Rehabilitation revolution
Counting the cost

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Current policy and fiscal context?

- Comprehensive spending review on 20th October announced 24% reduction in spending for the Ministry of Justice (MoJ)
  - Reductions in prison building, prison places

- Criminal Justice Green Paper to be published in December
  - Run rehabilitation pilots with sufficient scale to provide statistically significant results
  - Changes to sentencing
  - Cost effectiveness
  - Payment by results
  - Justice re-investment

"YOUR COUNTRY NEEDS
YOU"

Can we use our (diminishing) resources more effectively?

Hallam Centre for Community Justice

- **'National' evaluation** of five **IOM** pioneer sites – process evaluation, break even analysis and impact feasibility study - MoJ
- 'National' evaluation of five **Intensive Alternatives to Custody** (IAC) pilot projects – process evaluation, break even analysis and impact feasibility study - MoJ
- Review of the piloting of **Layered Offender Management** in prisons in Yorkshire Humberside and **tiering** in 2 prisons in England - MoJ
- Evaluation of **IOM and VCS** capacity building project – Home Office

What works?

Can it be done more efficiently?

How much does it cost?

Economic questions we should be asking

- What is the true cost of an intervention?
- Do the outcome(s) achieved justify the investment of resources?
- Is this the most efficient way of realising the desired outcome(s) or could the same outcome(s) have been achieved at a lower cost through an alternate course of action?
- How should resources be spent?

Dhiri and Brand 1999

How do we answer these questions

- **Cost analysis**: Deals only with the costs of an intervention – *costing of LOM and Tiering in custody*
- **Cost effectiveness analysis**: Consequences of an intervention are measured in the most appropriate effects or physical units such as burglaries avoided or drug free years resulting e.g. £1,000 per burglary avoided – *SWAG Evaluation*
- **Cost benefit analysis**: A form of evaluation where the consequences are valued in monetary terms – *break even analysis of IAC, IOM*
- **Economic modelling**: Might fulfil different purposes e.g. where key estimates are not available or where a longer-run assessment of impact is required.

Drummond et al 2005

Case study 1: Cost Analysis

Review of Layered Offender Management and tiering in prison

Review of piloting of Layered offender management (LOM) and tiering in custody

Aims

- To assess the potential for roll out of LOM
  - Offender management for all prisoners based on **sentence length** and **risk**
  - Delivering more efficient and streamlined processes

- To test the potential for tiering in custody based on the principles (operated through tiering in the community) of:
  - **"Resources follow risk"**
  - **"Least necessary"**

LOM Model

- Case management by a dedicated offender supervisor (OS) and case administrator (CA)
- Basic custody screening tool (based on OASys) for remands and under 12 month prisoners (a standard tool for all prisons)
- A single case file
- Co-location of OS and CA

LOM and tiering

Layers – based on sentence length and risk	Tiers – based on risk of re-offending and risk of harm
Layer 1 – non-statutory offenders (under 12 month sentence) and remands **Layer 2** – young prisoners and adult offenders serving sentences of 12 months or more (not in Phases 2 and 3 of OM) Layer 3 - prisoners in scope of OM phases 2 & 3 (lifers, PPOs, IPPs)	**Tiers 1 – 4** based on an actuarial assessment of risk of re-offending and risk of harm – using a revised calculator tool based on the tiering tool used by probation in the community

Does it work?

- LOM and Tiering provides a defensible and logical way of allocating OM resources more effectively
- Implementation required additional resources although it had the potential to be cost neutral
- Training needs from LOM had been underestimated
- LOM has the potential to deliver more efficient and streamlined services
- Requires leadership and commitment to change at all levels of management and from OM staff

Impact of tiering

	% Prisoners up-tiered (principally from Layer 1 to Tier 3 or Tier 4)	% Prisoners down-tiered (principally from Layer 2 and 3 to Tier 1 or 2)
Prison One (total of 209 prisoners)	31.6%	37.3%
Prison Two (total of 754 prisoners)	5.4%	51.5%

Cost impact of tiering
(based on modelling)

Moving to a risk based tiering approach from a sentence length approach (which layering represents) demonstrated *potential* **modest cost savings at a local prison** and *potential* **significant cost savings at a training** prison for the total cost of assessment over the sentence length of prisoners

NB Impact on re-offending or other measures were not tested

Implications from the review

- Using whole population data about needs (through LOM or OM for all) has the potential to reduce over-commissioning and reduce costs – *buying what you need* e.g. ETE provision in prisons
- Tiering can provide a 'triaging' function for the allocation of OM resources based on risk of re-offending and risk of harm – which allows for the level of OM intervention to be scaled up or down according to resources available
- However, it relies on a case management process provided by LOM to assess need and manage sentence plans in custody and through the prison gate
- There is a need to manage up-tiered non statutory offenders in the community – through IOM? What type of IOM?
- If Tiering in custody is to proceed, there needs to be a single tiering tool for community and custody

Case study 2: Cost Benefit Analysis

Intensive Alternatives to Custody

Intensive alternatives to custody

- Aiming to divert **offenders** at risk of a **short term** custodial sentence
- A community order which typically includes:
  - Intensive supervision by probation – twice weekly
  - Punishment – electronic curfew and/or intensive unpaid work
  - Mentoring
  - Court reviews
  - Accredited programmes where required
  - ETE provision

Does it work?

- Many persistent offenders (on average 29 prior convictions) were positive about the order
- Sentencers welcomed the order as a viable alternative to custody
- Probation and partners positive about the efficacy of IAC
- Impact needs to be tested by re-conviction study

Is IAC cost effective?

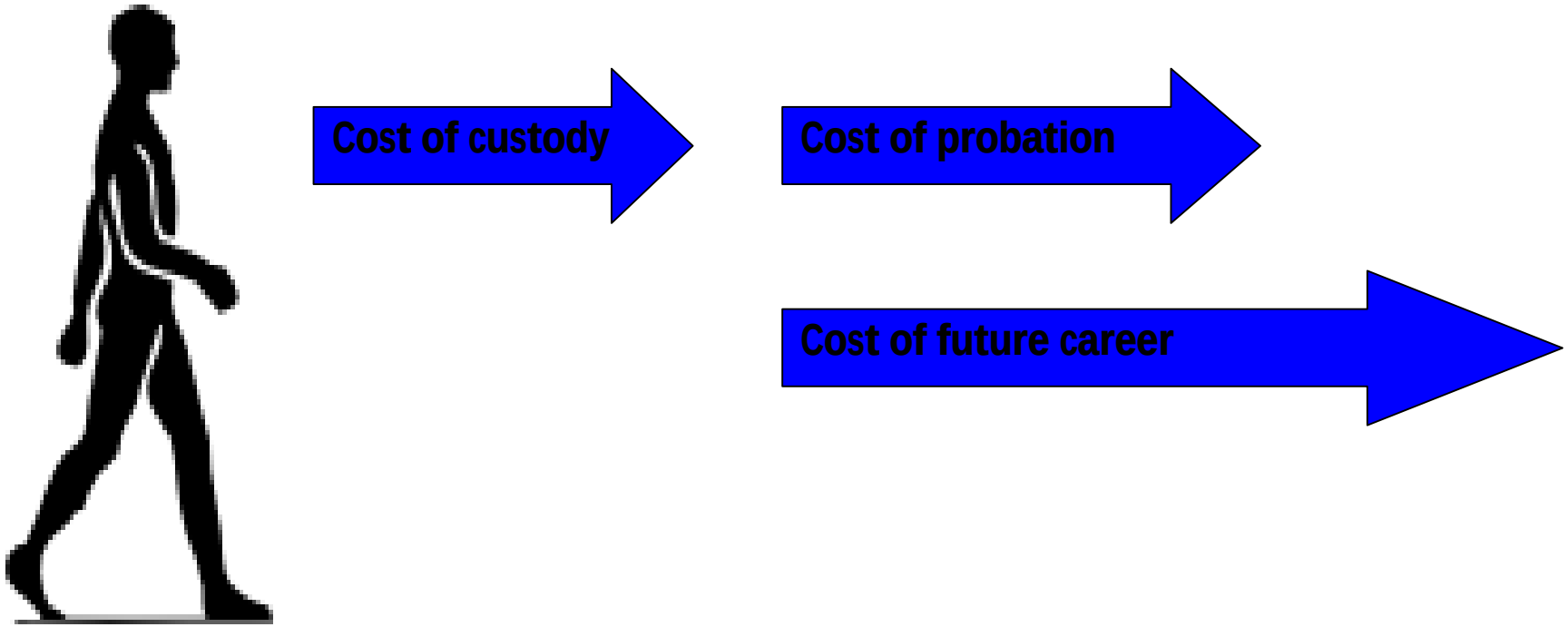
Short term sentence

- Cost of prison
- Cost of probation
- Cost of future offences

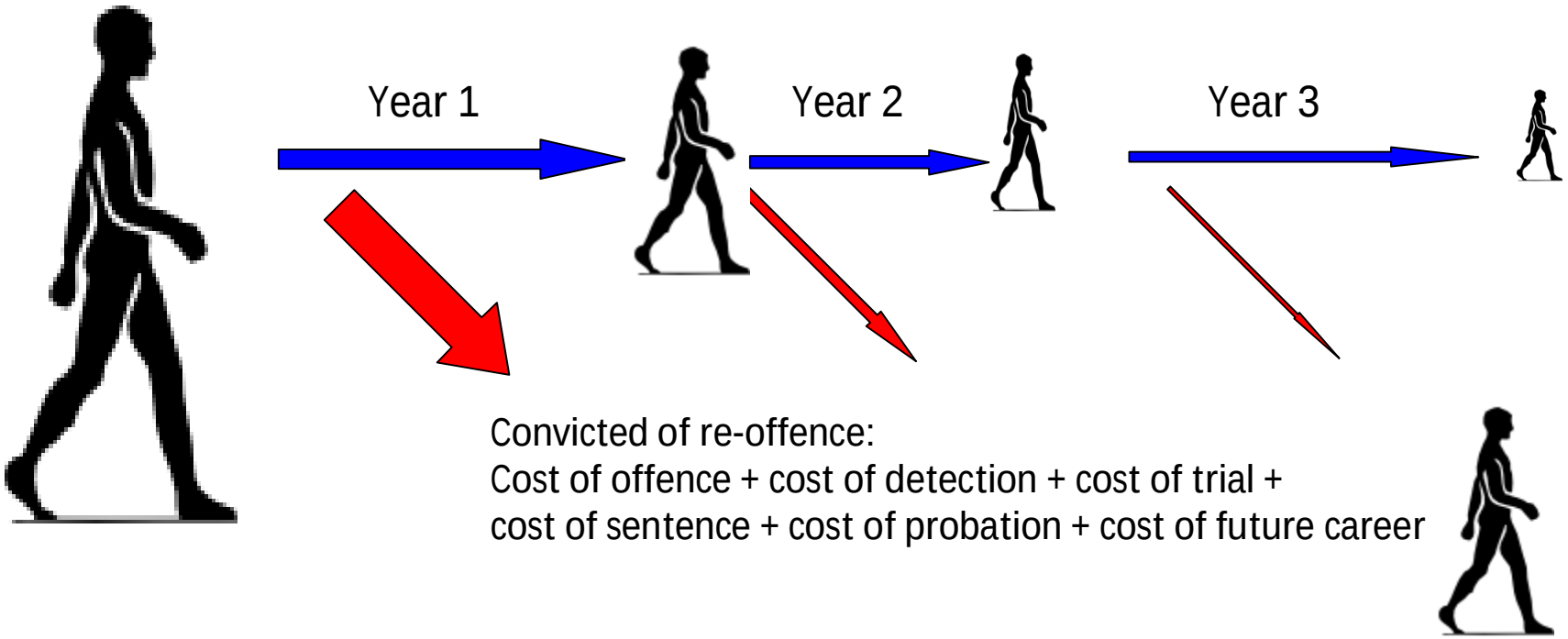
IAC

- Cost of an IAC order (based on the pilots)
- Expected cost to society of an offender committing offences while on IAC (estimated from the pilots)

Costs of a custodial sentence



Representation of future offending career



Findings from Break Even Analysis

- Calculated the average cost of an IAC sentence per offender per year

- In order to **break even** compared to a period of 45 days incarceration (average length of sentence served for short term custody), a typical IAC programme must reduce the re-offending by a modest level

Implications of IAC evaluation

- How to mainstream IAC - given reductions in public finance, ‘age of austerity’
- Impact needs to be test quantitatively through a re-conviction analysis
- Targeting and selection of offenders for IAC is critical
- IAC needs to be promoted to sentencers and court staff as a distinct order/package
- Mentoring can make an important contribution to compliance and support but requires adequate resources to facilitate this
- Sequencing – for example when to provide ETE provision/support is important
- Potential to transfer practice in managing prolific (non statutory) offenders between IOM and IAC

Case study 3 – Economic modelling

A NICE model of criminal justice investment from Washington State

Justice Re-investment

Seeking to reduce crime in the most efficient way possible by creating a law abiding society at lower cost than current approaches provide

Example of long-run economic model

- The work of Steve Aos and colleagues at the Washington State Institute for Public Policy
- Already being quoted as potential model for the UK by:
  - The Justice Select Committee (House of Commons)
  - The Conservative Party
  - The Mayor of London.
- Work currently underway in Greater Manchester to first replicate and then build on this model

Three-stage research project

1. Review the empirical evidence to identify whether there are any evidence-based public criminal justice and prevention policies and programs that have a proven ability to affect crime rates.
2. Determine whether each option has favorable economics ie do long-term benefits outweigh costs for each option.
3. Project how state-wide implementation of alternative portfolios of evidence-based options would influence the long-run need for prison beds, state and local fiscal costs, and crime rates.

Stage 1: What works

Washington State Institute for Public Policy Estimates as of October, 2006 Notes: "n/e" means not estimated at this time. Prevention program costs are partial program costs, pro-rated to match crime outcomes.	Effect on Crime Outcomes Percent change in crime outcomes, & the number of evidence-based studies on which the estimate is based (in parentheses) (1)
Programs for People in the Adult Offender System	
Vocational education in prison	-9.0% (4)
Intensive supervision: treatment-oriented programs	-16.7% (11)
General education in prison (basic education or post-secondary)	-7.0% (17)
Cognitive-behavioral therapy in prison or community	-6.3% (25)
Drug treatment in community	-9.3% (6)
Correctional industries in prison	-5.9% (4)
Drug treatment in prison (therapeutic communities or outpatient)	-5.7% (20)
Adult drug courts	-8.0% (57)
Employment and job training in the community	-4.3% (16)
Electronic monitoring to offset jail time	0% (9)
Sex offender treatment in prison with aftercare	-7.0% (6)
Intensive supervision: surveillance-oriented programs	0% (23)
Washington's Dangerously Mentally Ill Offender program	-20.0% (1)
Drug treatment in jail	-4.5% (9)
Adult boot camps	0% (22)
Domestic violence education/cognitive-behavioral treatment	0% (9)
Jail diversion for mentally ill offenders	0% (11)
Life Skills education programs for adults	0% (4)

Aos 2006: Exhibit 4

Stage 2: Costs and benefits

Reducing Crime With Evidence-Based Options: What Works, and Benefits & Costs

Washington State Institute for Public Policy Estimates as of October, 2006 Notes: "n/e" means not estimated at this time. Prevention program costs are partial program costs, pro-rated to match crime outcomes.	Effect on Crime Outcomes Percent change in crime outcomes, & the number of evidence-based studies on which the estimate is based (in parentheses) (1)	Benefits and Costs (Per Participant, Net Present Value, 2006 Dollars) Benefits to Crime Victims (of the reduction in crime) (2)	Benefits to Taxpayers (of the reduction in crime) (3)	Costs (marginal program cost, compared to the cost of alternative) (4)	Benefits (total) Minus Costs (per participant) (5)
Programs for People in the Adult Offender System					
Vocational education in prison	-9.0% (4)	$8,114	$6,806	$1,182	$13,738
Intensive supervision: treatment-oriented programs	-16.7% (11)	$9,318	$9,369	$7,124	$11,563
General education in prison (basic education or post-secondary)	-7.0% (17)	$6,325	$5,306	$962	$10,669
Cognitive-behavioral therapy in prison or community	-6.3% (25)	$5,658	$4,746	$105	$10,299
Drug treatment in community	-9.3% (6)	$5,133	$5,495	$574	$10,054
Correctional industries in prison	-5.9% (4)	$5,360	$4,496	$417	$9,439
Drug treatment in prison (therapeutic communities or outpatient)	-5.7% (20)	$5,133	$4,306	$1,604	$7,835
Adult drug courts	-8.0% (57)	$4,395	$4,705	$4,333	$4,767
Employment and job training in the community	-4.3% (16)	$2,373	$2,386	$400	$4,359
Electronic monitoring to offset jail time	0% (9)	$0	$0	-$870	$870
Sex offender treatment in prison with aftercare	-7.0% (6)	$6,442	$2,885	$12,585	-$3,258
Intensive supervision: surveillance-oriented programs	0% (23)	$0	$0	$3,747	-$3,747
Washington's Dangerously Mentally Ill Offender program	-20.0% (1)	$18,020	$15,116	n/e	n/e
Drug treatment in jail	-4.5% (9)	$2,481	$2,656	n/e	n/e
Adult boot camps	0% (22)	$0	$0	n/e	n/e
Domestic violence education/cognitive-behavioral treatment	0% (9)	$0	$0	n/e	n/e
Jail diversion for mentally ill offenders	0% (11)	$0	$0	n/e	n/e
Life Skills education programs for adults	0% (4)	$0	$0	n/e	n/e

Aos 2006: Exhibit 4

Stage 3: Long-run models of different portfolios

Current level portfolio

- Assumes that existing evidence-based programs in Washington State continue to be funded at current levels in the years ahead.

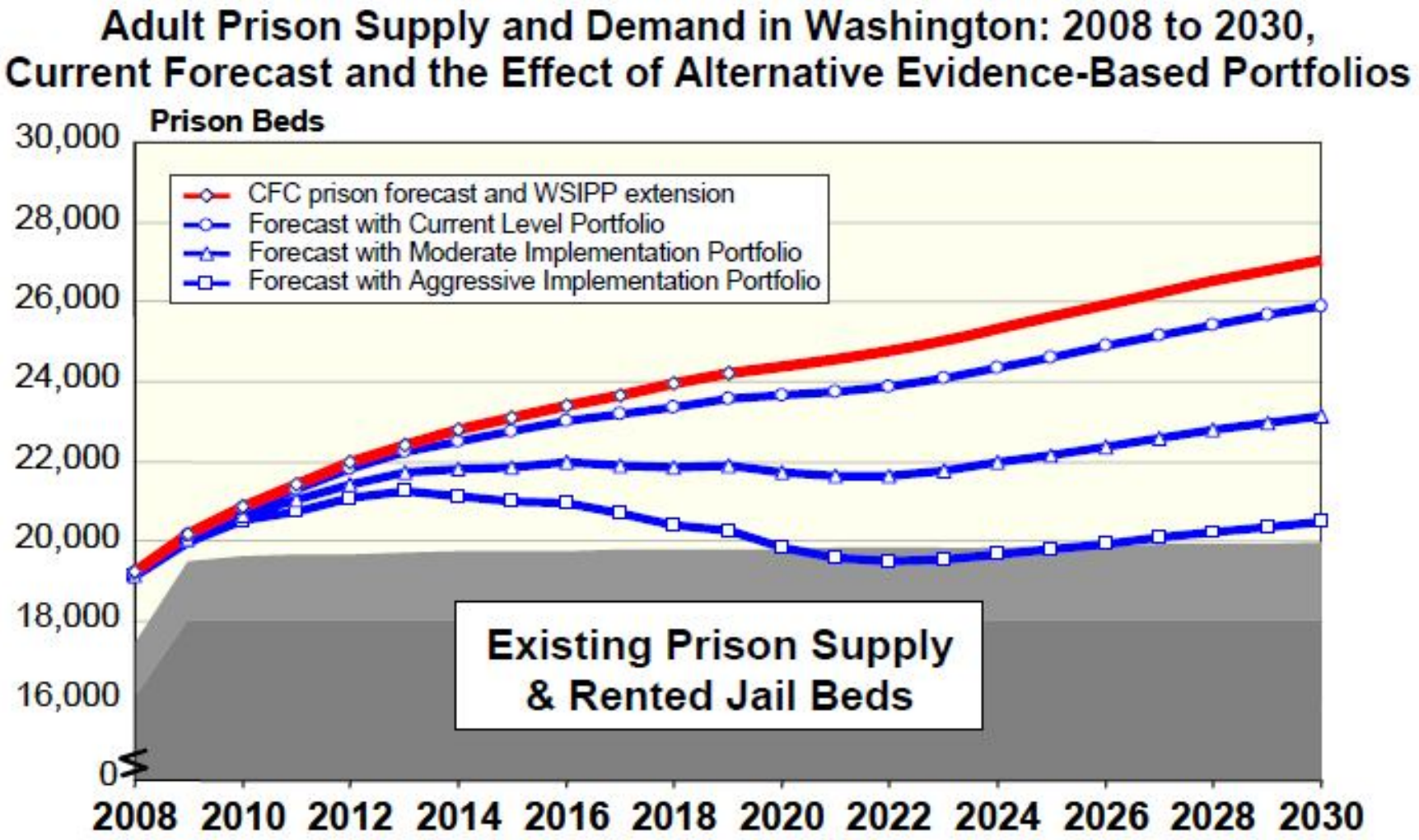
Moderate level portfolio

- Assumes that existing evidence-based programs are expanded to reach 20% more of remaining eligible people.

Aggressive portfolio

- Assumes that the current levels of existing programs are expanded to serve 40% of remaining people who are eligible

Stage 3: Forecasts

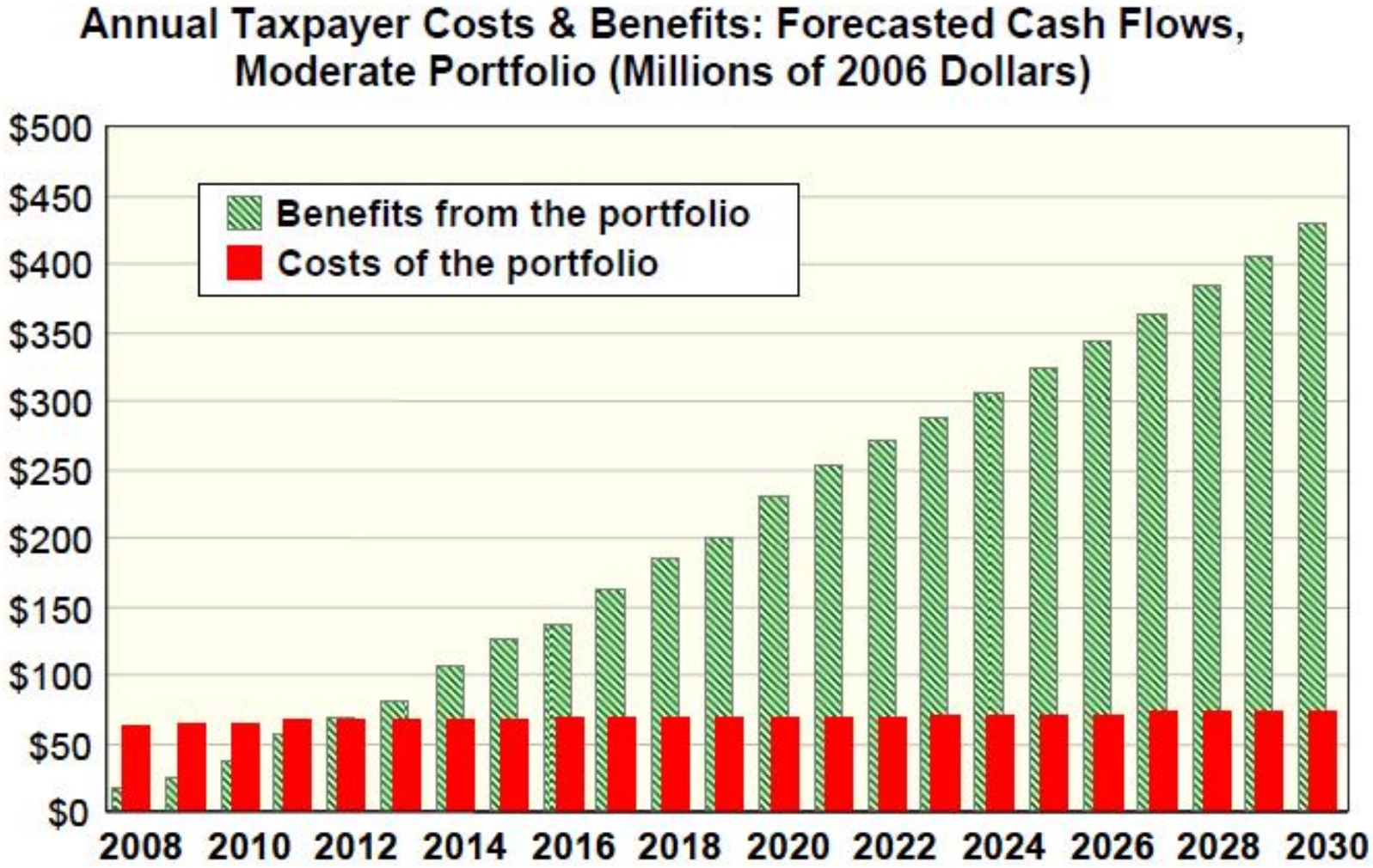


Aos et al 2006: Exhibit 5

Cost savings

- From the perspective of state and local taxpayers Aos et al (2006) find that, between 2008 and 2030, taxpayers could save from $1.9 to $2.6 billion with the moderate to aggressive portfolios, respectively
- Expressed as a ratio, the portfolios generate from $2.59 to $2.75 of taxpayer benefits per dollar of cost.
- Saving start to accrue relatively quickly

Return on investment



Aos et al 2006: Exhibit 7

Approaches to costing

- Cost analysis – can provide evidence of **efficiency savings**
- Cost effectiveness – can provide evidence of **cost and effectiveness** of outcomes
- Economic modelling – can provide a way of deciding what to invest across a portfolio of interventions to obtain more **bangs for your buck**

For further information

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