

1). Description of policy, including any assumptions necessary to allow the commitments to be costed:

This document provides costs for the policies contained within the Conservative Party policy document *Prisons with a Purpose: Our Sentencing and Rehabilitation Revolution to Break the Cycle of Crime*. In addition, it costs the policy of ending Home Detention Curfew. This costing relates only to the capital costs of the policies contained in the document, and the capital cost of ending HDC.

The Conservative party policy document *Prisons with a Purpose* contains a series of measures such as ending End of Custody Licence, Min - Max sentencing and ending overcrowding that will increase demand for prison places significantly. The aim is to offset this pressure by reducing the population elsewhere, most notably by reducing re-offending through a 'rehabilitation revolution' and deporting foreign national prisoners.

The Conservatives calculate that this will lead to a net requirement of 5,000 places in addition to the Government's plans to increase capacity by 15,000 by 2014. 3,500 of these 5,000 places would be paid for by selling off parts of the existing estate, with the capacity reconfigured on cheaper sites elsewhere. This would bring the population to around 101,000 by 2014. The intention is then that a 'rehabilitation revolution' would start to slow the growth of the prison population, before stabilising it and eventually reducing it to 99,000 in 2015 and further to 94,000 by 2020. Current prison population projections only stretch to 2014 though, and predicting the population for 2020 with any degree of accuracy is extremely difficult.

To achieve a reduction from 101,000 prisoners to the 96,000 would require additional resources. The Conservative proposals state that unlocking funding currently used to reconvict and accommodate offenders would fund the programme. They estimate that this would amount to an investment of £259m a year by 2017. Other externalities such as the wider economic outlook, would play a part in determining how successful these ambitions might be.

Costing the policies

Whilst reducing re-offending could undoubtedly save money, it would not necessarily yield cashable savings. Even though over recent years re-offending has been reduced there has not necessarily been a direct feed through to an actual reduction in the prison population due to other factors such as sentence length and custody rates, not to mention crime rates more widely and the performance of the police and the courts in bringing offenders to justice. Indeed *Prisons with a Purpose* estimates that sentence length, under the proposed 'min – max' scheme, would increase by ten per cent. Equally, it is not clear that the process of deporting Foreign National Prisoners can be sped up significantly, relying, as it does, on agreement with their countries of origin.

The evidence base around what works to reduce reoffending and what kind

of reduction it might be sensible to expect is, at best, patchy. Going on to model the impact on crime – especially where, for some offences like drug dealing, an individual who desists may conceivably be replaced by another who wants to exploit a ‘gap’ in the market – presents further difficulties, as does translating that into prison places.

Therefore, this analysis calculates the Conservative’s supply side policy commitments and costs them. It assumes that all of those commitments are delivered, but does not attempt to calculate how this spending commitment might be offset by a reduction in demand through the ‘rehabilitation revolution’ and the deportation of Foreign National Prisoners. This is because, owing to the difficulties in modelling the impact of these demand side policy commitments, an accurate costing is not possible. As a result, the costs of the new rehabilitative programme are not included in the analysis either.

Proposals that will increase the prison population, with estimated prison places necessary

- Ending ECL. (1350 places required).
- Min - max sentencing policy. (6000 places required as a conservative estimate).
- Ending Home Detention Curfew. (2,500 places required).
- Ending overcrowding. (4,453 places required).
- Total additional capacity required 14,303.

How these places are calculated

ECL

1. Ending End of Custody Licence. ECL allows some offenders to be release 18 days earlier than their automatic release date. ECL is worth around **1,350** places. This number is fairly consistent - as prisoners come onto ECL, so a number get to a date when they would have finished their sentence, and so complete the scheme.

Min – Max Sentencing

2. The policy document describes min – max sentencing as “The minimum period will be half of the maximum and the maximum would be set at the current stated sentence length”.
3. This is effectively the system that is currently in operation. The distinction however is that prisoners would have to “earn” their release, as opposed to there being a presumption for release at the halfway point of the sentence.
4. *Prisons with a Purpose* estimates that earning release would increase the average sentence length by ten per cent (page 57). Depending on interpretation, this could be a low level estimate. However, this assumption has been used for these purposes.
5. There are currently around 60,000 people serving determinant sentences. A ten per cent increase in sentence length would therefore, over time, require an additional **6,000** prison places. Determining the exact time frame is difficult, but it would be reasonable to assume that these places would be required within the

duration of a parliament.

Ending Home Detention Curfew

6. At the end of August there were around **2,500** prisoners on Home Detention Curfew. Were this policy to be discontinued, these prisoners would have to be housed in new places.

Ending Overcrowding

7. *Prisons with a Purpose* states that the Conservative Party will replace the accommodation in the 30 oldest prisons with uncrowded prison places.¹
8. As of March 2008 Certified Normal Capacity in the 30 oldest prisons was around 14,400. The Operational Capacity for these prisons was just under 18,853. This leaves a shortfall of around **4,453** prison places.

Costs per place

The costing uses the per place figures given in Lord Carter's Review of Prisons²:

Construction Type (Lifetime)	Total places	Capital cost per place per year	Capital cost per place of lifespan
Houseblocks (60 years)	3,992	£219,000	£3,660
Rapid Build Residential Unit (40 years)	872	£178,000	£4,400
Temporary Custodial Module (25 years)	544	£108,000	£4,300
Temporary Custodial Facility (25 years)	600	£122,000	£4,800
New Prison (100 years)	2,461	£152,000	£1,520

The relevant cost per place that has been assumed in this costing is the £178,000 rapid build residential unit cost. This is assumed to be the cost for all places except for the cost to replace the 30 oldest prisons with uncrowded places. The cost for this is assumed to be the new prison cost of £152,000.

2). Information required on distributional effects of the policy:

¹ Conservative Party, *Prisons With a Purpose: Our Sentencing and Rehabilitation Revolution to Break the Cycle of Crime*, pp.96-99.

² Lord Carter, *Securing the future: Proposals for the efficient and sustainable use of custody in England and Wales*, p.20.

3). Cost/Revenue to the Exchequer over five years:

The following are the capital costs of the aforementioned policies.

<u>Policy</u>	<u>Cost (£m)</u>
Ending ECL	240
Min - max sentencing policy	1068
Discontinuing HDC	445
Ending overcrowding	677
Total	2430

4). Distributional effects (if none requested, any significant):

5). Comparison with current system (if applicable):

6). Other comments (including other Departments consulted):

This costing was produced to confirm the costing produced by MoJ on the Conservative document.

Assumptions

Accurately costing policies with limited information is difficult due to a number of unknown variables. It is therefore necessary to make a number of assumptions in calculating the costs. The following assumptions have been made in this analysis.

1. That new prison places are constructed as Rapid Build Residential Units that, on average, cost £178,000 per place. The construction cost for a typical house block is higher (£219,000), and lower for a Temporary Custodial Facility (£122,000). For the places needed for ending overcrowding in the 30 oldest prisons, the New Prison cost of £152,000 per place has been used.
2. The cost of ending overcrowding has only been calculated for the 30 oldest prisons, not the entire estate. The conservative policy outlined in *Prisons With a Purpose* has been taken to mean ending overcrowding in the rebuilt 30 oldest prisons, not the entire prison population.
3. Only capital costs have been included. Resource costs of building additional prison places have not been included.
4. Ending Home Detention Curfew has been included in this analysis, but is not committed to in *Prisons with a Purpose*.
5. The full impact of the intention to reduce re-offending is not possible include due to the limitations described above.