

Distribution Sub-Group (2017) Paper 5 – Prison Populations

This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.

Summary

1. DSG (2016) Paper 14 provided initial consideration to the issue of how prisoner populations currently affect the distribution of funding through the formula. Further consideration of this issue is given in this paper.
2. The recent opening of the largest prison in the UK located in Wrexham and the recent announcement of a new prison to be built in Neath Port Talbot has provided further focus on the treatment of prison populations within the settlement model.

Views sought

3. DSG members are asked to consider:
 - the current treatment of prison populations within population projections used in settlement calculations;
 - The impact on the settlement allocations of significant changes to the prison population in Wales.

Background

4. As of February 2017, five functioning prisons are located within the following Local Authority areas in Wales – Bridgend, Cardiff, Monmouthshire, Swansea, and Wrexham.
5. DSG members will be aware that HMP Berwyn, which has capacity for 2,106 prisoners, opened in Wrexham in February 2017. It is timely to review the treatment of prisoner populations within the Settlement model. It was agreed this issue should be included as a 'Short-Term Consideration' within the DSG Work Programme for 2017, which was subsequently agreed by the Finance Sub-Group in January 2017.
6. As outlined in a previous DSG paper (2016 - Paper 14), prisoners are currently captured within population projections data used in Settlement calculations. They are classed as a 'special population' in that they are a sub-set of the population that has a specific age structure which is fairly constant over time. To prevent ageing of these populations, they are removed at the start of each year of the projection, the projection model is applied to the remaining population; and the 'special populations' are added back in at the end of the process for each year of the projection period.
7. The main implication of this relates to the fact that for the 2017-18 Local Government Settlement, 2014-based 2017 population projections were used in the calculations. The population projections for Wrexham therefore do not include prisoners, whilst prisoner populations **are** recognised in the projections for Cardiff, Bridgend, Swansea and Monmouthshire. It is not anticipated the population projections will be re-based within the next two or three years, and therefore any significant change in prisoner populations will not be captured within population projections until then.

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8. Given this situation, we have considered the treatment of prison populations within the Settlement calculations and further analysis is provided.

Analysis

Prison populations in Wales

9. Table 1 provides information on the Welsh prison population figures for 2016 (therefore information for HMP Berwyn is not included).

Table 1: Number of Prisoners in Welsh Prisons in 2016

	Cardiff (Cardiff)	Parc (Bridgend)	Swansea (Swansea)	Usk/Prescoed (Monmouthshire)	Wales
Jan-16	775	1,664	461	504	3,404
Feb-16	770	1,673	414	514	3,371
Mar-16	776	1,680	444	530	3,430
Apr-16	790	1,662	417	529	3,398
May-16	765	1,653	404	528	3,350
Jun-16	785	1,661	430	527	3,403
Jul-16	770	1,702	439	514	3,425
Aug-16	752	1,688	406	523	3,369
Sep-16	768	1,686	460	529	3,443
Oct-16	780	1,700	456	531	3,467
Nov-16	777	1,698	444	523	3,442
Dec-16	771	1,692	443	530	3,436
Average	773	1,680	435	524	3,412
<i>Share percentage</i>	<i>23%</i>	<i>49%</i>	<i>13%</i>	<i>15%</i>	<i>100%</i>

Source: Monthly population bulletins provided by Ministry of Justice, National Offender Management Service and HM Prison Service: <https://www.gov.uk/government/statistics/prison-population-figures-2016>

9. Table 2 shows, in 2016, 94 per cent of the male UK prison population was aged 18-59, inclusive. Wales has no prisons for women offenders. For the remainder of this analysis, we shall focus on this age group and use as a proxy to the Wales prison population when making financial assessments.

Table 2: Number of male prisoners by age group in the UK for 2016

Age of UK Male Prisoners	Mar-16	Jun-16	Sep-16	Dec-16	Average	<i>Share Percentage</i>
15-17	615	635	652	600	626	<i>0.77%</i>
18-20	4,547	4,415	4,354	4,242	4,390	<i>5.40%</i>
21-24	10,922	10,567	10,513	10,121	10,531	<i>12.95%</i>
25-29	15,290	15,210	15,109	14,741	15,088	<i>18.56%</i>
30-39	23,807	23,767	24,143	23,959	23,919	<i>29.42%</i>
40-49	14,358	14,465	14,573	14,343	14,435	<i>17.76%</i>
50-59	7,814	7,870	8,007	7,998	7,922	<i>9.75%</i>
60 and over	4,262	4,343	4,445	4,472	4,381	<i>5.39%</i>
18-59	76,738	76,294	76,699	75,404	76,284	<i>93.84%</i>
Total Prison Population	81,615	81,272	81,796	80,476	81,290	<i>100.00%</i>

Source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/585874/prison-population-31-dec-2016.xlsx

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Service IBAs

10. Assuming the prison population in Wales is completely within the 18-59 age bracket, the following service Indicator Based Assessments (IBAs) have funding distributed on the prison population (prison populations outside of this age bracket will result in further distributional effects):

- Continuing Education
 - Adult and continuing education
- Personal Social Services
 - Younger adults PSS
- Transport
 - Concessionary fares
 - Road maintenance
 - Public Transport Revenue Support
 - Road safety education and safe routes
- Fire
 - Fire service
- Other Services
 - Electoral registration
 - Environmental and other port health
 - Planning
 - Refuse collection
 - Library services
 - Other services
 - Recreation
 - Council Tax administration
 - Street cleansing
 - Food safety
 - Refuse disposal
 - Consumer protection.

Standard Spending Assessment (SSA)

11. As outlined in Table 3, the combined 2016-17 SSA unit for the 18-59 population elements in the services listed above is £382.52, meaning that, in 2016-17, there was £382.52 of SSA distributed for each prisoner in Wales aged 18-59.

Table 3: Combined 2016-17 SSA Unit for service IBAs that have funding distributed on prisoner populations ¹

Indicators	SSA unit (£)
Enhanced population (projected)	54.38
Population aged 16 and over (projected)	2.40
Population aged 18 and over (projected)	5.01
Population aged 18 to 64 (projected)	160.42
Population aged under 60 (projected)	0.42
Population, all ages (projected)	159.89
Total	382.52

¹ Does not include population aged 11 to 20 (projected) indicator

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12. The indicators in Table 3 are 2011-based local authority projections for Wales for 2016 as used in the 2016-17 Local Government Settlement.
13. The population average of the four Welsh prisons in 2016 amounted to 3,412 and the table below shows a breakdown of the population, along with the impact on SSA, assuming 94% of the population (3,207) are within the 18-59 age group. Table 4 shows that around £1.2 million of SSA is distributed on the current prison population of Wales.

Table 4: Potential Impact of Prison Populations on 2016-17 SSA

Prison	Population ¹	Assumed 18-59 Population ²	SSA attributable to prison population (£)
Cardiff (Cardiff)	773	727	278,037
Parc (Bridgend)	1,680	1,579	604,046
Swansea (Swansea)	435	409	156,352
Usk/Prescoed (Monmouthshire)	524	492	188,234
Total	3,412	3,207	1,226,669

¹ Average of 2016 prison populations, taken from monthly population bulletins provided by Ministry of Justice, National Offender Management Service and HM Prison Service:
<https://www.gov.uk/government/statistics/prison-population-figures-2016>

² Prison population multiplied by 94% - the UK proportion of male prisoners in the 18-59 age bracket as outlined in the following:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/585874/prison-population-31-dec-2016.xlsx

14. Applying the same methodology as above, and assuming the prison was operating at capacity, this will equate to around £757,252 of SSA being allocated to Wrexham, based on its prison population.
15. Referring back to the service areas listed in paragraph 10, at first glance, it appears reasonable to question whether populations within prisons actually drive the need to spend in some of the service areas. A more detailed analysis was therefore undertaken using Revenue Outturn Forms and their associated guidance notes to gain a better understanding of whether populations within prisons (as opposed to the existence of a prison as an establishment) impact on Revenue Outturn figures used for calculating SSAs. The table at Annex A provides further detail on the Revenue Outturn lines that feed into each Service IBA.
16. For example, given that prison populations do not have access to public transport, it could be reasonably argued that prison populations do not drive the need to spend in Public Transport Revenue Support service area. A similar argument can be made in relation to other IBA service areas, including Electoral registration, as prisoners are prevented from voting.
17. However, from the Revenue Outturn guidance notes, it is unclear in terms of the Adult and Continuing Education IBA Service Area, and the Adult Education Revenue Outturn Form row, whether the delivery of education and training within prisons for example, is to be included and recorded.
18. It has therefore been necessary to seek further information and clarity regarding the arrangements for funding and delivering certain services within Welsh prisons. From

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discussions with colleagues within the Welsh Government's Skills, Higher Education and Lifelong Learning Directorate, it has been established the Welsh Government and the National Offender Management Service (NOMS) enter into an annual Memorandum of Understanding which describes how they will work together in relation to the provision of education, learning and skills within prisons. The Welsh Government provides funding to NOMS (as opposed to Local Authorities) who are subsequently responsible for commissioning and managing offender learning in prisons within Wales. It has also been established that in terms of library services, for all Welsh public prisons (HMP Parc is a privately managed prison), NOMS have a Service Level Agreement with the Local Authority library service in the area. NOMS pay the Local Authority for the service, who then pay for a librarian and capitation (an annual fee for renewal of library stock). Therefore, it can be questioned whether providing library services for prisoners impacts on an authority's need to spend, when it is apparent it receives separate funding for this.

19. In terms of Younger adults Personal Social Services IBA service area, members will already be aware that, under the Social Services and Well-being Act, from 6 April 2016, Welsh Local Authorities are responsible for the provision of care and support to adults in the secure estate in Wales. Additional funding has been provided by the Welsh Government to meet these duties delivered through hypothecated grants. DSG have previously considered the transfer into the Settlement of funding for the provision of care and support to adults and children in the secure estate. This will be considered further in a future DSG paper.
20. Given that, for the service areas referred to in the paragraphs above, it can be argued that prisoner populations do not drive the need to spend, it is reasonable to consider the appropriateness of the inclusion of prison populations within population projections data.
21. However, it is not always clear whether prisoner population impact on service areas such as waste disposal and collection, food safety and consumer protection. Therefore any comments and thoughts from DSG members would be welcomed.
22. Another issue to consider is whether Authorities should receive funding due to prisons being located within their area, which would cover perceived increase in the need to spend in, for example, refuse collection, public transport (visitors and staff).
23. Separate to this is the issue of the treatment of the prison population within the population projection data. If the current treatment within the settlement formula is accepted, there is a separate question about whether the formula should take account of material changes.

Conclusion

24. DSG members are asked to discuss the current treatment of prison population projections used in settlement calculations, and the impact on the settlement allocations of significant changes to the prison population in Wales

**Local Government Finance Policy
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Annex A

Overview of Revenue Outturn lines that feed into each Service IBA¹

Sector	IBA Service Area	Revenue Outturn (RO) Lines
Continuing Education	Adult and continuing education	RO 1 Line 99: Adult education RO 1 Line 101: Community education RO 1 Line 103: Student Support RO 1 Line 103.1: Student Support: Assembly learning grant. RO 1 Line 104: Student Support mandatory awards. RO 1 Line 105: Other continuing education RO 1 Line 106 Residual pension liabilities: further education
Personal Social Services	Younger Adults PSS	RO 3 Line 82: Total Social Services for adults aged under 65 (The total of RO3 Line 8: Total adults aged under 65 with a physical disability, RO3 Line 59: Total adults aged under 65 with learning disabilities, RO3 Line Total adults under 65 with mental health need, and RO3 Line 81 Total other adult services (aged under 65)).
Transport	Concessionary fares Road Maintenance Public Transport Revenue Support Road safety education and safe routes	RO 2 Line 26: Concessionary fares RO 2 Line 1: Transport planning, policy and strategy RO 2 Line 2: Capital charges relating to construction projects (principal roads, other roads, bridges and culverts) RO 2 Line 3: Total structural maintenance, highways and roads (principal roads, other roads, bridges and culverts) RO 2 Line 13: Environment, Safety and Routine Maintenance RO 2 Line 14: Winter Service RO 2 Line 16: Traffic management RO 2 Line 25: Public Transport Co-ordination. RO 2 Line 29: Support to operators RO 2 Line 17.1: Road safety education and safe routes (including school crossing patrols)
Fire	Fire Service	ROF: Fire and Rescue Services
Other Services	Electoral registration Other Environmental and other port health Planning Refuse collection Library Services Other Services Recreation Council Tax administration Street cleansing Food safety Refuse disposal Consumer protection	RO 9 Line 10: Elections RO 5 Line 6.1 Other environmental health RO 5 Line 25.55: Climate Change Costs RO 6 Line 1: Building controls RO 6 Line 4: Development Control RO 6 Line 7: Planning Policy RO 5 Line 25.1: Waste collection RO 5 Line 25.3: Trade Waste RO 5 Line 25.4: Recycling RO 4 Line 1: Archives RO 4 Line 7: Library services RO5 Line 13: Total community safety (CCTV, Crime Reduction, Safety Services) RO5 Line 14: Flood defence and land drainage RO5 Line 19: Agriculture and fisheries services RO6 Line 8: Environmental Initiatives RO6 Line 17: Total coroners' and other courts services RO9 Line 11: Emergency Planning RO9 Line 12: General grants, bequests and donations RO9 Line 13: Local Land Charges RO9 Line 13.5: Local Welfare Assistance Scheme RO9 Line 14: Registration of births, marriages and deaths RO9 Line 30: Other central costs RO9 Line 29: Total non distributed costs RO 4 Line 10: Recreation and Sport RO 4 Line 11: Open spaces RO9 Line 7: Total Local Tax Collection RO 5 Line 8: Street cleansing (not chargeable to highways) RO 5 Line 3: Environmental health, food safety RO5 Line 25.2: Waste disposal RO 5 Line 25.5: Waste minimisation RO 5 Line 22: Trading Standards

¹ Further detail for each RO line is available in the [Notes For guidance – Revenue Outturn Forms 2015-16](#) document.