

Summary: Intervention & Options

Department /Agency:
Ministry of Justice

Title: Engaging Communities in Criminal Justice – Green Paper
Impact Assessment of Chapter 1: Prosecution and the
Courts – responding to community concerns about
crime

Stage: Decision Stage

Version: 4.0

Date: 19 February 2010

Related Publications: Related Publications: “Engaging Communities in Criminal Justice”, available at:
<http://consultations.cjsonline.gov.uk/engagingcommunities>

Available to view or download at:

<http://www.cjsonline.gsi.gov.uk>

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What is the problem under consideration? Why is government intervention necessary?

Although public confidence in the Criminal Justice System (CJS) is rising, it still remains relatively low. The CJS as a whole is working towards Public Service Agreement targets (PSAs) which ask the CJS and local partners to work effectively with each other and with (and for) the public. Because operating the CJS is a government responsibility, government intervention may be justified to increase public confidence in the CJS.

What are the policy objectives and the intended effects?

The policy objective is to improve public confidence in the Criminal Justice System. In addition to raising public confidence itself, one of the intended effects is to improve the way the CJS works. The aim is to achieve this by:

- Improving the quality and consistency of the services;
- Improving the experience of all those who use and work in - or with - the CJS;
- Responding effectively and proportionately to the concerns of the communities we serve; and
- Improving criminal justice outcomes for all.

What policy options have been considered? Please justify any preferred option.

Option 0: Do nothing

Option 1: Implement all of the proposals contained in Chapter 1 of the Green Paper except proposition 10 (establishing a system of hallmarks for magistrates' courts).

Option 2: Introduce some of the proposals contained in Chapter 1 of the Green Paper – all except proposition 10, 7 and part of proposition 4 (rolling out S178 review powers only).

Option 2 is favoured as this should raise public confidence in the CJS in the most cost effective way.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The policy should be reviewed once the proposals have bedded down and once sufficient evidence has been collected to inform an assessment.

Ministerial Sign-off for Decision Stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that the assessment (i) represents a fair and reasonable view of the expected costs, benefits and impact of the policy and (ii) the benefits justify the costs.

Signed by the responsible Minister:

..... Date.....

Summary: Analysis & Evidence

Policy Option: Option 1 (implement all except proposition 10)	Description: Community Prosecutors, Community Impact Statements, problem-solving in the magistrates' courts, judicial continuity and reviews of community orders, further use of community justice, refocusing the roles of the judiciary on community engagement and problem-solving.
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups'. The costs of these proposals can be grouped into three main categories (estimated total cost over 10 years to the nearest £10m, all in Present Value terms):
	One-off (Transition)	Yrs	
	£8.5m		
	Average Annual Cost (excluding one-off)		
	£25.5m	10	Total Cost (PV) £215m
Other key non-monetised costs by 'main affected groups': It has not been possible to calculate the value of all downstream impacts on CJS agencies.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups':
	One-off	Yrs	
	£		
	Average Annual Benefit		
	£		Total Benefit (PV) £
Other key non-monetised benefits by 'main affected groups': Increased public confidence in the CJS.			

Key Assumptions/Sensitivities/Risks: Some of the assumptions used reflect best assessments from indicative pilot evidence. The NPV range below does not include the sensitivity applied to proposal 3 on problem solving costs. It is assumed that all resources included in this option are additional to those currently allocated primarily to increasing confidence. .

Price Base Year: 2008/9	Time Period Years 10 yrs	Net Benefit Range (NPV) -£224m to -£215m	NET BENEFIT (NPV Best estimate) -£215m
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What is the geographic coverage of the policy/option?				England and Wales	
On what date will the policy be implemented?				N/A	
Which organisation(s) will enforce the policy?				CJS agencies	
What is the total annual cost of enforcement for these organisations?				£	
Does enforcement comply with Hampton principles?				Yes	
Will implementation go beyond minimum EU requirements?				No	
What is the value of the proposed offsetting measure per year?				£ 0	
What is the value of changes in greenhouse gas emissions?				£ 0	
Will the proposal have a significant impact on competition?				No	
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		Yes/No	Yes/No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)				(Increase - Decrease)	
Increase of	£ 0	Decrease of	£ 0	Net Impact	£ 0

Policy Option: Option 2 (implement all except proposition 7, 10 and proposition 4)	Description: Community Prosecutors, Community Impact Statements, problem-solving in the magistrates' courts, further use of community justice, refocusing the roles of the judiciary on community engagement and problem-solving.
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups'. The costs of these proposals can be grouped into three main categories (estimated total cost over 10 years to nearest £10m, all in Present Value terms): <ul style="list-style-type: none"> • Opportunity costs of resource usage to Government (£70m) • Costs to 3rd sector organisations and society (£70m) • Financial costs to the Government (£10m)
	One-off (Transition)	Yrs	
	£3.65m		
	Average Annual Cost (excluding one-off)		
£18.15m	10	Total Cost (PV)	£141m
Other key non-monetised costs by 'main affected groups': It has not been possible to calculate the value of all downstream impacts on CJS agencies.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'.
	One-off	Yrs	
	£		
	Average Annual Benefit (excluding one-off)		
£		Total Benefit (PV)	£
Other key non-monetised benefits by 'main affected groups' : Increased public confidence in the CJS.			

Key Assumptions/Sensitivities/Risks Some of the assumptions used reflect best assessments from indicative pilot evidence. The NPV range below does not include the sensitivity applied to proposal 3 on problem solving costs. It is assumed that all resources included in this option are additional to those currently allocated primarily to increasing confidence. .

Price Base Year: 2008/9	Time Period Years 10 yrs	Net Benefit Range (NPV) -£150m to -£141m	NET BENEFIT (NPV Best estimate): -£141m
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What is the geographic coverage of the policy/option?		England and Wales		
On what date will the policy be implemented?		N/A		
Which organisation(s) will enforce the policy?		CJS agencies		
What is the total annual cost of enforcement for these organisations?		£		
Does enforcement comply with Hampton principles?		Yes		
Will implementation go beyond minimum EU requirements?		No		
What is the value of the proposed offsetting measure per year?		£ 0		
What is the value of changes in greenhouse gas emissions?		£ 0		
Will the proposal have a significant impact on competition?		No		
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of	£ 0	Decrease of	£ 0
Net Impact		£ 0	

Evidence Base (for summary sheets)

1. Introduction and Background

1. The Government has an objective to increase public confidence in the CJS, as set out in the new criminal justice Public Service Agreement targets (PSAs). This can only be achieved if criminal justice services and local partners work effectively with each other and with (and for) the public. The PSAs are; 23 (Make communities safer); 24 (Deliver a more effective, transparent and responsive CJS for victims and the public), and; 25 (Reduce the harm caused by alcohol and drugs). This is to be done through:
 - a. Improving the quality and consistency of the services provided;
 - b. Improving the experience of all those who use and work in - or with - the CJS;
 - c. Responding effectively and proportionately to the concerns of communities served; and
 - d. Improving criminal justice outcomes for all and providing assurance to communities that the CJS is delivering on its core aims of punishment and reform.
2. On 29th April 2009 the Ministry of Justice (MoJ) published the Green Paper “Engaging Communities in Criminal Justice¹”, which contained a set of proposals to improve the work of the CJS in meeting its Public Service Agreements, in particular to improve public confidence and the level of service provided to the public. The Green Paper also provided an opportunity for the Ministry of Justice to set out its thinking in response to the proposals in the Cabinet Office Review of Crime and Communities (the Casey Review) and to enable a consistent approach to the recent Policing Green and White Papers.
3. The Green Paper “Engaging Communities in Criminal Justice” was subject to a full public consultation which ran until 31st July 2009. The consultation received a total of 631 responses, which together suggest support, or strong support, for the majority of the Green Paper proposals. A summary of these responses has been published alongside this document.
4. The Green Paper and the consultation were built around three primary aims, summarised below. This IA analyses the costs and benefits associated with proposals supporting Aim A:

A: Strengthening the connections between communities and their prosecution and court services - building on the success of Community Justice and the problem-solving approach to help the community and enable offenders to reform and to make amends.

B: Ensuring that justice outcomes are more responsive and more visible - Increase visibility and responsiveness of Community Payback and other forms of reparation and compensation so that justice is delivered and seen to be delivered, and promoting the use of Restorative Justice to increase victim satisfaction.

C: Keeping communities informed, getting people involved, empowering communities - empower communities by improving information the public receives about case outcomes: ensuring the public can see a real connection between the crime and the punishment (and reform) meted out in response.

¹ <http://consultations.cjsonline.gov.uk/?conid=1>

2. Scope of the Impact Assessment

5. The formal options are currently:

Option 0: Do nothing (the baseline case).

Option 1: Implement all Proposals except Proposal 10 (introducing a system of Hallmarking for magistrates' courts).

Option 2: Implement all Proposals except Proposal 4 (rolling out of review powers under section 178 of the Criminal Justice Act 2003), Proposal 7 and Proposal 10.

6. The Proposals supporting Aim A included:

Proposal	Description
1	The Community Prosecutor Approach
2	Introducing Community Impact Statements (CISs) as a problem-solving and engagement tool
3	Introducing problem-solving principles to all magistrates' courts
4	Improving judicial continuity from hearing to hearing and roll out of review powers under Section 178 of the Criminal Justice Act 2003
5	Creating one or more co-located Community Justice project(s) in a suitable existing magistrates' court building
6	Creating dedicated, multi-agency Community Justice teams (not co-located) to handle suitable cases
7	Re-focusing the role of District Judges (Magistrates' Courts) and volunteer magistrates explicitly to include adoption of the problem-solving approach and a requirement to engage with local communities
8	Involving community representatives in the appointments and deployments process for District Judges (Magistrates' Courts)
9	Developing further strategies for ensuring that magistrates are reflective of the diverse communities they serve
10	Introducing a system of Hallmarking for magistrates' courts to work towards "Justice in the Community" status

7. The stakeholder groups and organisations in the scope of these proposals are chiefly the courts, the CPS, the judiciary, the police, and third sector problem-solving providers. Some of the proposals are aimed at all members of the general public (proposals 3, 4, 7, 8, 9 and 10), whilst others are aimed initially at those living in the areas of greatest need, and are currently being implemented in 30 pathfinder locations² across England and Wales (proposals 1, 2, 5 and 6).

² Four measures: Community Prosecutors; Community Impact Statements; Community Justice Teams; and Citizens Panels are being introduced in 30 locations. These are Hackney, Newham, Tower Hamlets, Haringey, Islington, Barking and Dagenham, Lambeth, Waltham Forest, Greenwich, Brent, Liverpool, Knowsley, Halton, Manchester, Salford, Rochdale, Nottingham,

8. Proposal 10 (introducing a system of Hallmarking for Magistrates' Courts) is not going ahead. For this reason, no attempt has been made to assess the costs and benefits the proposal would have had.

3. Problem under consideration

9. The problem is disproportionately low confidence in the Criminal Justice System, despite falling levels of reported crime.
10. The PSA 24 Delivery Agreement states that:
*"Public confidence in the fairness and effectiveness of criminal justice is essential. Low public satisfaction and confidence lead to unnecessary fear of crime and insecurity, and mean that the public is less likely to report crime or act as witnesses."*³
11. There is also some academic support for the assertion that confidence matters in itself:
*"Building or retaining public confidence is a central aspect of police performance, not least because in a democratic society (at least in the sense that this term is understood in the UK) people have the right to feel that the police both represent and serve them."*⁴
12. Current indications are that confidence could be improved. The latest figures from the British Crime Survey (June 2009 update)⁵ shows that the percentage of people who are confident that the CJS as a whole is effective is 39%, whilst the percentage of people who are confident that the CJS as a whole is fair is 59%.
13. It is also possible that if we do not take steps to improve the responsiveness of the criminal justice services there is a risk that confidence might stagnate or fall.

4. Cost Benefit Analysis

Analytical Principles

14. This Impact Assessment (IA) identifies as far as possible both monetised and non-monetised impacts from society's perspective, with the aim of understanding what the net social impact to society might be from implementing the proposals in the Green Paper "Engaging Communities in Criminal Justice".
15. Cost benefit analysis places a strong emphasis on the monetisation of costs and benefits. However there are often important aspects that cannot sensibly be monetised. These might include distributional impacts (e.g. transferring wealth to a certain gender or ethnicity) or non-marketed costs and benefits which do not have market prices. Cost benefit analysis in this IA is therefore interpreted broadly, to include both monetised and non-monetised costs and benefits, with due weight given to those that are non-monetised.
16. Due to the nature of public confidence in the CJS and the current stage of the pilots taking place, providing a detailed and quantified analysis of the benefits of each section of the Green Paper has not been possible. Instead a qualitative assessment of the benefits has been provided where appropriate. Whilst the estimated expected costs of each proposal have been set out some of the proposals are at an early stage of development, hence a detailed breakdown of costs has not always been possible.

Kingston upon Hull, North East Lincolnshire, Middlesbrough, Birmingham, Sandwell, Wolverhampton, Walsall, Blackpool, Blackburn with Darwen, Stoke-on-Trent, Doncaster, Leicester, Cardiff.

³ HM Treasury (2007) *PSA Delivery Agreement 24: Deliver a more effective, transparent and responsive Criminal Justice System for victims and the public*

⁴ Unpublished report from the JUSTIS group supplied by Professor Hough

⁵ Home Office Statistical Bulletin 15/09 - [Crime in England and Wales: Quarterly Update to June 2009](#) (22.10.09)

17. An important consideration for any cost benefit analysis is the relevant scope of the assessment. The scope of this IA is defined to include impacts that fall on both present and future generations, in line with the HMT Green Book⁶. As the policies proposed in the Green Paper are likely to extend into the future, we have appraised the impacts between 2010 and 2019 (10 years). A discount rate of 3.5% has been applied. All prices are 2008/9 unless otherwise stated.

Economic Rationale for Government Intervention

18. The conventional economic approach to government intervention is based on efficiency or equity arguments. The Government may consider intervening if there are strong enough failures in the way a market operates (“market failures”) or if there are strong enough failures in existing interventions (“government failures”). In both cases the proposed new intervention should itself be effective and efficient, and should avoid creating a further set of distortions. The Government also intervenes for equity (fairness) reasons.
19. Improving public confidence in the CJS is a stated aim of the Government. This is set out in a PSA target. The PSA target reflects the view that levels of public confidence in the CJS are currently suboptimal. In general because operating the CJS is a government responsibility, government intervention to improve confidence is justifiable. Individual interventions would be justified if their resource costs were sufficiently outweighed by the value of their confidence improvements. They might also be justified if they raised confidence amongst particular groups in society and if doing so was merited on equity or fairness grounds.
20. The wording of the PSA target also reflects the view that higher confidence may have a value in itself, for example by reducing unnecessary fear of crime and insecurity. In turn this may improve resource allocation and generate improvements in economic efficiency, for example by reducing unnecessary spending on security. The wording of the PSA target reflects the view that higher confidence in the CJS itself may also have positive external effects by improving the working and efficiency of the CJS, for example by the public reporting crime and acting as witnesses.

5. Options Analysis

21. The main options for ways of improving public confidence are as follows. A short description of each option is given below, followed by details of their costs and expected benefits.

Base Case/ Option 0

22. Description: Do nothing – implement none of the proposals described in the Green Paper and consulted upon. The problem of low public confidence is then likely to persist, in the absence of other significant changes.

Option 1: Implement Proposals 1 to 9.

23. Description: Implement Proposals 1 to 9 of the Green Paper. See paragraph 6 for more details.

Option 2: Implement Proposals 1 to 9 except Proposal 4 and Proposal 7.

24. Description: As for Option 1 but do not implement part of Proposal 4 (roll out of S178 review powers only) or Proposal 7. See paragraph 6 for more details.

⁶ http://www.hm-treasury.gov.uk/data_greenbook_index.htm

6. Costs and Benefits of each Option

25. The benefits of the proposals considered in these options are largely intangible. They concern the increasing of public confidence in the CJS. Improving engagement with, and information provision to, the public is intended to increase public confidence. The extent of the improvement will depend on how successful the policies are. Evidence is presented where available that engagement and information provision can increase public confidence. Annex 2 provides more details on evidence relating to the benefits.

26. The costs of the proposals mainly fall into three parts.

- Financial costs falling on the Ministry of Justice and its constituent agencies – these are given, or estimated where accurate figures could not be provided.
- Opportunity costs of internal resources (to the CJS and Police) which are assumed to be re-allocated to the new activities in the proposals, away from existing activities. The value of this is estimated where accurate figures could not be provided.
- Costs falling on other organisations, most notably 3rd sector organisations who would be involved in implementing some proposals. These are also estimated where accurate figures could not be provided.

27. Annex 1 provides a more detailed breakdown of the costs.

Option 0: Do Nothing – Base Case

Costs and Benefits

28. Because Do Nothing is the base case it is compared against itself in this Impact Assessment hence its costs and benefits are necessarily zero. The other options are also compared against the base case.

Option 1: Implement Proposals 1 to 9

Costs

29. **Proposal 1: Introducing Community Prosecutors** – The Crown Prosecution Service (CPS) is to play a larger role in community engagement alongside the police, courts and others through visible, proactive and accessible Crown Prosecutors and supporting teams. They will engage with communities and ensure local priorities inform casework decision making and local CPS business priorities. Ongoing costs are estimated at £5.4m per year from 2010-11 onwards (all taking the form of opportunity costs).

30. **Proposal 2: Extending the use of Community Impact Statements as a problem-solving and engagement tool** – A community impact statement is a statement compiled of community members views, used to inform the justice process. It provides a format for consideration of offences in the context in which they are committed, and allows the public to raise issues of local concern. Ongoing costs are estimated at £2.7m per year (all taking the form of opportunity costs).

31. **Proposal 3: Rolling out adoption of problem-solving principles to all magistrates' courts** - Roll out the problem-solving approach to all magistrates' courts, helping the offender to address the underlying issues that cause them to commit crime. One-off costs are estimated at £3.5m (taking the form of financial costs to the MoJ). Ongoing costs are estimated at between £1.6m to £40.8m per year (taking the form of costs to 3rd sector organisations) with a best estimate of £9m.

32. **Proposal 4: Judicial continuity and oversight of offenders** – This Proposal is in two parts - Judicial continuity refers to at least one magistrate present at a first hearing being present at later hearings for the same offender. Roll out of review powers refers to the

power to return offenders to court during their community order for a review of their progress. Ongoing costs are estimated at £7.1m per year (of which £1.9m are additional financial costs to MoJ and £5.2m are opportunity costs).

33. **Proposals 5 & 6: Expanding the current community justice programme** - by creating co-located or virtual Community Justice teams, working with advice and support areas to provide a more intensive solution for the areas with the greatest problems. Ongoing costs are estimated at £1.05m per year (all additional financial cost to the MoJ).
34. **Proposal 7: Changing the roles of District Judges (Magistrates' Courts) and volunteer magistrates** to include problem-solving techniques and a requirement to engage with local communities. This could include Refreshing the job description/outline of responsibilities for both roles; developing a community engagement tool-kit; and making problem-solving part of the standard induction training for new recruits. One-off costs are estimated at £0 to £4.9m (up to £1.9m of this is additional financial cost to the MoJ). Annual ongoing costs are estimated at between £28,000 and £1.54m (£100,000 to £600,000 of which is additional financial cost to the MoJ).
35. **Proposal 8: Involving local communities in the selection and/or deployment of District Judges (Magistrates' Courts)** – Changing the recruitment process for new District Judges so that local residents within the court catchment area sit on the interview and selection panels. Costs are considered to be negligible.
36. **Proposal 9: Increasing magistrates' representativeness of the local communities in which they sit** – Activity to be focused on increasing diversity (age/ethnicity/background etc) amongst volunteer magistrates by increasing the pool from which volunteers come. To include employer engagement. Costs are considered to be negligible.

37. In summary:

- Total initial one-off costs are expected to be between £3.65m to £8.5m, with a best estimate of £8.5m (of which £3.5m to £5.4m are additional financial costs to the MoJ).
- Total annual ongoing costs are expected to be between £18.15m and £58.6m, with a best estimate of £25.5m (of which £3.15m are additional financial costs to the MoJ and £1.6m to £40.8m are costs to 3rd sector organisations).

Benefits

38. The benefits take the form of improved public confidence in the CJS. As explained in the rationale section, improved confidence may be valued by itself, may lead to improved resource allocation, and may lead to improved CJS operational efficiency.
39. The extent of these possible benefits has not been quantified. Instead Annex 2 explains how confidence might be raised by improving information flows, enhancing engagement and by supporting improved offender problem-solving.

Option 2: Implement Proposals 1 to 9 except Proposal 4 and Proposal 7.

Costs

40. The Costs of Option 2 are identical to those of Option 1 though do not include any of the costs associated with Proposal 4 or Proposal 7. Proposal 4 (s178 review costs only, not the cost of improving judicial continuity) had no initial one-off costs but had estimated ongoing costs of £7.1m per year (of which £1.9m were additional financial costs to MoJ and £5.2m were opportunity costs).
41. Proposal 7 had initial one-off costs of £0 to £4.9m (of which £0 to £1.9m was additional financial costs to MoJ), and ongoing costs of £0.28m to £1.54m (of which £0.1m to £0.6m was additional financial costs to MoJ).

42. In summary:

- Total initial one-off costs are expected to be £3.65m (of which £3.5m are additional financial costs to the MoJ).
- Total annual ongoing costs are expected to be between £10.75m to £50m, with a best estimate of £18.15m (of which £1.05m are additional financial costs to the MoJ and £1.6m to £40.8m are costs to 3rd sector organisations).

Benefits

43. The Benefits of Option 2 are identical to those of Option 1 though do not include any of the benefits associated with proposition 4 and proposition 7. As such we might expect less of an improvement in public confidence in the CJS.

7. Specific Impact Tests

Competition Assessment

44. We have completed the checklist, and none of the proposals contained in the Green Paper: directly limit the number or range of suppliers; indirectly limit the number or range of suppliers; limit the ability of suppliers to compete; or reduce suppliers' incentives to compete vigorously.

Small Firms Impact Test

45. This has been completed and none of the proposals contained in the Green Paper are expected to impose or reduce costs for small businesses.

Legal Aid Impact Assessment

46. We have completed the Legal Aid Impact test and concluded from the results that none of the proposals contained in the Green Paper indicate a downstream legal aid cost, or an adverse impact on the workload of the courts, as the proposals do not bring in any new offences.

Sustainable Development

47. The Green Paper may have a positive impact on ensuring a strong, healthy and just society and on promoting good governance. The proposals are not expected to have an impact on living within environmental limits, achieving a sustainable economy, or on using sound science responsibly.

Carbon Assessment

48. This has not been completed as none of the proposals contained in the Green Paper should have an impact on emissions of greenhouse gases.

Other Environment

49. None of the proposals contained in the Green Paper should affect other environmental issues such as waste management, air quality, noise levels, climate change, appearance of the landscape, or disturbance of habitat or wildlife.

Health Impact Assessment

50. None of the proposals contained in the Green Paper is expected to have a direct impact on health or health inequalities, although improved confidence in the CJS may reduce unnecessary fear and anguish.

Race Equality, Disability Equality, and Gender Equality

51. We have undertaken an Equality Impact Assessment (EIA) of the Green Paper as a whole and the policies and initiatives it contains. The EIA process involved consideration and assessment of the various policies, services and functions from the perspective of the six equalities groups and is intended to help identify any potential unintended consequences or negative impact on any particular group or individual. The EIA process itself involved consultation with and involvement of individuals and organisations representative of the equalities groups. The final, full EIA is published alongside the summary of responses.

Human rights

52. This will be considered as part of the Equality Impact Assessment of the Green Paper mentioned above.

Rural Proofing

53. As these proposals develop we will consider whether any of them are likely to have a different impact in rural areas, because of particular rural circumstances or needs. A key theme of the Green Paper is to make the criminal justice service more accountable and responsive to local communities, taking into account community needs, concerns and priorities. This means tailoring the work of the criminal justice services to the demographics of their communities, including engaging and involving people living in rural areas.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

Annex 1: More detail on Costs

PROPOSAL 1: Community Prosecutors

54. It is estimated that Crown and District Crown prosecutors will spend 13% and 15% of their time respectively on the community prosecution approach. One administrator for every District Crown Prosecutor will spend 5% of their time on this. It is assumed that this will replace lower priority work.
55. Early estimates indicate the costs of piloting are £1.6m (2009-10), which is the cost of the prosecutors' time as valued by their wage and non-wage costs, plus training, travel and subsistence and central implementation costs. 2010-11 has assumed roll-out of 75% nationally at a total cost of £4.2m in 08/09 prices (all figures below are in 08/09 prices unless otherwise stated).
56. 2011-12 onwards has a cost of £5.4m by 2011-12 for full implementation nationally of 160 District Crown and 320 Crown prosecutors. Assuming an annualised cost of £5.4m from 2010-11 onwards, the Net Present Cost is approximately £42m. None of this is an additional financial cost.
57. It is assumed that the community prosecutor approach will have no downstream impacts on other CJS agencies, for example additional cases passing through the courts.

PROPOSAL 2: Community Impact Statements (CISs)

58. Community Impact Statements are currently being piloted. The estimates used here are based on survey results of these pilot areas.
59. Implementation Costs: Each Local Criminal Justice Board (LCJB) will require a project manager. 13 LCJBs already have some project management in place for this. It is estimated they will need an additional 6 days in the next year for further implementation. The other 29 LCJBs are estimated to require 2 days a month for 9 months. A project manager would be paid around £45,000 a year, plus 27% non-wage costs (national insurance, pension etc). The resource cost of implementation is therefore approximately £140,000 in total.
60. Running Costs: Each area is anticipated to produce 20-30 CIS per annum. Each will be completed by a Neighbourhood Police Inspector, taking 1 hour each including time for gathering data. Including non-wage employee costs and taking 25 CIS as an average, this incurs around £750 a year ongoing cost per area. We assume photocopying and other non-labour costs to be negligible.
61. An area is taken to be a neighbourhood policing team area. There are 3600 of these. The running costs are therefore 3600 multiplied by £750 = £2.7m
62. There is a first year cost £140,000 plus £2,700,000 = £2.84m. After this, ongoing costs are 750 multiplied by 3600 = £2.7m at 2008/9 prices. The Net Present Value over 10 years is therefore estimated at £23m. Due to the level of uncertainty (especially around the number of CIS and downstream costs), a 10% upward revision is applied. This gives an estimated expected Net Present Cost of £26m. None of this is an additional financial cost.
63. The pilots have as yet shown no evidence of producing additional costs downstream (e.g. CPS, HMCS). For this reason, they are ignored.

PROPOSAL 3: Introducing problem-solving principles to all magistrates' courts

64. Magistrates will refer offenders to third sector and other organisations for help with solving the problems underlying re-offending such as drug or alcohol abuse. Preliminary estimates put 2009/10 costs at £310,000, and £2m in 2010/11. The former of these breaks down as:
- £54,000 for the six pilot areas to spend on training, T&S and to assist in establishing third sector involvement with an additional £30,000 contingency.
 - £182,000 for project management of the six pilot areas (44 courts)
 - £44,000 for support of related initiatives (e.g. problem solving in non-pilot courts) and project costs (workshops etc)
65. The 10/11 figures are based on extrapolating from these figures from the pilot areas. The 09/10 and 10/11 financial costs already have money allocated to them. After this it is expected that to cost £1.5m in 2011/12 and minimal cost thereafter. The £1.5m is the only additional financial cost for which money has not yet been allocated.
66. There are costs of provision of problem solving services. These will fall primarily on third sector organisations such as Citizens Advice Bureau (CAB).
67. Problem Solving is intended for offenders sentenced to summary non-motoring fines, conditionally discharged or received low-low/medium community sentences. From sentencing statistics 2007 this gives a total pool of approximately 365000 offenders annually who are eligible for problem solving referral. Of this, we estimate around one third will be referred to problem solving organisations (121,000). This is based on earlier pilots. Of these, 75% will attend a 15 minute initial meeting, and 33% will fully take-up the opportunity to engage in problem solving.
68. Based on the hourly cost of a CAB worker, each 15 minute meeting costs approximately £5.50. The total cost of these meetings is therefore $£5.50 \times 91000 = £500,000$.
69. Based on rough estimates of the main problems offenders face which can be dealt with, we estimate 50% of those who take-up problem solving will be dealt with by organisations such as CAB, and 50% by organisations dealing with alcohol and drug addictions. The average cost per case to CAB is estimated at £120. The average cost to drug and alcohol rehabilitative organisation varies widely, but is likely to be significantly larger than £120. We have therefore estimated the average at £300.
70. The total cost is therefore estimated at $£500,000 + £2.4m$ (cost to CAB and similar organisations) + $£6m$ (costs to drug and alcohol rehabilitation organisations) = $£9m$.
71. Basic sensitivity analysis has been applied to the assumptions, adjusting the percentages and cost estimates. The annual cost range produced by this is £1.6m - £40.8m. This produces a NPV range of £17.5m - £311m. The upper bound of this represents a scenario where significantly more offenders are referred and take-up treatment, and costs are much greater than in the main estimates.
72. The Net Present Cost is therefore £70m. However a wide range of outcomes is possible, as the NPV range suggests.

PROPOSAL 4: Improving judicial continuity and roll out of review powers under Section 178 of the Criminal Justice Act 2003

73. The cost of improving the continuity of the judiciary, for at least one member of the panel of 3 magistrates, for each subsequent hearing of a case is estimated to be nil, as most magistrates sit at least once a month and often more frequently. Listing of cases could be arranged accordingly.
74. For the extension of review powers under Section 178 of the Criminal Justice Act 2003, Probation costs are estimated at a fixed cost of £80 per offender given a sentence with review power.

75. There is an estimated 19.5,000 offenders given this sentence in Magistrates courts with an average of 3.26 reviews of 10 minutes each, based on pilot area data.
76. Crown Court volumes are estimated at 29% of all community order sentences given. This figure is taken from the only pilot site for which the figure is available, a dedicated drugs court. This gives approximately 4.3,000 sentences and 14,000 reviews taking 2350 hours of Crown Court time annually.
77. As Crown Courts deal with more severe cases, it is anticipated that the percentage of community orders given review powers would be larger than this, as would the number of reviews per offender. For this reason the above volumes should be seen as very conservative estimated.
78. Court costs are based on figures supplied by HMCS on costs of a sitting, and data from the HMCS Performance Database on number of hours per sitting. These give £2.9m total for Magistrates' Courts and £2.3m for Crown Courts.
79. Probation costs are 23.8k x 80 = £1.9m. Probation services have indicated extra funding would need to be provided for this.
80. Over 10 years this has a Net Present Cost of £63m.
81. As this would increase the severity of a non-custodial sentence, it is possible that judges may choose to give some offenders a review order where previously a custodial sentence would have been given. If this occurs, it is likely some resource savings will be possible as non-custodial sentences are generally cheaper than custodial ones. However to what, if any, extent this will occur is unknown.

PROPOSAL 5 & 6: Creating dedicated, multi-agency Community Justice teams

82. New staff will be employed at 30 pathfinder areas across England and Wales. Their total cost of employment is estimated at £1.05m a year at 2008/9 prices based on the salary band Higher Executive Officer (HEO) adjusted for the weighting of the pathfinder areas (several of which are in London, for example). We assume their wage stays constant in real prices. This gives a Net Present Cost over 10 years of £9m. Adding further staff would cost £30,000 per annum each, more in areas with increased wages such as inner London.
83. Implementation is uncoded. This could include recruitment and training costs.
84. It is expected that community justice teams will lead to more efficient and effective engagement with the public. It is expected to cause a decrease in duplication of work, freeing up resources for other agencies. This is an uncoded expected benefit to the CJS.
85. It is expected that community justice teams will be able to refer more individuals to "problem solving" services such as drug and alcohol rehabilitation. Similarly to proposition 3, this will have significant financial and resource implications on providers of these services. This is uncoded due to the very high levels of uncertainty.

PROPOSAL 7: Re-focusing the role of District Judges (Magistrates' Courts) and volunteer magistrates

86. This proposal involves magistrates being trained in problem solving and community engagement.
87. Costs are comprised of the cost of providing training, and cost of magistrate time in attending training.
88. The cost of training provision is estimated at £10 per hour per magistrate.
89. The cost of magistrate time is estimated at £18 an hour for those who are employed (the average wage plus 27% of a 50-59 year old, the average age of a magistrate). The cost of non-employed magistrates is assumed to be zero. It is assumed that 87% of

magistrates are employed, based on the percentage of magistrates who are employed when they become magistrates – hence it may be an overestimate.

90. There are approximately 30,000 magistrates (of whom approximately 10,000 are bench chairs) and around 2,000 legal advisors.

91. 3 broad training options are being considered:

- a. Train all magistrates and legal advisors for 1 day as a one-off, then only new magistrates (around 1800 a year). This has an estimated Net Present Cost of £7m. This has an additional financial cost of £1.9m in the first year (out of a total of £4.9m), and £110,000 per annum thereafter (out of a total of £280,000)
- b. Train only Bench Chairs, for 2 hours each year. This has an estimated Net Present Cost of £4.4m and is considered the most likely option. For this reason it is used when adding the costs of different proposals in the summary sheets. This has an additional financial cost of £200,000 per annum (out of a total of £500,000)
- c. Train all Magistrates for 2 hours each year, and legal advisors once for 2 hours. This has an estimated NPV of £13.3m. This has an additional financial cost of £640,000 in the first year (out of a total of £1.58m) and £600,000 per annum thereafter (out of 1.54m)

92. The Net Present Cost Range is thus £4.4m - £13.3m.

Annex 2: More detail on Benefits

93. The potential benefits of implementing the proposals put forward by the Green Paper are increasing public involvement with, and confidence in, the CJS. We know from the current British Crime Survey figures that the public perception of changes in crime are more negative than the reality:

- a. Around two-thirds (65%) of people thought crime in the country as a whole had increased in the previous two years, despite an actual fall of 10%.
- b. 39% of people thought crime in their local area had risen in the last two years, a decrease from 2006/07, further widening the gap between national and local perceptions of crime levels.
- c. As measured by the BCS, the risk of becoming a victim of crime has fallen from 24% to 22%.
- d. Violent crime, vandalism and vehicle-related thefts have all fallen since the previous year (by 12%, 10% and 11% respectively) and domestic burglary has remained stable.

94. In addition, a survey of 1,808 members of the public which formed part of the *Engaging Communities in Fighting Crime* review by Louise Casey (2008) showed that when those surveyed were told crime had decreased and asked who should take the credit, 46% credited the police, 21% said they didn't believe crime had decreased, and only 15% credited the Government. But when told crime had increased and asked who should take most of the blame, 42% blamed the Government, 32% blamed parents and only 20% blamed the police.

95. This evidence strongly suggests that public confidence is lower than it could be. The economic rationale and PSA 24 suggests then that government should attempt to increase confidence.

How can confidence be increased?

96. We believe there are 4 “drivers” of confidence (further details are given in the annex below). The proposals in this impact assessment are intended to alter confidence through two of these – information and engagement. This section therefore concentrates on presenting the available evidence on how these approaches effect confidence. Very minimal evidence exists on the benefits of any one proposal on increasing confidence. Instead what evidence exists supporting the approach the Green Paper takes to increasing confidence is given.

Using information to increase confidence

97. An “informational” approach is used in several propositions – it is the primary focus of propositions 5/6, 8 and 10, and a secondary focus of propositions 1 and 2.

98. Several studies have provided strong evidence that increasing the provision of information on the CJS can improve confidence, and that people with more knowledge of the CJS tended to be more confident in it. Details of the key recent studies are included in the annex, including OCJR work (“Inform, Persuade and Remind”), Ipsos Mori studies and polls, and work by The Casey Review.

Using interaction to increase confidence

99. The “interactive” approach is used as the main focus of propositions 1, 2, 7 and 9, and is a secondary focus in 5/6. There is a gradually growing body of evidence supporting the view that improved engagement with the CJS increases confidence.

100. Information on key studies is included in the annex.

101. There is thus an evidential base for the approach of increasing public engagement with the CJS to increase confidence in it. However this evidence is not conclusive.

Demographics and confidence

102. The BCS provides some evidence that different demographic groups have differing levels of confidence in the CJS.
103. The Green Paper does not specifically target certain demographic groups more than others. However, where it does propose to implement proposals in areas of greatest need, this may disproportionately impact upon certain demographic groups in increasing confidence.

The impact of changes in public confidence

104. If confidence is increased, it may impact on several variables which impact upon costs to the CJS and society. These include:
 - a. Witnesses' willingness to appear in court
 - b. Victims' willingness to report crimes
 - c. The general public's willingness to serve as jurors.
105. There is currently no evidential basis to support or contradict this point. We cannot estimate with any accuracy the likely size of the impact of the proposals considered in the impact assessment on confidence. We also cannot estimate the impact of a change in confidence on the variables listed above. For these reasons, no attempt is made here to quantify the likely costs or benefits of these outcomes.
106. Any alteration in reporting of crime rates in particular is likely to increase costs to the police, HMCS, CPS and potentially Prisons and Probation, by bringing more offenders into the CJS. This in turn could impact upon future levels of crime.

Offender Problem-Solving

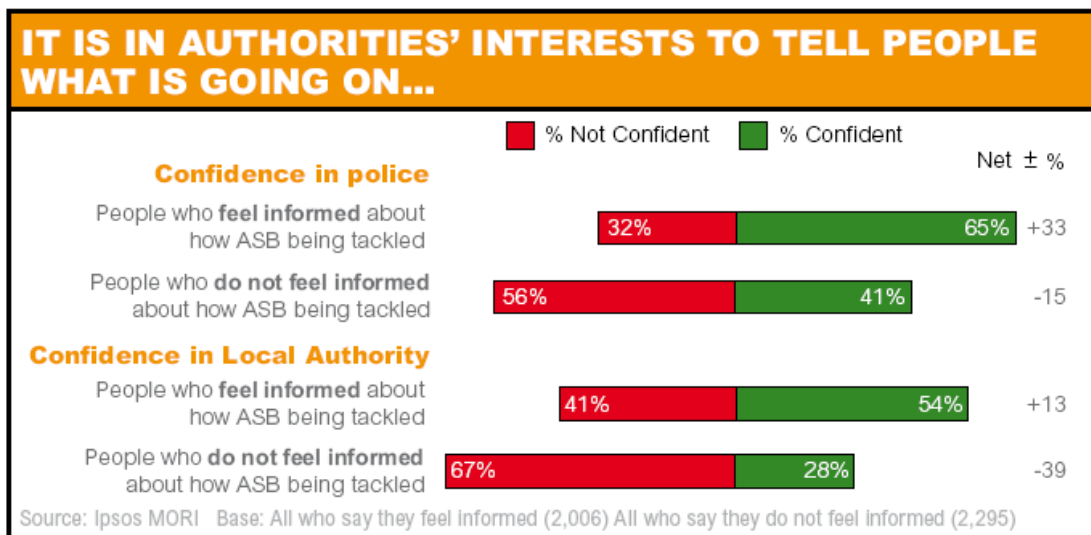
107. The Home Office PSA 23 (Making Communities Safer) specifies a target of reducing re-offending. Several propositions have an intended benefit of improving quality of life for communities through addressing the underlying problems causing people to offend. These proposals include propositions 3 – 7:
108. These propositions all rely on increasing the number of individuals who come into contact with the CJS who go on to receive some form of “problem solving” treatment (such as drug or alcohol rehabilitation) aimed at reducing re-offending by addressing its root causes.
109. There is evidence from both the UK and the United States that problem solving approaches to Offender Management can be effective. Any reduction in re-offending rates will mean a saving in cost to the Criminal Justice System and more broadly a benefit to society in the form of reduced crime. Details of evaluations of community justice projects, and multi-agency programmes by the Home Office are included in the annex.
110. There is also evidence supporting improving Judicial Continuity: An evaluation of North Liverpool Community Justice Centre in 2007⁷ showed that 82 per cent of offenders plead guilty compared with a national average of 68 per cent. A dedicated Drug Court pilot provided positive indications that increased magistrate continuity reduced the likelihood of re-conviction, and increased the likelihood of attending court hearings and completing their community order.

⁷ Katherine McKenna, (2007), Evaluation of the North Liverpool Community Justice Centre, Ministry of Justice Research Series 12/07,

Additional research evidence on how confidence can be increased

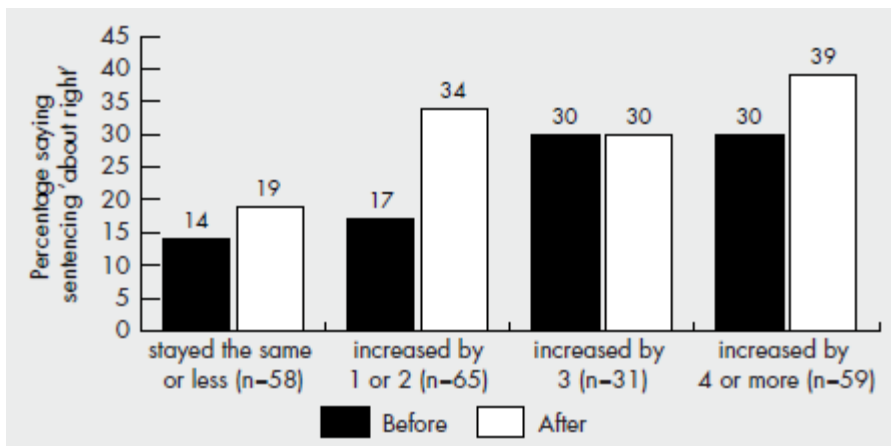
Information

111. *Inform, Persuade and Remind*⁷: a social research project which was designed to test the impact of targeted communication activity on public confidence in criminal justice services. A Booklet was delivered to over 2,000 members of the public in three different ways. The Booklet focused on the gap between what is perceived to be and what is actually happening in the CJS. Knowledge of and attitudes toward the CJS, were tested before and after receipt of the Booklet and the results compared with a control group not given the Booklet. The project provided powerful evidence that effective presentation of national and local crime statistics and other information about the CJS (particularly through face-to-face delivery) can have a positive impact on public confidence. The 13% improvement in confidence was three times greater than that achieved 2003-2008 (the PSA2 time period) in England and Wales.
112. *Closing the Gaps: Crime and public perceptions*: An Ipsos Mori study in 2006 found that people who felt informed about how ASB was being tackled were much more likely to be confident in the police (65%), than those who do not feel informed (41%). Similarly, those who feel informed about how ASB is being tackled are much more likely to be confidence in their local authority (54%), than those who do not feel informed (28%).



Source: Duffy B, Wake R, Burrows T and Bremner P 2008 *Closing the Gaps: Crime and public perceptions*

113. *Ipsos Mori/Office for Criminal Justice Reform (OCJR) Study, 2003*: The graph below from this work shows a clear positive correlation between knowledge of a CJS agency and perceptions of it
114. *British Crime Survey (BCS)*: In 2004, researchers provided a sub-sample of people participating in the British Crime Survey with a booklet containing information about crime and sentencing. They reported modest increases in knowledge and confidence, with for example, respondents who had received the booklet more likely to see the CJS as being effective in reducing crime, bringing the guilty to justice and meeting the needs of crime victims.
115. *Home Office Research Study, 2002*: Percentage change in people thinking sentencing is “about right”, by increase in knowledge as measured by a simple questionnaire.



116. *Ipsos Mori, 2009*: A survey found that 40% of those confident in the CJS considered themselves informed about it, compared to 27% of those who were not confident. The same study found that 67% of people thought it important or very important that information about sentences in England and Wales is provided. 42% of respondents believed that knowing more about the CJS would increase their confidence in it, and only 7% believed it would decrease their confidence.

117. *Casey Review, 2007*: A Survey carried out by the Casey Review found that people wanted more information to be provided on the CJS.

Interaction

118. There is a gradually growing body of evidence supporting the view that improved engagement with the CJS increases confidence. This evidence is focused on public engagement with the Police, The types of engagement which increase confidence in the police have been identified as:

- Objective and neutral police decision making
- Public participation in discussions prior to police decision making
- Being treated with dignity and respect

119. These results are largely from American studies.

120. There is also some evidence of the relationship holding for other CJS agencies. For example, an Australian study found that satisfaction with the jury experience significantly predicted jurors overall confidence in the CJS.⁸

121. The “*inform, persuade, remind*” study described above found that the method by which individuals are given the information affected the change in confidence. The more “interactive” the process of giving the individual information was, the stronger the improvement in confidence.

122. There is thus an evidential base for the approach of increasing public engagement with the CJS to increase confidence in it. However this evidence is not conclusive.

Offender Problem-Solving

123. A study of the Midtown Community Court⁹ in New York (learning from which was used to develop Community Justice in England and Wales) showed:

⁸ O'Brien, K. et al. (2008) *Factors affecting juror satisfaction and confidence in New South Wales, Victoria and South Australia*. Trends and Issues in Crime and Criminal Justice No. 354 April.

⁹ Sviridoff, M., Rottman, D., Weidner, R. (2005) *Dispensing Justice Locally: The Impacts, Cost and Benefits of The Midtown Community Court*, Center for Court Innovation

- a. Offender compliance with treatment and community-service sanctions is high compared to performance in the main court and over 3 years
- b. participation in the mandatory case management and drug treatment and there was a marked reduction in the frequency of annual arrests
- c. Community courts can play an important role in alleviating chronic neighbourhood problems like street prostitution.
- d. Community courts provide benefits to other parts of the local justice system through demonstration effects that improve practice in the regular courts.

124. An evaluation of North Liverpool Community Justice Centre in 2007¹⁰ included a survey of offenders which showed that 79% indicated that the problem-solving meeting had helped them to address their problems, 76% thought that the support they got from the problem-solving meeting was better than they had previously received in a traditional court and 86% believed that the problem-solving meeting would help to deter them from offending again in the future. Qualitative case-study evidence from interviews offenders suggests that this 'holistic, problem-solving, multi-agency approach can have a transformative impact'. Any reduction in re-offending rates will mean a saving in cost to the Criminal Justice System and more broadly a benefit to society in the form of reduced crime.

125. Programmes by The Home Office and Ministry of Justice using a similar multi-agency approach as recommended here have already had some success in tackling offenders causing concern to their communities- the Prolific and other Priority offender (PPO) scheme. The 2007 Home Office evaluation report demonstrated the success of the programme- it showed:

- a. recorded conviction rates for 7,800 PPOs fell by 62% after 17 months on the programme;
- b. there was a reduction of 24% in the average rate of offending per PPO for the 12 months following their entry into the programme;
- c. there was a marked decrease in the number of days between a PPO committing their offence and being sentenced in court, in the 12 months following their entry into the programme; and
- d. the majority of PPOs reported a reduction or claimed to have stopped offending altogether since engaging with the scheme.

126. Following on from that approach, Integrated Offender Management (IOM) is attempting to expand the number of offenders subject to that multi-agency approach, embedding offender-focused partnership working across the local crime reduction delivery landscape. Community Justice (in particular propositions 3 and 7) will link to this work, as both programmes share an aim to provide problem-solving solutions for offenders, through a joint agency approach.

127. Since the number of extra individuals undertaking problem solving is unknown, as is the success rates of such programmes, quantifying the effect on re-offending is not possible at this stage.

¹⁰ Katherine McKenna, (2007), Evaluation of the North Liverpool Community Justice Centre, Ministry of Justice Research Series 12/07,