



National Audit Office



REPORT

Increasing the capacity of the prison estate to meet demand

Ministry of Justice,
HM Prison and Probation Service

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Increasing the capacity of the prison estate to meet demand

**Ministry of Justice,
HM Prison and Probation Service**

Report by the Comptroller and Auditor General

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**Gareth Davies
Comptroller and Auditor General
National Audit Office**

26 November 2024

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Key facts

20,000

government commitment made in October 2021 for new prison places by mid-2020s

6,518

prison places delivered by Ministry of Justice (MoJ) and HM Prison and Probation Service (HMPPS) against the government's commitment, as at September 2024

£9.4bn to £10.1bn

expected cost of MoJ and HMPPS's prison expansion portfolio to build additional places (at least £4.2 billion more than planned)

85,900

number of people in prison as at 28 October 2024, a 3% decrease since 6 September 2024, following the early release of at least 3,100 prisoners to manage severe capacity issues

1,005

net change in prison places between May 2010 and September 2024 (new prison places minus cells lost through dilapidation and prison closures)

2031

current estimate for delivery of 20,000 new prison places (original target date of mid-2020s)

12,400

estimated shortage of prison places by end of 2027 in MoJ's latest available central population and capacity projection scenarios – projections assume that HMPPS will deliver additional places to its revised timeline

23,000

approximate number of occupied prison places which are not compliant with fire safety requirements as at March 2024, a quarter of places

£1.8 billion

estimated backlog of maintenance works required as at September 2024, compared with £0.9 billion in 2020

Summary

1 HM Prison and Probation Service (HMPPS) is the executive agency of the Ministry of Justice (MoJ) responsible for managing the prison service in England and Wales. MoJ is responsible for prison policy and for securing and allocating an adequate financial settlement and balancing financial pressures across its portfolio. As at 28 October 2024 there are 85,900 people held in prisons in England and Wales. The prison estate comprises 124 prisons, of which 108 are publicly operated.

2 We last reported on the prison estate in 2020. We concluded that HMPPS was failing to meet its aims of providing a safe, secure and decent prison estate. HMPPS was also facing a significant challenge to meet its commitment to deliver 13,400 additional prison places. We highlighted that MoJ and HMPPS needed to resist taking a reactive approach to capacity pressures and to instead work with HM Treasury produce a long-term strategy to deliver a prison estate fit for purpose.

3 Since then, MoJ has increased the scale of its prison expansion plans from 13,400 to 20,000 additional places by the mid-2020s in response to projected increases in demand. HMPPS is delivering the additional places through a portfolio of prison capacity programmes (prison expansion portfolio), which includes a mix of building new prisons, expanding and refurbishing existing prisons, and installing temporary accommodation.

4 HMPPS has delivered 6,518 additional places between 2020 and September 2024, 278 of which are from additional crowding at four private prisons. Despite this, the prison estate has been operating at close to full capacity since autumn 2022, with many prisons severely crowded. If prisons reach full capacity, there would be significant impacts on the wider criminal justice system. For example, courts would not be able to try cases where suspects may be given prison sentences. MoJ and HMPPS have had to implement various emergency measures, such as releasing prisoners early, to ensure that the criminal justice system continues to function. This report examines:

- MoJ's and HMPPS's progress in expanding and maintaining the prison estate (Part One);
- MoJ's and HMPPS's oversight and management of recent capacity pressures and the impact of measures it has used to alleviate pressures (Part Two); and
- future risks to the resilience of the prison estate (Part Three).

5 This report largely focuses on the adult male estate which holds 96% of the prison population and is where there is the most acute pressure for places. We have not explored the impact of staffing levels, nor of capacity pressures on rehabilitative outcomes for prisoners in detail. We conducted our fieldwork between February and October 2024, so we include both the previous and the new government's commitments on the prison estate.

Key findings

Responding to increasing demand for prison places

6 HMPPS has been unable to increase capacity in line with demand, resulting in a prison system at full capacity. Between May 2010 and September 2024, HMPPS only added a net 1,005 prison places to the estate (new prison places minus cells lost). This is due to a combination of delays in expanding the estate's capacity, dilapidation of existing cells reducing places available, and the policy approach in the early 2010s to close and replace uneconomic prisons. In comparison, the prison population grew by approximately 3,000 (three times the net places added) over the same period. The number of people in prison had remained relatively stable at around 85,000 between 2010 and 2019. However, following a substantial decrease during the pandemic the prison population then increased rapidly (10% increase between July 2021 and July 2023), and it would have increased further if not for emergency measures MoJ and HMPPS implemented to avoid running out of places (see paragraph 13). The adult male estate has been most acutely affected, operating at 98.0% to 99.7% occupancy between October 2022 and August 2024. This has left the criminal justice system vulnerable to system shocks such as sudden spikes in demand or unexpected capacity losses (paragraphs 1.27 and 2.2, Figures 6 and 8).

7 Previous under-investment in the long-term resilience of the prison estate put MoJ and HMPPS in a poor position to respond to increasing demand for prison places. In February 2020, we reported that HMPPS had lacked a long-term funded strategy for the prison estate. The report also noted that HMPPS had not maintained its estate to the required standard due to insufficient funding, impacting available capacity. At that point, HMPPS planned to deliver around 13,400 additional places in response to projected increased demand due to the recruitment of 20,000 more police officers. HMPPS expected it would need to boost capacity further as demand projections did not take changes to sentencing policy into account, many of which were likely to lead to people spending longer in prison. There was also significant uncertainty around the timing and impact of the increased police recruitment. Revised demand projections in July 2020 showed that, even with their expansion plans, MoJ and HMPPS faced a predicted gap between demand and capacity of around 6,000 places by 2023 (paragraphs 1.4 to 1.6 and 1.24).

8 To meet this increasing demand, MoJ and HMPPS have therefore prioritised fast expansion of the estate over cost. In October 2021, MoJ committed to delivering 20,000 places by the mid-2020s through a portfolio of programmes, although it expected it would still face a capacity gap in 2024. MoJ and HMPPS planned to deliver around 6,000 of these places quickly, reflecting the profile of projected demand. This included some accommodation with a shorter lifespan of around 15 years. MoJ and HMPPS acknowledged that building new prisons would generally be better value for money than quicker options, but assessed they could not deliver them in time to bridge the expected capacity gap (paragraphs 1.7 and 1.8).

Progress with the prison expansion portfolio

9 HMPPS does not expect to meet its commitment to deliver 20,000 new prison places until 2031, approximately five years later than planned, exacerbating short-term capacity pressures. Most of the prison expansion programmes are now delayed. As at September 2024, HMPPS had only delivered 6,518 additional places, 278 of which are through additional crowding at four private prisons. More than half of these places (3,430, or 53%) were at two new prisons, Five Wells and Fosse Way. Some programmes HMPPS planned to deliver quickly are considerably delayed. For example, HMPPS did not deliver 1,000 Rapid Deployment Cells (RDCs), modular units with a lifespan of 15 years, in 2022 as planned and it now expects to fully deliver these in 2026. In Summer 2024, HMPPS reset its expected programme timescales, setting a revised overall completion date of 2031. ISG's collapse at the end of September 2024 will also affect future plans as ISG was MoJ's main construction contractor for 17% of its prison expansion places. Prior to the insolvency, HMPPS modelled the estimated impact as a worst-case scenario when resetting timelines and estimated this will cause delays of three to 18 months for some individual projects. It does not currently expect this to affect its revised portfolio completion date although it plans to review these estimates (paragraphs 1.10 and 1.11, and Figure 4).

10 MoJ and HMPPS now expect the prison expansion portfolio to cost at least £4.2 billion (80%) more than planned. HMPPS estimates it will cost between £9.4 billion and £10.1 billion to deliver its portfolio against its approved estimated funding of £5.2 billion in 2021. This includes delivery of a slightly higher number of places (20,995) than originally planned following changes it has made to the portfolio. Changes in cost per place vary across projects, with increases of between 0% and 259% between initial business cases and expected cost as at September 2024. The highest cost increases are for its RDCs, where initial requirements were not well scoped. HMPPS's recent new build prisons have required smaller but still significant cost increases, mainly due to inflationary pressures (paragraphs 1.12, 1.13 and Figure 4).

Reasons for delays and cost increases

11 Unrealistic timelines, insufficient risk management and a lack of prioritisation by wider government led to delays and cost increases:

- **Weaknesses in governance and pressure to deliver places quickly allowed overambitious timelines and unachievable budgets to be set for many programmes.** MoJ and HMPPS aimed to build and open six new prisons by the mid-2020s, even though they had no planning permission in place for three of those prisons by 2021. The lack of an estates strategy also hindered HMPPS's ability to engage early with local authorities and pre-empt predictable objections to proposed sites. It took around 20 months longer than planned for two of the new prisons to receive planning permission, and one prison still did not have planning permission by October 2024. Early programme governance did not support the delivery of a large-scale infrastructure programme, and arrangements failed to prevent unrealistic timelines being approved and put programme teams under strain. An internal review in March 2022 found some initial budgets had excluded significant areas of scope to allow projects to progress (paragraphs 1.15 and 1.17).
- **MoJ and HMPPS did not manage some programme risks effectively.** For example, HMPPS did not sufficiently understand the full scope of many of its programmes early on leading to significant cost increases. Additionally, reporting did not always give an accurate view of progress. MoJ acknowledged its proposed delivery timelines were challenging, but reported as late as May 2022 that it was still on track to deliver its commitment, even without planning permission for three new prisons. An internal review also found evidence of inconsistent risk reporting, for example, programme risks being revised downwards to pass internal gateway stages (paragraph 1.17).
- **Government bodies did not work together sufficiently to prioritise delivery of the portfolio.** MoJ told us that it raised delivery risks early for its accelerated houseblocks programme. The programme was part of the government's 'Project Speed' initiative to fast-track infrastructure projects, and involved building additional houseblocks on existing prison sites to accelerated timelines. MoJ explained that it expected this would help fast-track the programme, but, when risks materialised, they proved difficult to unblock. Delivery dates were also pushed back by some instances of HM Treasury making slow decisions on spending, for example, while it was resolving the overall departmental budget with MoJ (paragraph 1.19).

12 The need to deliver places urgently and a challenging economic environment have exacerbated cost increases. The start of the 2022 war in Ukraine put pressure on supply chains for construction, and some suppliers have subsequently collapsed. Inflation in the construction sector has been particularly high, with MoJ estimating around 40% price rises between January 2020 and February 2024. HMPPS estimates that each three-month delay for each of its new build prisons adds £8 million of additional cost. The need to deliver projects quickly also means that contractors may charge more to take on increased risk. MoJ judged that it was prepared to proceed with higher cost delivery options due to its urgent need for additional prison places. We saw evidence that MoJ and HMPPS understand the main drivers of cost increases across projects, and that they scrutinise capital spending decisions through MoJ's investment committee, including making decisions to delay approving business cases if costs are too high (paragraphs 1.20 to 1.22).

Short-term management of capacity pressures

13 MoJ and HMPPS have responded well to an emerging crisis, developing strong governance arrangements for alleviating capacity pressures. As pressures increased in autumn 2022, HMPPS set operational red lines it would not cross in managing pressures to ensure the safety of staff and prisoners, such as constraining any additional crowding to limits it assessed as safe. MoJ and HMPPS adopted governance structures with clear escalation routes to ministers to support decision making. MoJ and HMPPS have put significant effort into developing both supply and demand options for ministers to consider. The government has largely chosen to implement supply-side options, such as moving more prisoners to open prisons, only activating demand-side measures, such as releasing prisoners early, when it has exhausted other options (paragraphs 2.4 to 2.7 and 2.9, Figures 7 and 8).

14 The emergency measures that MoJ and HMPPS have taken to manage capacity pressures can risk worsening prisoner outcomes and are expensive. HMPPS and MoJ acknowledge that actions they have taken in response to the crisis expose them to greater risk that could impact public and prisoner safety or the effective rehabilitation of prisoners. For example, greater crowding is linked to higher rates of violence and can reduce opportunities for rehabilitative activities. HMPPS has also raised concerns about the impact of managing multiple emergency schemes and the associated disruption experienced by prison staff, with fears that staff may be at risk of burnout. HMPPS's contingency measure to rent police cells overnight (Operation Safeguard) costs nearly five times the average daily cost for a prison place (£688 vs £142) (paragraphs 2.8 and 2.12 to 2.17).

Future risks to the prison estate

15 MoJ is relying on new demand reduction measures to address a projected shortage of 12,400 prison places by the end of 2027, should its central population projection be realised. HMPPS's current prison expansion plans are insufficient to meet projected future demand. MoJ is relying on new demand measures such as the Sentencing Review, announced in October 2024, to reduce demand for prison places and close the gap between demand and capacity. It does not have any contingency plans to increase prison capacity as it views it has limited options left to do this. Public knowledge of the capacity gap and wider debate around how to resolve it has to date been restricted as MoJ does not publish its capacity projections (paragraphs 3.5 to 3.7, 3.13 and Figure 9).

16 The poor condition of parts of the prison estate and staffing shortfalls may undermine HMPPS's ability to manage future population pressures.

For example, prison cells can be unexpectedly taken out of use when deemed unsafe. While HMPPS's maintenance spending has increased since 2020, it did not secure the funding it requested at the 2020 Spending Review to tackle its maintenance backlog, and recent capacity pressures have forced it to reduce the number of cells out of use for routine maintenance. The maintenance backlog has doubled to £1.8 billion from £0.9 billion in the last four years. As at March 2024, approximately 23,000 occupied prison places (a quarter of places) did not meet fire safety standards (standalone smoke detectors are being used as mitigation in the meantime). HMPPS estimates it would cost £2.8 billion over the next five years to bring the whole estate into a 'fair' condition, more than double its current maintenance expenditure. HMPPS's ability to accommodate additional prisoners is also constrained by staffing factors. HMPPS has successfully recruited more prison staff, but some prisons have experienced difficulties in retaining staff (paragraphs 1.23, 1.24, 2.8 and 3.8).

17 MoJ acknowledges that it requires a long-term, funded strategy to avoid taking repeated, reactive actions to manage capacity pressures. MoJ set out its high-level ambitions to develop a more resilient estate in its December 2021 white paper, but it did not develop detailed plans or secure funding for this. MoJ told us that, as well as launching the sentencing review to help end the prisons crisis, it is developing a 10-year capacity strategy and engaging with HM Treasury to develop a multi-year funding plan. However, even with a strategy, a lack of alignment between MoJ and wider government objectives may leave the estate vulnerable to future capacity crises and reduce overall value for money. Cross-government agreement is needed on how large the prison population should be, the associated funding required to ensure sufficient capacity, and the level of risk the government is willing to accept. An increasing estate means additional ongoing costs to the taxpayer. HMPPS's expanded estate will be approximately £670 million per year more expensive to run (2024-25 prices), and MoJ estimates it will need around an additional £5.0 billion to £5.6 billion of capital funding to complete its prison expansion portfolio commitments (paragraphs 3.10 to 3.13).

Conclusion on value for money

18 The current crisis in the prison estate is a consequence of previous governments' failure to align criminal justice policies with funding for the prison estate, leading to reactive solutions which represent poor value for money. Policies such as introducing tougher sentences and increasing the number of police officers led to steep increases in expected demand for prison places. However, years of under-investment in maintaining the prison estate put MoJ and HMPPS in a weak position to respond to these increases. HMPPS has therefore taken a reactive and expensive approach focused on building new places urgently at increased cost. Until there is greater coherence between the government's wider policy agenda and funding for its prison estate, the current crisis position will not represent value for money.

19 HMPPS's expansion plan was unrealistic and was not prioritised by the government, with resulting delays that have exacerbated the current crisis. MoJ's central projection scenario shows demand for spaces exceeding capacity by 12,400 places by the end of 2027, even if current expansion projects are delivered to revised timelines. We welcome MoJ's commitment to a more sustainable approach to ensuring a resilient prison estate, although MoJ and HMPPS have yet to set out plans for closing the gap and considering the cost trade-offs involved. Emergency measures such as Operation Safeguard are expensive, while other measures may worsen prisoner rehabilitation or resettlement, which may lead to higher reoffending rates. MoJ, HMPPS and wider government must ensure they learn lessons from the current capacity crisis and improve their handling of key risks and their focus on long-term resilience.

Recommendations

- a** **As part of the government's mission-driven approach to tackling crime, MoJ, the Cabinet Office, HM Treasury, the Home Office and other government bodies should work together to review the coherence of the government's policy objectives and the size of, and funding for, its prison estate so they can be clear on spending priorities.** This should include policies internal to the justice system such as on remand, parole and sentencing; and wider government objectives in areas such as policing, health and immigration. Specifically:
- MoJ should use existing cross-government mechanisms to seek agreement on how to improve alignment between government objectives which impact the prison population, and on the capacity required to support these aims. This should include the level of risk the government is willing to tolerate around capacity pressures in the estate;
 - MoJ should set out its case for longer-term funding to ensure it can develop and maintain the supporting capacity; and
 - HM Treasury should assess whether MoJ's suggested funding approach would provide better value for money than current arrangements, such as in other areas of government where multi-year funding arrangements are in place.

b MoJ should improve its case for bolstering the resilience of the estate by evaluating:

- the cost-effectiveness of different options to alleviate capacity pressures, given the benefit of experience, and which ones are most suitable when;
- lessons learned from delivering the prison expansion portfolio; and
- the costs involved with dealing with a capacity crisis, both in terms of resources and prisoner outcomes.

c MoJ should combine thinking on policy objectives for the prison estate and improved evidence of different approaches to develop a long-term strategy to improve the resilience of the estate. It should:

- include the rationale for its approach based on value for money, for example, how it will balance the role of maintenance against expansion and how it will consider the impacts on other bodies such as the probation service;
- clarify which current expansion projects will be completed and the total cost required;
- set out how it will ensure it has the capability to implement its approach; and
- set out contingency plans for any unexpected increases in demand.

d To provide greater transparency to the public and parliament, MoJ should commit to routinely publishing capacity projections alongside its demand projections. This should include outlining mechanisms for triggering contingencies to close capacity gaps, if higher-demand scenarios are realised.

Part One

Managing the prison estate

1.1 This part sets out:

- our previous study on the prison estate;
- the evolution of capacity commitments given increasing demand; and
- HM Prison and Probation Service's (HMPPS's) progress in expanding and maintaining the prison estate.

The prison estate in England and Wales

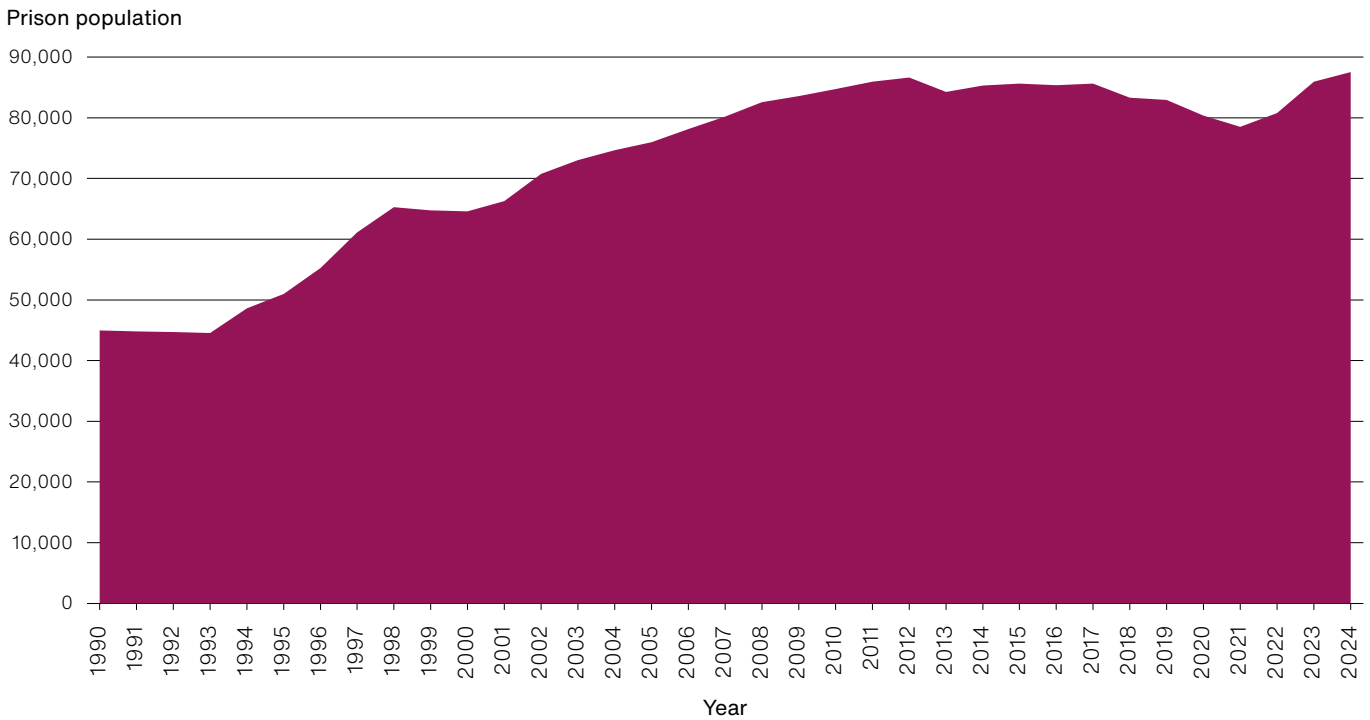
1.2 HMPPS is an executive agency of the Ministry of Justice (MoJ) in England and Wales. It is responsible for carrying out sentences given by the courts, in custody and the community, and for rehabilitating people in its care. In 2023-24, HMPPS spent £3.56 billion on prisons, around 67% of HMPPS's total net expenditure. MoJ is responsible for prison policy and for securing and allocating an adequate financial settlement and balancing financial pressures across its portfolio.

1.3 The prison population has increased significantly in the last 30 years (**Figure 1** overleaf), due to several factors including: changes to sentencing policy, leading to increased sentence lengths; increased numbers of people held on remand and recalled to prison; and the impact of increased police recruitment. As at 28 October 2024 there were around 85,900 people in prison across 124 prisons in England and Wales, 108 of which are publicly operated. This was a 3% decrease since 6 September 2024, following the early release of at least 3,100 prisoners to manage the capacity crisis (see paragraph 2.11). Prisons vary considerably by size and purpose, from Category A (high-security prisons), which accommodate prisoners convicted of the most serious crimes, to Category C (resettlement/training prisons) and Category D (open prisons), which support prisoners before their release into the community. Around a third of prisons were built during the Victorian era, so many require modernisation. In 2010, the National Offender Management Service¹ published a prison strategy which aimed to close old uneconomic prisons and to replace them with new, cheaper prisons.

¹ The National Offender Management Service was replaced by HMPPS in April 2017.

Figure 1
Prison population, 1990 to September 2024

The prison population reached an all-time high in 2024, almost double the population in 1990



Notes

- 1 The prison population in each year is the average of the 12 month-end total prison populations in England and Wales.
- 2 2024 figure is the average over January 2024 to September 2024. September is the latest available data month at time of analysis.

Source: National Audit Office analysis of Ministry of Justice official prison population statistics

Our previous study on the prison estate in England and Wales

1.4 Our February 2020 report on the prison estate found HMPPS was failing to provide a safe, secure and decent prison estate.² In the 2010s, MoJ had significant budget cuts, losing over half its capital funding in real terms between 2007-08 and 2015-16, which meant less money for improving the prison estate. We reported that prisons were crowded and HMPPS had not been able to provide enough places in the right type of prison, at the right time, to meet demand. Additionally, insufficient capital funding meant that HMPPS had not maintained its estate to the necessary standard, impacting available capacity.

² Comptroller and Auditor General, *Improving the prison estate*, Session 2019-20, HC 41, National Audit Office, February 2020.

1.5 We also noted that HMPPS faced a significant challenge in expanding its estate in response to projections of higher demand. This projected increase was largely driven by the government’s commitment to recruit 20,000 more police officers and by plans to increase sentence length for some offences. It expected more police officers would increase the number of arrests and convictions, though how and when the impact of this would be felt was uncertain. In 2019, HMPPS had committed to deliver 10,000 additional prison places in addition to two new prisons already under construction from its previous Prison Estate Transformation Programme (PETP), which it expected to deliver around 3,400 places. However, it did not expect these plans to be sufficient to address a high population projection of around 99,000 by the end of 2028 (a population increase of around 16,000 compared with 2019), and these projections did not yet take sentencing changes into account. We stressed the need for HMPPS to work with MoJ and HM Treasury to develop a long-term strategy for a prison estate that was fit for purpose and would balance maintenance of existing prisons and constructing new ones.

The evolution of capacity commitments given increasing projected demand

1.6 By July 2020 MoJ’s revised projections indicated that it could run out of places in March 2022, with a potential capacity gap (the projected shortfall of prison places against demand) of around 6,000 places by late 2023.

1.7 In response, MoJ increased its commitment to deliver additional prison places from 13,400 to 20,000 by the mid-2020s (**Figure 2** overleaf). It has focused particularly on identifying options it thought it could deliver quickly. MoJ’s increased commitment comprised the following:

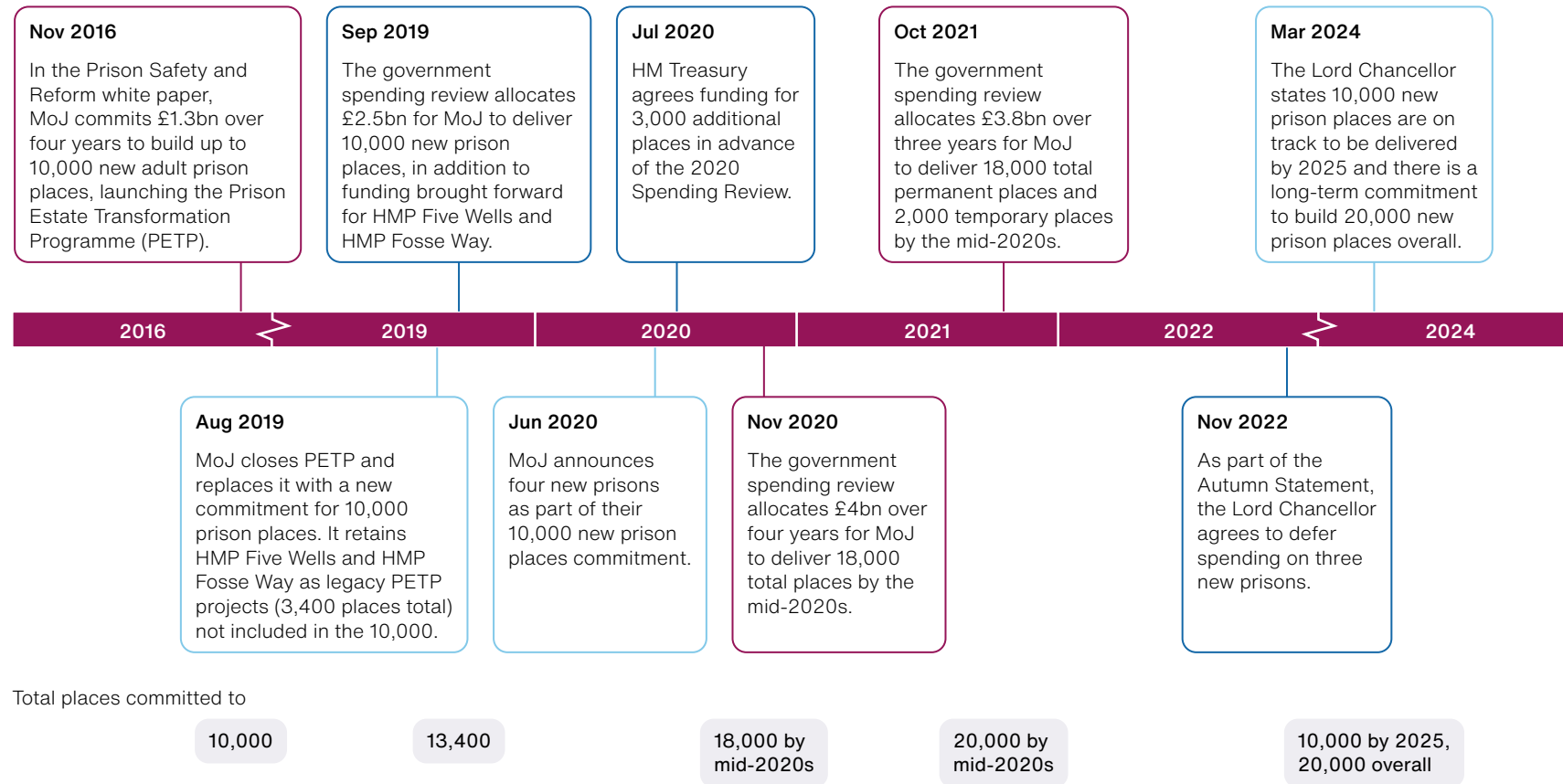
- July 2020: 3,000 places through additional houseblocks on existing sites under ‘Project Speed’, a government initiative to deliver infrastructure projects more quickly by reducing administrative constraints.
- November 2020 Spending Review: 1,000 places via Rapid Deployment Cells (RDCs), modular units with an expected economic life of 15 years. This formed part of £4 billion total funding to deliver 18,000 places by the mid-2020s.
- October 2021 Spending Review: 2,000 additional temporary accommodation places for £250 million additional funding. This resulted in an overall commitment to deliver 20,000 places, including 400 temporary COVID-19 units and converting Morton Hall Immigration Removal Centre into a prison.

Although HMPPS aimed to deliver its first 1,000 RDCs and some temporary accommodation before 2023, it estimated that further accelerated delivery options would also be required.

Figure 2

Timeline of the Ministry of Justice's (MoJ's) public commitments and funding for new prison places, November 2016 to March 2024

Since 2016, MoJ has made a number of changes to its commitment to deliver new prison places



- Funding and public commitment
- Public commitment
- Funding

Note

1 This is not an exhaustive list of government announcements on prison places.

Source: National Audit Office analysis of government announcements and funding commitments

1.8 MoJ had assessed that building new prisons was generally better value for money than expanding existing sites, but that it would not be able to do so in time to close its anticipated capacity gap. At the time of the 2021 Spending Review, even with the additional funding secured, MoJ projected it would still have a capacity gap of 900 places by 2024.

Progress on MoJ's prison expansion portfolio

1.9 MoJ began managing the programmes that make up its 20,000 places commitment as a portfolio in August 2021. The portfolio currently includes: six new build prisons (two of which have opened), expansions of existing sites, refurbishments, temporary accommodation, and Rapid Deployment Cells (RDCs). (**Figure 3** on pages 18 and 19) MoJ's total forecast cost for the portfolio was £5.2 billion at the 2021 Spending Review, including costs already incurred.

1.10 HMPPS will miss its original target to create 20,000 places by the mid-2020s. It had planned to deliver the portfolio by July 2026, according to its December 2021 plans. However, by September 2024, it had only delivered 6,518 places, 278 of which are through additional crowding at four private prisons. It had planned to deliver at least 11,317 places by December 2024. Most of these places (3,430, or 53%) are from the two new prisons HMP Five Wells (opened February 2022) and HMP Fosse Way (opened May 2023), which began under PETP (see paragraph 1.5), with the remainder from a range of refurbishment and expansion projects. Some programmes HMPPS planned to deliver quickly are considerably delayed: HMPPS failed to deliver 1,000 RDCs in 2022 as planned (now expected by early 2026), and it now expects to deliver its additional houseblocks from 'Project Speed' (see paragraph 1.7) in 2028 instead of 2024-25.

1.11 In Summer 2024, HMPPS reset its expected programme timescales, setting a revised overall completion date of 2031, around five years later than planned (**Figure 4** on pages 20 and 21). ISG, who was MoJ's main construction contractor on 3,634 places (17% of the prison expansion portfolio), then went into administration in September 2024. MoJ estimates this will further delay delivery of some individual projects by three to 18 months. It had already modelled the impact as a worst-case scenario when resetting timelines, prior to the insolvency and does not currently expect this to affect its revised portfolio completion date, although it plans to review these estimates. For two of the new prisons, construction has not yet begun. Early works started on the new prison at Gartree in July 2024.

Figure 3

Composition of HM Prison and Probation Service's (HMPPS's) prison expansion portfolio, October 2024

HMPPS plans to deliver its portfolio through a mixture of new build prisons, additional houseblocks at existing sites, temporary accommodation and refurbishments

New build prison – 9,800 places

Modern prison designed to enhance rehabilitation, and staff and prisoner safety. Includes smaller houseblock communities, clear line-of-sight, and modern facilities.



New build prison wings, HMP Five Wells

Houseblock expansion – 3,000 places

Mixture of different houseblock designs which are built inside existing prisons. Provides additional modern houseblocks and facilities to existing sites.



Category D expansion houseblock, HMP Hatfield

Accelerated houseblock – 2,300 places

Standardised T block designs built inside existing prisons, similar to those installed at the new build prisons.



Accelerated houseblock construction, HMP Elmley

Rapid deployment cell – 1,700 places

Prefabricated, self-contained units with a shorter (around 15-year) lifespan, suitable for prisoners with a lower risk category (category D or risk-assessed category C). Can be double stacked where suitable.



Rapid deployment cells, HMP Northumberland

Small secure houseblock – 1,300 places

Standardised and repeatable design of 60-bed, single occupancy houseblocks built inside existing prisons. Self-contained design including facilities such as a pharmacy and kitchen.



Small secure houseblock concept design

Refurbishment – 1,700 places

Refurbishment of dilapidated wings and bringing cells back online which had been taken out of use. Main works include new furniture, window replacement, and remedial damp repair.



Refurbished prison wing following redecoration and lighting, electrical and flooring upgrades, HMP Liverpool

Figure 3 *continued*

Composition of HM Prison and Probation Service's (HMPPS's) prison expansion portfolio, October 2024

Notes

- 1 The figure does not include places generated by HMPPS from upgrading COVID-19 temporary accommodation, paying for increased crowding at private prisons, and converting other types of prison to adult male prisons. This totals around 1,200 places.
- 2 Category C prisons are where most prisoners are located. They provide prisoners with work and skills opportunities to better prepare them for release. Category D prisons allow prisoners to spend most of their day away from the prison on licence.
- 3 Figures are rounded to the nearest 100 places.

Source: National Audit Office summary of HM Prison and Probation Service prison expansion projects. HMP Liverpool image provided by and used with permission from Andy Aitchinson Photography. All other images provided by and used with the permission of HM Prison and Probation Service

1.12 The total expected cost of the portfolio has also increased by between 80% and 93%. HMPPS now estimates it will cost between £9.4 billion and £10.1 billion to deliver its portfolio, an increase of between £4.2 billion and £4.9 billion compared with its approved estimated funding of £5.2 billion as at the 2021 spending review. This includes delivery of a slightly higher number of places (20,995) than its original commitment to deliver 20,000 places (see paragraph 1.13). HMPPS will require further funding to deliver the portfolio. The predicted cost increases and causes for these vary across projects from 0% to 259%. For example, RDC tranches 1 and 2 have the highest percentage cost increase (247-259%), with significant additional cost due to HMPPS underestimating the scope of what was required. Conversely, the increase for its four new prisons (55-60%) is lower, and mainly due to a combination of high inflation and delays, which meant that the impact of inflation was larger than estimated (Figure 4). Reasons for cost increases and delays are set out in more detail in paragraphs 1.14 to 1.22.

1.13 Since 2021, HMPPS has introduced a Medium-Term Supply Programme to progress additional projects which it thinks it can deliver quickly to address capacity pressures, drawing on existing portfolio funding. For example, it is building more RDCs than its original portfolio commitment, as it assesses it can deliver them more quickly. It has also dropped its women's estate expansion commitments as population pressures are currently less acute (**Figure 5** on page 22). In total this brings the number of places MoJ plans to deliver through the portfolio to 20,995. Additional places are included in the expected cost of the portfolio. Despite this, MoJ still projects capacity shortfalls by the end of 2027 (Figure 9). It is therefore exploring how else it can deliver additional capacity. This means it is considering options which were excluded from the original portfolio due to strategic fit, location or value for money. It stated that it is considering "least-worst" options, including funding more expensive options that do not last as long but can be built more quickly than longer-lasting accommodation.

Figure 4

HM Prison and Probation Service's (HMPPS's) progress with prison expansion programmes as at September 2024

HMPPS's prison expansion programmes are delayed from the original delivery dates it had set in 2021 following the spending review, and forecast costs have increased significantly

Programme	Planned delivery date (December 2021)	Forecast delivery date (August 2024)	Forecast percentage increase in cost per place from original business case cost (%)
Four new prisons	July 2026	Q3 2031-32 ↑	55-60 ↑
Accelerated houseblocks delivery	February 2024 to early 2025	Q1 2028-29 ↑	58-72 ↑
Small secure houseblocks	n/a	Q1 2027-28	72-136 ↑
HMP Fosse Way and HMP Five Wells	May 2023	Q1 2023-24 ✓	0 ✓
Category D expansion (phase 2)	January 2024 onwards	Q2 2027-28 ↑	115 ↑
Other houseblocks and refurbishments	n/a	Q3 2028-29	n/a
Rapid deployment cells (tranches 3 and 4)	n/a	Q1 2027-28	n/a
Rapid deployment cells (tranches 1 and 2)	December 2022	Q4 2025-26 ↑	247-259 ↑
HMP Liverpool and HMP Birmingham refurbishments	March 2025	Q2 2027-28 ↑	156 ↑
Category D expansion (phase 1)	August-November 2022	Q2 2027-28 ↑	186-187 ↑

↑ Increase on planned cost or delay to planned operational date

✓ No or negligible increase on planned cost or delay to planned operational date

Figure 4 *continued*

HM Prison and Probation Service's (HMPPS's) progress with prison expansion programmes as at September 2024

Notes

- 1 The total estimated cost to deliver all prison expansion programmes is £9.4 billion to £10.1 billion. Forecast costs are estimates based on the Ministry of Justice's (MoJ's) recent cost data and are subject to change. Cost increases are presented as ranges due to volatility in MoJ's recent cost data, see Appendix for more detail.
- 2 'Rapid deployment cells (tranches 3 and 4)' and some projects within 'Other houseblocks and refurbishments' did not have available original business cases, therefore their forecast percentage increase in cost per place is 'n/a'.
- 3 Delivery dates are based on first prisoner dates, which are the dates prisoners are first accepted into the new accommodation. Projects may ramp up to their full capacity over time.
- 4 Planned and forecast delivery dates are based on the final programme delivery dates for each programme. Many programmes are being delivered in stages, so some projects may open significantly before the final programme delivery dates. December 2021 planned delivery dates are used to illustrate HMPPS's intentions following the October 2021 Spending Review.
- 5 Some projects within 'Other houseblocks and refurbishments', 'Small secure houseblocks', and 'Rapid deployment cells (tranches 3 and 4)' did not have planned delivery dates as at December 2021, so their planned delivery date is 'n/a'.
- 6 Forecast delivery dates do not include the impact of HMPPS's construction contractor ISG going into administration. HMPPS estimates this will further delay some projects within 'Four new prisons', 'Category D expansion', 'Rapid deployment cells' and 'Other houseblocks and refurbishments'.

Source: National Audit Office analysis of Ministry of Justice and HM Prison and Probation Service project delivery plans, business cases, and cost estimates

Reasons for delays and cost increases

1.14 We identified several reasons for delays and cost increases across the portfolio, including:

- an over-ambitious delivery timeline;
- weaknesses in governance and risk management;
- a lack of prioritisation by wider government; and
- the impact of needing to deliver places urgently in a challenging economic and delivery environment.

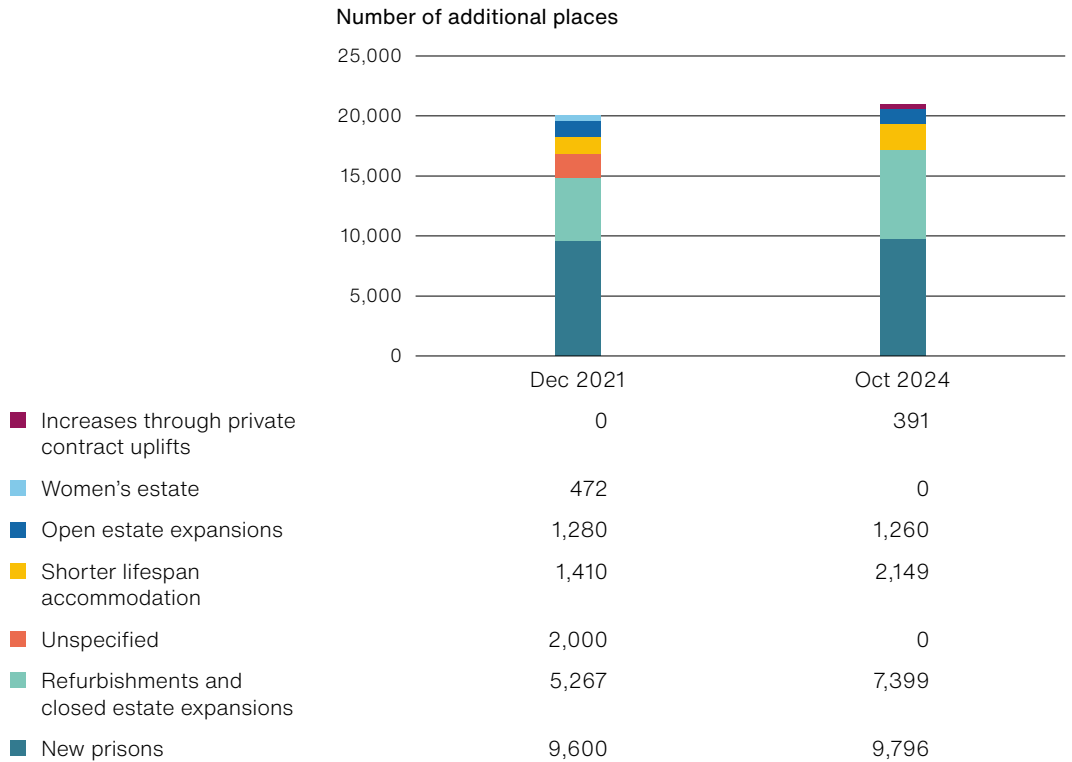
Over-ambitious delivery timeline

1.15 MoJ described its aim to deliver 20,000 new places by the mid-2020s as "the largest prison building programme since the Victorian era". MoJ set itself ambitious timelines as it wanted to deliver places as quickly as possible to keep up with rapidly rising demand (see paragraph 1.7). Nonetheless, its 2021 commitment to build 20,000 new places by the mid-2020s was unrealistic given the time taken to obtain planning permission and build new prisons. For example, HMP Millsike already had planning permission in June 2020 when its outline business case was approved and is due to open in 2025 – MoJ's plans involved opening three more new prisons by September 2026 despite having no planning permission at that stage.

Figure 5

Composition of HM Prison and Probation Service’s (HMPPS’s) prison expansion portfolio from December 2021 to October 2024

HMPPS has increased the number of places delivered through temporary accommodation and has removed women’s estate expansion from its portfolio



Notes

- 1 ‘Shorter lifespan accommodation’ includes rapid deployment cells, which are containerised units with a lifespan of around 15 years, and other temporary accommodation.
- 2 ‘Unspecified’ means that, at that date, HMPPS had not yet developed plans on how to deliver those places.
- 3 ‘Increases through private contract uplifts’ are where HMPPS agrees for private providers to take additional prisoners by increasing crowding.

Source: National Audit Office analysis of HM Prison and Probation Service project delivery plans

Governance and risk management

1.16 MoJ took decisions it considered necessary to try and accelerate delivery, but which it acknowledged carried additional risk. For example, it based full business case costs on estimates taken at an earlier stage than it would normally do to speed up approvals. It also often based delivery timeline assessments on assumptions it knew were 'best case'. This was to try and push itself and drive contractors to deliver as quickly as possible, but resulted in significant timeline slippage (Figure 4).

1.17 MoJ and HMPPS did not monitor and manage some portfolio risks effectively as the following examples show:

- HMPPS did not sufficiently understand the full scope of many of its programmes early on, for example the requirement for additional ancillary buildings to support new accommodation in existing prisons and pre-existing deficits of existing ancillaries. This has been a key driver of cost increases for RDC tranches 1 and 2 and category D expansion, which have among the highest percentage increases in cost per place (Figure 4). It also underestimated the work required to develop Victorian sites, and the upgrades required to power and utilities. While there will always be some unforeseen complications with construction, HMPPS carried out some site investigations later than planned or not at all due to cashflow restrictions and site-specific constraints, including COVID-19 restrictions.
- Our 2021 lessons learned report, *Delivering programmes at speed*, stressed that early planning remains important even when delivering at speed to ensure projects are deliverable and affordable.³ The Infrastructure and Projects Authority (IPA) found that HMPPS set extremely tight timelines for developing business cases and commercial and procurement strategies. This put programme teams, who were sometimes under-resourced, under more strain.
- HMPPS over-estimated its ability to secure planning permission quickly for its new build prisons. An independent review found that short lead-in times made it difficult to engage with the planning process and secure local agreement. HMPPS's lack of a wider estates strategy also meant that it was unable to pre-empt predictable objections to new prison sites by securing outline planning permission in advance or by engaging early with local authorities. The new prisons programme team also acknowledged it did not sufficiently understand local context or tailor their planning applications, and relied on unrealistic assumptions on local authority timescales. It took around 20 months longer than planned for two of the new prisons to receive planning permission, and one prison still does not have planning permission as at October 2024.

³ Comptroller and Auditor General, *Lessons learned: Delivering programmes at speed*, Session 2021-22, HC 667, National Audit Office, September 2021.

- The pressure to deliver at speed did not create the transparent and honest culture needed for an accurate view of progress.⁴ MoJ acknowledged its proposed delivery timelines were challenging, but reported as late as May 2022 that it was still on track to deliver its commitment, even without planning permission for three new prisons. An internal review in March 2022 found that some initial budgets excluded significant areas of scope to allow projects to progress. That same review also found evidence of inconsistent risk reporting, for example programme risks being revised downwards to pass internal gateway stages.

1.18 We have also seen some weaknesses in the governance of the portfolio. For example, there were delays to some approvals due to senior stakeholders along the approval chain not agreeing on strategic priorities and risk appetite. An external review of the portfolio in September 2022 found that governance arrangements at the time were not established to enable the delivery of a complex infrastructure portfolio.

Lack of prioritisation by wider government

1.19 Government did not always prioritise delivery of the portfolio, as shown in the following examples:

- The government's 'Project Speed' initiative to fast-track infrastructure projects encouraged HMPPS to take an optimistic approach towards its accelerated houseblocks project. MoJ told us that it raised delivery risks early and expected that Project Speed would help to mitigate risks, such as gaining planning permission. However, when these risks materialised, it proved difficult to unblock them.
- HMPPS programme leads and the IPA told us that there had been some instances of HM Treasury making slow decisions on spending which pushed back delivery dates. For example, while it was resolving the affordability of the overall departmental budget with MoJ.
- As part of the government's November 2022 efficiency review, MoJ reduced its portfolio spending by £550 million until 2024-25 by deferring spending on new prisons, removing women's prison expansion from scope, and surrendering contingency funds. HMPPS subsequently further deferred £80 million of funding for these prisons to part-fund further RDCs. These deferrals were largely a pragmatic response to delays in obtaining planning permission. However, HMPPS explained that this led to contractor teams being temporarily stood down, which caused some delay to delivery dates at its new prisons at Garth and Grendon, which are delivering around 3,200 prison places.

⁴ Comptroller and Auditor General, *Lessons learned from Major Programmes*, Session 2019-2021, HC 960, National Audit Office, November 2020.

Impact of needing to deliver places urgently in a challenging economic and delivery environment

1.20 HMPPS has been delivering the portfolio during a period of significant market instability following the COVID-19 pandemic and the start of the war in Ukraine in 2022. COVID-19 restrictions reduced access to sites, making cost estimation difficult on some programmes as surveys could not be carried out. The war had a significant impact on global supply chains. For example, one of HMPPS's contractors went into administration in 2022, contributing to delays in Category D expansion (Figure 4). High inflation has also impacted costs, with MoJ estimating 40% price rises between January 2020 and February 2024. This has contributed to large programme cost increases over time: HMPPS's four new prisons programme's cost-per-place is forecast to be more than double that of HMP Fosse Way and HMP Five Wells. High inflation also means that programme delays and deferred spending have caused significantly increased costs. HMPPS estimates £8 million of additional cost per three-month delay for each of its new build prisons. MoJ estimates the total cost from delays associated with the efficiency review to be around £500 million. HMPPS's total spend on the portfolio was around £2.2 billion as at March 2024.

1.21 MoJ's urgent need to increase prison capacity also contributed to cost increases (see paragraphs 1.7 and 1.12). For example, the IPA stated that costs of some programmes were higher due to contractors accepting a greater level of risk to deliver places quickly. MoJ has also paid contractors to accelerate the delivery of places in some cases. MoJ has mechanisms in place to scrutinise the cost of programmes but has judged that it is willing to proceed with higher cost delivery options due to the need to deliver places quickly. We have seen evidence that MoJ understands the main drivers of its increased costs. It scrutinises capital spending decisions through its investment committee, and has delayed business cases where costs were high, for example, at Channings Wood.

1.22 The factors outlined in paragraphs 1.14 to 1.21 have driven significant cost variation between programmes. Cost per place varies at a programme level from £200,000 to £610,000–840,000.⁵ At the extreme end, HMPPS currently estimates a small number of individual projects might cost up to around £1 million per place to complete. HMPPS told us it may not be willing to proceed with these projects at this price. RDCs tranches 3 and 4, which will have an estimated life of only 15 years, cost almost as much per place as the four new prisons. When assessing individual spending decisions, HM Treasury has advised MoJ that Accounting Officers should judge the value for money of proposals based on whether they serve the policy objective of ministers, in this case, delivering places quickly, rather than assessing their cost relative to other options, which may not do so. For example, if RDCs are the only capacity that can be delivered in the required timeframe, this could represent value for money despite a relatively high cost per place, for places with a shorter lifespan.

⁵ Costs include but are not limited to utilities and upgrades, professional fees, resourcing, land purchase, site interface costs, construction and mobilisation. Forecast cost estimates are presented as a range. See Appendix for more details.

Maintaining the existing estate

1.23 Maintaining the existing prison estate is essential to prevent erosion of capacity. HMPPS can only legally use a cell if its size, lighting, heating, ventilation and fittings are adequate for health. As a result, when a prison cell is in poor condition, it may have to be either temporarily or permanently taken out of use, reducing the capacity of the estate.

1.24 Our 2020 prison estate report found capacity was being reduced by HMPPS's failure to maintain its estate to the necessary standard following years of underinvestment. HMPPS spent an average of £173 million per year on maintenance between 2020-21 and 2023-24 compared with £78 million per year between 2016-17 and 2018-19. However, this remains significantly below the £649 million per year that HMPPS estimated at the 2020 Spending Review was needed to prevent an increase in the rate of cells lost to dilapidation and make progress in addressing its backlog of high-priority repairs. Between our 2020 report and September 2024, the estimated maintenance backlog had doubled from £0.9 billion to £1.8 billion, although the rate of cell loss has not increased to date. Our *Making Public Money Work Harder* report stresses that, if maintenance backlogs are not addressed, they pose significant risks to the government's ability to deliver reliable, resilient public services.⁶

1.25 Since the government's 2010 prisons strategy, HMPPS has indefinitely closed 4,151 cells due to dilapidation. This is more than the combined capacity of the two newest prisons in the estate (Five Wells and Fosse Way). An average of 1,700 cells per month were also temporarily out of use for maintenance in the adult male estate between 2020 and 2023.

1.26 In an environment of constrained public spending, HMPPS needs to understand the relative costs and benefits of maintaining the current cells versus building new prisons. However, it is only in 2024 that HMPPS has obtained data to help it understand this (see paragraph 3.8). In 2024-25 business cases for capital maintenance, HMPPS estimated the cost per place to protect an existing cell from being lost to dilapidation varied between £8,600 and £12,700 compared to a cost of around £220,000 to build a place at a recently opened prison.

⁶ Comptroller and Auditor General, *Making public money work harder*, Session 2024-25, HC 131, National Audit Office, July 2024.

Net change in prison capacity

1.27 HMPPS's progress in increasing prison capacity has been offset by dilapidation of existing cells (paragraph 1.25) and earlier policy choices to close some prisons. In the early 2010s, HMPPS closed, or part closed, 22 prisons under its strategy at the time to remove uneconomic prisons and replace them with new prisons that are cheaper to run. Once closed prisons and dilapidated cells are deducted from new prison cells, the number of additional prison places created by HMPPS between May 2010 and September 2024 is 1,005⁷ (**Figure 6** on pages 28 and 29). This is less than the rise in demand for places: the prison population rose by approximately 3,000 over the same period and would have risen further without emergency demand measures (see paragraph 2.8) which reduced demand by more than 2,600 places since May 2024.

⁷ On 25 October 2024, the Ministry of Justice published data showing the net change in prison places between May 2010 and April 2024 was 482 places. These data are based on the same methodology as our net change but use a different end point (April 2024 rather than September 2024). The net change is higher for September 2024 compared with April 2024, largely reflecting the opening of new rapid deployment cells and houseblocks between those dates.

Figure 6

Net change in prison places between May 2010 and September 2024

Between May 2010 and September 2024, HM Prison and Probation Service added a net 1,005 prison places to the estate (new prison places minus cells lost)

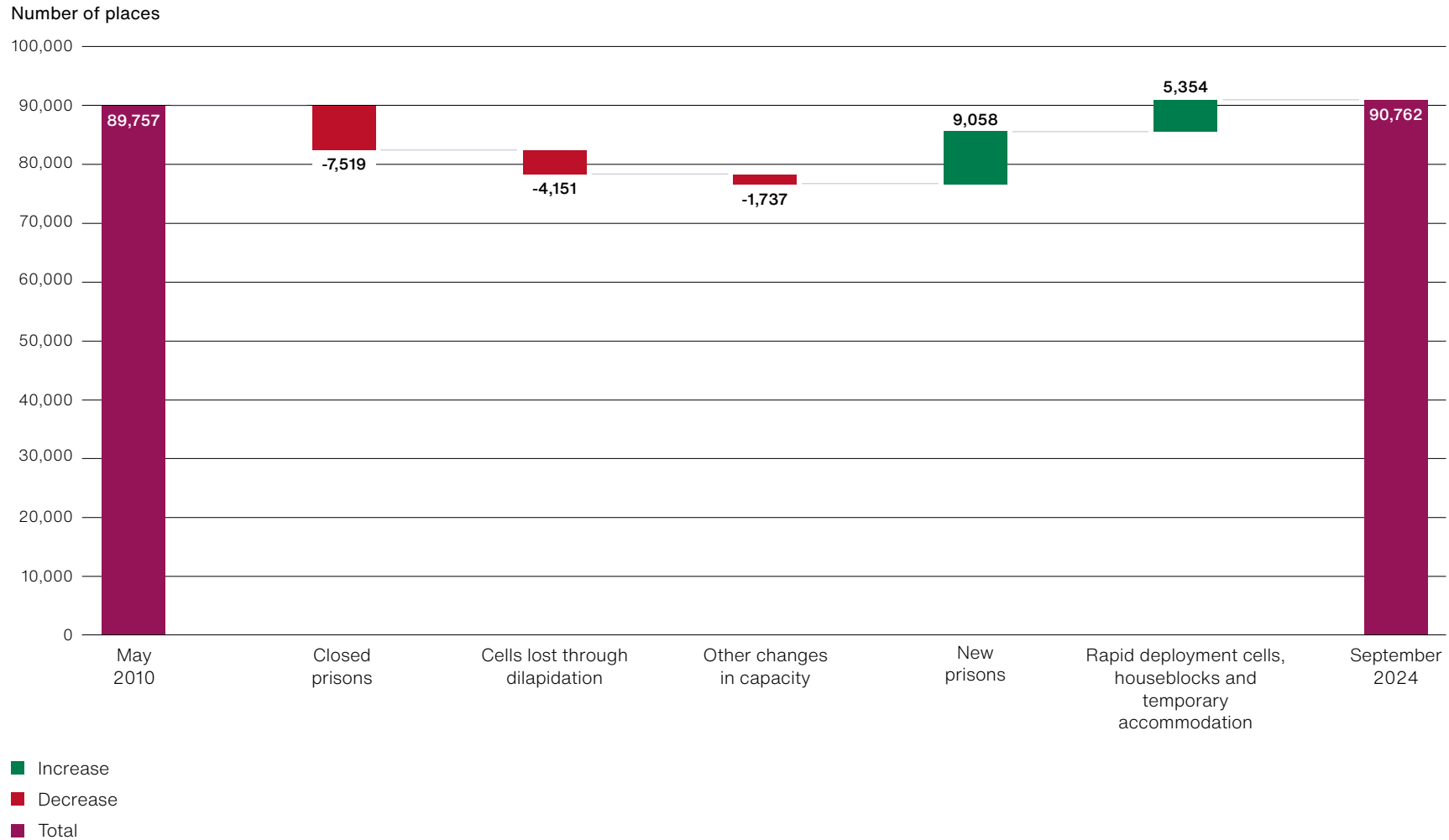


Figure 6 *continued*

Net change in prison places between May 2010 and September 2024

Notes

- 1 Between May 2010 and September 2024, HM Prison and Probation Service closed, or part-closed, 22 prisons and opened six new prisons.
- 2 'Other changes in capacity' includes changes in: crowding levels; reconfiguration of cells; and cells temporarily out of use for maintenance. It also includes places lost through the temporary closure of HMP Dartmoor in July 2024 (HMP Dartmoor had an operational capacity of 599 in May 2010). The net change in prison places therefore depends on the chosen dates within each year.
- 3 'Temporary accommodation' are places with a shorter lifespan such as COVID-19 units.
- 4 Prison places are expressed in terms of operational capacity. This is the total number of prisoners that an establishment can hold taking into account control, security and the proper operation of the planned regime.
- 5 On 25 October 2024, the Ministry of Justice published data showing the net change in prison places between May 2010 and April 2024 was 482 places. These are based on the same methodology as our net change figure but use a different end-point (April 2024 rather than September 2024). The net change is higher for September 2024 compared with April 2024, largely reflecting the opening of new rapid deployment cells and houseblocks between these dates.

Source: National Audit Office analysis of HM Prison and Probation Service management information

Part Two

HMPPS's and MoJ's approach to managing recent capacity pressures

2.1 This part sets out:

- the recent acute capacity pressures;
- the Ministry of Justice's (MoJ's) and HM Prison and Probation Service's (HMPPS's) approach to managing recent critical capacity pressures; and
- the impact of short-term measures on prisoners, value for money and the wider justice system.

Recent acute capacity pressures

2.2 In 2021, MoJ had hoped that its prison expansion portfolio would be sufficient to manage capacity until 2023. Prior to a substantial decrease during the COVID-19 pandemic, the prison population had remained relatively stable at an average of around 85,000 since 2010. Between July 2021 and July 2023, the population increased by 10% to 86,600. While population levels were slightly lower than MoJ's 2021 projections, delays in expanding the estate (see paragraph 1.10) and unexpected increases in remand prisoners in autumn 2022 following industrial action by the Criminal Bar Association meant that pressures emerged earlier than anticipated. HMPPS usually aims to have at least 1,425 spare places in the adult male estate to provide flexibility to address short-term spikes in population or loss of capacity. However, due to recent increases in demand for places, it has not been able to maintain this buffer. This has left the criminal justice system vulnerable to system shocks such as sudden spikes in demand (for example, the 2024 riots, see paragraph 2.11) or unexpected capacity losses (for example, closing Dartmoor prison for health and safety reasons, see paragraph 2.14). The adult male estate holds around 96% of the prison population and has been most acutely affected, operating at between 98.0% and 99.7% occupancy between October 2022 and August 2024.

2.3 If HMPPS were to run out of capacity to house new prisoners, this would significantly affect the wider functioning of the criminal justice system. Prisoners would be held in police cells until prison cells were available, reducing the capacity of the police to detain suspects in custody. The judiciary would have no choice but to grant bail to those who might otherwise be placed in custody, and court trials would risk being postponed, creating potential risks to public safety.

2.4 In addition to the prison expansion portfolio, MoJ and HMPPS have invested a significant amount of effort into ensuring the justice system can cope with increasing demand and prisoners are held safely. Specifically, MoJ and HMPPS have:

- set operational 'red lines' they would not cross, as they assessed doing so would create intolerable risks to prisoner and staff safety;
- put clear governance structures in place with frequently used escalation routes to ministers for decision making;
- monitored demand and capacity closely, developing and implementing short-term demand and supply options to help alleviate capacity pressures; and
- identified emergency measures if critically low capacity was reached.

Crisis governance arrangements

2.5 As capacity pressures increased in autumn 2022, MoJ and HMPPS set some operational 'red lines', which they were not willing to cross as they assessed doing so would risk staff and prisoner safety:

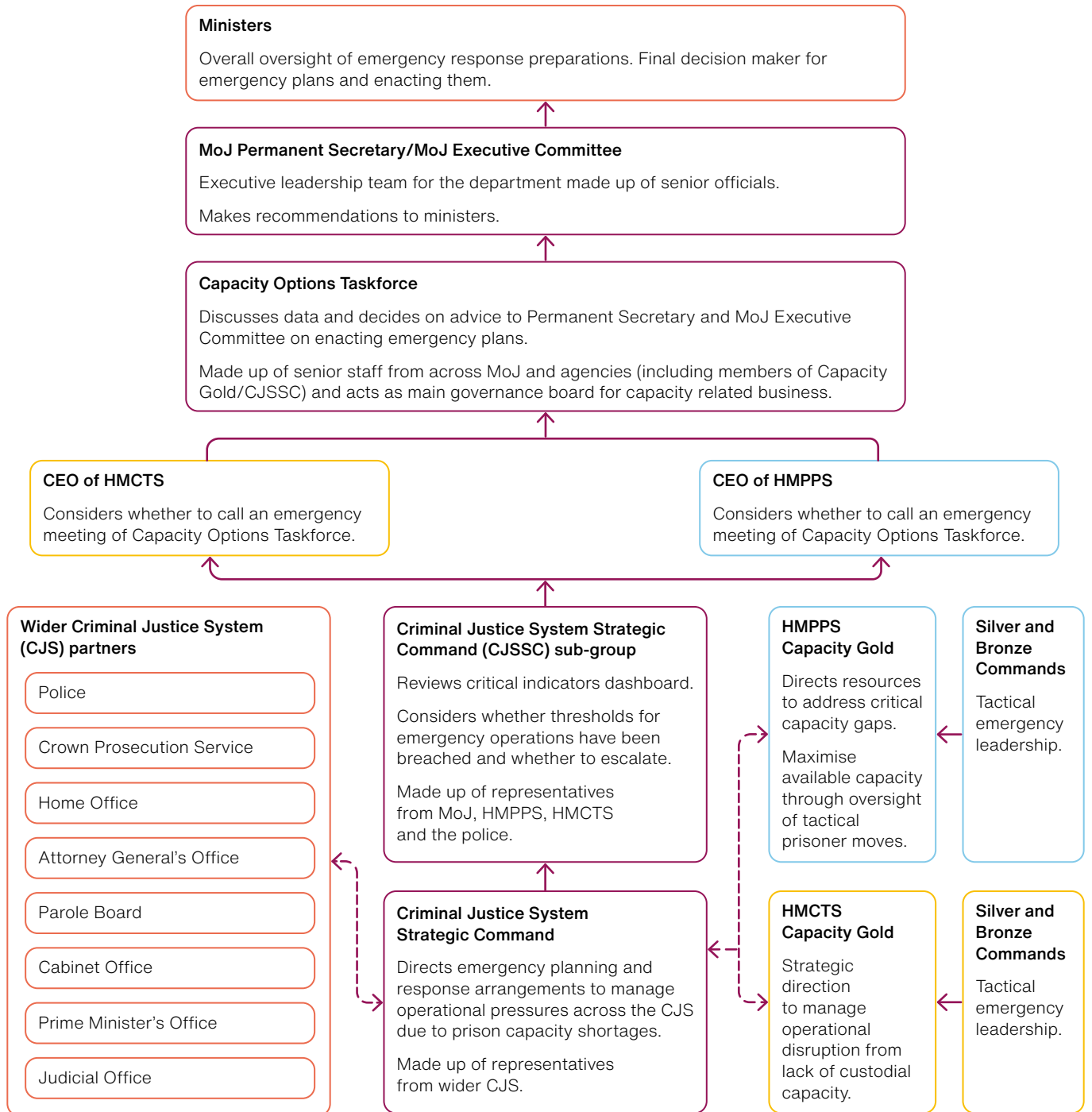
- **Staffing:** All prisons must be staffed to at least 80% of their target level. HMPPS assessed that below this level, it would have to reduce normal prisoner activities significantly, increasing the risk of instability.
- **Maintenance:** Essential maintenance required to meet statutory obligations such as fire safety must continue. HMPPS assessed it may need up to 1,500 cells out of use for maintenance at once to ensure it could meet this.
- **Crowding:** HMPPS set up a process to assess where it could increase crowding within limits it considered safe. It constrained any additional crowding to these limits.

HMPPS told us it had not breached these red lines.

2.6 In October 2022, MoJ set up the Capacity Options Taskforce to lead its strategic response to prison capacity pressures. In February 2023, it also reactivated the Criminal Justice System Strategic Command (CJSSC), first established during the COVID-19 pandemic, to monitor operational impacts of the prison capacity crisis across the system (**Figure 7** on pages 32 and 33).

Figure 7
Governance for prison capacity decisions

The Ministry of Justice (MoJ) has set up governance arrangements to monitor the number of available prison places in the adult male estate and decide if emergency plans should be enacted



 Ministry of Justice
 HM Prison and Probation Service (HMPPS)
 HM Courts and Tribunals Service (HMCTS)

 Related parties
 → Escalation
 - -> Communication

Figure 7 *continued*

Governance for prison capacity decisions

Notes

- 1 Threshold for emergency operations is when the Criminal Justice System Strategic Command is no longer confident the criminal justice system can function effectively for another week. Until September 2024 this was indicated by there being fewer than 300 places left in the estate, when MoJ raised it to 800 places.
- 2 Emergency plans include:
 - 'Operation Safeguard': An agreement between HMPPS and the National Police Chief's Council to hold prisoners overnight in police cells pending identification of a suitable prison cell.
 - 'Operation Early Dawn': HMPPS making decisions on who to present at court based on whether there will be an available prison space if the court decides to remand them.
 - 'End of Custody Supervised Licence': Allows early release for some prisoners who are close to the end of their sentence.
 - 'Operation Brinker': Prisons are directed to only accept a new prisoner once they have discharged one. To date this contingency measure has not been used.

Source: National Audit Office analysis of Ministry of Justice documents

2.7 Through these governance structures, MoJ developed measures, processes and clear trigger points for escalating short-term capacity decisions. For example, if available places in the adult male estate dropped below a 'critical capacity' of 300 unoccupied places, decisions would be escalated to senior officials and ministers on emergency measures. MoJ explained that it raised this threshold to 800 unoccupied places in September 2024 following learning from summer 2024 about how long it can take to safely implement emergency measures and how volatile the need for prison places can be. Critical capacity is the level at which HMPPS assesses it is no longer confident that the criminal justice system will continue to function effectively at a national or regional level for the next week.

Developing and implementing short-term measures to relieve pressure

2.8 HMPPS has implemented a range of measures since late 2021 to ensure short-term capacity, largely comprising the following:

- **Short-term measures to increase the number of useable places available in the estate (a succession of measures introduced from September 2022, freeing up over 2,000 additional adult male places by the end of August 2024):** HMPPS has tried to maximise its existing estate, through: increasing crowding where it assesses this as safe; reducing the number of cells taken out of use for maintenance; delaying moving some 18-year olds from the youth estate and temporarily re-categorising some prisoners so they can be transferred to the open estate, as the youth and open estates have greater spare capacity.
- **Bringing forward existing capacity projects:** HMPPS filled one of its new prisons (HMP Fosse Way) more quickly than normal, accepting greater risk to regime stability. It has also asked contractors to explore options for delivering places more quickly and has paid to accelerate new capacity.

- **Renting up to 421 overnight places in police cells** through ‘Operation Safeguard’, an agreement between HMPPS and the National Police Chiefs’ Council to hold prisoners overnight in police cells pending identification of a suitable prison cell.
- **Restricting the flow of activity into courts:** For example, ‘Operation Early Dawn’ involves HMPPS making decisions on who to present at court based on whether there will be an available police or prison cell if the court decides to remand them. HMPPS has only used this for short periods to avoid diverting police resources. The Senior and Deputy Senior Presiding Judge of England and Wales have also provided guidance to judges to delay some bail decisions (in October 2023) or reschedule some hearings (in August 2024) where being sent to prison was a possible outcome.
- **Demand reduction measures (a succession of measures introduced from November 2022, freeing up more than 2,600 prison places since May 2024):** Such as speeding up the removal of foreign national offenders, changing recall legislation and the End of Custody Supervised Licence (ECSL), which allows early release for some prisoners.

2.9 MoJ and HMPPS have regularly updated ministers on prison capacity, providing them with various supply and demand options since at least 2020. The government has generally prioritised short-term capacity measures over demand reduction measures, only opting to implement demand reduction measures when it had exhausted other options, or when emergency measures became too expensive (**Figure 8** on pages 35 and 36). MoJ and HMPPS developed a further measure, ‘Operation Brinker’, for a scenario in which prisons reached full capacity. Prisons would only be directed to accept a new prisoner once they had discharged one. This measure has not been used to date.

Emergency response measures

2.10 Despite MoJ and HMPPS’s efforts, the adult male estate has reached critical capacity several times since July 2023. ‘Operation Safeguard’, introduced in February 2023, was used in at least part of the country for 17 of the 20 months to September 2024. In addition, ‘Operation Early Dawn’ has been activated four times, in October 2023 and in March, May and August 2024. ECSL was the main measure HMPPS used to reduce the prison population between its introduction on 17 October 2023 and end on 9 September 2024. This initially allowed prisoners HMPPS assessed as lower risk to be released 18 days prior to their conditional release date. Ministers agreed to extend the early release period to 35 days in March 2024 and 70 days in May 2024, in response to the prison estate reaching critical capacity. In total, HMPPS released 13,325 prisoners under ECSL.

Figure 8

Key events in Ministry of Justice's (MoJ's) and HM Prison and Probation Service's (HMPPS's) management of recent capacity pressures

Despite the MoJ and HMPPS implementing various initiatives and emergency measures, the adult male estate has dropped below critical capacity multiple times since 2023

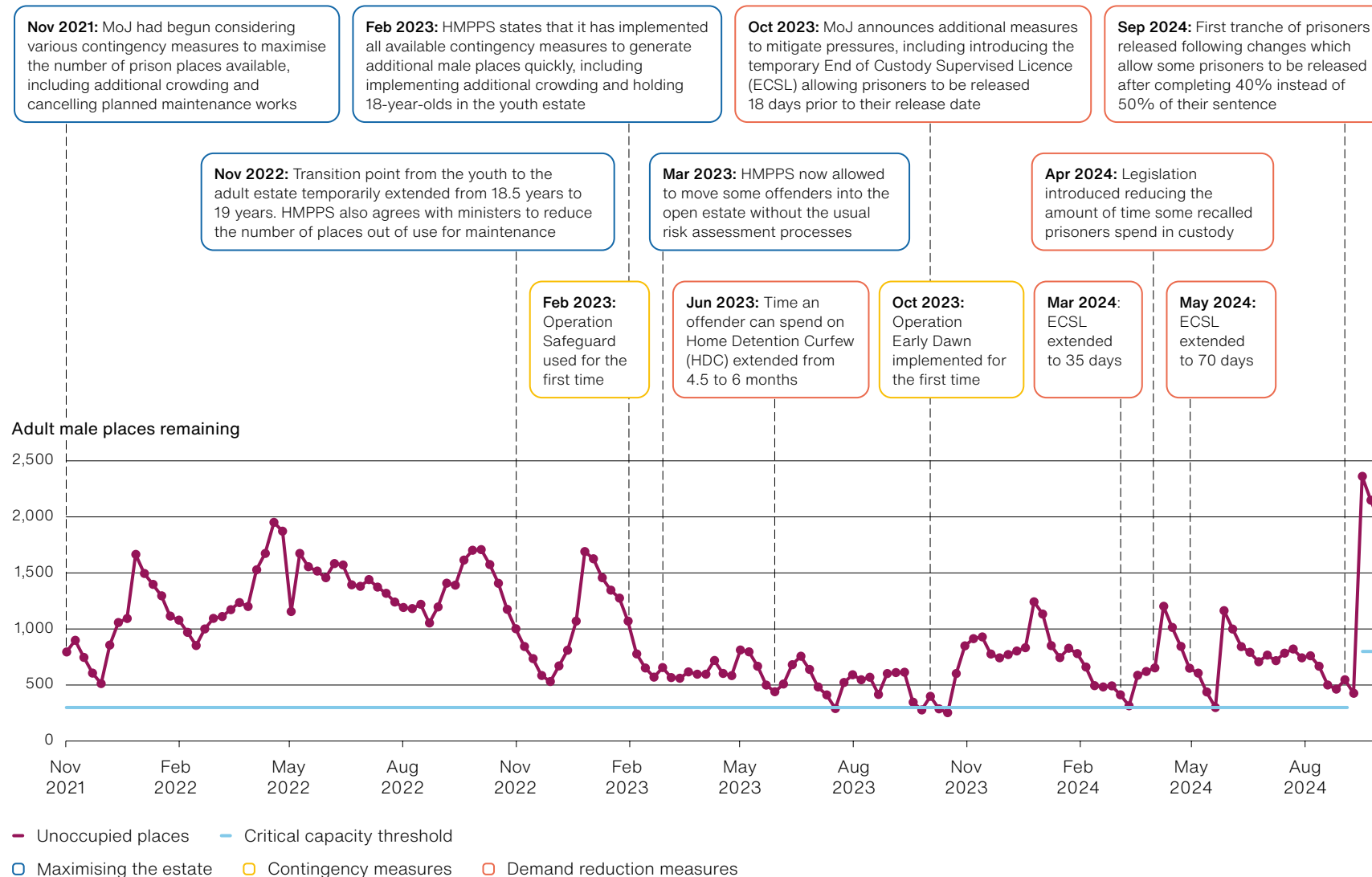


Figure 8 *continued*

Key events in Ministry of Justice's (MoJ's) and HM Prison and Probation Service's (HMPPS's) management of recent capacity pressures

Notes

- 1 Operation Safeguard is an agreement between HMPPS and the National Police Chief's Council to hold prisoners overnight in police cells pending identification of a suitable prison cell.
- 2 Operation Early Dawn involves HMPPS making decisions on who to present at court based on whether there will be an available prison space if the court decides to remand them.
- 3 Unoccupied places data is weekly data and is the position on the Monday of each week. There may therefore be other occasions when places remaining fell below the critical capacity threshold. For example, on Tuesday 27 August 2024 there were 140 places remaining in the adult male estate.
- 4 Bank holidays affect court, prison and probation staffing levels which in turn alters the number of offenders entering and leaving custody compared with weeks that do not include bank holidays. 'Places remaining' data for bank holiday weeks should not be compared with data from weeks that do not include bank holidays.
- 5 HMPPS escalates to ministers and senior officials if it reaches 'critical capacity'. Until 10 September 2024, this was when the number of free places fell below 300; since then, it has been 800 places.
- 6 One of the critical capacity metrics HMPPS reports to ministers is the number of adult male places remaining after deducting the expected number of recalls and 'lockouts' (where prisoners are held in police stations because there is no free prison cell available) expected on each day. However, the number of places remaining is the main metric used internally by HMPPS as this also captures prisoners released each day.

Source: National Audit Office analysis of Ministry of Justice and HM Prison and Probation Service management information. Places remaining data provided from HM Prison and Probation Service's internal operational systems, for the purposes of the National Audit Office report

2.11 In July 2024, in response to a critical shortage of prison places and advice that extending ECSL again was not viable given its statutory footing, the government announced it would replace ECSL with a new temporary release measure. From September 2024, prisoners would be released after completing 40% instead of 50% of their sentence, with exemptions for those who HMPPS assesses pose a risk to the public. HMPPS estimates this will free up 5,500 prison places. The scheme began on 10 September, with HMPPS releasing around 1,900 prisoners that day, and around a further 1,200 on 22 October.⁸ MoJ had anticipated this measure could prevent critical capacity being reached again until October 2025. However, following public disorder in parts of England in July and August 2024, HMPPS assessed that it was highly likely it would reach critical capacity again before then.

Impact of short-term measures and capacity pressure

2.12 HMPPS has used a combination of short-term capacity and demand reduction measures to manage a critical shortage of prison places (see paragraph 2.8 and Figure 8). Its current reliance on short-term contingency and demand reduction measures does not represent good value for money in the long term, and some of these measures increase risks for prisoners, staff, the public and the wider justice system.

⁸ Further prisoners will have been released outside of the two main release dates as they met the scheme's qualifying criteria.

Prisoner outcomes

2.13 MoJ has assessed that some actions it is taking may negatively impact decency and safety outcomes for prisoners and carry risks to public protection. For example, increased crowding has been linked to poorer safety outcomes, including higher rates of violence. Restricted regimes and reduced opportunities for rehabilitative activities in prison due to crowding may undermine MoJ's objective of reducing reoffending. This objective may also be negatively impacted by the early release, often at short notice, of prisoners under the ECSL. The release of prisoners at short notice can also pose a risk to public protection. It can be hard to find accommodation for those released: as the number of prison releases has increased, so has the number of prisoners who are released homeless (31% increase in volume in 2023-24). Independent Monitoring Boards have reported that prisons can be destabilised by prisoners being allocated to prisons based on space, not appropriateness.

Value for money

2.14 HMPPS has taken short-term capacity decisions which represent poor value for money. For example, in 2020 radon gas was detected at HMP Dartmoor. The prison had been scheduled to close for at least a decade prior, so HMPPS had not invested in capital maintenance. Despite this, HMPPS recently extended the lease for another 25 years, starting in 2023-24. In 2022, high readings of radon gas were detected, and HMPPS stopped using around a quarter of cells by 2024. In July 2024, HMPPS temporarily closed the prison for further mitigation and investigation works.

2.15 HMPPS spent £70 million on its contingency measure, Operation Safeguard, between February 2023 and September 2024. The average daily cost per police cell was £688, nearly five times the average daily cost for a prison place of £142 (2022-23 prices).⁹ Accounting Officer Assessments for Operation Safeguard note that while it is an expensive option, it is necessary given current demand pressures and acts as insurance to guarantee that prisoners are held in a safe place overnight.¹⁰ HMPPS has found it difficult to anticipate usage, further adding to costs, as it must pay for rented police cells regardless of use. HMPPS estimates the police cells have been occupied only 4% of the time, with a maximum of 64% of cells occupied on any one day.

9 £142 is the average cost per prison place per day if all HMPPS resource costs are included. If only direct resource costs are included (costs incurred at each prison) the cost is £93.

10 Accounting Officer Assessments provide a framework for Accounting Officers to evaluate significant spending decisions against public spending standards.

Other criminal justice system impacts

2.16 Actions taken by MoJ and HMPPS to alleviate capacity pressures have broad impacts on prisons and the wider criminal justice system. These include the following:

- The accumulative pressures of running multiple temporary schemes is over-stretching prisons and probation staff, with many staff working beyond capacity. In May 2024, HMPPS noted that the impact on staff was unsustainable and that there were signs of burnout among the workforce.
- Early release schemes also affect probation staff. HMPPS increased probation officer numbers by 533 (12%) full-time equivalent staff between June 2023 and June 2024, but numbers fell by 3% in the last quarter to June 2024. In response to increasing demand and to reduce workloads, HMPPS has reduced probation supervision requirements for low and medium risk offenders.
- High numbers of 'lockouts', where prisoners are held in police stations because there is no free prison cell available, and redirections of prisoners have put prisoner transport services under strain. In May 2024 HMPPS reported that there had been high numbers of redirections into the Midlands to manage a lack of capacity in the North East. This placed strain on a prisoner transport service which was already affected by a shortage of specialist contractors.
- Operation Early Dawn has led to the inefficient movements of prisoners, which has disrupted or delayed business in Magistrates' courts.
- Reducing the number of places out of use for maintenance will further increase the maintenance backlog, as it involves pausing important remedial works. This could impact HMPPS's future capacity position (see paragraph 3.8).

2.17 HMPPS also explained that significant time and resources have been required to manage short-term capacity pressures. We have seen evidence of daily operational meetings to manage capacity, alongside daily reporting to ministers and staff being reallocated from other areas into teams dealing with the capacity crisis. HMPPS told us that this focus on the immediate crisis has detracted from the government's capability for longer-term planning for prison capacity.

Part Three

Future risks for the prison estate

3.1 This part sets out:

- how the Ministry of Justice (MoJ) models future demand and capacity, and uses its projections;
- the risks faced by MoJ and HM Prison and Probation Service (HMPPS) in meeting future demand; and
- MoJ and HMPPS's long-term plans to deliver an estate which is fit for purpose.

Understanding and managing future demand

Projecting future capacity and demand

3.2 Every year since 2008, MoJ has published a five-year projection of the prison population. It also produces a projection of prison capacity which is reported internally. Its population projection is a set of interconnected models which estimate: demand from police activity; how this demand will be processed by courts; and recalls into prison. Its capacity projection looks at information from HMPPS on prison capacity and expansion projects and deducts places it predicts will be taken out of use due to dilapidation and maintenance.¹¹

3.3 We reviewed MoJ's population and capacity modelling against our good practice framework and found evidence of good governance and appropriate testing of assumptions.¹² MoJ has well-established oversight boards to scrutinise model assumptions, and it seeks input from relevant government departments. For example, it consults the Home Office on crime-based assumptions. We have also seen evidence of MoJ reviewing past projection performance to identify weaknesses and inform model development.

¹¹ In addition to medium-term population projections, MoJ also produces a daily projection for four weeks ahead. This supports short-term operational decision making.

¹² National Audit Office, Good practice guidance: framework to review models, January 2022.

3.4 The accuracy of MoJ's population projections has declined slightly in the past few years. This may reflect recent higher uncertainty, as the COVID-19 pandemic changed patterns of crime and delayed court listings, and as the impact of more police officers on court and prison activity has been uncertain. MoJ over-estimated future demand two years hence by an average of 2% between 2008 and 2012, 2% between 2013 and 2017, and 5% between 2018 and 2022. Until 2023, MoJ published a single 'central' population projection, but it now publishes low, central, and high projections to reflect the increased uncertainty.

3.5 This increased uncertainty presents a challenge for HMPPS, as it has been operating so close to maximum prison capacity, and the projected shortfall between capacity and demand (capacity gap) in different scenarios is sizeable. HMPPS's current prison expansion plans are insufficient to meet projected future demand: by the end of 2027, according to latest available data, there is a projected shortfall of approximately 2,100 places in the low population scenario, approximately 12,400 places in the central scenario, and approximately 21,200 places in the high scenario (**Figure 9**).¹³ Projections assume that HMPPS will deliver additional places to its revised timeline (see paragraph 1.11). The capacity gap is driven by a combination of factors, including delays to the new prisons programme and policy decisions outside HMPPS's control, such as changes in sentencing legislation. Prison capacity is projected to increase more slowly than demand, with HMPPS now expecting three of the four planned new prisons to open in 2029 or later.

How MoJ and HMPPS use demand and capacity projections

3.6 MoJ intends its projections to aid policy development, capacity planning and funding decisions, and to bring transparency. However, as delivery dates for expansion projects have been delayed, MoJ has been slow to reflect this in its projections, meaning it has sometimes over-estimated future supply. Furthermore, public knowledge of the capacity gap, and wider debate around how to resolve it have been restricted as MoJ has not published its capacity projections to date.

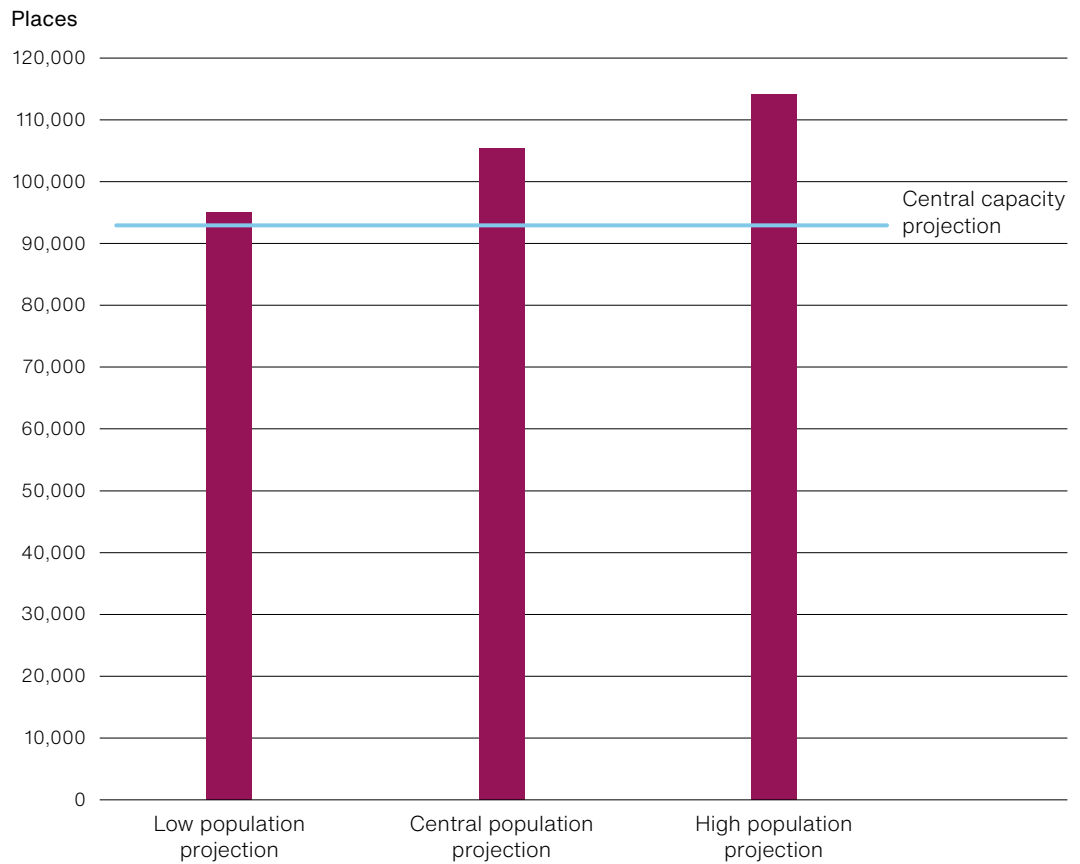
3.7 Despite projections showing a capacity gap of several thousand places in its central and high scenarios (paragraph 3.5) and the long lead time for new capacity, MoJ has no contingency plans to increase capacity, as it views it has limited options left to do this. Instead, MoJ is relying on new demand-reduction measures being introduced, such as changes to sentencing (the government has recently launched a sentencing review), which would require Parliamentary approval and take time to implement.

¹³ Population projections are as per February 2024 published official statistics and capacity projections are as at June 2024. The MoJ intends to publish new population projections by mid-December 2024 and is currently updating its capacity projections, for example, to reflect the collapse of ISG, but has not finalised these at the time of our publication.

Figure 9

Comparison of prison population projections to prison capacity projection, November 2027

HM Prison and Probation Service’s (HMPPS’s) current prison expansion plans are insufficient to meet projected future demand: by the end of 2027, there is a projected shortfall of approximately 2,100 places in the low population scenario, approximately 12,400 places in the central scenario, and approximately 21,200 places in the high scenario



Notes

- 1 Population projections are the total projected prison population as per February 2024 published official statistics and capacity projections are as at June 2024. The Ministry of Justice intends to publish new population projections by mid-December 2024 and is currently updating its capacity projections, for example, to reflect the collapse of ISG, but has not finalised these at the time of our publication.
- 2 Low, central, and high population projections reflect three plausible scenarios for future police and prosecutorial activity.
- 3 This graph shows the central capacity projection, which is the projection HMPPS uses in its internal reporting to ensure it provides succinct and manageable advice to its stakeholders.
- 4 Population projections for November 2027 do not assume prisoners are released after completing 40% instead of 50% of their sentence (with exemptions for those who HMPPS assesses pose a risk to the public) as the Ministry of Justice described this as a temporary measure when it was introduced in September 2024. The projections also do not account for possible demand reduction measures that may be introduced as part of the Sentencing Review.

Source: National Audit Office analysis of Ministry of Justice management information

Risks to maintaining existing capacity

3.8 The lack of headroom in the prison estate makes HMPPS more vulnerable if there are any shocks to capacity. HMPPS needs to manage the following risks to existing capacity as, if they materialise, they could undermine its ability to manage future population pressures:

- **Fire safety:** In 2023, there were 2,287 fires in prison cells and as at March 2024, approximately 23,000 occupied prison places do not meet current fire safety standards (a quarter of places).¹⁴ Standalone smoke detectors are being used in the meantime where cells do not have automatic fire detection, but this does not provide the same standard of protection. These places are at risk of enforcement action by the Crown Premises Fire Safety Inspectorate. Since 2020 HMPPS has permanently closed 1,875 places in modular units after they failed fire safety testing. HMPPS has committed to make all places fire compliant by the end of 2027. It now expects some remedial work to continue beyond this date, but does not intend for any cells to be occupied where work is still outstanding after 2027. HMPPS currently estimates it needs £1.5 billion to complete the works, including £1.1 billion across the two phases of the spending review.¹⁵ HMPPS is making places fire safety-compliant at a current rate of around 4,000 places a year.
- **The condition of the estate:** HMPPS commissioned a prison estate condition survey, which reported in April 2024. This found that 13% of buildings and 18% of machinery and electrical assets were in a 'poor' or 'very poor' condition, defined as requiring either major repair or replacement, or being in imminent danger of failure. HMPPS estimates it would cost £2.8 billion over the next five years to bring the whole estate into a 'fair' condition. This would mean more than doubling its current annual expenditure on maintenance (paragraph 1.24). When prison accommodation is unsafe or in poor condition, cells risk being unexpectedly taken out of use (paragraph 1.23). For example, 112 places were temporarily lost at HMP Northumberland in 2024 due to the presence of RAAC (reinforced autoclaved aerated concrete).

¹⁴ Vape pens are the source of approximately 80% of fires set.

¹⁵ Phase 1 of Spending Review 2025 reset departmental budgets for 2024-25 and sets budgets for 2025-26. Budgets for 2026-27 and 2027-28 are expected to follow in Phase 2 of the Spending Review.

- **Staffing numbers and experience:** HMPPS's ability to accommodate additional prisoners is constrained by the number and experience of prison staff. HMPPS has successfully increased prison officer full-time equivalent staff by around 1,200 in the year to June 2024. However, some prisons have struggled to retain staff. For example, HM Inspectorate of Prisons reported in 2024 that, of almost 750 prison officers recruited at HMP Five Wells since 2022, only 272 remained in post. The average experience level of prison officers is decreasing: the proportion of band 3-5 officers with two or more years' experience decreased from 81% to 68% between June 2021 and June 2024. Prison officers also have high levels of sickness absence (on average 12.3 days of sick leave per person in year to June 2024).

3.9 Any shocks to capacity are also likely to put additional pressure on the probation service, for instance, if capacity pressures lead to more prisoners being released early (see paragraph 2.16). The probation workforce is already under considerable pressure, with high staff-vacancy rates, poor performance across the service and reports of unmanageably high workloads. Any response measures which require additional work therefore risk exacerbating these pressures. HMPPS has committed to recruit over 1,000 additional trainee probation officers by March 2025. However, it estimates that it will need to supervise around 20% more prison leavers by 2028 compared with December 2023, and its assessment of the long-term impacts on probation has been limited.

Costs to build and run an expanded estate

3.10 MoJ and HMPPS require additional funding to deliver the expansion portfolio and run an expanded estate, while departmental budgets are likely to be constrained by economic conditions. As at October 2024, MoJ estimates it will require around an additional £5.0 billion to £5.6 billion in capital funding to deliver the portfolio, based on its current cost estimates.¹⁶ HMPPS estimates future running costs of the expanded estate will increase by around £480 million by the end of 2027-28, and by around £670 million if the expansion portfolio is fully delivered (2024-25 prices).¹⁷ Furthermore, HMPPS will also face wider costs through an increased probation workload, not currently included in the costs.

¹⁶ This estimate accounts for funding provided in the Autumn 2024 Budget.

¹⁷ These running cost figures rely on inflation forecasts which are uncertain. We have not verified HMPPS's calculations from its original source data.

Long-term plan

3.11 Our October 2024 report *Lessons learned: a planning and spending framework that enables long-term value for money* emphasises the need for joined-up planning and governance across government departments and the importance of taking a long-term view of value for money.¹⁸ MoJ acknowledges that it requires a long-term, funded strategy to avoid taking repeated, reactive actions in response to capacity pressures. But such a strategy would need to be informed by a wider assessment of the coherence between MoJ and wider government objectives, including the appropriate level of resources allocated to those objectives and overt consideration of risk appetite. In its December 2021 Prisons Strategy white paper, MoJ outlined that delivering 20,000 places would help it to keep up with demand in the medium term and set the tone for longer-term reform of the prison estate. It stated that new prisons would be “future-proofed, fit-for-purpose and sustainable”.

3.12 While MoJ’s white paper set out its long-term vision for a more resilient estate, MoJ did not secure any medium- or long-term funding for prison expansion in 2020. In October 2021 it developed longer-term capital funding proposals involving purchasing and clearing new prison sites, but did not sufficiently develop this to submit it to HM Treasury in time for the spending review. MoJ told us that, given wide government efficiency cuts, it was difficult to bid for long-term funding while dealing with more immediate pressures. In October 2023, MoJ announced £30 million of medium-term funding to buy land for new prisons, funded from its expansion portfolio budget. It has conducted a site search and begun early local engagement.

3.13 HM Treasury has acknowledged its 2021 spending review settlement for MoJ left a capacity gap of 900 places by 2024 (see paragraph 1.8) and committed to working with MoJ to monitor the position and develop further mitigations if required. However, there remains no funded plan to deliver the number of places required by MoJ’s prison population projections (see paragraph 3.5). MoJ told us that it is developing a 10-year capacity strategy, which it plans to publish at the end of 2024, and that it is engaging with HMT to develop a multi-year funding plan. It also launched its sentencing review on 21 October. One of the aims of the review is “to end prison crisis” and to ensure that no government is “forced into emergency release of prisoners again”.

¹⁸ Comptroller and Auditor General, *Lessons learned: a planning and spending framework that enables long-term value for money*, Session 2024-25, HC 234, National Audit Office, October 2024.

Appendix One

Our audit approach

Our scope

1 Our independent conclusions on how the Ministry of Justice (MoJ) and HM Prison and Probation Service (HMPPS) have increased the capacity of the prison estate to meet demand were reached by analysing evidence collected between April and October 2024. We formed our conclusions after considering our three audit questions:

- Are MoJ and HMPPS on track to deliver their planned expansion of the prison estate?
- Have MoJ and HMPPS been effective and transparent at managing recent prison capacity pressures?
- Does MoJ have a realistic, long-term strategy to meet future demand in the prison estate?

Our evidence base

Interviews

2 We interviewed officials from MoJ and HMPPS and discussed the expansion of the prison estate, long-term strategy, and capacity management with people in appropriate job roles relevant to the topic. We held 28 remote interviews with MoJ and HMPPS staff including (but not limited to):

- teams responsible for demand and supply projections and reporting capacity metrics;
- team overseeing custodial maintenance;
- teams responsible for programmes to increase the capacity of the estate (prison capacity sub-portfolio, medium-term supply strategy and long-term supply options); and
- teams responsible for prison capacity crisis management such as Criminal Justice System Strategic Command and the Capacity Options Taskforce.

3 We also held remote interviews with other government departments and organisations including:

- the Infrastructure and Projects Authority;
- HM Treasury; and
- Cabinet Office.

4 We also held remote interviews with key third party stakeholders including:

- HM Inspectorate of Prisons; and
- the Prison Governors' Association.

5 We selected stakeholders with good knowledge of HMPPS and the prison system in England and Wales. We identified stakeholders via desk research and our regular liaison points, and invited these stakeholders by email to participate in an interview. Discussions covered the prison system, prison expansion, and capacity pressures.

Financial analysis

6 We analysed financial information to understand resource spending on prisons, current capital costs of prison expansion, expected future costs, and estimated running costs of the prison estate. This included (but was not limited to):

- HMPPS annual report and accounts from 2020-21 to 2023-24;
- MoJ management information on capital spending per programme from 2020-21 to 2023-24; and
- MoJ management information on its 2024 Spending Review bid for future estate running costs.

Unless otherwise stated, all financial data are presented in cash terms. With the exception of HMPPS's annual report and accounts, we have taken these data at their face value and have not audited the accuracy or completeness of the data used.

Portfolio cost analysis

7 MoJ provided estimated cost data for its projects as at July and September 2024. It also provided estimates for the cost impact of ISG's collapse in September 2024. Given the volatility of MoJ's estimates, we have presented the portfolio level cost as a range. Our total portfolio cost estimate range includes sunk costs. We have excluded estimated costs associated with projects which MoJ has since descope after the cost data was provided in September 2024.

8 Unless otherwise stated, all cost data are presented in cash terms. We have taken these data at their face value and have not audited the accuracy or completeness of the data used.

Quantitative analysis

9 We performed analysis of official government statistics including:

- prison population over time;
- prison operational capacity, Certified Normal Accommodation (CNA), and in-use CNA over time; and
- HMPPS staffing data, including staff in post by length of service and sickness absence.

10 We also analysed MoJ and HMPPS management information on capacity crisis management, including the number of usable places left in the estate over time and the number of places made available via different policy interventions. We have taken these data at their face value and have not audited the accuracy or completeness of the data used.

11 With support from our Analysis Hub, we reviewed MoJ and HMPPS's demand and supply modelling against our good practice guidance. This included the following: reviewing model scripts and assumptions; reviewing technical documentation, sensitivity analysis, and other associated reporting for reasonableness; and conducting structured interviews.

Prison visits

12 We visited four prisons:

- HMP Fosse Way on 6 June 2024;
- HMP Liverpool on 20 June 2024;
- HMP Northumberland on 27 June 2024; and
- HMP Durham on 28 June 2024.

13 We selected the prisons to be examples of the main ways in which HMPPS was increasing the capacity of the estate, namely: crowding of existing prisons; building new prisons; building new houseblocks at existing prisons; refurbishing cells that are out of use; and temporary accommodation. We did not intend the sample to be representative.

14 Each of our visits included the following: an interview with the governor or director; interviews with key operational staff; interviews with finance and maintenance staff; tour of the prison; interviews with the prison escort service team; and site-specific interviews.

15 The purpose of the site visits was to provide context on the issues facing the prison estate, understand the actions HMPPS was taking to increase the capacity of the estate, and triangulate evidence from other sources relating to our study questions.

Document review

16 We reviewed over 400 MoJ and HMPPS documents relating to prison expansion, strategy, modelling, and crisis management. The documents reviewed included, but were not limited to:

- spending review bid information;
- business cases for prison expansion projects;
- ministerial submissions relating to prison expansion and crisis management;
- external reviews of MoJ's Prison Expansion Portfolio;
- terms of reference and meeting minutes from governance boards; and
- risk registers.

We also reviewed Infrastructure and Projects Authority reports relating to prison expansion projects.

17 We reviewed each document against our three audit questions. We also made use of specialist expertise within the National Audit Office to support our review and interpretation of key documents. For example, we liaised closely with our Major Project Delivery Hub on our review of prison expansion.

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