



National Audit Office

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## **Report**

by the Comptroller  
and Auditor General

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**Ministry of Justice and  
National Offender Management Service**

# Managing the prison estate

## Key facts

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**13**

prisons closed  
between May 2010  
and September 2013

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**2,700**

new prison spaces  
provided, May 2010  
to September 2013

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**£211m**

net savings from the  
estate strategy from  
May 2010 to 2015-16

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- 60 years** planned lifespan of prison capacity built today, compared to just five years for some prefabricated units erected in the 2000s
- 34 per cent** proportion of new capacity built since 2010 that could be used to hold prisoners two to a cell
- £5.5 million** saved by the Ministry of Justice, instead of increasing the amount of purposeful activity space to increase flexibility at HMP Oakwood
- 10 per cent** increase in the average size of an adult male prison between 2010 and 2013
- 14 months** average wait, from June 2013, for a sex offender treatment programme at HMP Whatton

# Summary

**1** The National Offender Management Service (the Agency) is an executive agency of the Ministry of Justice (the Ministry). It is responsible for the prison system in England and Wales. It runs some 130 prisons, which vary considerably in age, type, size and the resources required to operate them. Since 2010, through an estate strategy, the Agency has made major changes to its land and buildings. It has closed some prisons, expanded others and built more on new sites.

**2** This report looks at the value for money of these changes, considering whether they have:

- reduced resource costs (Part Two); and
- improved quality and performance (Part Two) – in terms of security, safety, decency, and providing ‘purposeful activity’.

**3** We also examine how estate changes may be affecting the prison system overall (Part Three). Finally, we consider how the Agency, working with other government bodies, might reduce the prison population by managing key offender groups better. In particular, we consider those serving indeterminate sentences and foreign national prisoners (Part Four).

**4** We carried out fieldwork between May and September 2013. This included: reviewing the Agency’s estate strategy, prison closure methodology and business cases for new capacity; statistical and financial analysis; and interviews with officials. We visited prisons, including some that were closing and others that had recently opened. Appendix One has further details.

## Key findings

### Estate strategy

**5** **Since 2010, the Agency has taken a welcome longer-term approach to estate development, after many years of reacting to rapidly increasing prisoner numbers.** The Agency’s estate strategy now considers cost and quality, avoiding the worst aspects of recent prison construction (paragraphs 1.6 and 1.9).

**6** **Understandably, however, the estate strategy’s focus is cost reduction and this has limited how far it can address quality and performance.** Consequently, the Agency’s decision-making has sometimes traded good quality and performance for greater savings. For example, it closed some high-performing prisons before new prisons were performing well (paragraphs 1.10, 2.29 and 2.32).

**7 The Ministry and the Agency utilise good forecasts of prisoner numbers and have good contingency plans as they implement estate changes.** In particular, the Agency responded effectively to an unexpected spike in prisoner numbers after the riots in 2011 (paragraph 1.13).

## Cost

**8 By the end of 2013-14, the Agency's prison estate changes will have contributed £71 million of savings since 2010.** By 2015-16, the total will have reached £211 million, with further savings accruing at a rate of £70 million a year thereafter. This does not include savings from additional closures and new construction announced in September 2013. The savings represent the difference between running costs at closed prisons and running costs at newly-opened capacity, as well as one-off receipts from land sales. The figure has been reduced to reflect implementation costs (paragraph 2.11).

**9 The Agency's methodology for identifying prisons to close allows it to compare prison costs, despite their varying roles and differing populations. However, it excludes new prisons, including PFI prisons, several of which are among the most expensive prisons to run.** It excludes them because they are modern prisons and because of the cost and difficulty of terminating contracts early (paragraphs 2.4 to 2.6).

**10 The Agency's project management of closures and new construction has been efficient.** Prisons are closed in three months and the two new prisons, HMPs Oakwood and Thameside, were completed on time and within budget (paragraph 2.12).

## Quality

**11 During the 2000s, the Agency often increased prison capacity with prefabricated units, which had short lifespans (some as low as five years) and provided few additional facilities. The new capacity the Agency builds now is of a significantly higher quality and includes facilities, in addition to accommodation. It has a planned lifespan of 60 years** (paragraphs 2.8 and 2.23).

**12 New accommodation is good and modern, with integrated toilet and shower facilities and safety features that reduce the risk of self-harm and suicide. However, in some new accommodation prisoners routinely share cells, some of them in overcrowded conditions.** Twelve per cent of prisoners in new capacity are sharing cells, which is against United Nations and Council of Europe guidelines. In time, up to 34 per cent of the accommodation built since 2010 could be used to hold prisoners two to a cell. At the recently-announced new prison in Wrexham, prisoners could be expected to share in 58 per cent of cells (paragraphs 2.14 to 2.15 and 2.19 to 2.20).

**13 The Ministry now builds flexibly, so it can easily convert prisons to category B status (the second highest security status).** Building to a higher security specification initially, though slightly more expensive in the short term, is good value for money as authorities are likely to change a prison's role several times during its life. The Ministry arranges new prisons with clear sight lines that require fewer staff for security and makes greater use of closed circuit television, reducing operating costs (paragraphs 2.21 and 2.22).

**14 New capacity, however, is not so flexible when it comes to purposeful activity facilities, so the Agency will struggle to provide adequate activity for certain populations at some sites.** HMP Oakwood, in particular, does not provide a typical mix of purposeful activity to meet its current population's needs. This is because the Agency decided not to increase the amount of purposeful activity facilities during construction because greater flexibility would have cost an estimated additional £5.5 million. The contractor now running Oakwood has undertaken to provide sufficient purposeful activity within the current setting but is finding it hard to do so (paragraph 2.24).

## Performance

**15 The Agency has chosen to exclude assessments of prison performance, both its own and those of HM Inspectorate of Prisons, from decision-making about prison closures.** The Agency could incorporate a measure of performance into its closure methodology without abandoning its primary focus on cost reduction, but believes this would reduce the savings made; the Agency instead seeks to improve performance through other initiatives. Of the 18 prisons the Agency closed or selected for closure since 2010, however, 8 performed well in their most recent Agency or inspectorate assessment (paragraphs 2.28 and 2.29).

**16 The Agency considers whether prisons it could close have unique facilities. But before April 2013, it did not consider the number of accredited offender behaviour programmes that a prison was running before closing it.** When HMP Shepton Mallet closed in March 2013, the Agency lost 34 places on sex offender treatment programmes, which were not re-provided elsewhere (paragraphs 2.5 and 2.26).

**17 It is difficult for new prisons to achieve high performance: the two newest were two of three that scored the lowest mark in prison ratings for 2012-13, and received negative reports from inspectors.** Internal management information shows a small improvement at both prisons during 2013-14 to date. The Ministry's benefits realisation plans for new capacity do not include measures of quality or performance, but only focused on the number of places and their cost (paragraph 2.32).

## Effectiveness

**18 The combined effects of closures and new construction to date have increased the average size of an adult male prison by 10 per cent since 2010, with further increases planned.** One way the estate strategy saves money is by closing small prisons and replacing them with larger ones that bring economies of scale (paragraph 3.2).

**19 There is no evidence that smaller prisons are better at reducing reoffending than large ones, but data indicate that small prisons can find it easier to perform better than large ones in other respects.** Evidence from surveys show that prisoners tend to be more engaged in smaller establishments and small prisons consistently do better, on average, in the Agency's internal performance ratings and in independent inspections. We think that more needs to be done to examine the apparent relationship between prison size and effectiveness (paragraph 3.5).

## Population

**20 Reducing prisoner numbers, where possible, still represents the best way to save money in prisons in the medium and long term. Even with cheaper new capacity, every 1,000 places in the prison system cost, on average, £28 million a year.** Prisoner numbers are affected by crime levels, government policy and sentencing practice but also by the way that prisoners are managed (paragraph 4.8).

**21 The Agency might be able to free up more spare capacity itself if prisoners serving indeterminate sentences had more access to accredited courses, which could reduce their risk of causing harm to the public.** Most prisoners on indeterminate sentences have completed at least one course, as part of a plan to reduce their risk of causing harm, which would enable the Parole Board to release them had risk reduced sufficiently. However, many need more than one course to reduce their risk adequately, as well as other interventions. The Agency does not collate information about course waiting lists, though it plans to do so. Prisoners awaiting a sex offender treatment course in June 2013, at a prison specialising in holding sex offenders, were likely to wait on average 14 more months, at a cost of £23,000 per prisoner. The Agency has protected the budget for accredited programmes in relative terms, since 2010-11, but the number of programmes completed has dropped by some 5 per cent (paragraphs 4.3 to 4.5).

**22 The Home Office removes over 1,000 foreign national offenders from the UK every quarter, but it is currently removing 14 per cent fewer than in 2009.** Removing more prisoners would allow the Agency to reduce prison capacity. This could happen if the Home Office prioritised cases better, improved case administration and used the foreign national offender-only prisons, that the Agency has created, more effectively (paragraphs 4.8, 4.10, 4.13 and 4.15).

## Conclusion on value for money

**23** The current strategy for the prison estate in England and Wales is the most coherent and comprehensive for many years. It has reduced operating costs quickly. Through capital investment of £370 million, it has provided good-quality accommodation, suitable for prisoners with a range of security categorisations for decades to come. The strategy is a significant improvement in value for money over the short term and reactive approaches of the early and mid-2000s.

**24** Implementation of the estate strategy has resulted in the closure of several high-performing prisons, whose performance is not yet matched by new establishments. The Agency has a number of non-estate initiatives which aim to improve prison performance across the board, but the loss of high-performing prisons, in the short term, is regrettable in value-for-money terms. The Agency urgently needs to improve new prisons and also to consider if it can close fewer high-performing ones in future. Longer term, prisons need more flexible purposeful activity facilities, if they are to address the risks of all prisoners well, and the Agency needs to understand more about the performance consequences of building very large male prisons.

## Recommendations

- a** **When it closes a high-performing prison, the Agency should explore the reasons for its success and disseminate these.**
- b** **Building on savings initiatives to date, the Agency should explore further options to reduce the cost of some PFI and privately-run prisons.** Further savings at these prisons could reduce the savings the Agency will have to find from public-sector prisons and the likelihood that more of these, including high-performing ones, will have to close.
- c** **The Agency should consider including prison performance in its methodology for selecting prisons to close, giving it an appropriate weight alongside other criteria.**
- d** **The Ministry and the Agency should consider purposeful activity facilities in the same way as security features.** They should ensure enough purposeful activity, including a good range of activity, for all the main types of prisoner a prison could hold over its lifetime, and for its operational capacity.
- e** **Starting with HMPs Oakwood and Thameside, the Agency should monitor the wider performance of new prisons, as well as places and cost, in determining the success of projects.** For example, it should consider its own and the inspectorate's performance ratings.

- f The Ministry should conduct more research into what makes a prison high performing.** Given the direction of its estate strategy, it should prioritise further work to examine the relationship between prison size and effectiveness.
- g Where prison closures reduce the number of places on offender behaviour programmes, the Agency should replace them at other establishments so that there is no net reduction.** More generally, alongside better targeting of existing resources, it should increase the number of places on offender behaviour programmes, or introduce alternatives, to address the large backlog of indeterminate-sentenced prisoners in the system.
- h The Home Office should prioritise foreign national offender cases according to the likelihood of removal, and should not pursue cases which are highly unlikely to have a successful outcome.** It should also improve how it administers foreign national offender cases by:

  - putting caseworkers in foreign national offender-only prisons; and
  - standardising and indexing case files better so new caseworkers can understand them more quickly.