments in SPS establishments should be provided through this route.

96. To allay understandable fears from their own workforce SPS have given 2 major undertakings: **first that there will be no compulsory redundancies.** No TUPE implications are likely to arise. The speed of change should be at such a pace as to enable the SPS to reabsorb any surplus staff that arise. Since prison officers, like other civil servants of their rank are a mobile grade this can be readily be done. **Secondly, there will be no cuts in cash pay notwithstanding the fact that the SPS pay rates are significantly above the market rates.** Cash pay for individuals will be maintained. These 2 undertakings are very considerably greater than many employers have given their workforces in face of competitive pressures but we believe that the SPS Board is correct in providing these underpinning assurances to their workforce during the necessary period of change to become more effective and efficient.

## **Future of HMP Barlinnie, HMP Low Moss, HMP Peterhead**

97. Another strand of the Estates Review has been to evaluate options for the above prisons. In the cases of Barlinnie and Peterhead a major concern is the lack of night sanitation. In the case of Low Moss, it is the need to replace the flimsy wooden huts.

98. The options (based on public sector build and operate) have been evaluated and costed on the same methodology as adopted for the new prisons. Again the costs have been verified by PwC.

### **HMP Barlinnie**

99. In Glasgow, HMP Barlinnie is in an excellent location. It is near to the busiest courts in Scotland and close to the population centre, the motorway, and public transport so that visits are easy. There has been considerable investment in the prison and it has an excellent gate, reception, staff and visiting facilities. One hall (design capacity 172) has been fully refurbished. Currently another hall (design capacity around 190) is being partially refurbished to provide the basic facilities of night sanitation and EPIC (Electric Power in Cells).

100. There can, however, be little argument that the majority of the living accommodation remains poor particularly the lack of proper night sanitation. Managing a population which is often over 1,000 in such conditions is undesirable. It impacts adversely not only on prisoners, but also on SPS staff.

101. Operationally, the current design and layout of HMP Barlinnie does not facilitate delivery of an efficient and quality service. Full refurbishment of all the remaining halls would be very expensive, time-consuming and create major problems e.g. decanting prisoners over a lengthy period. It would perpetuate most of the present inefficiencies and the total costs over a 25-year period would be high. Rebuilding on the Barlinnie site would first require demolition of a significant proportion of the establishment both in terms of living accommodation and work areas. Clearly, the rebuilding work necessary to begin to shape Barlinnie into an efficient facility cannot be done with over 1,000 prisoners in situ. The SPS Review therefore recommends the retention of the fully refurbished hall and building a new houseblock of around 360 places to provide in the first instance around 530 prisoner places, all of which would have access to night sanitation facilities. Decisions about the size of Barlinnie thereafter would depend on the operational efficiency of the prison and the future prisoner population.

102. This would allow Barlinnie to assume a new and revitalised role in line with SPS requirements. However, the revival of HMP Barlinnie is contingent upon the realisation of other aspects of the Estates Review bringing the new prisons on stream quickly so that about 500 prisoners can be moved elsewhere to allow parts of the site to be cleared.

103. The cost of a new 360 houseblock and ancillary services at HMP Barlinnie over 25 years is £502m in Cash Value Real terms and £250.4m NPV (which equates to £18.9k per prisoner place in NPV terms). The cost for 360 places is therefore more than the cost of a new 700 place prison built under private sector build and operate at £206m NPV or £11.8k per prisoner place and would exclude the additional costs which would be incurred in transferring out 500 prisoners and maintaining the prison at around 530 prisoners thus allowing the work to be done. However, the Executive supports this SPS recommendation since the Barlinnie site and its location for serving courts suggests that it needs to remain an essential long-term part of the SPS prison estate.

**Proposal: HMP Barlinnie**

**The Executive proposes that HMP Barlinnie should be retained with a capacity of around 530 places in the first instance. SPS will aim to invest in a new houseblock (public sector build and operate) although the timing of this will depend on the population pressures, availability of resources and the prior availability of accommodation elsewhere.**

## **HMP Low Moss**

104. HMP Low Moss was a barrage balloon station during World War II. The accommodation for around 375 male prisoners is in the form of a number of dormitories where prisoners have access to toilets at night. These dormitories are wooden huts. The roofs are made of either aluminium sheeting or bitumen and mineral felt. All in all the prison is all too easily ignitable, either accidentally or maliciously which limits the type of prisoner who can be held here. As a result it is common for Low Moss to have underutilised accommodation while other parts of the prison estate are overcrowded.

105. The prison cannot be allowed to continue in its present form. The SPS view is that the best solution would be to accommodate the existing prisoners elsewhere and possibly use the site for a new prison since its location is ideal. This depends however on the availability of accommodation elsewhere in the estate into which prisoners can be moved, and on planning permission for new development.

106. The costs of building a new 500-place houseblock and ancillary services and operating it for 25 years at HMP Low Moss by the public sector are £408m in Cash Value Real terms and £217.0m NPV (which equates to £17.3k per prisoner place in NPV terms). The cost for 500 places is more than that of a complete 700 place prison privately built and operated and would not replace all of the poor quality layout and buildings which make up the current prison.

**Proposal: HMP Low Moss**

**HMP Low Moss should close as soon as alternative accommodation is available. The site should be considered for a new prison development.**

## **HMP Peterhead**

107. HMP Peterhead holds convicted, long-term adult male sex offenders, offering a range of programmes designed to challenge offending behaviour in order to reduce the risk of re-offending on return to the community. The buildings at Peterhead are sub-standard. Built in 1888 from shuttered concrete, many of the buildings are showing their age and are reaching the end of their useful life. No prisoners have access to power in cells or night sanitation.

108. Approximately 11% of current Peterhead prisoners are from the North-East, with 4% from Highland and 85% from the rest of Scotland (with a very small number from elsewhere). Some prisoners do not receive visits from family because of the nature of their offences. However, maintenance of family links is still a major problem for this offender group given the distance and awkwardness of the journey for those whose families do visit. Further, of the prisoners who do not receive visits, distance is cited by 24% as the principal reason.

109. Because of the construction of the accommodation buildings, introducing any form of night sanitation would be a costly, time-consuming, and disruptive exercise, which would delay the final demise of these buildings for a disproportionately short period in relation to the expenditure. Most cells are also too small to take a toilet cubicle.

110. There is sufficient land for a new houseblock to be built within the existing secure perimeter. However, this would not create the most operationally efficient layout for the whole prison. A 350-place houseblock would not provide enough accommodation to cope with the number of long term sex offenders already in the prison system (c500). Though there is room to build to build sufficient residential accommodation for 500, the infrastructure of the prison would not be sufficient to support such increased numbers. This option does not address the problem that buildings other than the residential accommodation also need replacement in the relatively near future.

111. Consideration was also given to replacement of the total prison. This was considered at three levels: 350 to retain the prison at roughly the same size as at present; 500 as this would provide nearer the number required for long-term sex offenders; and 700 as this is the level which optimises operational and cost benefits.

112. In each of the scenarios, there is a factor of distance from home locations which is increasingly exacerbated by the size of the prison. At 700 size, there are additional factors in relation to the mix of prisoners and what implications this could have for HMP Aberdeen as the only possible source of relatively local (North East) prisoners.

113. If the decision was taken to close HMP Peterhead, this could not take place under any scenario within a minimum of three years. SPS advise that this would allow time for detailed transfer plans to be drawn up possibly including options such as detached duty for staff and plans for the voluntary exit of any suitable surplus of staff who would not wish to transfer. This preparation time applies equally to the planning of programme work with prisoners.

114. The Estates Review also considered the cost of an additional houseblock at HMP Shotts (on a spare part of the site fenced off from the main prison) to see if it would be more cost effective than a rebuild at Peterhead. The PwC report confirms that this alternative would cost £283.8m in Cash Value Real terms and £147.7m NPV. This compares to £339.1m in Cash Value Real terms and £170.4m NPV (£19.5k per prisoner place) for a similarly designed houseblock at Peterhead. However, adding a 350-place houseblock to Shotts would increase the total size of the prison to around 900. SPS do not consider it

operationally prudent to increase Shotts to this level since the prison already houses some of the most difficult long-term prisoners in Scotland.

115. One possibility, and at this point it is only a possibility, is that the sex offenders could be transferred from Peterhead to another existing public sector prison such as Glenochil. Glenochil prison already accommodates long-term sex offenders who have been transferred from Peterhead because they have refused to participate in the STOP programme. Staff at Glenochil are being trained in motivational techniques to tackle the denial of those intransigent sex offenders.

116. SPS do not currently envisage that new privately managed prisons would become main centres for sex offenders in the first instance, although like all prisons now, any new prison would be likely to hold some sex offenders and SPS would keep the position under review.

### **Delivery of STOP 2000 – Sexual Offenders’ Programme**

117. STOP 2000 was introduced within the SPS in May 2000 with HMP Peterhead being the first establishment to deliver the programme. To date 39 sex offenders have completed the STOP 2000 programme (33 at Peterhead and 6 at Barlinnie). At the start of 2002 a further 43 offenders at Peterhead and 7 at Barlinnie were undertaking the programme. A slightly adapted course for Young Offenders commenced with 10 young offenders at HMYOI Polmont in November 2001.

118. In total, 58 serving members of SPS staff or contracted staff have been trained to deliver the STOP 2000 programme including Psychologists, Social Workers, First and Second Line Managers, and Prison Officers. Eight establishments, only one of which is a dedicated sex offender prison, have staff trained to deliver this programme. Of these staff, 16 (9 officers) are based at Peterhead with 42 (16 officers) in 7 establishments in the Central Belt

119. There is no reason why the staff delivering this programme at Peterhead would not be involved in delivering it at another site. In the event of any closures, the SPS have given undertakings that there will be no compulsory redundancies and to transfer any staff wishing to remain with the SPS. Without underestimating the work done at Peterhead, the Scottish Prison Service takes the view that the programme is more important than the place in which it is delivered. The SPS remains committed to this programme and is determined to enhance delivery by ensuring that prisoners undertaking it do so within appropriate accommodation.

120. The argument for a dedicated sex offender prison with a very specific overall culture (also described as ‘homogeneous’, ‘total’ or ‘monoculture’) is not universally accepted. It is not possible to be definitive. All that is clear from the extensive literature on sexual offending interventions is that treatment gains are maximised when sexual offenders are held together **for the duration of their treatment**. There are numerous positive evaluations from jurisdictions with approaches to treating sexual offenders in a larger prison context. What is crucial is that these prisoners *feel secure* within the environment where the programme is being delivered. That would be delivered.

121. It is estimated that up to 10% of the prison population are sex offenders (approx. 550 - 600). The Cosgrove Report, published in the summer of 2001, recommended that the SPS should ensure the availability of sex offender intervention programmes for every convicted sex offender including those given a custodial sentence of 2 years or less (Recommendation 28). Some are young offenders and there is a legal requirement to accommodate them separately from adult offenders. It is not viable to create a prison exclusively for young sex offenders. There would be major drawbacks to any plan to take the majority of short-term

sex offenders away from their home locations, mostly in the central belt, to be housed at Peterhead.

122. A range of non-SPS psychologists, social workers and others are required to provide the wider support necessary. The ultimate aim of the SPS is to provide appropriate programmes, interventions, and support for all sex offenders in custody. This will require the delivery of programmes to a variety of prisoner categories.

123. There are very specific recommendations in the Report of the Social Work Inspection into the "Supervision of Sex Offenders", issued in 2000, about improving contact with home Social Work Authorities through reception, treatment, and pre-release phases of the sentence. This enables the work conducted within prison to be integrated into a comprehensive throughcare package. The Cosgrove Report contains a number of recommendations which further underline the issue of effective throughcare and liaison between prison, police, and local authorities. Given the home locations, all this would be more easily facilitated for the majority in a Central Scotland site. Throughcare support in the community and good links with other agencies in the area into which offenders will be released are crucial factors if public safety is to be maintained e.g. as is presently delivered at Barlinnie.

124. The SPS is engaged in developing maintenance/top-up programmes for sex offenders to be used appropriately throughout the sentence. These will need to be delivered in whichever location the sex offenders are situated, including open prisons, especially in terms of pre-release arrangements. This large scale programme will build upon the strong foundation and experience which has been gained through the work at Peterhead and the staff expertise allied with others being trained and gaining similar expertise will ensure a steady progression of this work throughout Scotland.

125. In terms of the Estates Review and the necessary building programme, there would be a lead-in time of some 3 years before any moves could take place. This time would be utilised to continue building up expertise and training of staff throughout the SPS and the necessary widening of the delivery of sex offender programmes is already commencing. This interval would also enable a careful scheduling of sex offending programmes so that disruption would be kept to a minimum for the transfer of prisoners and staff. HMP Peterhead has a long history and in recent years has delivered excellent work with sex offenders. It is however not well located to carry this work on and the buildings are at the end of their useful life. The prison should therefore close in several years time and the work be transferred to prison(s) in central Scotland, once the plans to ensure that there is the minimum disruption to the good work of Peterhead have been put in place.

**Proposal: HMP Peterhead**

**HMP Peterhead has a long history and in recent years has delivered excellent work with sex offenders. It is however not well located to carry this work on and the buildings are at the end of their useful life. The prison should close and the work be transferred to prison(s) elsewhere in central Scotland without loss of effectiveness. Increasing the capacity of HMP Shotts is not a suitable option.**

## Impact on Prisoners

126. The impact of any change for prisoners can cause them concern. Understandably, long term prisoners are particularly affected by change. SPS is well aware of this issue and speedy, open and straightforward communications with indications of relative timescales will be of the utmost importance in order to reassure prisoners and to keep them and their families and indeed external agencies working with prisoners in throughcare accurately informed of planned developments.

127. However, the aim of the Review is to tackle the problems of the existing prison estate and, if achieved, it means that many more prisoners would in future be held in modern purpose-built accommodation.

## Impact on SPS Staff

128. A poor quality and run down prison estate also has a major impact on staff. "Slopping out" is unpleasant for staff as well as for prisoners. The poor quality of the accommodation in the estate also holds back SPS from working effectively with prisoners in an attempt to help them change their offending behaviour in order to reduce the risk of them re-offending on release. It also hampers prisoners in contributing as fully as possible to such programmes. This means that change is necessary.

129. The prospect of change is always unsettling. The major changes would be 100% staff reductions in due course at the closure sites and a lesser reduction at Barlinnie where prisoner numbers would reduce. SPS's current estimate of the numbers likely to be affected is:

Prison:	Staff Numbers Affected:
HMP Low Moss	170
HMP Peterhead	240
HMP Barlinnie	260
<b>TOTAL</b>	<b>670</b>
<b>TOTAL SPS STAFF</b>	<b>c 4,600</b>

130. Again it is important to emphasise that to address the staff's concerns, the SPS Board has given assurances that it will not use compulsory redundancy to effect the changes arising from this Estates Review nor will any member of staff incur a cut in his or her cash pay. The same assurance that there would be no compulsory redundancies was given for the closures under the "Living within our Means" rationalisation programme in 2000. This was honoured and even staff employed in junior non-operational roles, with no mobility term in their contracts, were given the option of transferring to another location with the cost being met by SPS - and some did.

131. SPS's view is that the short-term surplus would be of manageable proportions. Nevertheless, SPS may offer redundancy on a voluntary basis to a number of the staff affected by the changes where relocation would otherwise be necessary. The precise arrangements will depend on the detail of the changes being implemented, and critically the timing of the different elements. There may be a halt to recruitment for a period, and a requirement for some staff to act outwith their normal role as the staffing of the service is brought back into appropriate balance. **However no one will be forced into compulsory redundancy as a result of the Estates Review.**

132. Within the scope of the Estates Review, it is a priority for the SPS to ensure that, in all the prisons affected, the prisoner population is transferred to a new location and the establishment closed under stable conditions. The phasing and timing of closure and scaling down programmes will inform the SPS approach to staff transfers and any voluntary severance/redundancy arrangements

133. In particular, working closely with sex offenders on what is a long, challenging, and demanding programme can create pressures for staff. Sometimes a break from these duties is sensible. It would be easier to facilitate periods of rotation away from this work if there were other suitable working opportunities close to hand that would not involve extended travel. This is not a principal reason for change but it could prove to be a real long-term benefit.

134. The period between announcement of a closure decision and the actual closure date will not be short. To maintain service delivery over that period SPS will need to make some use of detached duty staff.

## Summary of Conclusions

135. This Paper has summarised the main findings from the SPS Estates Review, the best available statistical projections of future prison population to 2010 and the PwC analysis which supports those findings, together with the Executive's views and proposals. The key issues are the cost to the taxpayer of building and operating enough appropriate accommodation to hold the projected future prisoner population and ending slopping out as quickly as possible. The Executive considers that the Estates Review has evaluated carefully and thoroughly the best way in which prison services can be delivered.

136. A major part of the Executive's approach to public services is value for money. What has emerged is that the Scottish taxpayer would have to pay almost **£700 million NPV more** for 3 new prisons to be built and run by the public sector than for prisons built and operated by the private sector to the terms of a contract agreed with the SPS.

137. The Executive is committed to ending slopping out in prisons as quickly as possible. Three new private sector built and operated prisons plus major new build on existing key SPS sites should enable slopping out to end in around 5-6 years instead of 10+ years; twice as quickly.

138. The difference between the public sector and the private sector costs represents money which would have to be paid to run a prison service that could otherwise be available to provide preventative services in the criminal justice system, new hospitals, new schools, or better healthcare. Some will find it difficult ever to accept that prisons should involve the private sector. However, the Executive would ask those who hold this view to consider carefully whether they can justify the huge cost differences and time delays.

139. The new Prison Service Vision looks ahead to a time where society can look to the Service to make a greater impact on those who are sent to prison by the courts and thereby contributes to the Executive's aim to make Scotland a safer place to live. Three new prisons would deliver the appropriate environment for this important work. The sooner that is achieved, the sooner an impact on recidivism can become a reality.

140. The Executive's views and proposals are summarised below. **No decisions have been made.** The Executive wishes to consider thoroughly the views of all those who respond to this consultation document.

## Proposals: Summary

### New Prisons

The 10-year prisoner population projection is that the total number of prisoners may be about 1,000 more than it is now. Stopping out should be ended as soon as possible to be replaced by new, purpose built facilities. A substantial proportion of the prison estate is unsatisfactory. These two issues suggest that 3 new prisons need to be built (2200 places) as well as major new investment in SPS's key sites to provide about 1,100 new places.

The analysis demonstrates clearly that the best value for money would be achieved by a partnership between the public and private sectors in which the private sector builds and operates prisons to outputs set by the public sector. **The cost would be roughly half that of providing the same places via the other options.** It also has the greatest likelihood of delivering the new accommodation much more quickly than the other alternatives, and with the lowest risk to the taxpayer.

The Executive recognises that there are some who take the view that there should be no private involvement in the running of prisons. The Executive is firmly of the view that what matters is the delivery of a good quality service at the best value for money, for the benefit of prisoners, the wider community and the taxpayer.

There is ample evidence, both from Scotland, elsewhere in the UK, and indeed world-wide, that the private sector can be contracted to deliver safe and effective prisons. More can no doubt be done to ensure that such prisons (like all prisons) focus on reducing re-offending, as well as providing a safe and secure environment, and SPS intends to pursue that. The Executive's proposal is that the three new prisons should be provided through this route.

### HMP Barlinnie

The Executive proposes that HMP Barlinnie should be retained with a capacity of around 530 places in the first instance. SPS is already refurbishing a houseblock and in the longer term, SPS will aim to invest in a new houseblock although the timing of this will depend on the population pressures, availability of resources and the prior availability of accommodation elsewhere.

### HMP Low Moss

HMP Low Moss should close as soon as alternative accommodation is available. The site should be considered for a new prison development.

### HMP Peterhead

HMP Peterhead has a long history and in recent years has delivered excellent work with sex offenders. It is however not well located to carry this work on and the buildings are at the end of their useful life. The prison should close in several years time and the work be transferred to prison(s) elsewhere in central Scotland but increasing the capacity of HMP Shotts is not a suitable option.

141. This paper sets out the Executive's considered proposals for tackling the various requirements and we consider that they strike the right balance of value and practicality. The Executive believe that they represent a logical and prudent way forward.

142. Comments are invited on the Executive's proposals by Wednesday 12 June 2002 addressed to:

Estates Review Team  
Scottish Prison Service Headquarters  
Room 338  
Calton House  
5 Redheughs Rigg  
EDINBURGH EH12 9HW

Or e-mail to: [er.consult@sps.gov.uk](mailto:er.consult@sps.gov.uk)

**Responses may be made public unless respondents make clear they wish their response to remain private.**