



Accelerated Houseblocks Delivery Programme Summary Business Case – PBC3B Addendum to Programme Business Case 3 (PBC3) Valid From 10 March 2026

1. Strategic case

Context and Rationale

- 1.1. The Ministry of Justice (MoJ) faces an urgent need to increase prison capacity to maintain public safety and uphold the justice system.
- 1.2. The Government's 10-Year Prison Capacity Strategy (2024) commits to delivering 14,000 additional places, with the aim to do so by 2031. The expansion at HMP Hindley directly supports that commitment and aligns with wider government priorities, including the Safer Streets Mission and the Crime and Policing Bill, which are likely to increase demand for custodial spaces.
- 1.3. Main construction for the other five expansion projects within the Accelerated Houseblocks Delivery Programme (AHDP) is underway and will contribute significantly to meeting the Government's commitment, although the cost to deliver is expected to be higher than originally anticipated.

Strategic Fit

- 1.4. The programme aligns with the 10-Year Prison Capacity Strategy (December 2024) and the Annual Statement on Prison Capacity (29 January 2026), contributing 2,887 places towards the commitment to deliver the remaining 14,000 places by 2031, and meeting MoJ sustainable construction requirements (BREEAM Outstanding ambition; Excellent minimum).
- 1.5. MoJ and HMPPS Objectives:

- Punishment that cuts crime¹:

¹ MoJ Justice Delivery Plan 2025-26 and HMPPS Business Plan 2025-26



- **Sustainable prison capacity: Supply** – Ensure sufficient prison capacity and support planning reforms for criminal justice infrastructure
- **Delivering services that break the cycle of reoffending** – Deliver access to education and employment opportunities for people in prison and on probation to increase their chances of leading law-abiding lives in the community, by enhancing purposeful activity

1.6. The Hindley expansion will deliver 741 Category C places in a modern T60² houseblock design, improving safety, security, and operational resilience. Ancillary upgrades, including a replacement permanent kitchen and activity spaces, will enhance rehabilitation opportunities and staff working conditions.

Case for Change

1.7. Around two thirds of the prison estate was built in the Victorian era or mid-20th century (1940s–1970s), making it difficult to run modern regimes and costly to maintain; renewal and additional capacity are required.

1.8. The Hindley rescope addresses:

- Capacity and regional demand: delivers additional Category C trainer and resettlement places in the North West, where occupancy and deficits remain high.
- Operational decency and safety: modern T60 accommodation (primarily single cells with some purpose-built doubles) and upgraded ancillaries improve supervision and regime delivery.
- Sustainability and future-proofing: designed to meet MoJ sustainable construction requirements with BREEAM Outstanding ambition (Excellent minimum) and Net Zero alignment.

1.9. The revised scope delivers 741 places through three 4-storey T60 houseblocks plus necessary ancillaries and refurbishments; costs have increased due to reorientation and site topography, perimeter extension and additional groundworks.

Key Objectives

1.10. The key objectives are to:

- Deliver 741 additional Category C places by November 2030.

² A T60 houseblock uses a design that takes the shape of a cross and accommodates around 60 prisoners per storey, designed to improve security, safety and decency.



Ministry
of Justice

MOJ
PROJECT
DELIVERY

- Improve prisoner outcomes through modern accommodation and activity spaces.
- Enhance staff safety and working conditions.
- Support sustainability and social value commitments.
- Maintain the critical path for delivery to avoid systemic capacity risk.



2. Economic case

Options Shortlist

2.1. Options considered at PBC3B Addendum stage to address capacity pressures at Hindley:

Option 0: Community sentence counterfactual (including costs to remediate construction and stop the project)

- Stop construction and do not build a new houseblock at HMP Hindley. Instead, use community sentences to provide 741 places under probation supervision.
- This hypothetical scenario was chosen to fully illustrate the costs and benefits of prison capacity against alternatives but does not necessarily reflect operational and legislative feasibility.
- Ministers have a statutory duty to give effect to the sentences imposed by the courts. With our latest (October 2025) projections showing a sustained need for prison capacity in the Greater Manchester/Northwest region, and a comprehensive assessment of the HMPPS estate having been undertaken, there are no viable locations that would constitute a counterfactual.

Option 1: Hindley AHDP expansion (Preferred Option)

- Construction of three new 4-storey T60 houseblocks and supporting ancillaries/refurbishments at HMP Hindley to provide 741 Category C places.

Analysis Method

2.2. The department applied social cost-benefit analysis (CBA) in line with HM Treasury Green Book guidance.

2.3. Net Present Social Value (NPSV) was estimated for each option, based on monetised costs and benefits.

2.4. Non-monetised impacts for the Criminal Justice System were also considered to inform overall Value for Money (VfM).

2.5. Sensitivity analysis was undertaken to test key uncertainties (counterfactual costs and benefits assumptions).

Costs, Benefits, and Risks

2.6. Monetised costs, benefits and NPSV

Option 0: Community sentence counterfactual

- Costs: operational running costs, costs to stop construction.



- Benefits: none monetised – community sentences are compared to custodial sentences in the monetised benefits for Option 1.
- NPSV: -£137.9m (monetised impacts only, 60-year appraisal period).
- Risks: continued regional capacity deficit, operational and reputational impacts from not delivering places, and additional pressures across the justice system.

Option 1: AHDP expansion (Preferred option)

- Costs: construction and operational running costs.
- Monetised Benefits: custodial sentence benefits (compared to community sentence), improvements to prison design over existing estate.
- NPSV: -£382.1m (monetised impacts only).
- Relative NPSV: -£244.2m (Option 1 versus Option 0).
- Risks: Construction delays leading to delivery and cost pressures in a volatile construction market

2.7. Non-monetised benefits:

- Delivers strategically required Category C capacity in Greater Manchester and the wider North West, where projections show deficits in 2030 and beyond.
- Maintains confidence in the Criminal Justice System, with sufficient capacity supported by HMP Hindley
- Reduces reliance on emergency measures to maintain stability (e.g. Operation Safeguard and early release schemes).
- Provides modern, decent accommodation and ancillary provision that supports safer operations and rehabilitative regimes.

Rationale for Preferred Option

2.6 Despite a negative monetised NPSV, significant non-monetised impacts support Hindley being VfM.

2.7 Lack of faster alternatives suggest Hindley is the best option to avoid emergency measures and maintain stability in prison estate.



3. Commercial case

Procurement Strategy

3.1. The commercial strategy remains as set out in PBC3. Hindley is the final AHDP project to progress to main works; negotiations on Hindley terms and conditions are complete and contract execution is ready upon approval.

3.1.1. Delivery Model

- Hindley will be delivered through the established AHDP alliance model and staged commercial process, limiting abortive expenditure and aligning points of commitment with progressive design maturity.

3.1.2. Market Engagement

- Supply chain capability has been confirmed; maintaining certainty of investment decisions is critical to sustain capacity, manage insolvency risk and secure long-lead manufacturing slots.

3.1.3. Collaborative Bulk Buying

- Cost avoidance continues to be pursued through the near-identical T60 design, shared learning and economies of scale across AHDP and the wider prison supply portfolio.

3.1.4. Commercial Objectives

- Commercial activity focuses on active supplier engagement, reducing undefined provisional sums as designs mature, and managing market volatility and inflationary pressures.

Contractual Arrangements

3.2. The contractual arrangements are as follows:

3.2.1. Form of Contract

- Contractors were appointed via the existing framework approach and FAC-1 alliance model; Hindley sits within Package 1 alongside Wayland and Highpoint, with Wates as the main contractor.

3.2.2. Risk Allocation

- Risk allocation reflects fixed price for main construction, with client risks managed through QRA-based contingency and a structured change control process; mechanisms to suitably address future material inflation risk are being developed across the sub-portfolio



3.2.3. Performance Management

- Contracts include performance measures covering programme milestones, cost control, health and safety, security and sustainability outcomes.

Commercial Governance

3.3. Commercial governance includes assurance over contract administration, benchmarking of contractor costs, and escalation through programme governance where required.



4. Financial case

Funding and Impact on Public Sector Finances

4.1. The Hindley expansion will be funded through the Accelerated Houseblocks Delivery Programme (AHDP) capital allocation within the Ministry of Justice's prison capacity budget.

- Funding Source: Capital Departmental Expenditure Limit (CDEL) for construction and Revenue Departmental Expenditure Limit (RDEL) for operational costs post-completion.
- Impact: Increases near-term capital outlay, which is affordable, but delivers long-term efficiency through lower operating costs including lower energy use (incorporating sustainability features such as all-electric design, solar panels and heat pumps) compared to earlier T60 designs. The expansion also helps to mitigate the need for costly emergency measures. Whole-life costs include construction, commissioning, ongoing maintenance expenditure and operational expenditure.

4.2. The AHD programme has experienced cost increases across all projects since PBC3 was approved by HM Treasury in 2023. This is due to a combination of factors including market volatility, inflationary impacts and changes to requirements. These cost increases will be funded through the AHDP capital allocation.

Financial Costs of Preferred Option

4.3. The whole-life costs (WLC) of the preferred option for the Hindley expansion are:

- Whole-Life Cost: £5,932m over 70 years (10 years development and delivery, 60-year lifespan post-completion).
- Full cost modelling for the AHD Programme is not within scope of this addendum. Therefore, revised programme WLC is not available.

Assumptions Underpinning Cost Profiles

4.4. The assumptions underpinning the cost profiles are as follows:

- Inflation adjustments based on specific deflators for each cost element
- Contingency allowances for design changes and market volatility
- Phased expenditure aligned with programme milestones

No major policy shifts impacting prison population forecasts.

Key Financial Risks



4.5. The key financial risks are:

- Cost Escalation: Driven by any required changes to scope/design, unforeseen ground conditions, market dynamics, inflation and supply chain volatility.
- Funding Availability: Risk of budgetary pressures both within the AHDP and across the wider prison capacity programme.
- Programme Delays: Could lead to prolongation costs and delays to prison places being operational.



5. Management case

Delivery Plan

5.1. The project will be delivered under the Accelerated Houseblocks Delivery Programme (AHDP) framework, ensuring consistency and speed across the prison estate.

Key Activities and Milestones

5.2. The Key activities and milestones are:

- Main Works Contract Execution – Q4 2026
- Start of Main Construction – Q2 2027
- Main Construction Practical Completion – Q3 August 2030
- First Prisoner Date – Q4 2030

5.3. Dependencies include timely planning consent, availability of skilled labour and materials, and coordination with other AHDP projects to avoid resource conflicts.

5.4. Governance arrangements remain as established in PBC3A, including oversight by a dedicated Programme Board with representation from MoJ, HMPPS, and delivery partners, regular reporting through AHDP governance structure, and gateway reviews at key decision points.

Risk Management

5.5. Risks will be managed through programme and project risk registers and the costed risk process, reviewed through the RAID Board and escalated via the Programme Board as required.

Key Risks

5.6. The key risks are:

- Delivery timelines may be affected by external and internal decision-making processes.
- Readiness and completion may depend on a range of interdependent activities being delivered on time.
- Capacity and capability constraints may impact pace of delivery and transition into operation.
- Wider market conditions may affect cost, availability of resources, and delivery confidence.

Mitigation Strategies

5.7. Our mitigation strategies for these risks include:



- Maintain momentum through effective governance and forward planning to support delivery timelines.
- Use robust programme controls to identify issues early, manage risks, and escalate where needed.
- Coordinate readiness activity across key delivery partners and apply learning to strengthen delivery confidence.

Evaluation Plan

5.8. Our Evaluation Plan for the AHDP as a whole includes:

5.4.1. Objectives

- Assess delivery against time, cost and quality targets, including readiness for handover and first prisoner date at Hindley and other AHDP sites.
- Use the Prison Estate Evaluation Strategy and Theory of Change to examine expected impacts of modern T60 accommodation on safety, decency, staff and prisoner outcomes, and to capture lessons learned across sites.

5.4.2. Methodology

- Combination of process evaluation during delivery and impact evaluation after operationalisation (HMP Bullingdon and Elmley).

5.4.3. Reporting

- Findings will be shared through programme governance and used to inform future prison supply delivery and benefits reporting.