



# Accelerated Houseblocks Delivery Programme Summary Business Case – Wayland Addendum to Programme Business Case 3 (PBC3) Valid From August 2025

## 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 by 2031. This expansion at HMP Wayland 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.

### Strategic Fit

- 1.3. In September 2024, the Lord Chancellor approved three new strategic outcomes for the Ministry of Justice. The delivery of the expansion at HMP Wayland supports the achievement of one of these, namely: .

*Rebuilding confidence in the criminal justice system by: Protecting the public and reducing reoffending with a sustainable and effective prisons and probation service.*

- 1.4. The Wayland project contributes to MoJ and HMPPS objectives and contributes to the ministerial mandate of delivering an additional 14,000 prison places by 2031, announced by the Lord Chancellor in December 2024.



### 1.5. MoJ and HMPPS Objectives:

- Punishment that cuts crime<sup>1</sup>:
  - **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 expansion will deliver 247 Category C places in a modern T60<sup>2</sup> 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. Over three in five (62%) prisons were opened more than 50 years ago, and over a quarter in the Victorian era or earlier, making them costly to maintain and less suitable for modern regimes.

1.8. . The Wayland expansion addresses:

- Capacity pressures: Reduces crowding and reliance on temporary measures.
- Operational efficiency: Provides single-cell accommodation with some risk-assessed doubles, improving safety and regime delivery.
- Futureproofing: Meets BREEAM 'Outstanding' standards, supporting MoJ's Net Zero Carbon commitment by 2050.

1.9. The re-scoped project maximises the site footprint by adding two extra storeys, delivering economies of scale and reducing cost per place. It also includes a new kitchen to replace end-of-life facilities, ensuring operational continuity.

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<sup>1</sup> MoJ Justice Delivery Plan 2025-26 and HMPPS Business Plan 2025-26

<sup>2</sup> 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.





## Key Objectives

1.10. The key objectives are to:

- Deliver 247 additional Category C places by November 2028.
- 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 PBC3 Addendum stage to address capacity pressures:

#### Option 0: Community sentence counterfactual<sup>3</sup>

- Stop construction and do not build a new houseblock at HMP Wayland.
- Instead, use community sentences to provide 247 additional 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 forecasts showing a sustained need for prison capacity, and a comprehensive assessment of the HMPPS estate having been undertaken, there are no viable locations that would constitute a counterfactual.

#### Option 1: AHDP expansion (Preferred Option)

- Construction of a new T60 houseblock at HMP Wayland delivering 247 Category C places, plus ancillary upgrades (kitchen, activity spaces).

### 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).

### **Costs, Benefits, and Risks**

2.5. 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: -£64m (including monetised impacts only).
- Risks: prison estate overcrowding/critical capacity, operational burden on probation services, difficulty in delivery of further community alternatives or demand-side policies, reputational harm.

#### **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: -£158m (including monetised impacts only).
- Marginal NPSV: -£94m (relative to Option 0).
- Risks: Construction delays, inflationary pressures, planning constraint.

2.6 Non-monetised benefits:

- Addresses national Category C capacity pressures, especially in London and the South-East.
- Maintains confidence in the Criminal Justice System, with sufficient capacity supported by Wayland AHDP.
- Reduces the risk of emergency measures to maintain stability.



Ministry  
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### Rationale for Preferred Option

- 2.7 Despite negative monetised NPSV, significant non-monetised impacts make Wayland AHDP VfM.
- 2.8 Current occupancy levels and lack of faster alternatives suggest Wayland is the best option to avoid emergency measures and maintain stability in the prison estate.



### 3. Commercial case

#### Procurement Strategy

3.1. The procurement approach for the Wayland expansion aligns with the Cabinet Office's Construction Playbook and Sourcing Playbook principles, ensuring transparency, value for money, and risk mitigation.

##### 3.1.1. Delivery Model

- The project will be delivered through the Accelerated Houseblocks Delivery Programme (AHDP) alliance procured via the Crown Construction Services CWAS 2 framework, leveraging strategic supplier relationships to expedite mobilisation and maintain consistency.

##### 3.1.2. Market Engagement

- Robust supply chain identified that has the capability and capacity to deliver the houseblock at Wayland.

##### 3.1.3. Collaborative Bulk Buying

- Opportunities identified to achieve significant savings through use of the near-identical design and collaborative bulk purchasing strategies leveraging economies of scale with other projects in the MoJ's wider portfolio outside the Accelerated Houseblocks Delivery Programme.

##### 3.1.4. Commercial Objectives

- Focus on high levels of engagement throughout the supply chain to maintain confidence and manage the risk of supply chain solvency. Our approach in packaging work in stages contributes to limiting the extent of abortive expenditure, whilst optimising points of commitment alongside progressive levels of design maturity.

#### Contractual Arrangements

3.2. The contractual arrangements are as follows:

##### 3.2.1. Form of Contract

- The appointment of contractors has not changed from the original programme business case where each Management Contractor was allocated 3 work packages referred to as Package 1 and Package 2 and



were awarded the Stage 1 Pre-Construction Services under a FAC-1 Contract procured through the Crown Commercial Construction Works and Associated Services Framework RM6088: Lot 5. Wayland sits within Package 1.

### **3.2.2. Risk Allocation**

- Risks such as inflation, supply chain disruption, and design changes will be owned by the party or parties that are best placed to manage it. Department retains strategic risks; supplier assumes delivery risks.

### **3.2.3. Performance Management**

- Contracts will include KPIs covering programme milestones, cost control, health and safety, and sustainability outcomes.

## **Commercial Governance**

3.3. A dedicated Commercial team will oversee procurement activities, supported by the Government Commercial Function. Gateway reviews will ensure compliance with best practice and provide assurance at key decision points.



## 4. Financial case

### Funding and Impact on Public Sector Finances

4.1. The Wayland 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 – incorporating lessons learnt, there is a reduction of circa 70% energy use from the grid compared to earlier T60 designs – and helps to mitigate the need for costly emergency measures. Whole-life costs include construction, commissioning, ongoing maintenance expenditure and operational expenditure.

### Financial Costs of Preferred Option

4.2. The whole-life costs (WLC) of the preferred option are:

- Whole-Life Cost: £1,987m over 69 years (9 years development and delivery, 60-year lifespan post-completion)

### Assumptions Underpinning Cost Profiles

4.3. 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

4.4. 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 Contract Award – Q3 2025
- Start of Main Construction – Q1 2026
- Main Construction Practical Completion – Q3 2028
- First Prisoner Date – Q4 2028

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 involve 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 a comprehensive risk register, updated monthly, and reviewed at the Wayland Project Board meetings. Risks can be escalated to the AHDP Board Meeting for consideration if required.

### Key Risks

5.6. The key risks are:

- Construction delays due to supply chain constraints.
- Cost escalation due to market volatility.
- Unforeseen site and/or ground conditions.
- Resource availability.



## Mitigation Strategies

5.7. Our mitigation strategies for these risks include:

- Early contractor involvement
- Contingency allowances in cost profiles
- Active stakeholder engagement

## 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; evaluate operational performance post-implementation (HMP Wayland-specific work).
- Learn wider lessons to inform future delivery and implementation of T60 houseblocks, examine impacts on HMPPS measures outlined in the ADHP business cases (e.g. improved safety) and examine costs in relation to benefits (based on work at HMP Bullingdon and Elmley).

### 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 inform future AHDP projects and wider prison capacity strategy.