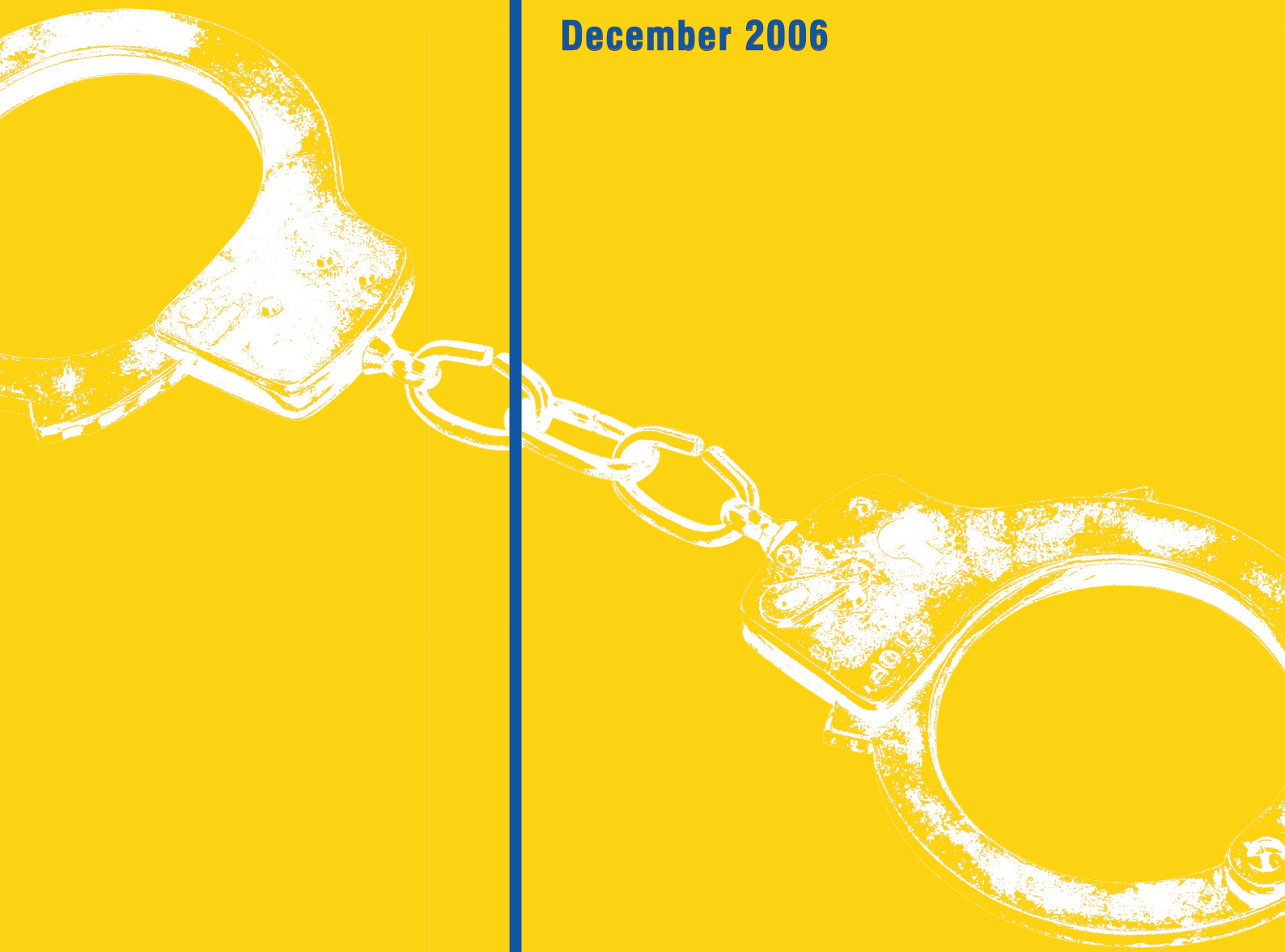


Prison Privatisation in Scotland

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'I have to say that I am fundamentally opposed both in principle to the privatisation of the Prison Service and indeed in practice...I believe people who are sentenced by the state to imprisonment should be deprived of their liberty, kept under lock and key by those who are accountable primarily and solely to the state...I also believe there are two additional objections...there is a danger that if you build up an industrial vested interest into the penal system, and as part of that interest they are designed obviously to keep the prison population such that it satisfies those commercial interests... there is a risk that that distorts the penal policy that otherwise you would introduce...' Secondly, I believe that privatisation is a diversion of our energies from where those energies should be properly set.' *Tony Blair MP 1993* ¹

'This is surely one area where a free market certainly does not exist... at the expiry of their contracts a Labour government will bring these prisons into proper public control and run them directly as public services.' *Jack Straw MP 1995* ²

'The real issue is not about whether private prisons are managed more effectively and efficiently than public ones, or vice versa. The fundamental change which has come about with the introduction of privatisation is the concept of prison as a "marketplace" and a business which will inevitably

expand...The requirement that all new prisons should be provided by the private sector has meant that the financial and social costs of an increasing use of imprisonment have not been subject to public scrutiny. Many of the costs of increased imprisonment are hidden in the short term...In social terms, the government has not encouraged public debate about why so many additional prison places are needed.' *Andrew Coyle, Professor of Prison Studies, 2005* ³

'One of the biggest problems with private prisons is the lack of accountability. The lucrative market for building and running prisons is also a highly secretive one. Significant profits are being made out of our criminal justice system at the same time as Parliament and the public are denied the opportunity to scrutinise the contracts handed out to prison operators.' *Brendan Barber, General Secretary, Trade Union Congress, 2005* ⁴

'If numbers in prisons need to be reduced - as most agree - is it helpful to create an interest in their growth among companies and their shareholders?... does 'contestability' mean that the ethos of the whole service is actually dictated by the aims of the private sector? ...' *Rt Revd Dr Peter Selby, Bishop of Worcester and Bishop to HM Prisons England and Wales, 2005* ⁵

1. The Issues

How many private prisons?

With the commissioning of the 700-bed Addiewell prison, announced in June 2006, Scotland will have 1400 prisoners in private prisons. Assuming the prison population is not much higher than it is today and there have been no significant changes in the figures of other countries, Scotland will then have 20% of its prisoners in private prisons, the highest percentage of any country in the world.

Percentage of prisoners held in private prisons

Country	Date	Percentage
Australia (overall)	2003	17.8
South Africa	2004	3.2
United States	2005	6.7
England and Wales	2004	9.1
Scotland	2004	9.0
Scotland with Addiewell (2009)		20.0

There are no private prisons as such in mainland Europe. In France a number of prisons are run under a system of dual management. Prison service personnel carry out what are described as the public service duties such as supervision, rehabilitation, registration and management and commercial companies are responsible for all other functions - maintenance, transportation, accommodation, food service, health services, work and vocational training ⁶. German law requires that the state retains control of custodial services but a similar system to the French model is planned for some parts of Germany.⁷

Canada decided in 2006 to transfer its one private prison to the public sector. The Ontario provincial government's community safety and correctional services minister Monte Kwinter said:

'After five years, there has been no appreciable benefit from the private operation of the Central North Correctional Centre. We carefully studied its overall performance compared with the publicly operated Central East Correctional Centre (CECC) in Kawartha Lakes and concluded the CECC performed better in key areas such as security, health care and reducing re-offending rates. As a result, the government will allow the contract with the private operator to expire.'

The contract with the private contractor ended on 10 November 2006.⁸

New Zealand's Corrections Act of 2004 prohibits private prison management and as a result the one private prison, a remand centre, transferred to the public prison service in 2005.

Private prisons are controversial

Since their inception private prisons have aroused controversy. The acceptance of privatised prisons has been patchy, with some countries starting down the path and then pulling out and some prisons moving from private to public control.

The main arguments against privatising prisons have been:

- The state should be responsible for the justice system and, therefore, running prisons for profit is wrong in principle.
- To the extent that private prisons produce savings they are achieved through providing lower staffing levels.
- Private prisons have brought no clear benefits to penal policy and there are real risks of commercial pressures driving penal policy.

2. The current position in the UK

The three companies

Three companies provide private prisons in the UK. Group Four Securicor which describes itself as an 'international security solutions group'⁹ runs a prison in Wales, HMP Parc, which holds adults and young offenders and a secure training centre called Oakhill, that is, a secure custodial establishment for 12-17 year olds. Serco, which describes itself as 'an international service company which combines commercial know-how with a deep public service ethos'¹⁰, runs three adult prisons, one young offender institution and one secure training centre as well as Scotland's one private prison with 700 places, Kilmarnock prison. The third company, formerly called United Kingdom Detention Services, recently changed its name to Kalix.

The experience with Kilmarnock prison

The experience of Kilmarnock prison, run by Serco, has been mixed. Most information comes from the reports by HM Chief Inspector of Prisons for Scotland which highlight shortcomings in all prisons regardless of their public or private status. In 2002 the Chief Inspector reported rising levels of violence between prisoners in Kilmarnock. The follow-up report in 2003 noted that prisoner-on-prisoner violence had been reducing¹¹ but noted that:

*'staff turnover continues to be very high compared to SPS, having increased since the last inspection report to a rate of 18.6% (from 14%) per annum.'*¹²

A report published in January 2005 noted that staffing levels were much lower than in public prisons. The Inspector says:

'Kilmarnock has a total number of staff which is some 80-120 less than the total number of staff at Edinburgh or Perth prisons, two prisons which are frequently compared to Kilmarnock in terms of size and function. Such staffing levels affect the amount of time

*available to prisons staff to interact with prisoners, and they seriously disadvantage prisoners who need to be taken from one part of a prison to another – e.g. for education, visits – at a time when no member of staff is available to escort them. ... Second, until recently at least there has been a considerable turnover of staff, resulting in a high proportion of members of staff being relatively inexperienced: such members of staff are not as well placed as more experienced ones to meet the varied needs of prisoners. ...'*¹³

The Inspector goes on to say:

*'This report identifies areas of concern within Kilmarnock. The provision of learning is impoverished: the lack of proper provision for basic education in reading, writing and numeracy is very serious. Despite a daily budget considerably greater than that in SPS prisons food is not good. Last year's report was critical of the provision of opportunities for remand prisoners: one year later this report finds almost no difference. The section on healthcare reveals improvements, but also recognises that more progress must be made. Living conditions, safety and relationships with staff are good: but education and vocational training and addictions work are all in need of improvement.'*¹⁴

A BBC television programme made by an undercover reporter in 2005 suggested that Kilmarnock prison was understaffed, that suicide watches were ignored and cell searches not carried out.¹⁵

In a report published in 2006 the Inspector notes that:

*'...serious attention has been paid to the matters raised in the full inspection report of 2005, and that most have been dealt with satisfactorily. ...'*¹⁶

The Inspector also says:

*'At around the time of the last full inspection of Kilmarnock, the BBC showed an "under cover" documentary which expressed concern about the anti-suicide procedures in place in the prison. The full inspection did not provide evidence to support this concern; nevertheless this current inspection paid close attention to anti-suicide measures. In March 2005, a Fatal Accident Inquiry Report into the death of a prisoner in Kilmarnock in January 2002 was published. Following the documentary and the Fatal Accident Inquiry Report, Premier commissioned an independent audit of Kilmarnock's Suicide Risk Management Strategy. This report found that the anti-suicide strategy at Kilmarnock was "comprehensive, well-managed and effective". The current inspection report confirms that conclusion...'*¹⁷

*and beliefs. Kalyx is derived from the botanical term calyx, which is the whorl of leaves, or sepals, forming the protective covering of a flower bud. It is a symbolic representation of protection and care and it can also be associated with growth of the individual and strength - all attributes for which we are known and respected.'*¹⁸

Figures for the predicted total cost of the new Addiewell prison over 25 years can only be based on assumptions about wage inflation and other indexations. However in a reply in Parliament on 8 November 2006 to MSP Kenny MacAskill, the Chief Executive of the Scottish Prison Service said:

*'No costs will be incurred for HM Prison Addiewell until the prison comes on stream towards the end of 2008. The contract will run for 25 years from this point and the contract value is estimated to be £369 million in Net Present Value terms. This equates to around £15 million pa in Net Present Value terms over the life of the contract.'*¹⁹

3. The new prison at Addiewell

The arrangements for Addiewell

Addiewell prison will be run by the third private prison provider in the UK, Kalyx. The company explains the name change thus:

'We are pleased to announce that UKDS has been renamed Kalyx. The change has happened simply because our success has led to the name UK Detention Services (UKDS) being too restrictive for us. Since 1987, we have grown to manage four prisons, an immigration removal centre and two post-release approved premises. We have won this work as the result of our nationally recognised standards of service, delivered by high calibre staff. Our reputation is also based on our business having a definite social purpose; everything we do is based on strong corporate values

It is likely that the real costs will be between two and three times the net present value and it has therefore been estimated that the overall cost of Addiewell over 25 years will be between £738 and £1,152 million.²⁰

The decision to build Addiewell and the two other private prisons planned for in 2002 was criticised by two academics, Christine Cooper, Professor of Accounting at the University of Strathclyde, and Phil Taylor, Reader in Industrial Relations at the University of Stirling. They analysed the arguments leading to the decision to commission private prisons, the assumed saving of £700 million over the public option, and concluded that:

*'With almost two decades' experience of prison privatization in the UK, powerful evidence is accumulating that putative savings from privatization, such as the £700 million figure, are highly questionable.'*²¹

The 25-year contract has been awarded to Addiewell Prison Limited to design, construct, manage and finance the new prison. Work will commence shortly on site. Addiewell Prison Limited is owned by Royal Bank Project Investments Limited, Sodexho Investment Services Limited and Interserve PFI 2005 Limited.

Interserve is a services, maintenance and building group.

On the company's website is an interview with Tim Jones, the group's financial director. He says:

'A women-only prison in Ashford, the first purpose-built multi-sex prison in Peterborough and, if successful, the new Addiewell venture would complete the company's portfolio of clinks. On top of that Interserve also part-owns and manages a dedicated immigrant-detention centre near Heathrow, completing the custodial interests of Interserve.'

*The company has become something of a central cog to the criminal justice system over recent years. As well as winning contracts to build and run several UK prisons, Interserve plays an integral role in the Metropolitan Police. In fact, were you to incur the wrath of the Met to such an extent that it decided to bash down your front door in the middle of the night, the chances are that the person that did the bashing would be paid by Interserve.'*²²

Kalyx, the company which will manage Addiewell, already manages three prisons in England: Forest Bank at Salford, near Manchester, a prison for 1,040 men; Bronzefield at Ashford, Middlesex, for 450 women; and the UK's first mixed gender prison at Peterborough for 480 men and 360 women. The company also manages the Harmondsworth Removal Centre, holding 500 men, for the UK Immigration Service.

The parent company

The parent company Sodexho has 313,000

employees, 45,000 in the UK, and an annual turnover of more than £9 billion, of which 2% (£360 million) is from 'correctional services'. Sodexho has large interests in catering and other services and its involvement in prisons has been controversial.

In 2000 there was action against Sodexho in colleges in the United States. In June 2001 Sodexho sold its shares in the Corrections Corporation of America and the boycotts came to an end.

However, in 2002 Rev. George F. Lundy, President of Wheeling Jesuit University in West Virginia received the report of a Committee set up by the University to consider the university contracts with Sodexho. He concluded:

'After much study and prayerful reflection, I have concluded that Wheeling Jesuit University cannot continue with Sodexho as a major business partner without incurring some complicity in what is now a global prison-industrial complex. My reasons are as follows:

1) The eight-fold increase in the number of people held in prisons and jails in the United States over the past thirty years is a national disgrace. It largely fails to achieve the purposes of punishment recognized in American law. The decisions in many states to adopt the harsher sentencing laws that have driven rapid, extensive prison expansions seem to have been driven more by perception than by fact. The use of prisons as a preferred response to non-violent crime is poor stewardship of resources, and is a preferential option against the poor.

2) Through their corporate contributions to the American Legislative Exchange Council (ALEC), corporations in which Sodexho had a significant share of ownership helped shaped the laws under which ever more Americans spend ever more time in prison.'

4. What has been achieved by privatisation?

Studies of relative performance and cost from official sources show few measurable differences between public and private provision.

An official report to compare the costs and quality of private and public prisons was produced by the US General Accounting Office and presented to a committee of the US House of Representatives in 1996. The study reviewed five analyses comparing costs of private and public prisons. The review led the GAO to say:

*'We could not conclude from these studies that privatization of correctional facilities will not save money. However, these studies do not offer substantial evidence that savings have occurred.'*²³

One of the studies was of prisons in Tennessee. It found that the private prison cost per prisoner per day was \$35.39. The two public prisons compared with it cost \$34.90 and \$35.45 respectively.²⁴

A later report by the Bureau of Justice Assistance of the US National Council on Crime and Delinquency was published in 2001. The report studied private prisons in the United States and concludes that

*'there are no data to support the contention that privately operated facilities offer cost savings over publicly managed facilities'.*²⁵

Also it concludes that no 'definite research evidence' leads to the conclusion that services to prisoners and conditions of imprisonment are 'significantly improved in privately operated facilities'.²⁶ This report also compared matched samples of private and public prisons in the United States. They concluded that staffing in private prisons is 15 per cent lower, management information systems are less well organized and the number of major incidents is higher. Private prisons have a higher rate of assaults both of prisoners on other prisoners and prisoners against prison staff. The report concludes that

*'private prisons operate much the same as public facilities... No evidence was found to show that the existence of private prisons will have a dramatic effect on how non-private prisons operate.'*²⁷

A similar conclusion about rates of assaults was reached in a report produced in the United Kingdom. In June 2003 the National Audit Office looked at the operational performance of private prisons. They found that relationships between staff and prisoners were better in private prisons but the rate of assaults was higher.²⁸ Staff turnover is higher in private prisons and main grade staff are paid less than people doing the same job in the public prisons. In private prisons there are fewer staff per prisoner than in public prisons.²⁹ In every aspect of working conditions, pay, pay range, overtime pay, pension arrangements and holidays allowed, the private prison main grade employees have a less good deal than the public prison officers.³⁰

In their report they make three major points. Firstly, the performance of private prisons in delivering what is in the contract 'has been mixed'.³¹ Some private prisons have delivered and others have not. Secondly, private prisons 'span the range of prison performance'.³² The best are better than most of the public prisons. The worst are at the bottom, amongst the least well performing public prisons. Thirdly, private prisons have brought some innovation in the use of technology and the way they recruit and use their employees but 'little difference in terms of the daily routine of prisons'. The report concludes that the use of private prisons 'is neither a guarantee of success nor the cause of inevitable failure'.³³

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