



**Ministry
of Justice**

Costs per place and costs per prisoner

National Offender Management Service
Annual Report and Accounts 2013-14
Management Information Addendum

**Ministry of Justice
Information Release**

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Definitions of Prison Functions and Key Terms used in the Tables

Functions	Definitions
Male category B Male category C Female closed	Closed training prisons provide a range of facilities for Category B and Category C adult male prisoners and closed condition adult females who are serving medium to long-term sentences. Prisoners tend to be employed in a variety of activities such as prison workshops, gardens and education and in offending behaviour programmes.
Male dispersal	These prisons hold the most difficult and dangerous prisoners in England and Wales including those assessed as Category A. They serve to spread the Category A population, ensuring that the most dangerous prisoners are not concentrated in a single establishment, thereby reducing the risks involved in holding them.
Female local Male local	Local prisons serve the courts and receive remand and post conviction prisoners, prior to their allocation to other establishments.
Female open Male open	Open prisons house Category D adult male prisoners and Open condition adult females whose risk of absconding is considered to be low, or who are of little risk to the public because of the nature of their offence. Open prisons also house long-term prisoners who are coming towards the end of their sentence and who have gradually worked their way down the categories. Open prisons are part of the resettlement programme to reintegrate prisoners back into society. Whilst Open prisons may have some workshop facilities, some of the prisoners will work in the community, returning to the prison in the evening.
Male closed YOI (ages 15-21)	Young Offender Institutions (YOIs) holding Young Adults (18 to 21 years old). May also include young people (aged 15 to 17) who are held separately from adults within the establishment.
Male YOI young people (ages 15-17)	Young Offender Institutions (YOIs) holding Young People (15 to 17 years old).

Terms	Definitions
Cost per Place	Cost per place is the average cost of providing a prison place for the year. It is the Direct resource expenditure or Overall resource expenditure divided by Baseline Certified Normal Accommodation.
Cost per Prisoner	Cost per prisoner is the average cost of holding one prisoner for the year. It is the Direct resource expenditure or Overall resource expenditure divided by the average prison population
Certified Normal Accommodation	Certified Normal Accommodation (CNA), or uncrowded capacity, is the Prison Service's own measure of accommodation. CNA represents the good, decent standard of accommodation that the Service aspires to provide all prisoners.
Baseline Certified Normal Accommodation	Baseline CNA is the sum total of all certified accommodation in an establishment except, normally: cells in punishment or segregation units; healthcare cells or rooms in training prisons and YOIs that are not routinely used to accommodate long stay patients. It is not reduced for places not available for immediate use, for example damaged cells or cells affected by building works.
Average Population	The prison population average is the (mean) average of the 12-month end prison populations for the year.
Direct Resource Expenditure	Direct Resource Expenditure is net expenditure managed and recorded at each prison.
Overall Resource Expenditure	Overall Resource Expenditure also includes net expenditure met at regional or national level and recorded in the Annual accounts of the National Offender Management Service (NOMS).
Private Finance Initiative (PFI)	Prisons that are designed, constructed, managed and financed by the private sector.
Operate & Maintain Prisons	Prisons that are leased to a private sector operator who contracts directly to run the prison and maintain the buildings.
Contracted (Private Sector) Prisons	Prisons that are operated by a private sector contractor.
Public Sector Prisons	Prisons that are operated by the public sector (HMPS).

Table 1: Summary by Prison Function 2013-14

Function	Certified Normal Accommodation	Average Population	Direct Resource Expenditure	Cost per Place	Cost per Prisoner	Overall Resource Expenditure	Cost per Place	Cost per Prisoner
Male category B	6,251	6,215	£165,357,952	£26,455	£26,606	£207,315,241	£33,167	£33,356
Male category C	28,745	29,115	£629,223,487	£21,890	£21,612	£879,160,313	£30,585	£30,196
Male dispersal	3,316	3,199	£144,821,624	£43,674	£45,273	£190,277,929	£57,382	£59,484
Female closed	952	698	£22,944,065	£24,101	£32,875	£31,041,365	£32,606	£44,477
Female local	2,930	2,668	£99,169,491	£33,846	£37,173	£124,636,433	£42,538	£46,720
Female open	248	191	£5,921,471	£23,877	£31,084	£7,961,207	£32,102	£41,791
Male closed YOI (ages 15-21)	5,322	5,264	£149,306,562	£28,055	£28,366	£208,748,985	£39,224	£39,659
Male YOI young people (ages 15-17)	1,275	664	£48,359,812	£37,939	£72,858	£62,909,968	£49,354	£94,780
Male local	24,611	31,446	£747,088,910	£30,357	£23,758	£1,005,915,621	£40,873	£31,989
Male open	4,478	4,339	£77,258,822	£17,251	£17,806	£113,110,033	£25,257	£26,069
Totals	78,127	83,798	£2,089,452,194	£26,744	£24,935	£2,831,077,096	£36,237	£33,785

Source: National Offender Management Service

Averages and Expenditure figures have been rounded to the nearest integer. Totals were formed from unrounded figures and therefore may not equal the sum of the rounded parts

Table 2a: Summary Comparison of 2013-14 with 2012-13

	Certified Normal Accommodation	Average Population	Direct Resource Expenditure	Cost per Place	Cost per Prisoner	Overall Resource Expenditure	Cost per Place	Cost per Prisoner
2013-14 Totals	78,127	83,798	£2,089,452,194	£26,744	£24,935	£2,831,077,096	£36,237	£33,785
Comparison with 2012-13¹								
2012-13 Totals (Published October 2013)	80,398	85,120	£2,224,990,095	£27,675	£26,139	£2,959,281,898	£36,808	£34,766
- adjustment for transfer of CICT fixed costs budget			-£29,027,000			£15,094,315		
- adjustment for gross up of income from UKBA						£4,716,000		
- in year charges on injury benefit provision								
2012-13 Restated Totals¹			£2,195,963,095	£27,314	£25,798	£2,979,092,213	£37,054	£34,999
Change (in nominal terms)	-2,271	-1,323	-£106,510,901	-£569	-£864	-£148,015,117	-£818	-£1,214
				-2.1%	-3.3%		-2.2%	-3.5%
Restated 2012-13 expenditure² (adjusted by GDP deflator ² to give real terms change)			£2,233,826,454	£27,785	£26,243	£3,030,458,484	£37,693	£35,602
Change (in real terms) ²	-2,271	-1,323	-£144,374,259	-£1,040	-£1,309	-£199,381,388	-£1,457	-£1,817
Real terms percentage increase in 2013-14	-2.8%	-1.6%	-6.5%	-3.7%	-5.0%	-6.6%	-3.9%	-5.1%

Source: National Offender Management Service

The purpose of this table is to show the real movement in unit costs between 2012-13 and 2013-14 after allowing for the effects of changes in accounting treatment and inflation.

Notes to Table 2a:

1. The table provides a comparison between 2013-14 and the restated 2012-13 figures. 2012-13 has been restated to enable a more fair comparison between the two years

It includes the following changes:

- Establishments were only charged their variable ICT costs from the start of April 2013, with the remaining fixed element being transferred back to CICT directorate in NOMS HQ
This change is reflected in a reduction to the direct resource expenditure for public prisons but the overall expenditure remains unchanged as the costs have been re-apportioned back to them.
- The gross up of income from the UKBA in respect of Foreign National Prisoners so that the corresponding expenditure by prisons is included in the costings exercise.
- The identification of injury benefit payments, granted to current and former employees, which has led to an adjustment to recognise this prior year expense

2. This table also gives an adjustment by the GDP deflator to give changes in real terms between the two years, using figures published by the Office for National Statistics on 27 June 2014: 100/ 98.30£

Averages and Expenditure figures have been rounded to the nearest integer. Totals were formed from unrounded figures and therefore may not equal the sum of the rounded parts.

Table 2b: Comparison of 2013-14 with 2012-13 between Public Sector and Contracted Prisons

	Certified Normal Accommodation	Average Population	Direct Resource Expenditure	Cost per Place	Cost per Prisoner	Overall Resource Expenditure	Cost per Place	Cost per Prisoner
Public Sector Prisons								
2013-14 Totals	66,192	70,409	£1,664,698,203	£25,150	£23,643	£2,350,122,545	£35,505	£33,378
2012-13 Totals	69,126	72,638	£1,799,053,652	£26,026	£24,768	£2,487,417,605	£35,984	£34,244
Adjustments			£29,027,000			£19,810,315		
2012-13 Restated Totals¹			£1,770,026,652	£25,606	£24,368	£2,507,227,920	£36,271	£34,517
<i>Change (in nominal terms)</i>	-2,934 -4.2%	-2,229 -3.1%	-£105,328,449 -6.0%	-£456 -1.8%	-£725 -3.0%	-£157,105,375 -6.3%	-£766 -2.1%	-£1,139 -3.3%
Restated 2012-13 expenditure¹			£1,800,545,905	£26,047	£24,788	£2,550,458,186	£36,896	£35,112
<i>Change (in real terms)</i>			-£135,847,702 -7.5%	-£898 -3.4%	-£1,145 -4.6%	-£200,335,641 -7.9%	-£1,391 -3.8%	-£1,734 -4.9%
Contracted Prisons (PFI)								
2013-14 Totals	7,971	8,739	£345,370,880	£43,330	£39,521	£374,158,839	£46,941	£42,815
2012-13 Totals	7,951	8,738	£344,230,244	£43,294	£39,393	£366,956,226	£46,152	£41,994
Adjustments			£0			£0		
2012-13 Restated Totals¹			£344,230,244	£43,294	£39,393	£366,956,226	£46,152	£41,994
<i>Change (in nominal terms)</i>	20 0.2%	1 0.0%	£1,140,636 0.3%	£36 0.1%	£128 0.3%	£7,202,614 2.0%	£789 1.7%	£821 2.0%
Restated 2012-13 expenditure¹			£350,165,550	£44,040	£40,072	£373,283,379	£46,948	£42,718
<i>Change (in real terms)</i>			-£4,794,670 -1.4%	-£711 -1.6%	-£552 -1.4%	£875,461 0.2%	-£6 0.0%	£97 0.2%
Contracted Prisons (Operate & Manage)								
2013-14 Totals	3,965	4,650	£79,383,111	£20,023	£17,072	£106,795,712	£26,938	£22,968
2012-13 Totals	3,321	3,744	£81,706,199	£24,602	£21,822	£104,908,068	£31,588	£28,018
Adjustments			£0			£0		
2012-13 Restated Totals¹			£81,706,199	£24,602	£21,822	£104,908,068	£31,588	£28,018
<i>Change (in nominal terms)</i>	643 19.4%	906 24.2%	-£2,323,088 -2.8%	-£4,578 -18.6%	-£4,750 -21.8%	£1,887,644 1.8%	-£4,650 -14.7%	-£5,051 -18.0%
Restated 2012-13 expenditure¹			£83,114,998	£25,026	£22,198	£106,716,920	£32,132	£28,502
<i>Change (in real terms)</i>			-£3,731,887 -4.5%	-£5,002 -20.0%	-£5,126 -23.1%	£78,792 0.1%	-£5,194 -16.2%	-£5,534 -19.4%
Total (as per Table 2a)								
2013-14 Totals	78,127	83,798	£2,089,452,194	£26,744	£24,935	£2,831,077,096	£36,237	£33,785
2012-13 Totals	80,398	85,120	£2,224,990,095	£27,675	£26,139	£2,959,281,898	£36,808	£34,766
Adjustments			£29,027,000			£19,810,315		
2012-13 Restated Totals¹			£2,195,963,095	£27,314	£25,798	£2,979,092,213	£37,054	£34,999
<i>Change (in nominal terms)</i>	-2,271 -2.8%	-1,323 -1.6%	-£106,510,901 -4.9%	-£569 -2.1%	-£864 -3.3%	-£148,015,117 -5.0%	-£818 -2.2%	-£1,214 -3.5%
Restated 2012-13 expenditure¹			£2,233,826,454	£27,785	£26,243	£3,030,458,484	£37,693	£35,602
<i>Change (in real terms)</i>			-£144,374,259 -6.5%	-£1,040 -3.7%	-£1,309 -5.0%	-£199,381,388 -6.6%	-£1,457 -3.9%	-£1,817 -5.1%

Notes to Table 2b:

- The table provides a breakdown of the changes in nominal terms over the two years, including adjustments where appropriate, between Public Sector and Contracted Prisons. This table also gives an adjustment by the GDP deflator to give changes in real terms between the two years, using figures published by the Office for National Statistics on 27 June 2014: 100/ 98.305
- The unit costs of public and private prisons are not directly comparable because of different methods of accounting and of scope (e.g. PFI prisons include interest charges and most private prisons include health and education costs).

Averages and Expenditure figures have been rounded to the nearest integer. Totals were formed from unrounded figures and therefore may not equal the sum of the rounded parts.

Explanatory notes

Data in this report are drawn from administrative IT systems. Although care is taken when processing and analysing the data, the level of detail collected is subject to the inaccuracies inherent in any large-scale recording system.

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