

Rebuttal to Ulnes Walton Action Group Proof of Evidence on Alternative Sites and Socio-Economic Statement.

Garth Wymott 2.

Ministry of Justice

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1. Introduction

Scope and Purpose

- 1.1. This rebuttal has been prepared in response to comments received from the Ulnes Walton Action Group (UWAG) in its Proof of Evidence on Alternative Sites & Socio-Economic Statement (Core Document G9). It provides a response to a number of points made in the PoE in relation to the socio-economic benefits of the proposed prison. This information is provided in the next section and is structured as follows:
 - A response is first provided to UWAG's comments on the construction phase benefits.
 - A rebuttal is then given in response to UWAG's views on the operational phase benefits
 - Finally, a conclusion is provided to give an overall view of the UWAG PoE and the arguments it puts forward.

2. Rebuttal to UWAG's Points on Economic Impact

- 2.1. Paragraphs 50–55 in Section D of UWAG's Proof of Evidence Addressing Alternative Sites & Socio-Economic Statement (Core Document G9) summarise some of the main economic benefits highlighted by the MoJ in its socio-economic statement for Garth Wymott (Core Document A26). Paragraph 55 of the PoE then goes on to state that *"UWAG consider the weight to be attached to these benefits has been over-stated."* The PoE makes this argument for both the construction and operational benefits. A response to the PoE's points is provided below, beginning with the construction phase benefits.

Rebuttal to UWAG's Comments on the Construction Phase Benefits

UWAG Comment – Robustness of the Calculations

- 2.2. Paragraph 56 of the PoE (Core Document G9) states that the calculation of the construction and operational phase benefits of the prison are only as realistic as the data upon which they are based. It also states that given the MoJ has based its calculations on urban-based prisons, rather than a rural-based prison as is the case at Garth Wymott, the socio-economic benefits are therefore highly questionable.
- 2.3. In response to the point above, the construction phase benefits have been calculated using information from the Full Business Case (FBC) for the prison. This document contains commercially sensitive information and has therefore not been published as a Core Document., however it is important to highlight that the FBC is specific to Garth Wymott and therefore provides the most realistic data on which to calculate the construction phase impacts.

UWAG Comment – Geographical Area of Impact

- 2.4. Paragraphs 57–60 of the PoE (Core Document G9) focus on the extent to which the construction phase benefits will benefit local residents. Points it makes here include:
- Components for prisons are built by companies around the country.
 - HMP Five Wells in Wellingborough made extensive use of offsite manufacture, which benefitted companies in areas such as Northumberland, Warwickshire, Lincolnshire and Cambridgeshire.
 - The construction processes designed for HMP Five Wells will be used on subsequent MoJ projects.
- 2.5. This leads the PoE to conclude in paragraph 60 that *"This is a clear indication that the socio-economic benefit to the rural location of Ulnes Walton, or even to the local area, will be minimal due to a shorter build time, fewer construction jobs on site, and little supply chain benefits to local companies."*
- 2.6. The conclusion above is somewhat surprising, given in the Statement of Comment Ground (SoCG) between the MoJ and UWAG (Core Document C8), paragraph 5.13 states that both parties agree that *"The appointed contractor will be contractually obliged to meet key performance targets including: a 25% local spend within 25 miles of the site..."* As noted above, detailed costs for the new prison are commercially sensitive. However, information online

indicates that they are likely to be in the region of at least £250million¹. Applying this to the 25% local spend figure referred to in SoCG gives an estimated spend within 25 miles of the site of £62.5million. It does not seem unreasonable to conclude that this would represent a significant amount of money, helping to support growth in businesses involved in the supply chain of the prison's build phase.

- 2.7. When considering the impact of the build phase, it is helpful to consider the impact of other prisons to assess the extent to which they have benefitted the areas in which they are built. Drawing on information from the HMPPS Prison Supply Directorate, it is possible to do this for the new prisons at HMP Five Wells (Wellingborough) and HMP Fosse Way (Leicestershire). Table 2.1 presents the information and for completeness, the targets for Garth Wymott are also included. These have been taken from Core Document E3 – the Need Proof of Evidence produced by the HMPPS Prison Supply Directorate.
- 2.8. As can be seen in Table 2.1, at least one third of all construction employment at HMP Five Wells and HMP Fosse Way has been taken by people living within 25 miles of the site. Apprenticeship opportunities have also been created at each prison, along with a significant number of work placement days and investment in voluntary, community and social enterprises. Clearly it is not possible to state with absolute certainty that such outcomes will be achieved at Garth Wymott, however the strong performance of HMP Five Wells and HMP Fosse Way in terms of the construction phase impacts is a positive sign that such schemes can deliver significant benefits to the areas in which they are built.

Table 2.1: Construction Phase Performance at HMP Five Wells & HMP Fosse Way

Targets for Garth Wymott	What was achieved at HMP Five Wells	What has been achieved to date at HMP Fosse Way (as of June 2022)
25% Local employment within 25 miles of site	37% Local employment within 25 miles of site	33% Local employment within 25 miles of site
25% of construction jobs given to former prisoners or those near to release	12% of construction jobs given to former prisoners or those near to release (of a total of 227 jobs)	21% of construction jobs given to former prisoners or those near to release (of a total of 335 jobs)
£50k spend with Voluntary, Community and Social Enterprises	£245k spend with Voluntary, Community and Social Enterprises	£475k spend with Voluntary, Community and Social Enterprises
1 community project per year	2 community projects delivered	3 community projects delivered
15 targeted events, such as job fairs and school visits	<i>Not measured for this site</i>	25 targeted events, such as job fairs and school visits
1,750 Work placement Days	1,759 Work placement days	3,015 Work placement days
50 new apprentice opportunities	60 new apprentice opportunities	23 new apprentice opportunities

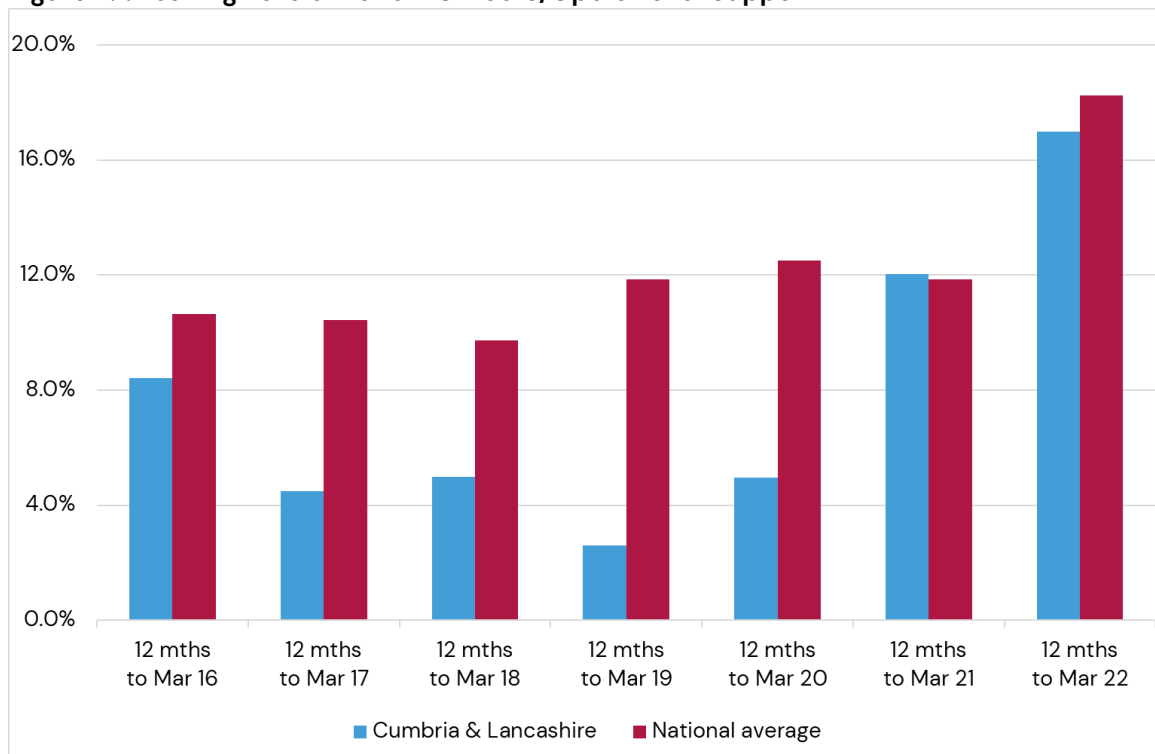
¹ <https://insidetime.org/lbn-contract-awarded-for-four-new-prisons/>. This article refers to a build cost of £1billion for four new prisons, which includes Garth Wymott. Dividing this equally gives an estimated cost for each prison of £250million.

Rebuttal to UWAG’s Comments on the Operational Phase Benefits

UWAG Comment – Staff Recruitment

- 2.9. Paragraph 62 of the PoE (Core Document G9) highlights issues with staff shortages at prisons, with recruitment being unable to keep up with the level of prison officers leaving. It cites the example of HMP Berwyn, which was at 60% capacity after two years of operation as a result of staff shortages.
- 2.10. Figures 2.1 and 2.2 show the leaving rate of Band 2 Officers/Operational Support and Band 3–5 Officers respectively for the 12 months to March for every year from 2016–2022. The data are presented for Cumbria & Lancashire and a national average is provided for comparison purposes. In terms of the leaving rate for Band 2 Officers/Operational Support (Figure 2.1), it can be seen that with the exception of the 12 months to March 2021, Cumbria & Lancashire had a lower leaving rate than the national average. For Band 3–5 Officers (Figure 2.2), the leaving rate in Cumbria & Lancashire is lower than the national average for every year presented.
- 2.11. Both charts show that leaving rates were at their highest level for the 12 months to March 2022, however the data clearly highlight that staff retention is less of an issue in Cumbria & Lancashire when compared with the picture at a national level.

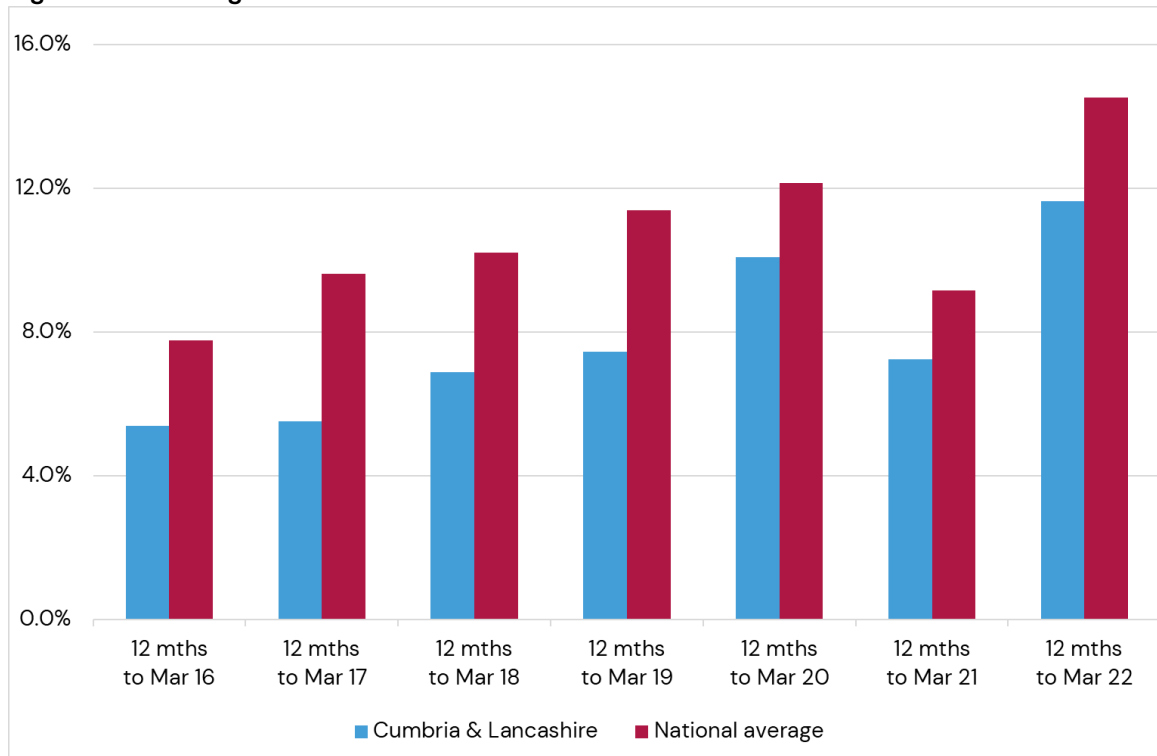
Figure 2.1: Leaving Rate of Band 2 Officers/Operational Support



Source: Ministry of Justice & Her Majesty’s Prison and Probation Service²

² Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2022>

Figure 2.2: Leaving Rate of Band 3-5 Officers



Source: Ministry of Justice & Her Majesty’s Prison and Probation Service³

UWAG Comment – Local Level Impacts will be Minimal

- 2.12. Paragraph 63 of the PoE (Core Document G9) refers to the MoJ’s socio-economic statement (Core Document A26), which states that 92% of on-site jobs at Garth Wymott will be taken by people living within 40 miles of the site. The PoE argues that this means the socio-economic benefits to the Ulnes Walton Community will be minimal and spread thinly across the region.
- 2.13. The fact that 92% of jobs are expected to be taken by people living within 40 miles of the site is not surprising and this aligns with 2011 Census data on distance travelled to work. In Chorley local authority, the data show that 97% of residents travel up to 60km (37 miles) to work. For the North West the figure is the same and for England it is only marginally lower at 96%⁴. The conclusion to draw from this is that it would be reasonable to expect any new scheme that creates employment in an area to attract the vast majority of people from within 40 miles of its site. The prison is no different in this respect.
- 2.14. As already highlighted in Core Document E2a (Planning PoE Appendix A Economic Benefits Note), the Garth Wymott Socio-Economic Statement (Core Document A26) refers to an earlier 2013 study on the economic impact of prisons (Economic Impact of a New Prison – Core Document J1) which found that the average district containment rate for jobs in prisons was 54%. 2011 Census data show that 54% of people living in Chorley also work in Chorley. As the UWAG PoE rightly points out, the 2013 study on the economic impact of prisons did not consider rural-based locations, however the fact that the overall average of 54% aligns with

³ Available at: <https://www.gov.uk/government/statistics/her-majestys-prison-and-probation-service-workforce-quarterly-march-2022>

⁴ Based on analysis of Census table QS702EW. The analysis only includes people where their distance to work is known.



the local containment rate for all jobs in Chorley (based on the 2011 Census) means it does not seem unreasonable to expect a good proportion of jobs at the new prison to be taken by local people.

UWAG Comment – Low Unemployment

- 2.15. Paragraph 65 of the PoE (Core Document G9) makes the point that unemployment in Chorley is relatively low and that there is a greater need for jobs in other areas where sites for a prison are available. It refers to the area around HMP Kirkham in this respect, where the proportion of residents claiming unemployment benefits in the neighbouring Blackpool South constituency was 8.2% in May 2022, for example. The PoE sources this information from a briefing paper lodged in the House of Commons Library (Core Document G20). In Chorley the figure was 2.8%, so there is clearly a big difference in the proportions.
- 2.16. It is not disputed that unemployment in Chorley is relatively low when compared with other parts of Lancashire and the North West. However, the area still needs to attract new investment and see new jobs created if it is to grow sustainably. As noted in Core Document E2a (Planning PoE Appendix A Economic Benefits Note), Chorley has an ageing population, high levels of out-commuting and has seen low jobs growth in recent years when compared to the regional picture. New job creation is needed to attract younger people to the area and to encourage long-term labour market growth, which the proposed scheme will undoubtedly support. Just because an area has low unemployment, it does not mean that employment creation should be discouraged.

Conclusion

- 2.17. The UWAG PoE on alternative sites and the socio-economic statement does accept that the proposed prison will generate economic benefits, largely in the form of job creation during the construction and operational phases. However, it raises a number of concerns regarding these benefits, namely: they will be spread too thinly across the region and will not benefit local people and businesses; it will be difficult to recruit and retain staff; and the prison is being proposed in an area of low unemployment and there is a far greater need for jobs in other areas where sites for a prison are available.
- 2.18. Having reviewed the arguments put forward in the PoE, the benefits outlined in the MoJ socio-economic statement (Core Document A26) are still considered to be significant. Contrary to UWAG's view, the scheme will generate significant benefits for local people and businesses and while prisons may be experiencing recruitment difficulties, this is less of an issue in Cumbria and Lancashire when compared with the situation nationally. Chorley's ageing population, its high levels of out-commuting and low jobs growth in recent years mean the area needs to see new investment that will support employment creation, which is exactly what the new prison will do.

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