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## Summary

# Full Business Case (FBC) for HMP Glasgow 2025

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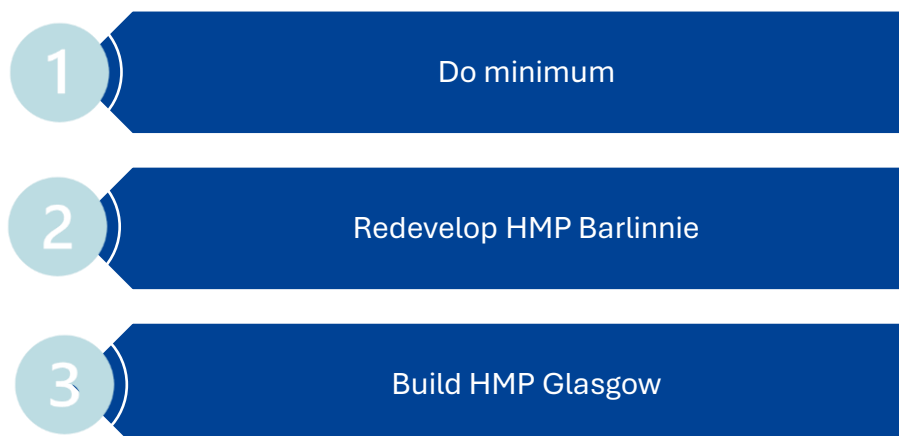
## Summary

HMP Barlinnie, built between 1882 and 1897, plays a vital role in Scotland's justice system by housing around 17% of the daily prison population.

HMP Barlinnie houses male prisoners, remand and convicted of all sentence lengths, from the courts in Glasgow and the west of Scotland

The replacement of HMP Barlinnie was first included in the Infrastructure Investment Plan (IIP) in 2011 but had been a formal consideration for over 20 years. In 2013, options regarding site re-development versus a new site were explored. Redevelopment on the current site of HMP Barlinnie were assessed as unviable and this continued to be the case following further reviews and assessments. In 2019 HMP Barlinnie's His Majesty's Inspectorate of Prisons for Scotland (HMIPS) report raised significant concerns about the physical infrastructure and concluded that the prison was "*no longer fit for purpose*". A prolonged site search and acquisition process occurred to purchase the site on Royston Road which was part of a former Gas Works. This was concluded late 2020.

The Scottish Prison Service identified the strategic case for change and submitted an Outline Business Case (OBC) to Scottish Government detailing the significant opportunities that HMP Glasgow could offer. This progressed to the preparation and submission of a Full Business Case (FBC) and considered three options.












Options 1, 2 and 3 were examined to establish what they would involve, what they would cost, and which objectives each of them could meet.

The FBC was prepared in five different cases. Two of the cases, Strategic and Economic, investigated all three options for a prison.

The Management, Commercial and Financial cases were based upon Option 3 – Build HMP Glasgow and how best to deliver that major project.

The FBC was approved by Scottish Government in January 2025, supporting the replacement of HMP Barlinnie with HMP Glasgow and has a delivery timeframe of 2028.

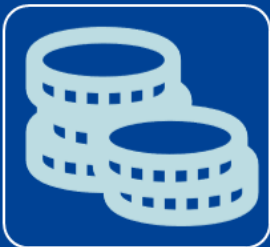
Option 1- Do minimum		
	What would this involve?	HMP Barlinnie continues to be used for ten years
	What would this cost?	An estimated £42million would be spent to improve the prison's infrastructure to try keep the prison operational. The annual operating costs (in 2023/24) were £41.5million.
	What objectives would this meet?	The bad conditions within the prison, including overcrowding would continue. Although the infrastructure would be improved, there would still be a risk that they would fail. Therefore, all the issues with HMP Barlinnie would continue including risk of infrastructure failure.
Option 2- Redevelop HMP Barlinnie		
	What would this involve?	Knocking down parts of the prison and then rebuilding in the same place. This was estimated to take a decade. This option was complicated because the prison would have to continue operating whilst parts of the prison were under construction.
	What would this cost?	In 2024 the one-off costs for this option were estimated at around £910 million. The annual operating costs (in 2023/24) were estimated as £41.5million.
	What objectives would this meet?	It was clear that this option would be impossible as HMP Barlinnie could not keep sufficiently operating during its redevelopment.
Option 3- Build HMP Glasgow		
	What would this involve?	Building a new prison, HMP Glasgow.
	What would this cost?	In 2024 the capital costs were calculated as £998.4million. The annual operating costs (in 2023/24) were estimated as £40.7million.

	What objectives would this meet?	This delivers the most benefits, with a strong value for money rating and the highest net present value. It avoids the risks of maintaining or redeveloping HMP Barlinnie, delivers better outcomes for staff, prisoners and visitors, and offers long-term savings and improvements
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### Strategic Case

This case showed why change at HMP Barlinnie was needed. It was based on how the prison population and service demands have changed since a review Scottish Prison Service did of their prison estate in 2002. It confirmed the need to pursue Option 3- Build HMP Glasgow .



### Economic Case

This case explained how success would be measured and how different options were assessed. It included findings on the benefits and value for money for each option. It found that Option 3 building HMP Glasgow, was preferable. It also noted where data was limited and recommended improving benefit tracking during and after construction.



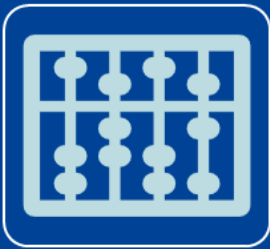
### Management Case

This case showed how HMP Glasgow would be delivered. It explained the roles of the Scottish Prison Service (SPS), Scottish Government (SG), and contractors, including how decisions and issues would be managed.



### Commercial Case

This case outlined how building HMP Glasgow would be managed, including contracts and procurement plans.



### Financial Case

This case detailed the costs of HMP Glasgow including how much it will cost to build and then run over time.

### **The HMP Glasgow Proposition**

*“Our supportive community provides safe and accessible opportunity for people to develop the relationships and resources required to comprehend and understand life events; the confidence, skills and supports to manage things in their control and identify worthwhile pursuits that offer meaning and purpose.*

*Through the physical resources and talent of the people who work, live, and visit our prison we provide a social value that is world leading in a custodial context and positively impacts on the wellbeing of our wider community.*

*Our sustainable approaches have a direct and positive contribution to the environment through delivery of a circular economy that benefits the internal and external community”.*



The objectives of HMP Glasgow are as follows:



Within 10 miles of Glasgow Sheriff Court



5 Residential houseblocks with units of 20 cells in each spur, 3 spurs on each of the 4 levels, providing cellular accommodation that provides sufficient space to meet the CPT desired and recommended standards with more accessible door widths.



A 24 space Additional Care Unit for Social and Palliative Care



Improved facilities for video courts, video conferencing and virtual identity parades.



Dedicated spaces to improve physical and mental well-being, personal development, community connection, reintegration, and case management.



Improved safety, and the feeling of safety in prisons



Reduction in the cost per prisoner place



Increase in the positive engagement time between staff and prisoners



Reduction in the prison’s carbon footprint



Reduction in reoffending rates within the community  
Avoid risk of infrastructure failure

# 1. Full Business Case and its Context

## 1.1 Context

The Scottish Prison Service (SPS) is an Executive Agency of the Scottish Government. As of 2025, there are 17 operational prisons located across Scotland; 16 are directly operated by SPS and one is operated by a private sector operator under contract to SPS.<sup>1</sup>

His Majesty's Prison (HMP) Barlinnie plays a key role in Scotland's prison system, holding about 17% of the daily prison population.<sup>2</sup> The prison is especially important for serving the Glasgow Courts and wider justice system. HMP Barlinnie's main purpose is to hold remand and short-term male adult prisoners sent there by the West of Scotland courts. There are also long-term prisoners who have just been sentenced, awaiting transfer to another prison or are located there for a specific management reason. A National Top End facility for male prisoners nearing the end of their time in prison is also located there.

HMP Barlinnie was largely built between 1882 and 1897. There are five main accommodation blocks: A to E Halls. In addition, there is a Separation and Reintegration Unit (SRU) and the National Top End facility, Letham Hall. The main residential halls are of a traditional Victorian gallery style design, with Letham Hall being of semi-permanent modular construction.<sup>3</sup>

The SPS reviews the ability of the physical Estate to deliver against the role of prisons. In 2002, a significant Estates Review was conducted to work out the accommodation required to provide night sanitation for all prisoners, to replace unfit and temporary accommodation, and to meet the projected demand for prisoner places over the following 10 years. This noted the strategic importance of HMP Barlinnie, rejected the option to redevelop the existing accommodation and postponed a decision on the future of HMP Barlinnie in the short term, proposing investment at the site when population pressures, resources and available accommodation for the prison's population allowed.<sup>4</sup> An aim was to reduce the population of HMP Barlinnie when circumstances allowed. Due to the pressures of population, it has not been possible to achieve the reduction of HMP Barlinnie to a population of 500, despite the new larger HMP Low Moss being built nearby.

Figure 1.1 shows a timeline of developments, including the plan to replace HMP Barlinnie with HMP Glasgow from 2002 up until 2025.

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<sup>1</sup> [About us | Scottish Prison Service](#)

<sup>2</sup> See annual report informed by findings of Independent Prison Monitors [HMIPS Annual Report](#)

<sup>3</sup> [Report on HMP Barlinnie - 26-August-6 September 2019 - Final.pdf](#) p.6.

<sup>4</sup> For Justice Committee discussion 16 April 2002 see [Meeting of the Parliament: 11/16/04/2002 | Scottish Parliament Website](#)

Figure 1.1: Timeline



The site of Royston Road in Provanmill was identified during a search in 2014. The new prison had to be close to Glasgow's courts and support services like social work, legal help, and family visits. The site needed to be big enough to safely manage complex prison populations.

Three options for HMP Barlinnie were included in the FBC. The complicated nature of the site and its ownership led to a long due diligence and negotiation period. Following this, in 2019, SPS recommended the purchase of the site.

HMP Glasgow has a delivery timeframe of 2028. The major risks are financial and, where delay is realised, the major loss of prison accommodation and the critical impact this would have on the prisons system in Scotland.

## 1.2 Full Business Case

A Full Business Case (FBC) was drafted in late 2024 to help inform decision makers including:

- ❖ Scottish Ministers
- ❖ Director General of Education and Justice Sector
- ❖ Executive Management Group (EMG) of the Scottish Prison Service (SPS)
- ❖ The Advisory Board of the SPS
- ❖ The wider Scottish Government (SG)

The FBC considered the three main options:

1. Do Minimum- Option 1
2. Redevelop Barlinnie- Option 2
3. Build HMP Glasgow- Option 3

The FBC was written to help ensure the plans:

- ❖ Increase the number of available prison places in Scotland
- ❖ Provide value for money (VFM)
- ❖ Help the prison's operations to be as smooth as possible
- ❖ Meet the needs of the SPS
- ❖ Tie in with the strategy of the SPS
- ❖ Meet the needs of the wider Justice Sector in Scotland
- ❖ Meet the outcomes of the wider Justice Sector in Scotland

- ❖ Contribute to the key outcomes of the Scottish Government’s Programme for Government.<sup>5</sup>

The draft FBC was submitted on 11 November 2024 and received final approval on 28 January 2025.

The FBC included five types of case:

1. Strategic case- Showed why change is needed. It’s based on how the prison population and service demands have changed since a review SPS did of their prison estate in 2002. It confirmed that the case for a new prison was still valid.
2. Economic case- Explained how success will be measured and how different options for change were assessed. It included early findings on the benefits and VFM. It also noted where data is limited and commits to improving benefit tracking during and after construction.
3. Management case- Showed how the project will be delivered. It explained the roles of the Scottish Prison Service (SPS), Scottish Government (SG), and contractors, including how decisions and issues would be managed.
4. Commercial case- Outlined how the project will be bought and managed, including contracts and procurement plans.
5. Financial case- Detailed the costs of the preferred option, including how much it would cost to build and run over time.

Chapters two to six in this summary report summarise the findings included in each of these five cases within the FBC. Please also see Appendix A for a glossary of terms.

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<sup>5</sup> This sets out the actions and legislation of the Scottish Government each annual year For latest Programme for Government see [Programme for Government 2024-25: Serving Scotland - gov.scot](https://www.gov.scot/publications/programme-for-government/2024-25/serving-scotland/pages/11.aspx)

## 2. Strategic Case

This case showed why change was needed. It was based on how the prison population and service demands had changed since a review SPS did of their prison estate in 2002.<sup>6</sup> The strategic case confirmed that the case for a new prison, HMP Glasgow, was still valid.

Below is a summary of the Strategic Case including about the role of prisons, prison population, case for change, design considerations, HMP Glasgow benefits and dependencies, risks and constraints of success.

### 2.1 Role of prisons

Prisons are a vital public service. They hold both vulnerable and dangerous people. The Scottish Government aims to use prison only when necessary, focusing on those who pose serious harm.<sup>7</sup>

There is ongoing debate about the main purposes of imprisonment in modern society. Four commonly given reasons are:

- ❖ Protecting the public by removing dangerous individuals (incapacitation),
- ❖ Punishing offenders in a proportionate way (retribution),
- ❖ Deterring future crimes (deterrence),
- ❖ Helping offenders change their behaviour (rehabilitation).

However, there is disagreement about how much emphasis should be placed on each of these goals, especially given the challenges of managing a large prison population. While prison is widely accepted as necessary for serious offenders who pose a threat to public safety, there is growing recognition that less serious offenders may be better dealt with through community-based punishments.

The Scottish Prisons Commission in 2008 recommended reserving prison for those whose crimes are very serious or who pose a real danger to others.<sup>8</sup> For less serious offences, they suggested that community-based punishments should be the default. This approach aims to make imprisonment more targeted and effective, while also reducing the social and economic costs of incarceration. A sustainable prison system should not only manage offenders securely but also help reduce reoffending by addressing the underlying causes of criminal behaviour, especially in communities facing poverty and disadvantage.

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<sup>6</sup> See Scottish Parliament discussion of Estates Review: [Meeting of the Parliament: J1/16/04/2002 | Scottish Parliament Website](#)

<sup>7</sup> [Prisons - Reducing reoffending - gov.scot](#)

<sup>8</sup> [Scotland's Choice Report of The Scottish Prisons Commission](#)

The Scottish Government aims to reserve prison only for those who pose a serious risk, while expanding justice options within communities. This shift prioritises public protection and rehabilitation, ensuring that people in the criminal justice system receive the support they need. The goal is to reduce reliance on custody and focus on more effective, community-based responses for less serious offences.

SPS has outlined its role in protecting the public and reducing reoffending through safe custody, maintaining order, providing care, and creating opportunities for rehabilitation.

<sup>9</sup> The SPS continues to focus on delivering VFM and effective services that support both public safety and offender reintegration.

## 2.2 Prison population

SPS is facing serious challenges due to rising prison populations, especially at HMP Barlinnie, which is overcrowded and operating beyond its safe capacity. SPS actively monitors and manages this risk through temporary measures, regular reviews and collaboration with government and justice partners. Despite efforts like early release and removing under-18s from custody, the increasing number of serious offenders and longer sentences continue to strain the system, making it harder to maintain safe and humane conditions.

Longer prison sentences mean people stay in prison for more time, even if fewer people are being sent to prison overall.<sup>10</sup> So, SPS can't assume that the prison population will drop. Indeed, the prisons system in Scotland is stretched and only meeting basic legal standards.

Strategic planning, such as the Full Business Case (FBC) for HMP Barlinnie, considers the need for modern facilities, population management, and alignment with justice sector goals. Reviews confirmed the importance of HMP Barlinnie in serving the West of Scotland and rejected alternatives like redistributing prisoners into smaller local prisons.

## 2.3 Case for change

The Case for Change for a new prison for Glasgow has been longstanding. SG, SPS, key stakeholders and justice opposition identified the critical need to replace HMP Barlinnie.

Numerous His Majesty's Inspectorate of Prisons for Scotland (HMIPS) reports dating back two decades have identified:

- ❖ The historical and failing infrastructure of HMP Barlinnie
- ❖ Its pivotal role as the contingency of the SPS Estate

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<sup>9</sup> [Corporate Plan 2023 - 28 | Scottish Prison Service](#)

<sup>10</sup> [Trends in crimes and offences | Scottish Police Authority](#)

- ❖ The problem of overcrowding, with high levels of cell sharing in HMP Barlinnie in accommodation that does not meet the minimum (or desired) basic cell size of the CPT, and the recommendations of the National Preventative Mechanism (NPM).

The last full HMIPS inspection report of HMP Barlinnie in 2019 which raised significant concerns about the physical infrastructure and concluded that the prison was “*no longer fit for purpose*”.

HMP Barlinnie has been overcrowded for decades, consistently housing far more people than its design capacity of 987, with numbers often exceeding 1,300. Replacing it with a prison of similar size would simply shift the overcrowding elsewhere, worsening conditions across the prison estate and limiting access to meaningful activities like work, which already fall far short of what’s needed for rehabilitation.

This overcrowding undermines the prison’s purpose and has been criticised in reports for violating human rights, particularly due to cramped living conditions and inadequate regimes. A new facility like HMP Glasgow must be designed to properly accommodate the population and support rehabilitation, rather than continuing the cycle of overcrowding and limited opportunities.

Also, the general infrastructure is failing with recent experiences of loss of power/steam (leading to loss of kitchen and laundry), and an experience of loss of water which resulted in one hall not having functioning toilets. The needed maintenance and replacement of services (such as showers etc.) is becoming more difficult because the age of the buildings.

Acknowledging the failing infrastructure and ability for HMP Barlinnie to deliver a safe and fit for purpose service, the Case for Change in short is:

- ❖ Build a new prison in Glasgow to meet local needs and support prisoners, families, and the community.
- ❖ Replace HMP Barlinnie’s outdated and costly infrastructure with a modern facility that offers better VFM.
- ❖ Create a safe, supportive environment at HMP Glasgow where staff can build positive relationships with prisoners.
- ❖ Free up resources by reducing the inefficiencies of the old prison, allowing more focus on rehabilitation and well-being.
- ❖ Use smart design and technology to help staff support prisoners more effectively and prepare them for life after release.
- ❖ Work closely with public and third sector partners to improve outcomes for prisoners.
- ❖ Ensure the new prison is inclusive and designed to meet the needs and vulnerabilities of all individuals in custody.



There is a need to:

- ❖ Build the new prison in Glasgow to stay close to courts, services, and communities.
- ❖ Ensure the prison is safe, decent, and meets human rights standards.
- ❖ Maintain enough capacity to handle demand from Glasgow courts and any future rises in the prison population.
- ❖ Provide backup space in case of major issues elsewhere in the prison system.
- ❖ Make HMP Glasgow a sustainable, community-focused facility that supports climate goals and delivers high-quality services.

## 2.4 Design considerations

To address these issues above, HMP Glasgow is being developed as a modern replacement for Barlinnie, designed to meet current and future needs. The new prison will:

- ❖ The facility comprises 1,200 cells of which 10% (120) are double-occupancy cells designed to provide additional contingency capacity. Under standard single-occupancy arrangements, the prison accommodates 1,200 prisoners. If contingency capacity is utilised, the total rises to 1,320. Additionally, a specialist unit dedicated to social and palliative care offers a further 24 spaces, bringing the overall maximum designed occupancy to 1,344.
- ❖ Include two specialist units to support prisoners who are struggling—either due to disruptive behaviour or personal crisis—helping them return to the main prison population. These units will offer tailored support, professional services, and safer environments for those at risk, along with spaces for physical and mental health, personal development, and reintegration.
- ❖ Use smart technology to reduce routine tasks for staff and help prisoners build skills for life after release.
- ❖ Be built using modern construction methods, mainly pre-cast concrete, which is cost-effective and widely used across UK prisons.
- ❖ Be designed to be safe, tackling issues like violence, addiction, and public health concerns.
- ❖ Will aim to be a positive part of the Glasgow community, working with local organisations to improve life chances for those in custody.

The design for HMP Glasgow is based on residential houseblocks that will enable smaller household sizes, with units of 20 cells in each spur, with 3 spurs on each level. This is vastly different to a traditional design of large residential halls often seen in a ‘K block’ design (sometimes termed ‘super prisons’). This is also different to the direction of travel in prison construction in England and Wales. Specifically, where the ‘T-model’ is being used in other jurisdictions, the levels are a group of 60 cells with association together. In the ‘G60+’ model (units of 20 cells).

There are several benefits to the HMP Glasgow design, including increased safety, well-being and more flexible prison management, including management of pandemics (building on lessons learned from the COVID-19 pandemic).

With the growing complexities in the prison population to manage; for example, when considering population types and Serious and Organised Crime Groups (SOCG), which present a major safety issue for both the SPS and Police Scotland, the new prison design is viewed as an effective response to this growing and present issue. A related issue is the violence within prison and therefore, the management of this in a significantly different way through design, results in the targeted benefit of reduction in injuries (staff and prisoner) due to not having to manage all complex, related factors within a large ‘wing’ or Victorian hall.

Prisons must also be built to handle climate risks.<sup>11</sup> HMP Glasgow has been designed with a strong focus on environmental sustainability, aligning with Scotland’s Net Zero in Public Sector Building standards (NZPSB). It includes features like air source heat pumps, solar panels, electric vehicle charging points, and a fully electric operation without backup generators, all supported by resilient infrastructure. The project also aims to reduce carbon emissions throughout the building’s lifecycle, with targets for embodied and operational carbon, and a commitment to achieving net zero operational energy by 2045.

HMP Glasgow is designed to help well-being through high indoor environmental standards, natural lighting, clean air, and quiet spaces. Landscaping and outdoor areas support physical activity and education of prisoners. The construction process follows best practices for quality and sustainability, ensuring HMP Glasgow supports both environmental goals and the health and dignity of those who live and work there.

## 2.5 HMP Glasgow benefits

The benefits of replacing HMP Barlinnie with HMP Glasgow are described in the HMP Glasgow proposition:

*“Our supportive community provides safe and accessible opportunity for people to develop the relationships and resources required to comprehend and understand life events; the confidence, skills and supports to manage things in their control and identify worthwhile pursuits that offer meaning and purpose. Through the physical resources and talent of the people who work, live, and visit our prison we provide a social value that is world leading in a custodial context and positively impacts on the well-being of our wider community. Our sustainable approaches have a direct and positive*

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<sup>11</sup> See SPS reports on the [Sustainable Scotland Network](#)

*contribution to the environment through delivery of a circular economy that benefits the internal and external community.”*

Because the FBC case relates to a prison, there are different types of benefits which need to be taken into account, monitored and reported against. SPS consider and monitor in three main ways:

- ❖ SMART objectives
- ❖ Operations Benefits Realisation Plan (BRP)
- ❖ Construction technical targets.

Objectives have been set using the SMART Objective technique. This aims to set objectives which are Specific (S), Measurable (M), Achievable (A), Relevant (R) and Time-bound (T). These SMART objectives have been adjusted throughout the time period for considering the future of HMP Barlinnie and three options- Do Minimum, Redevelop Barlinnie or create HMP Glasgow. There are sixteen SMART Objectives:

1. 1,200 Prison places (single cell)<sup>12</sup>
2. Minimum 140 additional prisoner places
3. Adequacy of regime
4. Cells meet CPT minimum standards for size (6 metres squared for single and 8 metres squared for double),<sup>13</sup> 20% litigation risk
5. Within 10 miles of Glasgow Sherrif Court
6. Prison transport reduction
7. Reduce carbon emissions
8. Reduction in cost per prisoner place
9. Increased residential staff engagement time
10. Communities of 25 or less
11. Support National Social Care needs
12. Reduction in Reoffending
13. Operationally feasible
14. Improvement in Safety
15. Improvement in Wellbeing
16. Avoid infrastructure risk at HMP Barlinnie

The HMP Glasgow BRP expresses to the Strategic Alliance how the HMP Glasgow proposition and benefits will be achieved, across five themes:

- ❖ Improving safety
- ❖ Enhancing Well-being
- ❖ Developing Resources

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<sup>12</sup> Single cell means that the cell is designed for single occupancy, one prisoner.

<sup>13</sup> European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) provides guidance on size of cells, see [Living space per prisoner in prison establishments: CPT standards - CPT](#)

- ❖ Creating Social Value
- ❖ Excellence in Sustainability

Against each benefit definition within these themes, the BRP detailed related design requirements, considerations and intended outcomes.

Additional benefits were also factored in for the wider economy and society:

- ❖ The construction of the prison will generate significant employment in the area and across Scotland
- ❖ The design and construction Contractor has committed to a range of community benefits
- ❖ The design and construction Contractor has also committed to a 67% STEV
- ❖ The closure of HMP Barlinnie will release the land it currently occupies for sale or re-use by the public sector. The 2023 valuation of this land is £11m with additional surplus land (1.264ha) assessed at the value of £207,000.

## 2.6 Dependencies, risks and constraints of success

The successful delivery of HMP Glasgow needs ongoing allocation of Capital Investment to meet the annual spend profile (including any realisation of budgeted risk profile) throughout the Project and construction contract.

All risks are recorded and mitigations and opportunities, where appropriate, are in place to ensure that the strategic risks are not unmanageable. The main risks continue to be programme and financial given the length and nature of the project.

The Constraints of success have also been thought through. These are:

- ❖ The new prison must be located within Glasgow to stay close to courts, legal services and family support, which is why the Provanmill site was chosen.
- ❖ There's growing urgency to replace HMP Barlinnie due to long-standing criticism and the risk of legal action, with delays beyond the 2028 target likely to attract further backlash.
- ❖ The design must meet current legal and technical standards, including cell sizes, accessibility, security and environmental features like electric vehicle charging.
- ❖ Planning approval has added design and transport requirements that must be followed.
- ❖ There's no existing model to measure the social and economic benefits of prisons, which limits how well these impacts can be planned and assessed.

### 3. Economic Case

This case explained how success would be measured and how different options were assessed. It included early findings on the benefits and VFM. It also noted where data is limited and commits to improving benefit tracking during and after construction.

Below is a summary of the Economic Case including the three options for analysis, how well the options met the objectives and the costs and benefits of each option.

#### 3.1 Three options for analysis

Three different options were looked at for the economic case. The costs to do each were compared to the economic benefits expected to come from each option.

1. Do minimum- Option 1 would mean that HMP Barlinnie continues to be used for ten years. Money would be spent to improve the prison's buildings and to keep the prison working until 2033. This option would mean the poor conditions within the prison, including overcrowding, would continue. Although the buildings would be improved, there would still be a risk that they would fail. Therefore, all the issues with HMP Barlinnie would continue.
2. Redevelop HMP Barlinnie- Option 2 would be knocking down parts of the prison and then rebuilding in the same place. This was estimated to take a decade. This option is challenging because the prison would have to keep running whilst parts were being taken down and construction of new buildings. In 2013 it was decided that this option would be impossible because the prison could not keep running. Also, in 2024 the costs for this option were estimated at around £910 million.
3. Build HMP Glasgow- Option 3 is to build a new prison on another place in Glasgow. A suitable place to build the prison was found in Provahill at Royston Road.

#### 3.2 Extra considerations for a new prison

For the third option, building HMP Glasgow, some other factors were thought about- the size of the new prison and the pace of building the new prison.

The costs of running and building a prison are not closely tied to its number of prisoners. Every prison needs a core management team, essential facilities and administrative functions, which stay largely the same regardless of how many people are housed. While the cost of residential areas do scale with population, most other costs do not. This means that building a smaller prison doesn't save much money. In fact, HMP Glasgow benefits from economies of scale, making it more cost-effective than smaller alternatives. A smaller prison wouldn't be able to house the full population currently at HMP Barlinnie, leaving hundreds of people still needing accommodation and creating logistical challenges.

Building two or more smaller prisons would be even more expensive and inefficient, both during construction and in long-term operations. Although recent prisons have been smaller, Glasgow needs a larger facility. The idea of building HMP Glasgow in stages was also considered but rejected. While it could reduce short-term costs slightly, it would significantly cut capacity and still require operating two prisons, which is inefficient. Additionally, completing the prison later would likely be more expensive than building it all at once. For these reasons, smaller or phased builds were not pursued.

### 3.3 Options compared to desired objectives

Table 3.1 shows the FBC assessment of whether each option meets each SMART objective.

*Table 3.1: Options meeting Objectives*

SMART Objective met	Option 1 – Do Minimum	Option 2 – Redevelop HMP Barlinnie	Option 3 – Build HMP Glasgow
Within 10 miles of Glasgow Sheriff Court	Yes	Yes	Yes
Prison transport reduction	No	Yes, slightly	Yes, significantly
1,200 Prisoner Places if singular occupancy	No	No	Yes
Minimum 140 Additional Prisoner Places	No	Yes	Yes
Cells meet CPT desired standards (6m <sup>2</sup> single, 10m <sup>2</sup> double)	No	Yes, only minimum	Yes, met recommended
Communities of 25 or less	No	No	Yes
Reduction in Cost Per Prisoner Place	No	Yes	Yes
Adequacy of regime	No	Partially	Yes
Increased staff engagement time	No	No	Yes
Support National Social Care needs	No	No	Yes
Improvement in Well-being	No	Partially	Yes
Improvement in Safety	No	Partially	Yes
Reducing Re-offending	No	Partially	Yes
Operationally feasible	Yes, to point of infrastructure failure	No	Yes
Avoid Barlinnie	No	Yes	Yes

infrastructure failure risk			
Reduce carbon emissions	No	Yes	Yes

All three options are within 10 miles of Glasgow Sherrif Court. The existing site within Options 1 and 2 is 5.9 miles away while the new site in Option 3 is 4.9 miles away. Option 2 would lead to some reduction in prison transport through potential increase in video court (VC) and video identification parade electronic recording (VIPER) ability while option 3, due to its new design, can increase VC and VIPER capacity significantly.

With regards to capacity, Option 1 would only provide 987 single cells and Option 2 only 1050 single cells. Only Option 3 meets the objective of 1200 prisoner places (single cell). With Option 1, 134 additional prisoner places could be achieved, this is under the minimum 140 additional prisoner places. Option 2 meets the additional places objective as 150 would be provided, and Option 3 provides an additional 144 places.

In Option 1, cells do not meet the CPT desired size standards. Cells range from 6-8 squared metres including sanitary areas, which is in breach of CPT standards, as double occupancy is common. When assessed in March 2023 there were 545 people in conditions which do not meet double cell size standards. Option 2 would meet minimum desired European Committee for the Prevention of Torture (CPT) standards. However, the recent National Preventative Mechanism<sup>14</sup> recommended HMP Glasgow include single cell 8 square metres and double cell 12 square metres excluding sanitary area, which option 2 would not meet. Only option 3 meets recommendations for size. And only Option 3 meets the objective of communities of 25 or less, with a limit of communities of 22 maximum compared to Option 2 with potentially 40 per community and Option 1 with communities as large as 300.

Both Option 2 and Option 3 would lead to a reduction in cost per prisoner place. The objective for adequacy for the regime is not met by Option 1 and is fully met for Option 3. Option 2 would lead to partial improvements but without increase in functional and purposeful areas for prisoners, for example workspaces, training spaces and green spaces.

Unless staff numbers increased, Options 1 and 2 would not lead to any increase staff engagement time. Whereas Option 3 has productivity gain meaning that staff will have proportionally more time for prisoner engagement. Neither Option 1 nor Option 2 would support National Social Care needs. Option 3 will through an Additional Care Unit for Social and Palliative Care. Option 2 would lead to some improvements in prisoner well-being but still constricted by space and design of existing site and buildings with larger

<sup>14</sup> [About – National Preventive Mechanism](#)

wings and limited natural light. Option 3 is designed to maximise well-being with a focus on access to services, smaller community sizes and maximising natural light. It was determined that Option 1 would not improve safety, Option 2 would partially, as community size would be reduced and Option 3 will, given that communities remain under 22 prisoners.

Many of the benefits above, including improving wellbeing and better service provision, would lead to a reduction in reoffending; this would be greater under Option 3 than Option 2 due to its additional improvements.

Option 2 would not meet operational feasibility, as it would involve years of temporary facilities which would be unlikely to meet basic delivery standards for example, for healthcare provision. Option 1 does provide operational feasibility up to the point of infrastructure failure. In contrast Option 2 would avoid infrastructure failure risk while Option 1 would not. Only Option 3 provides both operational feasibility and avoidance of infrastructure failure risk.

Lastly, whilst Option 1 would not reduce carbon emissions, Option 2 could do so through improvements and Option 3's design is estimated to lead to 77% reduction in local carbon emissions.

### 3.4 Costs of options

The three options are costed in the FBC, see table 3.2 for predicted costs. The capital costs are the expected costs of undertaking the project at the outset, while operating costs shown are based on adjusted 2023/24 operational spend and the cost of utilities and maintenance. The capital costs for Option 1 represent the expected refurbishment costs to maintain HMP Barlinnie for a period of ten years. The capital costs for Option 2 represents the 2023 estimate and the costs for Option 3 are based on the best and final offer of price as verified internally by SPS, and externally by the quantity surveyor.

Option 3 is designed to operate within the current operating costs for HMP Barlinnie, adjusted for inflation; a similar commitment on future operating cost would be made if Option 2 were pursued. Potential changes in depreciation (reduction in value over time) are not reflected in the figures in table 3.2.



*Table 3.2. Expected capital and operating costs of each option*

	Option 1 – Do Minimum		Option 2 – Redevelop Barlinnie		Option 3 – Build HMP Glasgow	
Benefits rounded to the nearest £0.0 million	Per Annum	One Off	Per Annum	One Off	Per Annum	One Off
Capital Cost - Forward Commitment	-	£42	-	£910	-	£998.4
Annual Operating Cost (2023/24 prices)	£41.5		£41.5		£40.7	-

### 3.5 Valuation of objectives and benefits

The value of the objectives and benefits from each option were also calculated to allow for comparison with the costs. Economists used a technique called Benefits Cost Ratio (BCR) and Net Present Value (NPV) to work this out.

The BCR is calculated by totalling all of the economic benefits of the project and dividing them by the total costs associated with the project. If the BCR is greater than 1, the benefits are larger than the costs, and the project is considered profitable. If the BCR is smaller than 1, the costs are larger than the benefits, and the project is not profitable.

NPV is calculated by subtracting the sum of the costs from the sum of the benefits. If the NPV is greater than 0, the project is profitable and if the NPV is less than zero, the project is not profitable.

These calculations included all of the costs and benefits from across the construction project and the expected 60-year lifespan of the building. To do this, the future costs and benefits need to be converted into their current value, using a discount rate. This is because money in today's terms is relatively more valuable than money in future terms, due to preferences for current benefits relative to those which will be realised in the future. Economists used the Social Time Preference Rate (STPR) and Health Discount Rate specified in the Green Book, 3.5%.

The total economic benefits associated with each of the projects are displayed in Table 3.3.

Table 3.3: Benefits for each objective for each option

Benefits rounded to the nearest £0.00 million	Option 1 – Do Minimum		Option 2 – Redevelop Barlinnie		Option 3 – Build HMP Glasgow	
SMART Objectives	Per Annum	One Off	Per Annum	One Off	Per Annum	One Off
Within 10 miles of Glasgow Sherrif Court	-	-	-	-	-	-
Prison transport reduction	-	-	£0.25	-	£0.60	-
1,200 Prisoner Places (Single Cell)	-	-	-	£42.91	-	£75.18
Minimum 140 Additional Prisoner Places						
Cells meet CPT minimum standards	-	-	-	£1.6	-	£2
Communities of 25 or less	-	-	-	-	£0.91	-
Reduction in Cost Per Prisoner Place	-	-	£7.32	-	£15.52	-
Adequacy of regime	-	-	£0.4	-	£7.16	-
Increased residential staff engagement time	-	-	£0.32	-	£2.88	-
Support National Social Care needs	-	-	-	-	£0.75	-
Improvement in Wellbeing	-	-	-	-	£4.39	-
Improvement in Safety	-	-	-	-	£0.13	-
Reduction in Reoffending	-	-	-	-	£1.16	-
Operationally feasible	-	-	-	-	-	-
Avoid infrastructure risk at HMP Barlinnie	-	-	-	-	-	-
Reduce carbon emissions	-	-	£0.99	-	£1	-
Social & Total Economic Value (STEV)	-	-	-	£272.15	-	£452.46
Other Valuable Benefits	-	-	-	-	-	-
Sale of land	-	-	-	£2.1	-	£11.2
Total value of benefits to the nearest £0.00 millions	£0	£0	£9.3	£318.76	£34.5	£538.96

Benefits and objectives were valued relative to the 'do minimum' option to demonstrate the added value of Option 2- Redevelop HMP Barlinnie and Option 3- Build HMP Glasgow. This is why the benefits associated with Option 1 - 'do minimum' - are 0. Option 1 also carries significant risks, including infrastructure failure and human rights challenges. Values were also costed as either 'one-off' or annually reoccurring.

The benefits of increasing the capacity of the prison are based on the costs of building these additional places in the prison. This is higher for Option 3, building HMP Glasgow, because its capacity is larger than that of Option 2, redeveloping HMP Barlinnie. With improved design and staffing efficiency, HMP Glasgow will provide more purposeful activities for those in the prison to engage in, and at lower cost per hour.

HMP Glasgow would also meet desired cell size standards, reducing the risk of legal action from overcrowding and poor conditions in HMP Barlinnie. It would also reduce transport costs by using video technology for court appearances and identification procedures.

HMP Glasgow would significantly reduce carbon emissions compared to Barlinnie and the economic benefit of this was valued at the UK Government 2026 carbon trading value. Financially, it would be the cheapest prison to run per prisoner place in Scotland due to its increased capacity and overall efficiency gain. Staff would benefit from better working conditions, with more time available to engage directly with prisoners and fewer sick days due to improved facilities. A dedicated social care unit would also reduce costs in that area.

With the benefits listed, HMP Glasgow aims to reduce reoffending by 10%. With 1,000 people released from Barlinnie each year – and a current 50% reconviction rate – this would save society millions of pounds each year. Safety in the prison would also improve, with fewer violent incidents and related medical costs. Due to all the above, prisoner well-being is expected to rise, and the construction phase would bring economic benefits to the local area through employment.

Baseline data from HMP Barlinnie is being collected to measure the success of HMP Glasgow against clear performance targets. This includes tracking efficiency, energy use, and user feedback, supported by expert analysis throughout the construction process.

The NPV of HMP Glasgow was calculated to be £556.50m, and the BCR was determined to be 1.73, compared to an NPV of -£306.04m and a BCR of 0.63 to 0.72 for Option 2 and an NPV of -£47.22m and a BCR of 0 for Option 1. This means Options 1 and 2 are not profitable, and Option 3 is preferable. From an economic perspective, Option 3 - HMP Glasgow - delivers the most benefits, with a strong VFM rating and the highest NPV. It

avoids the risks of maintaining or redeveloping HMP Barlinnie, delivers better outcomes for prisoners and staff, and offers long-term savings and improvements across the board.

### 3.6 Sensitivity analysis

To ensure the economic analysis was solid and reliable, a sensitivity analysis was carried out. This analysis looks at how much various factors, such as the costs or benefits, would need to change for a different option to become the better choice based on its BCR, it highlights how much uncertainty or risk is involved in the decision and shows what could happen if the assumptions behind the decision change.

The analysis focuses on how much the costs or benefits of just one option would need to shift - without any change in the other - for it to overtake the preferred option. This gives a clearer picture of how sensitive the decision is to changes in key factors.

Analysts recalculated the BCR and NPV of HMP Glasgow with various tests including increased costs and reduced benefits; the results still favoured HMP Glasgow.

## 4. Management Case

This case focussed on management of the preferred option, Option 3 Build HMP Glasgow. It explained the roles of the Scottish Prison Service (SPS), Scottish Government (SG), and contractors, including how decisions and issues would be managed.

Below is a summary of the Management Case including governance, project plan, construction contractor, contingency for technologies, and risk management.

### 4.1 Governance

The Project is reviewed by SG and the SPS Joint Major Projects Board. The CEO of SPS takes the role of Investment Decision Maker (IDM) in the project. The SPS CEO appointed the Senior Responsible Owner (SRO) for the project. The SRO is accountable for the Project budget and spends.

The Project Director reports directly to them and has day to day accountabilities to ensure the Project delivers against time, cost, quality, and the planned benefits.

The SRO chairs a regular internal Project Board which meets monthly (or additionally, by exception) and includes senior stakeholders from functions that are contributing to the Project, together with representatives of other areas which require oversight of the project.

The Project is scrutinised, including by Scottish Government Internal Audit, and Net Zero Public Sector Buildings (NZPSB) standards assurance.

The legal advisors for SPS are MacRoberts LLP.

### 4.2 Project plan

SPS contracted with AtkinsRéalis to support the project team by providing Project Director and commercial QS Services, which will be augmented by Technical Advisory, Quality and Safety Assurance services, procured through SPS Framework, and where necessary, competitive tender.

The project follows the Royal Institute of British Architects (RIBA) Plan of Work 2020, which has become a well-established reference point when it comes to running a construction project in the UK.<sup>15</sup> The Plan of Work is made up of eight work stages that each address a phase of a project's progression, from start to finish.

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<sup>15</sup> [RIBA Plan of Work](#)

A Quality Log is maintained to track the approval of individual work packages within the Project. A Quality Assurance team is established and contracted by SPS.

Table 4.1 shows the timings for pre-construction and construction works.

Table 4.1: Project timings

Pre-Construction Services	
PCSA Contract Award	Complete July 2022
Construction Contract pricing shared	Complete October 2023
Full Contract Award	Final fixed price June 2024 Scrutiny and negotiation to reduce price August to September 2024. Construction award November 2024. Full Contract Award signed January 2025.
Construction	
Advance Works	August/September 2023
Construction Commence	November 2024
Construction Conclude	2028
Operational Opening	TBC

4.3 Construction contractor

The HMP Glasgow Project contracted Kier Construction for full design through construction.

Kier Construction is an experienced company in the UK for new prison build. Kier Construction recently completed HMP Millsike and HMP Five Wells prior to that, prisons that are very similar to HMP Glasgow and use the same houseblock design template. Both were successfully delivered to time, budget and quality standards. We have had the benefit of lessons learned in the areas of design, build and delivery. Kier Construction have transferred much of the experience and expertise to the HMP Glasgow team.

Lots of different expertise is needed for SPS to advise and check the project. For example, Health and Safety, Fire Safety, Locking the prison. SPS have a team in place to help delivery, which includes their own staff and additional external specialists where they need them.

Kier Construction gave SPS access to all documents throughout the project so they could better feed in what they thought of the design and the project. This has helped Kier Construction and their sub-contractors for example architects, engineers and experts on environmental sustainability.

SPS have a governance structure, workflow and contract process of assurance in place with the Contractor and the major Tier 1 subcontractors.

#### 4.4 Contingency for technologies

An allowance of £15 million has been included within the overall budgetary requirements for the provision of SMART technologies.

These have been explored throughout the pre-construction services stage, and a list of potential SMART technologies has been agreed with the contractor. This list is subject to final confirmation and for future instruction into the contract. Not all the systems identified may ultimately be delivered and new proposals may be included.

This approach was two-fold – final requirements for these systems still must be developed and developments in IT and applications over the next four years may provide further opportunities or render some existing ones obsolete. In effect, SPS are ‘future proofing’ decision making of final requirements.

#### 4.5 Risk management

The overall assessment of Risk within the HMP Glasgow project was considered from tender stage onward. Risks are inherent to any major construction project and may arise at different stages of the project lifecycle.

In the early construction phase, there is a higher likelihood of unforeseen risks as construction begins, and site conditions are fully tested against design assumptions. Risks such as unknown ground conditions, delays in material delivery or supply chain disruptions may occur. SPS has the specific site abnormal risks, the contractor will hold the materials and supply chain etc risks.

In the mid-construction phase risks are more likely related to construction progress and programme risks, such as client variations to scope, contractor performance issues or delays and an escalation in cost due to legislative change or operational requirements.

In the later stages of the project, the risks may typically relate to completion, commissioning and handover, including quality or compliance issues, final account disputes or claims, and delays in obtaining regulatory approval such as a habitation certificate.

#### 4.6 Gate Review

The HMP Glasgow Project was subject to Government Gate Review process reviews; one a strategic assessment and the other a Gate 3 Investment Decision Review.

A Gate review is a control point that acts as a go/no go decision point for a project. It's a formal governance step which provides assurance on the project that the things that need to be done have been done and that it is worth continuing with the project.

The Gate Review process 3 Investment Decision assessment for HMP Glasgow found the project was ready to move forward should funding and approvals be made. The report stated:

*“The need to replace HMP Barlinnie has been recognised for many years. Since this project was established, the team have worked through a comprehensive engagement process to develop an appropriate client brief for the new HMP Glasgow.*

*An experienced Contractor and design team were appointed and have worked effectively with the client team in a highly collaborative environment, to develop design and construction proposals that are fully supported by stakeholders.*

*Two pre-construction contracts have already been let to remediate the proposed site and shorten the construction programme.*

*We have been given considerable evidence of the innovative and well supported plans to use the new buildings to facilitate the changing culture within the prison and deliver wide ranging benefits, including outreach to the local community.*

*This is an early stage in what is a large and complex construction project and there is still work to do to finalise the Business Case and recruit a suitably experienced Project Director.*

*If these issues are managed effectively, and funding is made available, then we have been given a good level of confidence that the Project can deliver the new building and use it to bring about the wide-ranging developments envisaged in management of [HMP Glasgow], thereby ensuring delivery of the defined benefits.”*



## 5. Commercial Case

This case outlined what building HMP Glasgow would need commercially, including contracts and procurement plans.

Below is a summary of the Commercial Case including procurement, socio-economic impact and price determination.

### 5.1 Procurement

To build a new prison, contracts and agreements need to be put in between the client and the companies conducting the work. Public procurement is a way to advertise opportunities to build infrastructure and have various companies write proposals for what they would do and what they would charge. For HMP Glasgow, Crown Commercial Service (CCS) was used.

The project was issued in two parts for tender:

- ❖ Pre-Construction Services Agreement (PCSA) – this is a formal agreement between the client and a contractor before the construction work starts. This is important so that the construction can be planned, designed and the total cost for the design can be worked out based on costs for labour and materials. A PCSA also looks at what could go wrong and suggestions for how to make these risks less likely.
- ❖ Main works

Large construction projects to build new buildings such as a prison are often called capital infrastructure projects. These can be affected by which companies are available to do the building work, called ‘top-tier’ contractors. These can also be affected by which other companies, called sub-contractors, are available to do work for them. Having both types of companies interested and able to do the project at the time the opportunity is being advertised is important.

At the time when contractors were being asked to propose how they would do this project, and what it would cost there were other prison projects being advertised. The UK Government, through their Ministry of Justice (MOJ), had an opportunity out to build 10,000 prison places. So, the companies that want to build prisons had more opportunities to think about than HMP Glasgow.

### 5.2 Socio-economic

The project expenditure will last 2025 through to 2028/29. The PCSA, Enabling Works and subsequent main contract activity helps to maximise the local economic impact of this, including:

- ❖ The procurement required bidders to make a Community Benefits Plan and consider Scottish Government's National Outcomes.<sup>16</sup>
- ❖ The selected Contractor, Kier Construction, is a UK national contractor which will utilise resources based at the HMP Glasgow site and from its offices at Stepps in Glasgow.
- ❖ The selected Contractor has maximised the opportunities for sub-contractors and suppliers which are local to Glasgow and across Scotland. Their commitment to targeting and supporting local suppliers is 50% local employment, 50% spend with local businesses and £200,000 spend with social enterprises. The spend with SMEs is targeted at 40%.
- ❖ Kier Construction has committed to targets including £50,000 in community donations, creation of 100 new sustainable jobs for local people, including 40 sustainable jobs for prison leavers, 50% local employment, 90% offsite local employment and 50 apprentices/trainees
- ❖ The use of a Project Bank Account (PBA) by the appointed Contractor and its participating sub-contractors will ensure they are paid both concurrently and promptly throughout the Works contract.

The operational closure of HMP Barlinnie is within the scope of this Project however the Estate decommissioning project of the HMP Barlinnie site is out with scope. SPS has extensive experience of closing and decommissioning prisons (at least 10 prisons in the past 25 years), most recently HMP&YOI Cornton Vale in 2023, and will utilise this experience to ensure positive outcomes in the decommissioning of HMP Barlinnie. In the past SPS has demolished prisons it no longer requires on some occasions (e.g. HMP Cornton Vale, HMP Aberdeen) and on others has sold the buildings (HMP Peterhead, HMP Dungavel).

The costs of decommissioning are expected to be minimal. In the first stage, as many of the assets, fixtures, fitting and equipment as possible will transfer to HMP Glasgow wherever practicable. Other prisons will then have access to any remaining assets. Anything remaining will be removed by a decommissioning company. Often the decommissioning generates a revenue due to the agent generating a revenue from SPS from assets and equipment that are no longer required.

### 5.3 Price determination

A thorough cost management process was carried out during the second stage of tendering with the contractor to ensure the design stayed within budget. Tenders were assessed using market value principles set by SPS which included ensuring

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<sup>16</sup> See archived webpage- [\[ARCHIVED CONTENT\] National Performance Framework | National Performance Framework](#)

competitiveness and benchmarking. SPS's commercial strategy, which involved iterative review throughout the tender and market value assessment processes, resulted in a project cost reduction of over £100 million since July 2024 without impacting the project's design, quality or scope. The SPS brought in independent specialists to examine the programme and confirm the timeline is achievable and reasonable.

Additional specialists and legal advisors were brought in to review risks and contract terms to reach the final agreed price. The project will be funded over five financial years, from 2024 to 2028. It is designed to deliver local economic and community benefits to contribute to the Scottish Government National Outcomes and create a positive and lasting legacy in the local community. The 'community' refers to all those who work, live in the prison and live locally, meaning the work should support those who are from often disadvantaged communities.

The Contractor, Kier Construction, has dedicated staff on the HMP Glasgow Project committed to delivering meaningful social impact through employment, training, placements, upskilling, mentoring, volunteering and community funding. Their community benefit target outcomes exceed industry benchmarks and includes maximising opportunities for individuals leaving prison as well as supporting local suppliers and Small to Medium-Sized Enterprises (SMEs) and promoting local employment and enterprise. They also plan on long term legacy projects including a community café facility with an operational model which supports individuals as part of a community (be they prisoners or the community to which people return to).

The environment has been considered in the design of HMP Glasgow. In Scotland there are various sources of guidance and accreditation for construction projects. The prison has been registered with the Net Zero in Public Sector Building Standards (NZPSB).<sup>17</sup> This is run by Scottish Futures Trust (SFT) and means achievement through PCSA of the 'Place Based Standard' and delivery targets to achieve all standards.

The costs to run the prison have been considered in the design of HMP Glasgow. The basis is that the new prison takes the same cost to run, and not more, than HMP Barlinnie. Running costs are low due to technologies included in the design.

Costs of a building being constructed and then costs to run a building after it has been finished can depend upon the size of the structure. Therefore, the Gross Internal Floor Area (GIFA) is an important part of the design. In 2019 the estimated GIFA was 65,564 m<sup>2</sup> but with SPS and contractors working together, this has been reduced to 62,199m<sup>2</sup> for the final design.

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<sup>17</sup> [Net Zero Standard](#)

## 6. Financial Case

This case detailed the costs of HMP Glasgow, including how much it will cost to build and run over time.

Below is a summary of the Financial Case including capital costs, reasons for change in costs, alignment to budget objectives and operating costs.

### 6.1 Capital costs

Capital costs are one-time, fixed expenses for the purchase, construction or modification of physical assets such as land or buildings.

In 2019, when the HMP Glasgow project was costed, based upon prices at the time and known costs for similar construction projects, the capital costs were projected to be £400m. However, since 2019, market conditions and the costs of materials, production and labour for construction have all increased and the final cost of HMP Glasgow is now projected at £998.4m.

### 6.2 Reason for change in costs

Reasons for cost increases include the UK leaving the EU, the COVID-19 pandemic, world political uncertainty and conflicts and high inflation in recent years.

For instance, a Construction Materials Price Index (CMPI) is used to compare what construction materials costs. This shows that costs have almost doubled (increased by 43%) from 2019 to May 2024. The cost of labour has also increased from 2019 to 2024. The Office of National Statistics (ONS) reports a 50% rise in the number of vacancies in the construction industry. More vacancies drive up labour costs because it is a more competitive environment for construction companies trying to find workers. Changes in environmental regulations have also impacted the design of HMP Glasgow and will likely impact on the cost of the project.

As mentioned above, the size of the structure impacts the cost of the building. Most major infrastructure projects see the estimated GIFA increase from draft to final design stage. In the case of HMP Barlinnie, the GIFA has reduced by 3,365m<sup>2</sup>.

Quantity Surveyors (QS) are professionals who cost designs of buildings, looking at sources like the indexes above and experience of working on similar projects. In the case of HMP Glasgow, AtkinsReális QS looked at costs for prison builds in other jurisdictions to understand whether costs are reasonable.

There is some concern about the strain on the UK construction industry and supply chain, especially with other major public sector prison projects underway. Smaller subcontractors may struggle financially if public investment becomes more uncertain, increasing company and industry risk.

Another reason for increase in costs is inflation alone adds £46.3 million to the cost.

### 6.3 Alignment with budget objectives

The Scottish Government publishes Infrastructure Investment Plans (IIP) annually as part of their capital programme. In 2011, HMP Glasgow was entered on the IIP, but costs were not known at that time. Additionally, the Scottish Government's capital programme has faced financial pressure due to inflation and less funding than expected from the UK Government. Much of the Justice budget is allocated to essential daily services such as Fire and Rescue and Police, leaving little flexibility to allocate additional funds to HMP Glasgow. However, due to the conditions at HMP Barlinnie, building HMP Glasgow has been identified as a priority.

SPS gets various levels of capital funding each year based on its need and available finance. Capital Spending Reviews for budget allocation are done annually, projecting future budget provision. Two major projects, HMP Highland and HMP Glasgow, take up most of the available funding. Capital allocation for both projects demonstrates political commitment to their completion. Levels of budget allocation are, however, subject to change

Due to budget constraints in 2023-2025, the project timeline for HMP Glasgow has been extended, with completion now expected in 2028 rather than 2026, as was initially expected.

### 6.4 Operating costs

The HMP Glasgow project is expected to deliver major benefits, including improved productivity, efficiency, and better outcomes for those in custody. These benefits have been financially assessed in the Economic Case.

HMP Glasgow has been designed to operate efficiently from a staffing point of view, crucially designed around a shorter regime day, and with the provision of in-cell technology, en-suite showers and a servery in each section, the supervision of many tasks are negated or vastly reduced, freeing up significant time for staff to support, advocate, advise, educate and counsel prisoners. Thus, staff expenditure at HMP Glasgow will be lower than the spend at HMP Barlinnie.

There will also be a significant reduction in utilities costs due to HMP Glasgow operating with modern systems in a modern building. and has been designed to operate efficiently from an energy point of view without the use of gas or the inefficient legacy systems in use in HMP Barlinnie.

These efficiencies mean that the operating costs of HMP Glasgow are less than the current operating costs of HMP Barlinnie, despite its larger capacity. For the total operating costs of each prison, see table 6.1.

Table 6.1. Operating costs of HMP Barlinnie and Glasgow

	HMP Barlinnie	HMP Glasgow
TOTAL OPERATING COST (including Utilities & Maintenance)	£ 41,498,895	£ 40,706,891

## Appendix A: Glossary

Initials	Full Term	Description
BCR	Benefits Costs Ratio	A financial metric used in a cost benefit analysis
BRP	Benefits Realisation Plan	A plan to ensure the benefits of a project can be realised
CCS	Crown Commercial Services	The UK's biggest public procurement organisation, an executive agency of the Cabinet Office
CMPI	Construction Materials Price Index	An indicator of the cost of construction materials in the UK
CPT	European Committee for the Prevention of Torture	A body of the Council of Europe established to prevent torture and inhumane treatment in places of detention across member states
EMG	Executive Management Group (SPS)	An internal group in SPS which advises the Chief Executive on decisions and direction relating to strategy, performance, risk and finance.
FBC	Full Business Case	A structured document which provides justification for undertaking a project, identifying the chosen option and adding detail to the OBC
GIFA	Gross Internal Floor Area	The total internal floor space of a building
HMP	His Majesty's Prison	The prison system in the United Kingdom
HMIPS	His Majesty's Inspectorate of Prisons for Scotland	Scottish public body which carries out a regular inspection of Scotland's prisons
HMPPS	His Majesty's Prisons and Probation Service	An executive agency of the MOJ, responsible for correctional services
IIP	Investment Infrastructure Plan (SG)	A plan which outlines a strategic approach to infrastructure development for Scotland
MOJ	Ministry of Justice	Ministerial UK Government department responsible for the country's justice system
NPM	National Preventative Mechanism	A group of 21 member organisations which independently monitor places of detention across the UK
NPV	Net Present Value	A financial metric used in a cost benefit

		analysis
NZPSB	Net Zero Public Sector Buildings	A voluntary standard applicable across all new or major refurbishment construction projects, intended to support public bodies to achieve Net Zero objectives
OBC	Outline Business Case	A document which identifies the spending option which optimises value for money for a project, a precursor to the FBC
ONS	Office for National Statistics	The largest independent producer of official statistics and the recognised national statistical institute of the UK
PBA	Project Bank Account	A ring-fenced account which sees payments made directly by a public sector client to members of the construction supply chain
PCSA	Pre-Construction Services Agreement	A contractual agreement outlining the services that will be provided before a project's construction phase begins
QS	Quantity Surveyors	Professionals with expert knowledge of construction costs and contracting
RIBA	Royal Institute of British Architects	A global professional membership body for architects, primarily in the UK but also internationally
SFT	Scottish Futures Trust	A public body which supports sustainable infrastructure projects across Scotland
SG	Scottish Government	The devolved government for Scotland
SMART Objectives	Objectives that are Specific, Measurable, Achievable, Relevant, and Time-bound	A framework for setting clear and achievable goals
SME	Small to Medium-Sized Enterprise	Businesses whose personnel and revenue numbers fall below certain limits
SOCG	Serious and Organised Crime Groups	Groups who commit criminal activities which are planned and coordinated
SPS	Scottish Prison Service	The executive agency of the Scottish Government which looks after people in



		custody in Scotland, as well as their families and victims of crime
SRO	Senior Responsible Owner	The ultimately accountable party for a programme or project meeting its objectives, delivering outcomes and realising benefits
SRU	Separation and Reintegration Unit	A part of Scottish prisons which are designed to house prisoners held in segregation
STEV	Social and Total Economic Value	A metric which expresses total amount of social value generated, as a percentage of total project value
STPR	Green Book Social Time Preference Rate	The rate in the Treasury Guidelines which refers to how much society values current consumption over future consumption
VC	Video Court	Court hearings conducted remotely though video conferencing technology
VFM	Value for Money	The relationship between the cost of something and the quality or utility derived from it
VIPER	Video Identification Parades Electronic Recording	A digital system for conducting identity parades using a collection of pre-recorded videos of people, used to identify suspects