



Northern Ireland
Assembly

Research and Library Service Briefing Note

Paper 153/10

6 September 2010

NIAR 283-10

Cost Per Prisoner Place

1 Introduction

This briefing compares the cost of prisoner places across the UK and Republic of Ireland between 2005 and 2010. It also highlights caveats to using these figures to make like for like comparisons, given the different factors taken into account when they are collated by the relevant authorities.

2 Statistics

Table 1: Cost per prisoner place in Northern Ireland, England and Wales, Scotland and the Republic of Ireland

	Northern Ireland (£)	England and Wales (£) ¹	Scotland (£) ²	Republic of Ireland (€) ³
2009-10	78,750 ⁴	N/A	N/A	N/A
2008-09	81,340 ⁵	30,370 ⁶	31,106	92,717

¹ Her Majesty's Prison Service annual reports 2005-2008

www.hmprisonservice.gov.uk/resourcecentre/publicationsdocuments/index.asp?cat=38

² Scottish Prison Service annual reports 2005-09

www.sps.gov.uk/Default.aspx?DocumentID=67e156ce-a4c9-49f5-a526-0dab421427f6

³ Irish Prison Service annual reports 2005-09 www.irishprisons.ie/Publications-Annual_Reports.htm

⁴ Forecast figure from NIPS Business Plan 2009/10

2007-08	81,254	29,561	32,358	91,800
2006-07	90,298	28,734	30,989	85,800
2005-06	85,900	28,486	30,338	85,100

Table 2: Prison statistics for the Northern Ireland Prison Estate

	2004/05	2005/06	2006/07	2007/08	2008/09
Operating Expenditure	(£k)115,227	(£k)128,333	(£k)135,718	(£k)128,787	(£k)134,618
CNA	1,340	1,494	1,503	1,585	1,655
Average no. of prisoners	1,277	1,328	1,455	1,473	1,492
Total staff costs	(£k)82,090	(£k)87,464	(£k)89,240	(£k)90,961	(£k)95,656
No. of staff employed	2,130	2,050	2,104	2,186	2,270
CPPP	£85,935	£85,900	£90,298	£81,254	£81,340
Ratio staff:prisoner	1.66	1.54	1.44	1.48	1.52
Staff costs as percentage of Operating Expenditure	71%	68%	65%	70%	71%
Average staff cost	£38,539	£42,665	£42,414	£41,610	£42,139

Sources: NIPS Annual Report and Accounts 220/05 to 2008/09

CNA is the certified normal accommodation which is the notional capacity that an establishment can hold

*Forecast figure from NIPS Business Plan 2009/10

**Provisional outturn

Table 3: Comparison of prison costs between Northern Ireland (NI), Scotland and Republic of Ireland (RoI)

2008/09	NI	Scotland	RoI
Operating Expenditure	(£k)134,618	(£k) 311,656	(€k)404,167
Total staff costs	(£k) 95,656	(£k)135,936	271,967
Staff employed	2,270	4,007	3,640
Staff costs as % of operating expenditure	71%	44%	67%
Average staff cost	£42,139	£33,925	€74,716

⁵ Information between 2005-06 and 2008-09 taken from Northern Ireland Prison Service annual reports

www.niprisonservice.gov.uk/module.cfm/opt/5/area/Publications/page/publications/archive/false/cid/30

⁶ National Offender Management Service Annual Report 2008-09: Management Information Addendum www.justice.gov.uk/publications/docs/noms-annual-report-0809-stats-addendum.pdf, March 2010

Average number of prisoners	1,492	7,835	3,544
Ratio staff to prisoner	1.52	0.51	1.02
Cost per prisoner place	£81,340	£38,301	€92,717
CNA	1,655	8,137	3,817

Source: Northern Ireland Prison Service⁷, Scottish Prison Service⁸ and Irish Prison Service⁹

Table 4: Prison population per 100,000 of population in the UK and Republic of Ireland

	Total prison population (inc. pre-trial detainees)	Estimated national population (millions)	Prison population per 100,000 of population
England and Wales	83,392	54.56	153
Scotland	7893	5.18	152
Northern Ireland	1562	1.78	88
Republic of Ireland	3325	4.39	76

Source: International Centre for Prison Studies, 'World Prison Population List (eighth edition)'¹⁰

Table 5: Receptions to Northern Ireland Prisons

	All	Foreign Nationals	
2006/07	6,464	181	2.8%
2007/08	5,769	291	5%
2008/09	6,109	547	8.9%

Source: Northern Ireland Prison Service – Annual Reports 2006/07, 2007/08 and 2008/09

⁷ <http://www.niprisonservice.gov.uk/module.cfm/opt/5/area/Publications/page/publications/archive/false/cid/30>

⁸ <http://www.sps.gov.uk/MultimediaGallery/efcfee50-5a5a-4f16-87bf-90b6be6534a7.pdf>

⁹ http://www.irishprisons.ie/documents/IPSanualreport2008e_000.pdf

¹⁰ www.kcl.ac.uk/depsta/law/research/icps/downloads.php?searchtitle=world+prison&type=0&month=0&year=0&lang=0&author=&search=Search

3 Cost per prisoner place across the UK and Republic of Ireland

Northern Ireland

The Northern Ireland Prison Service (NIPS) is currently responsible for three prisons – Maghaberry, Magilligan and Hydebank Wood (YOC/Juveniles and Females). Cost per prisoner place (CPPP) is one of the NIPS key performance targets. In a written statement to the Northern Ireland Affairs Committee, NIPS stated that “Put simply, (the CPPP) divides the broad costs of running the organisation by the number of available cells, to come up with a single figure”¹¹.

Following his appearance before the Committee for Justice on 22 April 2010, the Minister for Justice, David Ford, wrote to the Committee Chairperson to clarify certain issues that arose during the course of the meeting. His correspondence, which is included as an annex to this paper, stated that *‘while the CPPP has some validity in assessing year on year improvements within the organisation, it has less validity when used to make comparisons with others’*¹². Comparing NIPS to Her Majesty’s Prison Service (HMPS), the Minister stated that:

HMPS is a very large organisation with over 140 different prison establishments. It can generate significant economies of scale not least by being able to set up individual establishments to specialise in particular prisoner types. With only three sites, NIPS faces significant challenges in dealing effectively and economically with the diverse population of prisoners.¹³

The letter goes on to outline other factors that contribute to the differences between Northern Ireland and England and Wales. Some of these are related to the nature of the prison estate and staffing cost including legacy issues relate to these. Others relate to how the figure for CPPP is calculated. For example, when calculating its CPPP, HMPS does not include a number of functions, such as education, that are funded by other organisations in England and Wales but which NIPS meets the cost of in Northern Ireland. These are detailed in the letter, an extract of which is attached at Annex 1.

Furthermore, the Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO) has stated that:

Comparing cost per prisoner place in Northern Ireland with the figure for England and Wales was not comparing like with like, as the same arrangements for use of third party providers did not apply...and the England and Wales service had not faced the transitional costs that (NIPS) had faced

¹¹ Northern Ireland Affairs Committee ‘First report: The Northern Ireland Prison Service’, 12 December 2007

¹² Letter from Minister of Justice to Lord Morrow of Clogher Valley, dated 8 May 2010

¹³ As above

in moving the service away from the direction that had been necessary during the...Troubles¹⁴.

England and Wales

There are two approaches to calculating the CPPP in England and Wales. The first includes only those costs borne directly by the prisons, but “excludes expenditure met at area, regional or national level by HMPS or NOMS (National Offender Management Service, the body tasked with running the prison and probation services in England and Wales)”.¹⁵ This is the figure used by HMPS to make year-on-year comparisons.

The second approach includes expenditure met by NOMS and other agencies such as the Youth Justice Board. NOMS has provided figures on this basis for 2008-09 and 2007-08. When calculated on this basis, the CPPP increased to £45,000 for 2008-09 and £43,000 for 2007-08. These figures include expenditure on public and private prisons.

Scotland

The Scottish Prison Service excludes the following elements from the calculation of its CPPP: “notional costs, capital charges, exceptional compensation claims and the cost of the Escort Contract”.¹⁶ As with England and Wales, this is the figure SPS uses to make year-on-year comparisons. However, for information purposes, it provides an “actual” average cost per prisoner place which includes capital charges and exceptional payments. For 2008-09 this worked out at £44,447.

Republic of Ireland

In 2008 the Irish Prison Service (IPS) reviewed its methodology for calculating the cost of keeping a prisoner. Costs which were not under the direct control of the IPS were excluded, such as teachers’ salary costs, as these are not provided for under the Prison Budget allocation. Using this revised methodology, IPS also provides a revised figure for 2007 of €85,362, rather than its previously published figure of €91,800.

4 Commentary

Although there are significant differences between the cost of prison places across the UK and Republic of Ireland, the figures should be approached with caution when attempting to make direct comparisons. This is largely due to the fact that the various bodies charged with the management of prisons compile their figures based on the

¹⁴ Northern Ireland Affairs Committee ‘First report: The Northern Ireland Prison Service’, 12 December 2007

¹⁵ HC Deb 3 March 2010 c1252

¹⁶ Scottish Prison Service, Annual Report and Accounts 2008-09, July 2009

inclusion and exclusion of certain costs depending on whether they are borne directly by that body, or by other government agencies providing services to the prison. In addition, in the case of Northern Ireland, it has been argued that the relatively small prison infrastructure means that the prison authority cannot make savings through economies of scale. It has also been suggested that the requirement to separate paramilitary prisoners further reduces the scope for reducing costs, as does the fact that Maghaberry is a maximum security prison, and all those detained, no matter the severity of the sentence, are treated as maximum security prisoners. An Inspection report on Maghaberry by HM Chief Inspector of Prisons and the Chief Inspector of Criminal Justice in Northern Ireland found concluded that “this degree of security is not necessary for many prisoners, such as fine defaulters and other short term prisoners. If other accommodation existed, the needs of these prisoners could be catered for more economically and more effectively in a less secure facility”¹⁷.

Furthermore, the Prison Officers’ Association for Northern Ireland, in a submission to the Northern Ireland Affairs Committee criticised NIPS for, in its view, using the CPPP as an excuse to disguise other inadequacies:

In all of their submissions to the Prisons Review Board, and to anyone who would listen, management said that the reason for the CPPP being so high in Northern Ireland was because of the years of the Troubles which led to high salaries for prison officers compared to other jurisdictions in the UK. This has always been management’s excuse for its incompetence¹⁸.

In their submission to the same Committee, the HM Chief Inspector of Prisons and the Chief Inspector of Criminal justice Northern Ireland said that “On any comparison the Northern Ireland Prison Service is extremely costly”¹⁹.

The Northern Ireland Affairs Committee stated its concerns “that the Northern Ireland figures include the costs of running the separated regime, despite the recommendation of our predecessor Committee that the costs of running the separated regime should be kept separate. We believe that this distorts the overall measurement of cost per prisoner place for the Northern Ireland Prisoner Service²⁰. In a submission to the Committee for Justice, NIPS stated that it was “focused on bringing its costs more into line with the costs of other Prison Services while reflecting our own unique circumstances...and over the period of (the Comprehensive Spending Review 2007) efficiency measures across the Prison Service delivered savings in the region of £28m”²¹. The submission goes on to say that more efficiencies will be delivered in the coming years through a modernisation programme aimed at reorganising the way the Prison Service operates.

¹⁷ Belfast Telegraph, ‘Average prisoner costs £86,000 annually, retrieved 16 June 2010

¹⁸ Northern Ireland Affairs Committee ‘First report: The Northern Ireland Prison Service’, 12 December 2007

¹⁹ As above

²⁰ As above

²¹ Northern Ireland Prison Service submission to the Committee for Justice, 5 May 2010

Whilst comparing the CPPP across areas and indeed across prisons may present problems, comparison of the same area over time is more straightforward. In this regard, an official from the Department of Justice told the Justice Committee that:

the Prison Service's cost per prisoner place has reduced by nearly 13% since 2007, from just over £90,000 to less than £78,000. That means that the prison system still costs almost twice as much as its equivalent in England and Wales. However, given the much smaller scale in which our Prison Service operates, that represents credible progress over the past couple of years. In addition, 230 new prison places have been provided, and a further 140 are planned.

It should be noted, however, that the expenditure figure for 2006-07 is higher in comparison with other years because new accommodation at Maghaberry which was due to be built around this time was postponed, thus impacting on the CPPP. Using the 2005-06 CPPP as the baseline would have produced a 9% reduction and using the 2007-08 CPPP as the base would have produced a 4% reduction.

Providing evidence to the Justice Committee, an official from the Department of Justice advised that *'To get a step change in cost reductions in the Prison Service would require significant investment in infrastructure and, perhaps, staff structuring'*. In terms of the reduction in CPPP over recent years, it should be noted that this appears to have resulted from an increase in the CNA rather than a reduction in expenditure. Indeed, whilst the CPPP has been reducing over recent years, overall staff costs have continued to increase.

June 2010

Annex 1 – correspondence from the Minister for Justice to the Chairman of the Committee for Justice, 8 May 2010

FROM THE OFFICE OF THE MINISTER OF JUSTICE



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May 2010

The Lord Morrow of Clogher Valley MLA
Chairman, Committee for Justice
Room 345
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8 May 2010

Dear Maurice

Thank you for your letter of 26 April following my appearance before the Committee for Justice on 22 April. I am grateful for the opportunity to clarify several issues that were raised during our exchanges.

Cost per Prisoner Place (CPPP)

The paper attached as an annex to this letter, cost per prisoner place, sets out a brief analysis of how the CPPP is calculated, provides the provisional outturn for 2009/10 and compares this with costs in HMPS. It also compares the cost of Magilligan and similar Category B establishments in HMPS. It demonstrates that the NIPS CPPP is now less than twice that of HMPS. This demonstrates that while Magilligan is more expensive than many, its cost are less than the most expensive equivalent establishments in HMPS.

COST PER PRISONER PLACE (CPPP)

The Cost Per Prisoner Place (CPPP) target was originally agreed with HM Treasury when NIPS became an agency in 1995, and became part of the PSA targets for the NIO. It is a crude measure of efficiency and has been used by Treasury largely to measure the performance and effectiveness or otherwise of NIPS in comparison to the England and Wales Service.

2. While the target does have some validity in assessing year on year improvements within the organisation, it has less validity when used to make comparisons with others.
3. Each Prison Service is unique - HMPS is a very large organisation with over 140 different prison establishments. It can generate significant economies of scale not least by being able to set up individual establishments to specialise in particular prisoner types. With only three sites, NIPS faces significant challenges in dealing effectively and economically with the diverse population of prisoners.
4. Moreover in Northern Ireland the calculation is made using different elements to that in England and Wales. HMPS do not include a number of costs that the NIPS meets internally but which are funded by other organisations in England and Wales, including education.
5. A number of other factors also contribute to the differential:
 - (a) NIPS have only three prison establishments so the opportunities for financial economies and service flexibility are significantly reduced;
 - (b) the headquarters function is required to deliver the same range of functions as our E&W counterparts and consequently the proportionate costs are more;

- (c) the complexity of Maghaberry, as it houses more than 50% of the total prison population, but with five main categories of prisoner; the whole prison operates effectively as a high risk prison;
- (d) Hydebank Wood also has additional complexity as it houses young offenders, some of whom are on long sentences, including the equivalent of adult life sentences, juveniles who cannot be managed within the Youth justice System and the full range of adult female prisoners;
- (e) the element of separated prisoners, which increases running costs (mostly staff related);
- (f) the legacy that during the 'Troubles' staff received higher salaries due to the increased risks. In addition the staffing levels required to manage the challenges of the population effectively were significantly higher than that required in other prison environments. In particular, additional security measures are in place, for example the additional fence which surrounds the Maghaberry site with additional staff required to secure the area.
- (g) The nature of some of the accommodation in NIPS estate which is vastly staff-intensive; recent designs, in houses opened in the past 2 years have radically reduced the staffing levels required as well as improving prisoner-staff engagement.
- (h) Characteristics of NI's criminal justice system, for example the lengthier period on remand which necessitates additional court appearances

NIPS Cost Per Prisoner Place

6. The target and outturns for the last 4 years are detailed as follows:

	Target	Outturn
2010-11	£76,500	
2009-10	£78,750	£77,773 (provisional outturn)
2008-9	£81,500	£81,340
2007-8	£82,500	£81,254
2006-7	£85,250	£90,298

7. The cost per prisoner place is calculated by dividing the resource cost of the Service by the number of certified normal accommodation (CNA) prisoner places. This is the number of single cell places available. Since 2006/07 the number of places has increased while the number of staff employed has reduced through efficiency measures.
8. The current CPPP for NIPS is inclusive of all operating and centrally borne costs excluding special items, e.g. such as the Billy Wright Inquiry (BWI) and Injury Benefit Provision. From 2008 it excludes the cost of Healthcare where responsibility has passed to the South Eastern Trust (SET).
9. This benchmark is not equivalent to that quoted within HMPS (NOMS) which is usually Establishment specific though, recently an average was quoted for NOMS of £45,000 for 2008-09 overall, which included all regional and national costs. It will thus be seen that the figure for NIPS is under twice that of HMPS. This compares with an assessment made by CJINI some years ago, based on Treasury published figures, that the costs across the NI criminal justice system were twice as high as in England and Wales.
10. Significant steps have been taken over recent years to drive up the efficiency of the Prison Service. Most of the costs of any Prison Service relate to staff costs. In Northern Ireland these have been higher due to the nature of the prison population. These legacy costs continue for many staff. However, steps have been taken to reduce these costs. For staff joining the Main Grade Officer ranks from 2002 onwards, a lower salary scale is in place which more closely matches the salaries paid in other jurisdictions. The number of staff of the higher legacy salaries will reduce over time and be eliminated.
11. Secondly, a number of targeted efficiency measures have been implemented, for example the 3 year pay and efficiency package introduced from 2007/08 delivered up-front efficiencies of 10% - equivalent to 150 staff. Further since 2007, we have introduced 3 Support Grades to undertake work previously delivered by Main Grade Officers. These roles do not require the full skill sets of MGOs and their salaries which are significantly lower, reflect this. Some 500 are

already in post and a further 150 will be recruited as MGOs leave the Service. All of these measures will continue to help drive down overall costs.

12. We now have provisional outturn figures for each establishment. The cost per prisoner place can be shown in two ways. Firstly, the calculation can be done on the basis of direct costs at the individual establishment. This is the figure shown on the first line in the table below. The second approach is to allocate a proportion of the remaining costs of the Service including the headquarters costs, prisoner escorting costs and the cost of the Prison Service College. This is shown in the second line of figures.

<u>Establishment</u>	<u>Maghaberry</u>	<u>Magilligan</u>	<u>Hydebank Wood</u>
Local Costs	£69,032	£52,891	£74,102
Total Costs Apportioned	£83,111	£66,970	£88,181

COMPARISON WITH NOMS

13. It is possible to carry out a crude comparison of cost per prisoner place in NI with that in England and Wales. However, it is important to try to do this on the basis of appropriately calculated figures.

14. Earlier this year, in response to a Parliamentary Question, Maria Eagle advised that for 2008-09 the overall cost of a prison place was **£45,000** (to nearest £1,000). This includes expenditure met by NOMS national and regional structures, including Prison Service administration, and the YJB. It does **not** include expenditure met by other Government Departments (e.g. for health and education). This and the next para seem repetitive. Services which are the responsibility of NOMS (e.g. drug testing, accredited drug treatment programmes and Counselling, Assessment, Referral advice and Throughcare services) are included.

15. Magilligan is a category B prison and is perhaps the closest comparator with any of the establishments in England & Wales. The cost comparators will never be

exactly the same as in NI costs such as education and drug addiction services are included in the operational costs of the establishment. In answer to a recent parliamentary Question the cost of a Category B establishment in NOMS ranged between £29,005 per place to £58,885 and the average cost per place across these establishments was £41,416. The comparative figure for Magilligan was £52,891 for 2009/10.

16. The Prison Service management has made clear that further steps are required to improve the efficiency of the Service, on top of the measures in place which will continue to bear down on costs over time. More work is required not only to improve efficiency but also to improve effectiveness at reducing re-offending by redirecting the efforts of the Prison Officer towards working with prisoners. We are currently developing a programme of Workforce Reform which will be designed to address these issues.

