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Prime Minister

Prime Minister

We have kept your office in touch over the last 18 months with the problems being experienced in prison industries. I am now about to make a further announcement about value for money in this area which may give rise to criticism by the Opposition, and possibly industrial action. I therefore thought it right to let you know in advance of my intention.

2. The background is this. Prison industries have been in decline for a number of years. The number of industrial hours worked has fallen by more than 50% since the early 70s and one in three workshop places for inmates is now unfilled.

3. The reasons are complex. Restrictive practices by the Prison Officers' Association have been an important factor. The population growth has necessitated the diversion of staff on to other tasks and the rise in the remand population (who do not have to work) and the increasingly high turnover of sentenced prisoners in our local prisons have had a major impact.

4. Changes were made in the senior management of prison industries following police investigations and the collapse of certain contracts in late 1983 and early 1984, which have been examined by the PAC. In July last year Leon Brittan launched a review of the workshops, having targetted 82 out of a total of 300 for possible closure and a further 47 for staff reductions. As a result I am proposing to announce the closure of a smaller number of workshops - 54 - and staff reductions in 14 more. A total of 81 staff in post will be affected, although we expect to be able to offer virtually all of them another post. I attach the draft announcement I propose to make by means of a Written Answer on 25 March.

5. The workshops review has been contentious with the unions, but it has so far attracted little publicity and no great Parliamentary interest. (Robert Kilroy-Silk brought his All-Party Penal Affairs Group to see me about it - and other issues - recently). A firm announcement to close the workshops may however generate more publicity. I think that we must face this. (We shall be giving the necessary media briefing.)

6. The review gives prison industries a chance to consolidate and to reverse the decline of recent years, and I am anxious to emphasise that aspect. A great deal of work has been carried out in-house to improve the managerial performance and you will see that I am drawing on the commercial experience of the two external prison industries' board members to obtain further advice on this area. The overall strategy remains to concentrate on supplying the prison service and other parts of the public sector with goods, and to avoid expansion in the commercial market. We shall be setting firm commercial and other management targets for the future and closely monitoring performance.

7. The cash saving from the closures and other measures decided on above will be £1.8m a year when they have been implemented. The effect of the programme, together with other planned efficiency measures will be to reduce the loss on the PSIF trading account by about £9.5m a year.

8. I am copying this minute to the Lord President, the Chief Secretary, the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland and Northern Ireland, and Sir Robert Armstrong.

Douglas Henderson

19 March 1986



ANNEX B

DRAFT WRITTEN PARLIAMENTARY QUESTION

To ask the Secretary of State for the Home Department whether he has reached any conclusions on the future of prison industries.

My predecessor announced on 12 July 1985 that he had asked the Prisons Board to examine how the present network of industrial workshops could be rationalised, while retaining the existing level of work and related activity for inmates.

The number of industrial hours worked in prisons has fallen by more than 50% since the early 70s and one in three workshop places for inmates is now unfilled. Over the last two years steps have been taken to improve the control, management and policies of prison industries, to find new outlets for their products and to develop existing markets, especially within Prison Department itself. Despite these and other measures which are being taken to improve performance, I have accepted the Prisons Board's conclusion that prison industries in their present form do not provide value for money and that part of the considerable resources devoted to them could be deployed to better effect.

I have therefore also accepted the Board's recommendation that some 600 inmates now employed in 29 workshops for an average of 13 hours a week should be re-allocated to other workshops, to other forms of employment within prisons or to educational or other training courses. When firm alternative plans for worthwhile activity for these inmates have been drawn up, those

workshops will close. A further 25 workshops which have not been open for a number of months will also close, and there will be a reduction in instructor posts in 14 others. A further 31 workshops which have been subject to review will remain open provided that a current or promised improved performance can be sustained. It is expected at this stage that nearly all of the 81 staff in post affected by the changes will be offered alternative posts. Staff and their trade unions have been consulted widely during the process of the review, and there will be further consultations during implementation.

Prison industries have a good deal of unrealised potential and will continue to play an important part in prison regimes. The object of this review has been to enhance their role for the future. The reduction in underused capacity will provide them with a firmer base from which they can deliver a more efficient service and better value for money. The Prisons Board will shortly be setting firm financial and other management targets for prison industries. It is also essential that they should be managed with the right blend of commercial skills and business acumen. There is now a number of senior staff in key positions who can draw on previous commercial experience. In addition, the Board of Management for Prison Service Industries and Farms includes two non-executive members appointed to bring business skills to the management of this part of the prison service. I am asking the non-executive members to give me their recommendations for the further development of the best business practice within prison industries by the end of the year.

I am placing in the Library a summary of the Prisons Board recommendations for rationalisation.



PRISON POPULATION

Statement by the Home Secretary to the Prison Service.

Today I have announced further measures to deal with the continued high level of the prison population. I want to tell the Prison Service directly what I have done and to set out the context in which I have done it.

You will be well aware that the prison population currently stands at record levels. Between the end of September 1984 and the end of June 1985 the population rose from 42,200 to 47,600 - an increase of 5,400. Since the end of June there has been a further increase, and for most of July the population stood at about 48,000.

The reasons for this increase will become clearer when information becomes available on sentencing in 1985. But our current assessment is that it has been mainly due to a larger number of defendants being dealt with by the Crown Court, and a larger proportion of them being given a custodial sentence. There is also evidence towards the end of 1984 of an increase in the length of custodial sentences being imposed by the Crown Court for some types of offences, which may be a contributory factor.

It seems unlikely that a very substantial reduction in the population will occur in the near future. Prudent planning should be on the basis that it is unlikely to fall much below 48,000 until December, and might go even higher.

The size of the prison population - which on Friday, 2 August stood at 48,165 - is inevitably placing considerable strain not only on the prison estate but on the staff of the Prison Service. The Service has responded magnificently to the extra demands being placed upon it.

The Government's response is three fold. We are:

- increasing capacity in the prison system
- recruiting more staff
- reducing the pressures contributing to the problem.

Increasing capacity

In my speech to the Annual Conference of the Prison Officers' Association in May, I announced the creation of 1,000 additional inmate places in prisons.

The additional inmate places have been delivered. We have:

- converted Campsfield House and Werrington House from detention centres to youth custody centres;
- added further accommodation at Wetherby Youth Custody Centre;
- opened new wings at Dartmoor and Frankland Prisons;
- re-opened Morton Hall;
- opened new prisons in the last week at Thorn Cross (330 places) and Stocken (330 places).

Developments in the next few months will include:

- the conversion of Hull from a dispersal to a local prison, with a consequent change in the role of Thorp Arch and Leeds;
- the provision of 120 additional places at Deerbolt.

In addition I have announced today that I have approved the purchase of the former RAF station at Lindholme, near Doncaster, as a new prison establishment. This establishment will, after fencing and refurbishment, provide up to 600 additional inmate places by about the turn of the year, and longer term developments on the same site could provide a further 400 places. Lindholme will be a closed adult training prison housing prisoners in security Category C. The transfer of such prisoners to Lindholme will provide direct relief for the hard pressed local prisons and remand centres in the North Region.

Recruiting more staff

200 new staff will be recruited in order to open Lindholme. These 200 will be in addition to the increase of 240 over the year on planned figures which I announced to the POA Conference in May. Special arrangements are being made to recruit and train the extra 200 staff in time for Lindholme's opening.

Reducing the pressures contributing to the problem

The Government is taking other steps which bear on the problem, though in a longer time scale. These include:

- further emphasis on non-custodial facilities by encouraging the Probation Service to do as much as it can to provide non-custodial alternatives to custody and to bring to the attention of the courts the availability of such measures as community service and such facilities as bail hostels.
- measures to reduce court delay and redistribute court business in order to reduce the remand population, and to a lesser extent the total prison population. Preparations continue for the introduction of statutory time limits on the period before trial and I and my colleagues are considering the scope for making some "triable either way" offences summary offences only, with the benefit of shorter waiting times in the Magistrates Courts.
- support for policies which divert minor offenders from the criminal justice system, such as the extension of police cautioning for drunks (some of whom would otherwise end up in prison in default of fines) and increasing the number of places available in regional secure psychiatric units.

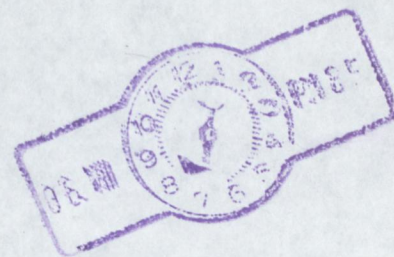
Conclusion

These measures will not, of course, solve the problems of the hard-pressed prison system overnight. But they will, when carried through, represent a real and lasting improvement in the position, and a genuine relief from the pressures which are currently upon prison staff and inmates. The Government is determined to provide the prison places necessary to accommodate those whom the courts decide must receive custodial sentences. It will continue to keep the position under close review and to take the steps necessary to deal with it. It is greatly to the credit of the Prison Service that it has contained the substantial rise in the population in recent months. I want all prison staff to know that they have my thanks and support for all they have achieved.

Home Office
Queen Annes Gate

Leon Brittan
Home Secretary

8 August 1985



CWB



FROM: CHIEF SECRETARY

DATE: 25 March 1986

PRIME MINISTER

NBPM

PRISON INDUSTRIES

at top

I have seen the Home Secretary's minute to you of 19 March.

2 The closures proposed will remove the most uneconomic workshops, and I welcome the modest savings in public expenditure and manpower which will result along with the rather greater improvement in the position on the PSIF trading account. It is important that the criteria for workshop places filled and hours worked, which are by no means demanding, are firmly applied to the remaining workshops if we are to see further improvements. It is also important that we do not allow ourselves to be deflected from securing even these modest improvements by the threat of industrial action by the Prison Officers Association.

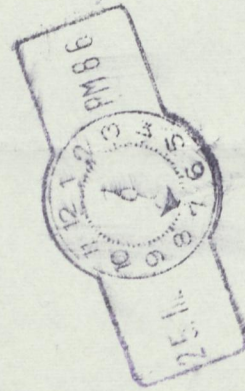
3 I also welcome the intention to set firm financial targets for prison industries. While it is obviously important that workshops should stand a reasonable chance of being able to deliver these targets, I have to say that I do not regard an overall loss on the industries side of around £20 million as in any normal sense an acceptable financial target. There is still a very long way to go. Further progress will depend on the setting of clear objectives and priorities for workshops in individual establishments, and therefore also for prison Governors. I hope that early progress can be made on this issue, in which my officials could usefully participate.

I am copying this minute to Willie Whitelaw, Douglas Hurd, John Biffen, Norman Tebbit, Malcolm Rifkind, Tom King and Sir Robert Armstrong.

jm

JOHN MacGREGOR

HOMG AFFAIRS Proan Service PR2



CONQUEROR

MODERN



10 DOWNING STREET

From the Private Secretary

24 March 1986

This is just to record that the Prime Minister has seen and noted the Home Secretary's minute of 19 March setting out the announcement on prison industries which he proposes to make later this week.

I am copying this letter to Joan MacNaughton in the Lord President's Office.

TIMOTHY FLESHER

Ms. Clare Pelham,
Home Office

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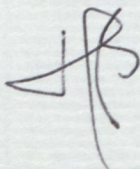
21 March 1986

REPORT ON PRISON WORKSHOPS

This report will be announced by the Home Secretary next week. It contains a hostage to fortune and may, as the covering note admits, be open to some criticism. As the announcement is worded, it appears that a value for money exercise has been conducted in prison workshops. As this phrase has a particular meaning in other parts of Government, it may well be taken as a nonsense in this context. Certainly, the phrase should either be defined for its use in prisons or it should be rephrased.

The criticism by the Opposition will, as is recognised by the Home Office, focus on the failure of this Government to use prisoners' time effectively. Although there are some inefficient workshops that should be closed, we must make it clear that we are searching for new ways to imaginatively use prisoners' time.

I have recently visited a number of prisons where I am appalled that the system does not permit the Governors to have any discretion as to how to use their men. They must ask permission, because of manpower constraints, for every very minor employment of prisoners. This stultifies the system and removes any incentive for real imagination by the Governors. More research must be done.



HARTLEY BOOTH

True, but
the Prison
Officers
Association
effectively
control
deployment.
Unless you
maintain
central control,
there are
constant demands
for yet
more staff.

dr



CCBG

Await
HB

PRIME MINISTER

attached

I have seen a copy of the Home Secretary's minute to you of 19 March about prison industries. I thought you might just wish to know that, with some experience of the problems outlined, I strongly support his proposals.

2. I am sending a copy of this minute to the Secretary of State for the Home Department, the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Northern Ireland and Scotland, the Chief Secretary, Treasury and Sir Robert Armstrong.

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Privy Council Office
20 March 1986

HONG KONG PRISON SERVICE P12

