



## Prisons: The role of the private sector

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The first contracted (private sector) prison in the UK – HM Prison Wolds – opened in 1992 and since then the role of the private sector in running prisons has grown steadily. Two other contracted prisons (Buckley Hall and Blakenhurst) returned to the public sector in 2000, and the Wolds returned to the public sector in 2013, and so there are now 14 prisons in England and Wales run by the private sector, holding 17% of the prison population. The contracts are shared between three companies: G4S Justice Services, Serco Custodial Services and Sodexo Justice Services.

The contracting-out of imprisonment to the private sector remains controversial. Some argue that the involvement of the private sector has created a diverse market, driving up standards and promoting efficiencies, while others argue that imprisonment is a function which the state should not delegate and prisons should not be for profit. Debate about whether contracted prisons perform better or worse or represent better value for money than their counterparts in the public sector continues apace.

The Ministry of Justice has indicated that it will use a benchmarking approach to maximise savings in public sector prisons. In November 2013, the privatisation of three prisons in south Yorkshire was abandoned, as the leading bidder was under investigation for alleged overcharging on other contracts for the tagging of offenders. Recently, following HM Inspectorate of Prisons' critical inspection report of HM Prison Oakwood, shadow Lord Chancellor and Secretary of State for Justice, Sadiq Khan, has said that Labour would take failing private prisons back into the public sector.

This note offers an overview of some of the main areas of controversy and debate.

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## 1 Which prisons are in the private sector?

[HMP Wolds](#), which was the first contracted prison in the UK, was returned to the public sector in July 2013. (Following an open tender, two other contracted prisons (Buckley Hall and Blakenhurst) had returned to the public sector some time before, in 2000).<sup>1</sup>

There are currently 14 private sector prisons. They (and their operators) are:

- [HMP Altcourse](#) - G4S Justice Services
- [HMP Ashfield](#) - Serco Custodial Services
- [HMP Birmingham](#) - G4S Justice Services
- [HMP Bronzefield](#) - Sodexo Justice Services
- [HMP Doncaster](#) - Serco Custodial Services
- [HMP Dovegate](#) - Serco Custodial Services
- [HMP/YOI Forest Bank](#) - Sodexo Justice Services
- [HMP Lowdham Grange](#) - Serco Custodial Services
- [HMP Oakwood](#) – G4S Justice Services
- [HMP/YOI Parc](#) - G4S Justice Services
- [HMP Peterborough](#) - Sodexo Justice Services
- [HMP Rye Hill](#) - G4S Justice Services
- [HMP Thameside](#) – Serco Custodial Services
- [HMP Northumberland](#) - Sodexo Justice Services<sup>2</sup>

Between them, the private prisons hold 17% of the prison population.<sup>3</sup>

Private Finance Initiatives (PFI) have typically been used to cover the design, construction, financing and management of new build prisons. The Lord Chancellor and Secretary of State for Justice, Chris Grayling, has announced plans to expand the prison estate with the construction of new prison capacity, including a new 2,000 place super-prison in Wrexham and four new houseblocks at existing prisons, alongside the closure of six existing smaller prisons, to save £63m a year.<sup>4</sup>

## 1 What was the previous government's policy towards contracted prisons?

The Prison Reform Trust has a [briefing page on private sector prisons](#), with links to other articles.

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<sup>1</sup> Will Tanner, *The case for private prisons*, Reform ideas no 2, Reform, February 2013: page 14

<sup>2</sup> Ministry of Justice, *Contracted Out Prisons*, last updated 7 January 2014

<sup>3</sup> As at December 2013. Source: [Ministry of Justice, Prison Population Bulletin - Monthly December 2013](#)

<sup>4</sup> MoJ, Press release *Modernisation of the prison estate*, 4 September 2013

The background note observes that, from 1997 onwards, the Labour government continued the policy of market testing and private sector management of prisons which had begun under the Conservatives:

The Labour Party vehemently opposed the Conservatives' policy on private prisons, but within a week of being elected in 1997, it made a dramatic U-turn. On 8 May 1997 Jack Straw announced:

*If there are contracts in the pipeline and the only way of getting the [new prison] accommodation in place very quickly is by signing those contracts, then I will sign those contracts.*

In a speech to the Prison Officers Association the following year Straw announced that all new prisons would be privately built and run (Nathan, 2003).<sup>5</sup>

## 1.1 The Carter Review

A short biography of [Lord Carter of Coles](#) is available on the Parliament website.

The [Carter Review](#) set out to “consider options for improving the balance between the supply of prison places and demand for them and to make recommendations on how this could be achieved.” The report of the review was published at the end of 2007.<sup>6</sup> In the letter to the Prime Minister which prefaced his report, Lord Carter summarised its themes:

Changes in governance and organisational arrangements are needed to aid the delivery of this large, costly and complex package. The major challenges that these changes will need to address are the management of the expanded construction programme, achieving greater financial control across the prison system and standardising the way that the services provided by public and private sector prisons are specified and monitored.

The headings within the report's executive summary also gave an indication of its themes:

- The management of the prison population
- Addressing the population pressures: Increasing capacity and building out inefficiencies
- Addressing the population pressures: improving the way custody is used
- Improving the operational efficiency and financial control of the prison system
- Improving governance and delivering reforms<sup>7</sup>

In the part of the report dealing with efficiency and financial management, Lord Carter suggested that relationships and contracts between the National Offender Management Service (NOMS) and public sector prisons should become more like those between NOMS and the private sector prisons.<sup>8</sup> Lord Carter also envisaged the replacement of old prisons (those which perhaps might loosely be described as ‘not fit for purpose’) with larger, modern prisons, with closures beginning in 2013.<sup>9</sup> Jack Straw, the then Justice Secretary, made a

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<sup>5</sup> Prison Reform Trust, [Background to private prisons](#), undated (accessed 22 January 2014)

<sup>6</sup> *Lord Carter's Review of Prisons : Securing the future: Proposals for the efficient and sustainable use of custody in England and Wales*, December 2007: pages 24-5

<sup>7</sup> Ibid: pages 2-3

<sup>8</sup> Ibid: page 22

<sup>9</sup> Ibid: pages 3 and 39

statement in December 2007 on the future of the prison estate following the Carter Review. In this statement, he announced a further extension to the prison building programme and said that older, inefficient prisons would be replaced on a new-for-old basis, but he declined to say which prisons might be closed.<sup>10</sup>

## 2 What is the current government's policy towards contracted prisons?

The Ministerial Foreword to the green paper *Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders* mentioned again the Government's commitment to (amongst other things) increasing competition and drawing on the skills of the private sector:

We will base our plans on the same insights that are driving reform across Government: increasing competition; decentralising control; enhancing transparency; strengthening accountability; and paying by results. We will draw on the skills of the private sector and civil society, as well as enabling public sector organisations to compete in new markets.<sup>11</sup>

In March 2011, the Lord Chancellor and Secretary of State for Justice at the time, Kenneth Clarke, made a statement on prisons competition. In that statement, he announced that Birmingham would be the [first public sector prison to be handed over to the private sector](#).<sup>12</sup> Sadiq Khan, shadow Lord Chancellor and Secretary of State for Justice, welcomed the "tenor" of Kenneth Clarke's statement and commented on the "successful role" of private sector prisons:

[O]ur policy was and is based on what works, rather than dogma. During our time in government, nine new private sector prisons were provided and three new establishments had been opened and run by the public sector, and I recognise that they have played a successful role in our prison system. It is right that we began the market testing that he is reporting on today.

In reply, Kenneth Clarke suggested that the policy towards privatisation had accelerated under the Labour administration:

We got the first one under way at Wolds, but under Blairism the policy was taken a whole lot further, with all the private finance initiative prisons. As I readily acknowledge, the right hon. Member for Blackburn (Mr Straw) started this tendering process, which we have taken to what I believe to be this successful conclusion.<sup>13</sup>

### 2.1 Prison competition strategy

In July 2011, the Ministry of Justice (MoJ) published its *Competition Strategy for Offender Services*, setting out, among other things, its plans to hold a competition for the contracts to operate nine prisons, eight of which were managed by the public sector at the time.<sup>14</sup> This was called *prison competition phase two*. The first phase, originally announced in November 2009, concluded in March 2011 with contracts to manage four prisons awarded.<sup>15</sup>

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<sup>10</sup> HC Deb [5 December 2007 cc827-32](#)

<sup>11</sup> Cm 7972, December 2010, Page 2

<sup>12</sup> [HC Deb 31 March 2011 c526](#). (Footage can be seen on BBC Democracy Live [Clarke announces privatisation of Birmingham prison](#), 31 March 2011)

<sup>13</sup> [HC Deb 31 March 2011 cc527-30](#)

<sup>14</sup> MoJ Press release [Prisons competition and capacity announcement](#), 13 July 2011

<sup>15</sup> MoJ Press release [Prisons competition outcome](#), 31 March 2011

A reply to a PQ in February 2012 reaffirmed the Government's commitment to competition and the involvement of the private and voluntary sectors:

The Government's policy on tendering for the running of prisons flows from our ambition for encouraging greater involvement of the private and voluntary sectors in the rehabilitation of offenders in order to cut re-offending and improve outcomes and efficiency. Competition will provide the opportunity to implement policy priorities, such as working prisons and payment by results.

(...)

We will publish an annual update of our competition programme in the summer. This will include both existing commitments and all planned new opportunities expected to be launched within twelve months of the date of the publication of the update.<sup>16</sup>

The MoJ's *Offender Services Competitions Annual Update 2012* listed current and completed competitions of the time.<sup>17</sup> A further PQ reply in October 2012, in which justice minister Jeremy Wright declined to call an independent review of the role of the private sector, was couched in terms of the diversity of the market:

**Mrs Glendon:** To ask the Secretary of State for Justice if he will order an independent review of the involvement of the private sector in the prison system. [124496]

**Jeremy Wright:** No. I refer the hon. Member to our statement of intent in the Competition Strategy for Offender Services, which we published on 13 July 2011:

"20. Developing a diverse market of potential providers of Offender services is vital to improving our outcomes. The market must be capable of attracting sustained investment and properly incentivising providers to drive efficiency and innovation. Government has a key role in promoting a functioning market which recognises the different strengths of different providers, whether they are from the public, private or voluntary and community sector." (page 11).<sup>18</sup>

In November 2012, the MoJ announced a change in policy and said that only five of the original nine prisons from phase two would be proceeding to the next stage of the competition process; the competitions for Coldingley, Durham, Onley and the Wolds prisons would be abandoned. The MoJ said the competition process had "identified the means to accelerate cost reductions" and had "set a new benchmark for running prisons" which the Ministry would apply to all public sector prisons to "maximise savings". It was proposing an alternative model where core custodial functions would be retained by the public sector, with ancillary and rehabilitation services contracted through competition instead (although it noted that the new approach did not rule out further prison-by-prison competitions in the future). The MoJ said that applying the new benchmark and contracting out ancillary and rehabilitation services would save around £450 million over the next six years.<sup>19</sup> Chris Grayling confirmed to the Justice Committee in December 2013 that these savings would not be reinvested but would form part of departmental savings.<sup>20</sup>

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<sup>16</sup> [HC Deb 1 February 2012 c703-4W](#)

<sup>17</sup> July 2012

<sup>18</sup> [HC Deb 23 October 2012 c832W](#)

<sup>19</sup> [HC Deb 8 Nov 2012 c44WS](#). See also MoJ press release *Next steps for prison competition*, 8 November 2012.

<sup>20</sup> Justice Committee, *Crime Reduction Policies: A Coordinated Approach? Focusing On The Government's Transforming Rehabilitation Reforms: Corrected transcript of oral evidence*, 4 December 2013, HC94-iv 2013-14: Q189

In November 2013, the MoJ announced that the planned privatisation of HM Prisons Hatfield, Moorland and Lindholme in south Yorkshire would not go ahead, as the leading bidder, Serco, was under investigation over alleged overcharging for the tagging of offenders.<sup>21</sup> Commenting on the cancellation, the Lord Chancellor and Secretary of State for Justice, Chris Grayling said that the “workable solution” was for the prisons to remain in the public sector and be subject to benchmarking:

All of the South Yorkshire prisons will immediately become part of the ongoing process of applying a new public sector benchmark. This process is delivering swift reforms and impressive savings across the public sector prison estate. All HM Prison Service managed prisons are significantly reducing unit costs, improving outcomes and delivering value for money for the taxpayer.<sup>22</sup>

### 3 Has the involvement of the private sector brought benefits?

The Prison Reform Trust’s briefing *Privatisation will not rehabilitate our prisons* argued that the involvement of the private sector in running prisons had had mixed results and might actually cost more per prisoner place. Privatisation was not, the Trust suggested, a panacea:

Since the first private jail was ushered in in 1992 by Ken Clarke, then as home secretary, the results have been mixed – some private prisons have proved innovative and successful while others have been criticised for their high staff turnover, tendency to cut corners and weaknesses in security.

According to the National Audit Office, the relative inexperience of staff means that some private prisons can struggle to create a safe environment for prisoners. Private prison contracts in England and Wales are shared between just three companies: Serco, Sodexo and G4S. Overall the costs of private prisons per place are higher than public prisons for most types of establishment. Despite this, the average ratio of prison staff to prisoners is usually lower in private prisons, and staff generally receive a lower level of basic pay than their public sector colleagues.

(...)

While privatisation could help improve prison management and curb any remaining restrictive practices, it may not prove a panacea to the problems of our overcrowded, usually invisible and too often ineffective prison system.<sup>23</sup>

The libertarian and free market Adam Smith Institute, on the other hand, has argued for the benefits of competition:

Competition works. The new privately built and operated prisons have established new standards in efficiency, facilities, and prisoner welfare and training. In the UK, the Inspector of Prisons, an independent watchdog, consistently reports that standards of care are higher, and problems (such as assaults and disorder) are lower, than in government-run prisons, while in private prisons, inmates spend more of their time, more purposefully, outside their cells.<sup>24</sup>

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<sup>21</sup> “Prisons privatisation cancelled amid Serco probe” *BBC News*, 22 November 2013

<sup>22</sup> [HC Deb 22 November 2013 cc66-8WS](#)

<sup>23</sup> 28 March 2011

<sup>24</sup> Eamonn Butler and Keith Boyfield (ed) *Around the world in 80 ideas: Competing for convicts*, Adam Smith Institute (undated)

#### 4 The costs of contracted prisons: are there hidden subsidies?

It is difficult to say whether any private company receives a “subsidy” (direct or indirect) from the Government because, as so often, so much depends on terminology. Certainly, it has often been argued that the published costs of PFI contracts for (amongst other things) prisons do not reflect the true costs, which are spread over a longer period than is covered in the figures. A report by the Centre for Crime and Justice Studies, for example, remarked that published data did not capture costs in full:

Unlike financial data about prisons produced at a departmental level (by the Home Office and, from 2007/2008, the MoJ), the financial information the HM Treasury provides is inclusive of income across the various government departments that fund prisons and is unaffected by the structural changes in responsibility for particular prison functions during this period. This is not to say that the information is inclusive of all costs. Given that prison building is financed through private finance initiatives (PFIs) that spread building costs over the period of the contract (which can be up to 35 years), the full cost of prison building is not accounted for in any publicly available figures.<sup>25</sup>

In 2006, the Confederation of British Industry (CBI) argued the case for “competitive neutrality”, that is, a commitment to fair markets and a level playing field between public, private and voluntary providers of goods and services:

Competitive neutrality is most often concerned with the advantages enjoyed by public undertakings, but the principle is just as applicable to the disadvantages suffered by government enterprises. And with the increasing involvement of social enterprises in the provision of public services, it is also concerned with the disadvantages suffered (and the unfair advantages enjoyed) by them.

Why does it matter? Because where public, private or voluntary sector providers compete with an unfair advantage, public spending will be redirected away from the most efficient producers, resulting in a decline in social savings. The beneficiaries of unfair competitions will win a disproportionate number of tenders, undermining the credibility of the process and leading to less competitive markets.

(...)

The CBI supports the concept of increasing diversity in public service provision. We welcome the increase in competition associated with a truly mixed economy. But in the absence of a clear policy on competitive neutrality, there is a risk these markets may never fully mature.

Cost comparison was one of the elements which, the CBI argued, a competitively neutral procurement policy should include:

- Approach to cost comparisons: Different costing approaches, for example in the treatment of indirect costs, may favour the public or private sectors differently.<sup>26</sup>

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<sup>25</sup> Helen Mills, Arianna Silvestri and Roger Grimshaw with Felicia Silberhorn-Armantrading, *Prison and probation expenditure, 1999–2009* Centre for Crime and Justice Studies, July 2010: page 6

<sup>26</sup> Confederation of British Industry *A fair field and no favours: Competitive neutrality in UK public service markets* January 2006: Executive Summary

## 5 Do contracted prisons perform better or worse than those in the public sector?

Perhaps not surprisingly, the question of whether contracted prisons perform better or worse than their counterparts in the public sector is a contentious one, and not easily answered.

In a report published in 2003, the National Audit Office (NAO) argued that, in the case of prisons, PFI had brought successes and failures and could not be painted as universally good or bad:

14 The use of the PFI is neither a guarantee of success nor the cause of inevitable failure. Like other forms of providing public services, there are successes and failures and they cannot be ascribed to a single factor. This report shows therefore what we should expect. A relatively new procurement method such as the PFI is associated with encouraging and disappointing results and that performance will improve over time. But a general verdict that the PFI is either good or bad in the case of prisons, or more generally, cannot be justified.<sup>27</sup>

In 2009, data released under the *Freedom of Information Act 2000* indicated that contracted prisons were (according to the MoJ's Prison Performance Assessment Tool) performing worse than those in the public sector:

Britain's private prisons are performing worse than those run by the state, according to data obtained under the Freedom of Information Act.

The findings, based on the overall performances of 132 prisons in England and Wales, appear to undermine claims by ministers that the greater use of private jails is raising standards for the accommodation of more than 83,000 prisoners held across both sectors.

(...)

The data obtained by More4 News shows that four of the 10 private prisons scored the second lowest rating of 2, "requiring development", and only one above an assessment of "serious concern."<sup>28</sup>

This view, though, is not universally held. The think tank Reform argued last year that the Government was mistaken in its new approach, as private prisons were superior in their performance and in their contribution to reducing reoffending:

The evidence shows that the Government's new approach is mistaken. The Ministry of Justice rates prison performance under four headings ("domains"). New *Reform* analysis of this data shows superior performance by the private sector against comparable public sector prisons:

- Resource management and operational effectiveness: 12 out of 12 privately managed prisons are better than comparable public sector prisons
- Decency: 7 out of 12 privately managed prisons are better than comparable public sector prisons
- Reducing re-offending: 7 out of 12 privately managed prisons are better than comparable public sector prisons.

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<sup>27</sup> National Audit Office, *The Operational Performance of PFI Prisons*, HC 700, 2002-2003, 18 June 2003: Executive Summary, page 9

<sup>28</sup> Robert Verkaik "[Private prisons 'performing worse than state-run jails'](#)" *Independent*, 29 June 2009

- Public protection: 5 out of 12 privately managed prisons are better than comparable public sector prisons

*Reform* has also conducted new research into reoffending rates by prison, which also show superior private sector performance:

- 10 out of 12 privately managed prisons have lower reoffending rates among offenders serving 12 months or more than comparable public sector prisons
- 7 out of 10 privately managed prisons have lower reoffending rates among offenders serving fewer than 12 months, compared to public sector prisons.

(...)

Existing research has made clear that the threat of competition has itself been a spur for innovation in public sector prisons.<sup>29</sup>

The Howard League for Penal Reform's interpretation of what the MoJ performance data revealed about the performance of private prisons was very different, referring to a "damning indictment":

A Ministry of Justice (MoJ) report has concluded that the overall performance of G4S-run Oakwood and Serco-run Thameside is 'of serious concern', awarding them the lowest ranking possible.

(...)

Responding to the league tables, Frances Crook, Chief Executive of the Howard League for Penal Reform, said:

"There could not be a more damning indictment of the government's fanatical obsession with justice privatisation than its own performance figures.

"Last autumn, the Justice Secretary hailed G4S Oakwood as an example of what the private sector could achieve in prisons. We agree. The prison, ranked joint-bottom in the country, is wasting millions and creating ever more victims of crime."<sup>30</sup>

Jeremy Wright said that Reform's report relied on "simplistic analysis".<sup>31</sup> Juliet Lyon of the Prison Reform Trust added to the criticism of the Reform report:

Making selective use of Ministry of Justice data to highlight "the superior performance by the private sector against comparable public sector prisons", Reform calls for the extension of prison competition through market testing, introducing fixed term contracts and increased flexibility over pay and conditions for all prisons.

(...)

Criticised by the prisons minister, Jeremy Wright, for its 'simplistic analysis', this report draws on figures that mask decidedly mixed results - some private prisons have proved innovative and effective but others have been criticised by the Chief Inspector for their high staff turnover, tendency to cut corners and weaknesses in security. From official facts and figures, it is almost impossible to compare the performance and reoffending rates of one establishment with another, partly because prisons hold different

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<sup>29</sup> Will Tanner, *The case for private prisons*, Reform ideas no 2, Reform, February 2013

<sup>30</sup> Howard League for Penal Reform media statement "Private prisons are the worst in the country" 25 July 2013

<sup>31</sup> "Private prisons 'are run better' than those in public sector" *Telegraph*, 21 February 2013

categories of offenders and also because prisoners often serve their sentences in a number of different jails.<sup>32</sup>

A report published by the Institute for Government described the performance of PFI prisons as “mixed”, although (it remarked) direct comparisons between public and private sector prisons were very difficult:

The operational performance of PFI prisons has been mixed, and the differences between them can be significant. For example, in 2003, the National Audit Office (NAO) found that the best PFI prison outperformed most public prisons, but the lowest performing PFI prison was among the worst in the prison estate, while the top two performing prisons were public.

(...)

As a result [of the heterogeneity within public and private sector prisons], there has been no conclusive evidence to suggest that public and private prisons can be distinguished in terms of key outputs (e.g. keeping prisoners in custody, providing decent conditions and reducing the reoffending rate). This means that claims are often made about the superiority of each sector on the basis of little empirical evidence.

Nor, the report suggested, was there empirical evidence of the relative cost-effectiveness of contracted prisons:

It has been difficult to resolve this area of disagreement since financial information on private prisons is currently kept confidential. Comparisons of unit costs between public and private prisons are further complicated by the fact that each model relies on different methods of financing and service specifications.<sup>38</sup> For example, it has been suggested that the Prison Service does not include the full cost of overheads in their bids and therefore can artificially lower the price.

Recently, cost-related concerns have centred on the fact that PFI contracts lack sufficient flexibility to accommodate changing policy requirements, not least because this is inevitable over a 25 to 30 year contract period. Amending the service specification is burdensome and costly and can often undermine any initial cost savings that may have been achieved. For example, in 2006, the Ministry of Justice had to pay an estimated £54m to contractors to undertake changes to existing PFI contracts to reflect new policy priorities.<sup>33</sup>

The report went on to examine issues surrounding prison regimes and system effects.

The *Huffington Post UK* has recently drawn attention to “six awkward facts you should know about why privatized prisons are not as fantastic as they may sound”.<sup>34</sup>

Recently, following HM Inspectorate of Prisons’ critical inspection report of HM Prison Oakwood, Sadiq Khan has said that Labour would take failing private prisons back into the public sector:<sup>35</sup>

Labour would take control of privately run prisons if their managers failed to meet a six-month “buck up” deadline, the shadow justice secretary, Sadiq Khan, has said in the wake of a damning report on a flagship jail run by G4S.

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<sup>32</sup> Juliet Lyon, “Privatisation will not rehabilitate our prisons”, *Huffington Post UK*, 21 February 2013

<sup>33</sup> Nehal Pancharia *Competition in prisons*, Institute for Government, (undated): Pages 4-5

<sup>34</sup> Asa Bennett “Six private prisons facts Chris Grayling doesn’t want you to know” *Huffington Post UK*, 2 January 2014

<sup>35</sup> See HM Inspectorate of Prisons press release, *HMP Oakwood – very concerning*, 8 October 2013

Tougher contracts would be negotiated, including stiffer financial penalties, after the chief inspector of prisons reported that inmates find it easier at HMP Oakwood to get hold of illicit drugs than soap, Khan said.<sup>36</sup>

## 6 The views of the staff organisations

The Prison Officers' Association's stance on prison privatisation is set out in its briefing *Prisons are not for profit*, which argues that privatisation is not the way to address perceived shortcomings:

To date no Government has answered in detail the benefits that Privatisation brings to our prison system.

The claim of "Innovation" has never been substantiated and was questioned by the former Chief Executive of NOMS Phil Wheatley, whilst holding the post of Director General of the Prison Service. He said "that private prison operators have brought little innovation to the management of custody and that the gains such as they are have come from using fewer staff, paying lower wages and providing less employment protection for staff." He also pointed out that the process placed a huge cost burden on both those who bid and those who have to assess those bids.

(...)

If the programme of privatisation is allowed to go unchecked the security of our Criminal Justice System will collapse. The public will be at risk and the revolving door policy of recruitment will only serve to turn private prisons into warehouses.

Why should our members and their families continue to face an uncertain future when there is little or no demonstrative evidence that the continuation of this ill-advised programme will deliver either real savings or genuine efficiencies?

The POA will continue to highlight the fact that Privatisation and Market Testing is not the answer for any of the perceived failing of any part of the Criminal Justice System and is an unnecessary imposition on the dedicated individuals who have met all of their year on year performance targets.<sup>37</sup>

The [manifesto of the Prison Governors' Association](#) states its opposition to private prisons:

- The PGA believes in a wholly public sector prison Service. It is a fundamental principle of western democracy that the state should control and administer punishment. No civilised society can hire out punishment for profit nor can those responsible for administering the ultimate sanction of the state be accountable to anybody except the Home Secretary and through him, parliament.
- The PGA believes that delivery of punishment by the state is for directly accountable public servants and not for private companies for whom business expansion and accountability to board and shareholders will always come first.<sup>38</sup>

The Public and Commercial Services Union has called for a review of market testing:

PCS represents over 5,000 members of staff working in a variety of jobs in prisons and in the prison service head quarters. PCS is very concerned about the private sector making significant profit from the running of prisons, whilst placing jobs and conditions

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<sup>36</sup> Nicholas Watt, "[Failing private prisons to be renationalised, says Labour](#)", *Guardian*, 2 January 2014

<sup>37</sup> Refreshed June 2011

<sup>38</sup> Undated, (accessed 23 January 2014)

of service at risk. PCS have ethical reservations about the competition process and the outcomes of a profit driven custodial service.

We are so concerned about the issue of private sector involvement that we are calling for an independent review of market testing. This has not happened at any point previously and we believe that now is the right time to look again at the policy and how it is implemented.<sup>39</sup>

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<sup>39</sup> [Public sector prisons not private sector profit](#), undated (accessed 23 January 2014)