

# PRIVATISATION

## Factfile 5

### ENABLING MORE PRIVATISATION

The Government's commitment to expanding private sector involvement continues apace. The Criminal Justice and Public Order Bill, which has just completed its Committee stage in the House of Commons, includes enabling legislation to accelerate the Prison Service's privatisation programme.

The Prison Service expects to issue invitations to tender for the first two prison design, build, finance, and manage contracts at Bridgend and Fazakerley by 31 March 1994. Work is in progress to identify four other sites for new private prisons. Altogether, the six new private prisons will have around 3,600 places.

### DONCASTER PRISON

A five year, £66m contract to manage newly-built Doncaster prison has been won by Premier Prisons. The gaol, the largest to be privately-run so far in the UK, is supposed to hold 771 prisoners, two thirds of whom will be young offenders. However, the contract has been let on the basis that there could be overcrowding above the Certified Normal Accommodation figure. Over 1,000 prisoners could be held there to cope with the rising demand for places.

The prison will have controversial high technology security and control systems including computer tracking of prisoners, electronic gates and closed circuit television. It will also have 348 staff, far fewer than in a comparable publicly-run prison. The regime is to include 12 hours purposeful activities per prisoner per day and rewards for good behaviour. Claims for savings of around 25 per cent have been made.

Three weeks before the contract award was publicly announced, the *Observer* (19 December 1993) ran an article alleging that Premier Prisons' successful bid was so low partly because the company is to use prisoners on low wages to maintain and repair the prison. The paper reported that "the bid has caused dismay in the Prison Service. Officials fear that the Treasury will use Premier's rock bottom costs to demand that public sector prison costs be slashed too."

PRT has since tried to arrange an interview with the company to discuss the *Observer* article and the company's plans generally. Unfortunately, the company felt it was unable to oblige.

### WHO ARE PREMIER PRISONS?

The successful Doncaster bidders, Premier Prison Services Ltd, was formed in 1992 and is a consortium of Serco, a UK-based international services company, and Wackenhut, an American multinational security firm. The directors also include Wayne Calabrese who is chief executive of Australasian Correctional Management and a director of Australasian Corrections Services, two Wackenhut companies running gaols in Australia. Former Norwich Prison governor Michael Gander

*Stephen Nathan  
presents his  
latest update  
on prison  
privatisation  
news*

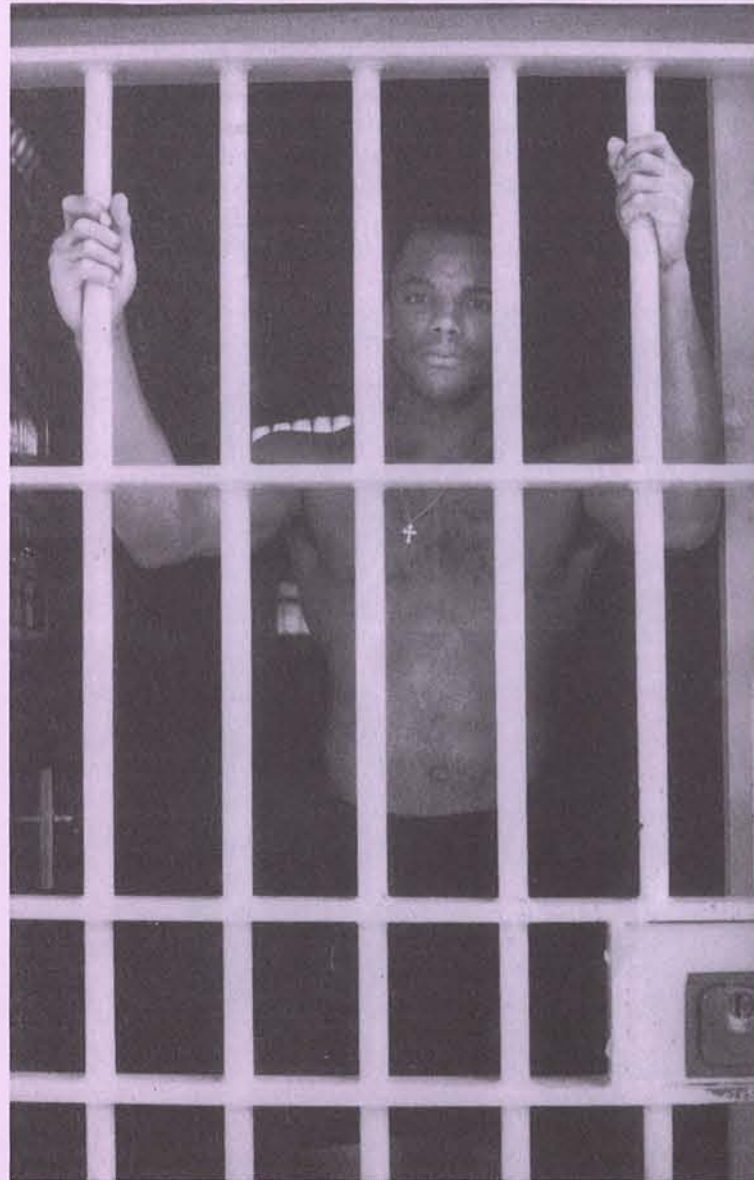


was responsible for Premier's Doncaster bid. He is now in charge of bidding for other contracts which become available. Don Keans, a former Group 4 employee, has been brought in as managing director to oversee the Doncaster contract.

Serco grew rapidly during the 1980s on the back of the UK Government's contracting out policies. It now has a wide range of contracts in the NHS, local and central government. It has no experience of running prisons.

### WHO ARE WACKENHUT?

Wackenhut was started forty years ago by four ex-FBI agents. Today the board is dominated by ex-FBI agents, former high ranking military staff and government relations consultants. The company guards US embassies, defence and nuclear facilities, and has worldwide involvement in privatised services including forest management in Chile, highway toll collection in Colombia, and security services for the Public Transportation Company in the Gambia. Its corrections division runs ten prisons in the US and is involved in two in Australia. Wackenhut has a prisoner escort service for Anne Arundel County in Maryland. In California it has been involved in the electronic monitoring of



offenders and parolees sentenced to home incarceration.

Wackenhut's involvement in the corrections industry however, has not been without hiccups both in Australia and the US.

The Arthur Gorrie remand and reception centre in Brisbane Australia is run by Australasian Correctional Management (ACM), a company owned by Wackenhut and electronic security firm ADT. Since its opening nineteen months ago there have been four prisoner suicides and a fatal drug overdose.

In May 1993, there was a riot and fire at the Arthur Gorrie which caused hundreds of thousands of (Australian) dollars worth of damage. A female prison officer was also assaulted. Wayne Calabrese, ACM's chief executive told reporters at the time that his preliminary investigations revealed the trigger for the riot was "a general dissatisfaction among prisoners with being told to do something." In the six months prior to this incident however, there had also been a beating, a pack rape, a burning and two prisoner suicides.

At the time of writing, an inquest into the November 1992 death of Michael McNeil, an 18 year old prisoner, was about to be resumed in Brisbane. It has been alleged that on the night of his death only one prison officer was on full-time guard in the unit housing 20 young and vulnerable prisoners. The officer was at a 'fishbowl' observation post and checked on prisoners by intercom rather than through personal inspection. He would have been unable to see that the prisoner had placed a blanket over his cell door.

The company has, in the last six months, introduced what it calls "the most comprehensive suicide policy" in the country.

Wackenhut is involved in another company, Australian Correctional Services (ACS), a partnership with ADT and construction firm Thiess Contractors. ACS runs Junee prison which opened in March 1993 in New South Wales. Wackenhut companies ACS and ACM have used tear gas at least three times at Arthur Gorrie and once at Junee to quell riots. Dr Eileen Baldry, a lecturer in social work at the University of South Wales said in *Age* (27 January 1994) that "It's pretty unusual to use tear gas. I can tell you why they do it — because they have not got the prison officer numbers ... to quieten inmates down."

Wayne Calabrese on the other hand, rejected these claims. He said that ACS's staffing compared favourably with state run prisons and that tear gas is a humane way to obtain order quickly rather than "a lot of staff with batons striking people."

In the US, an attempt by Monroe County in Florida in February 1991 to privatise a gaol failed after Wackenhut found it needed double the staff it had assumed to guard a crowded Key West gaol. The company demanded an extra \$2.6m over the four year contract but the County refused to pay and the sheriff resumed the running of the gaol.

In 1990, plans to build Florida's first privately operated maximum security prison were dashed when Wackenhut was one of two companies (the other was CCA) which failed to meet a Florida legislative requirement to reduce costs by ten per

cent. In fact, the bids were higher than the Department of Corrections estimate for the average daily cost of imprisoning a maximum-security convict.

Wackenhut was forced to make substantial improvements to the operation of two new Texas gaol contracts at Kyle and Bridgeport in 1990 following an audit by the Texas Department of Criminal Justice. The shortcomings at these and two CCA-run facilities included: fewer than half of the job-training fields promised were in operation, while literacy and high school equivalency programmes were barely started; most prisoners were only working or in classes for up to four hours a day; prisoners were not receiving timely health care. The audit also found that the companies had kept many important staff positions vacant.

### LONDON ESCORT CONTRACT

The prisoner escort service contract for London has been awarded to Securicor Custodial Services Ltd. The contract will be phased in over 12 months so as to try and avoid the early disasters of Group 4's East Midlands and Humberside contract.

The contract starts in June with prisoners escorted from Holloway and Pentonville prisons. Derek Lewis, director-general of the Prison Service, has said that Securicor will "deliver a better service at a lower cost." The Police Federation however, is sceptical. A spokesperson told PRT that "the Metropolitan Police are fearful for the future."

According to the Police Federation there are still a number of grey areas about the operation of the contract. It is unclear who will foot the bill when the police have to deal with an emergency that Securicor cannot handle. Will the cost be deducted from the escort contract price or from the Metropolitan Police budget? The Police Federation expects the latter.

There also appears to be confusion over the official definition of a Category A prisoner, the point at which someone becomes so defined and the question of whose responsibility s/he is within the Met area. Securicor's contract excludes Category A prisoners.

As a direct result of contracting out, the Met's establishment is being cut by some 300 jobs.

Meanwhile, Securicor is looking to recruit 800 people to work on the contract which will also require the use of 100 specialist vans with individual cell accommodation. Over 11,000 prisoners per month will be carried between eight prisons, 67 courts and 82 police stations.

### GROUP 4 DEATH INQUEST

The jury in the inquest into the death of prisoner Ernest Hogg while in Group 4's custody last year, decided that Mr Hogg died due to lack of care. The inquest heard evidence of a catalogue of errors by Group 4 staff, some of whom have since been dismissed. Mr Hogg's family is considering civil legal action for damages against Group 4. The report of Commander Alex Marnoch's inquiry into the tragedy is still awaited.



### PRIVATE PRISON ASSAULTS

Prison Service key performance indicators have taken a beating (literally) at the two privately-run gaols. Between April and October 1993 Blakenhurst had the highest number of assaults by prisoners on other prisoners and staff — 26 assaults per 100 population. This was four times as many as Prison Service-run Brixton which had more than twice the number of prisoners. There were also two escapes.

For the last three months of 1993 there were 73 assaults proved at adjudication at Blakenhurst and 10 at Wolds. The average of 41 for a private prison compares with an average of 10 at each Prison Service-run gaol.

### NEW BIDS ON THE BLOCK

The UK's burgeoning 'penal-industrial complex' has a new major player. Pinkerton, familiar to most lovers of old TV westerns as the private agents who rooted out gangs of train and bank robbers, has begun bidding for prison management and escort services in the UK.

Cries of "thar's gold in them there UK gaols" were to be heard from the company's head office in California after its two main US security industry rivals Wackenhut (now in the UK as part of Premier Prisons) and Borg-Warner (UK subsidiary Burns Security is part of Contract Prisons plc) had earlier entered the UK prisons market.

Now Pinkerton is involved in a new consortium comprising P&O, Hawk (arising from the ashes of collapsed UK property company Speyhawk), and Property & Facilities Management (a subsidiary of construction giant AMEC). "The consortium is not just looking at prisons but also new detention centres, secure training centres and the whole custodial services market including existing centres where they go out to contract," Mr Stuart Lowden, Pinkerton's commercial director told PRT.

Pinkerton does not run any gaols in the US. In Canada, however, the company has provincial government contracts to transport young offenders and immigration detainees. In the UK the company's subsidiary Summons & Warrants UK Ltd has powers through magistrates' courts warrants to arrest civil debtors such as poll tax defaulters and escort them, through commitment warrants, to prison.

Despite investing a six figure sum, Pinkerton was unsuccessful in its first bid, to run the London prisoner escort service.

### **BOARD'S COMMERCIAL DIRECTION**

The Prisons Board has two new members from the private sector to help steer the Service in the right direction. Brian Landers, formerly of Habitat International, has been seconded from management consultants and auditors Price Waterhouse, as finance director. A new non-executive director is Geoffrey Keys, director of personnel and business services for Prudential.

### **IMMIGRATION DETENTION CENTRE**

Group 4, which already runs Harmondsworth Immigration Centre for the Home Office, is the contractor which runs Campsfield House near

Oxford which opened last November. There have already been at least two escapes. It was this centre that held the Jamaican tourists following their controversial detention by the Immigration Service last December. The Home Office refused to answer a recent Parliamentary Question on the average cost of detaining people at Campsfield House on grounds of commercial confidentiality.

### **COURT OUT**

Court security and jailing duties are just two of hundreds of police duties which could be privatised. Chief Constables were given a deadline of 15 February 1994 by Home Secretary Michael Howard to draw up a hit list of duties which could be taken over by private security firms or other agencies.

### **BUCKLEY HALL BACK**

Private consultants Capita have been brought in to support a Prison Service bid against the private sector for the re-commissioned Buckley Hall. The prison, which has been rebuilt after being 'mothballed' in 1989 is due to open next October.

### **IN FROM THE COLD**

Following Judge Tumim's concern that Wolds and other privately-run gaols were isolated from the Prison Service, Derek Lewis has announced plans for integrating them more closely. Area managers will play a major part in both the contracting out process and the management of the prisons. The role of the Custodial Contracts Unit has also been reviewed.

### **MARKET TESTING CRITERIA**

The Prison Service has said that selection of operational prisons for market testing will be on the basis of where there is greatest scope for improving performance. The Prisons Board will look at factors such as the extent and quality of regime activities and the cost per place to determine whether good value for money is being provided. Other factors such as the nature of prison population and limitations on buildings will also be taken into account.

