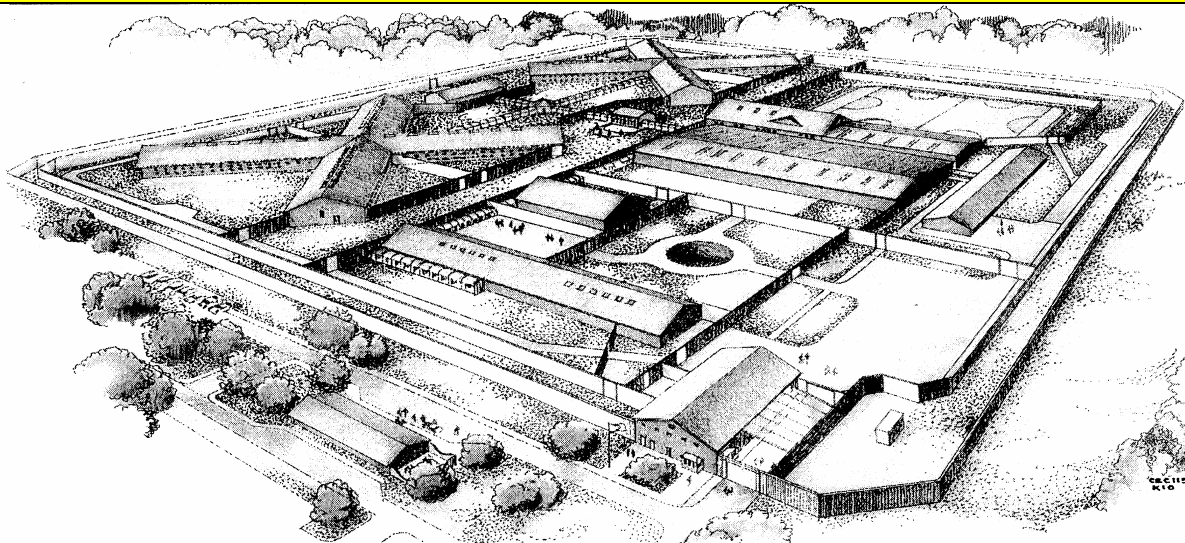


# PPP DATA SHEET

## HM PRISON KILMARNOCK

### SCOTTISH PRISON SERVICE



#### Background

In June 1996, the Scottish Prison Service (SPS) purchased land just outside Kilmarnock, as the site for a new 500 cell Category B prison. Additional accommodation was urgently required by SPS to reduce pressures within the existing prison estate.

Following a detailed and demanding procurement process which began in October 1996, the first PFI prison contract in Scotland was awarded to Kilmarnock Prison Services Limited (KPSL) on 10 November 1997.

The prison became operational on 25 March 1999, less than 17 months after contract signature .

#### Features and Benefits

- The contract required KPSL to design and construct the prison as well as to maintain, finance , and operate it for a period of 25 years.
- KPSL bore all the construction risks and for the 25 year period of the contract will bear the operation, maintenance and availability risks.
- Payments by SPS are made to the operator on the basis of the number of available prisoner places. Payments are subject to deductions for failure to meet agreed levels of performance.

- The contract has produced considerable savings against the traditional procurement route in both capital and operational costs.
- Fast track construction meant that much needed prisoner accommodation was delivered earlier than under traditional methods.
- East Ayrshire is an area of high unemployment and the prison makes a significant contribution to the local economy with the majority of staff being from the local area.

#### Facts

**Sponsor:** SPS

**Consortium:** KPSL

**Capital Value:** £32m

**Net Present Value:** £130m

**Contract Length:** 25 years

**Advisers to SPS :-**

**Financial:** Coopers & Lybrand

**Legal:** The Scottish Office Solicitors Office (external support provided by Shepherd and Wedderburn)

**Technical:** Mouchel Consulting Limited (Independent Engineer and Contract Compliance Monitor)

**Consortium Members and Advisers:**

**Operator:** Premier Prison Services Limited

**Construction sub-contractor:** Kvaerner Construction Limited

**Architects:** EC Capita

**Financial Advisers:** Lazard Brothers & Co

**Legal Advisers:** Allen & Overy



# *PPP DATA SHEET*

**Senior Lenders:** Bank of Scotland, Credit Lyonnais UK  
and Dai-ichi Kangyo Bank Ltd

**SPS Contact:** Custodial Contracts, SPS, Room 102  
Calton House, 5 Redheughs Rigg, Edinburgh, EH12  
9HW, Tel 0131 244 8719

**Status:** Operational

