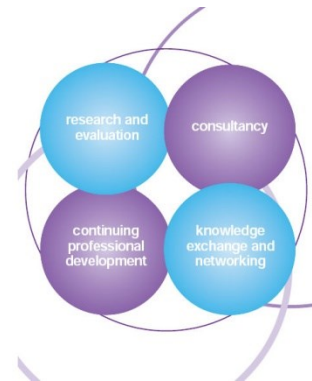


# Rehabilitation revolution

## An affordable proposition?

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Deputy Director  
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26<sup>th</sup> January 2011



# 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
- Development work on **Payment by results** (PBR)

# Theory of change approach to policy and programme evaluation

- **Should it work?** - does it make sense
- Can it work? – sufficient resources, capable staff
- Does it work? – what is the impact and scale of impact?
- Is it worth it? – does the benefit justify the cost of investment?



# Radical and realistic reform

“Despite record spending we are not delivering what really matters. Society has a right to expect the criminal justice system will protect them. Prison will always be the place for serious and dangerous offenders.

Prisons should also be places of hard work and industry and **community sentences must be credible and robust**. Criminals **must also be reformed** so that when they finish their sentences they do not simply return to crime, creating more misery for victims.

We cannot let this continue. Solving these problems requires a **radically different** approach.



**“Reducing re-offending without reducing punishment”**

# Criminal Justice Green Paper - Highlights?

- Criminal Justice Green Paper published in December 2010
  - Run rehabilitation pilots with sufficient scale to provide statistically significant results
  - Market testing of justice services delivered by public sector providers with VCS and private sector providers
  - Payment by results
  - Cost effectiveness
  - Justice re-investment
  - Extending restorative justice
  - Changes to sentencing

# Current policy and fiscal context?

- Comprehensive spending review on 20<sup>th</sup> October announced **24% reduction** in spending for the Ministry of Justice (MoJ)
  - Reductions in prison building, prison places
- **Reductions** in spending in **other related areas** of public service delivery which impact on re-offending: supported housing,
- Criminal Justice Green Paper and Criminal Justice Policy (per se) is **not stand alone** – it will be impacted by: Cross Government Drugs Strategy, Review of Offender Learning and others...
- Responsibility for reducing re-offending is **contested** between MoJ and Home Office
  - Integrated Offender Management – *differences in emphasis* between MoJ and HO; IOM and VCS (*Big Society*)
  - Reducing re-offending – a statutory responsibility for Community Safety Partnerships
- MoJ consultation on **changing** the way that **re-offending and other justice related statistics** are defined, measured and presented



# Radically different?

Green paper	What's gone before?
<i>Punishing offenders more effectively in the community</i>	<ul style="list-style-type: none"> <li>•Merrington and Stanley (2005) review of intensive supervision schemes from late 1980's and 1990s</li> <li>•Intensive support and supervision (ISSP) in youth justice</li> <li>•MoJ Penal Policy Paper 2007 trailed</li> <li>•<b>IAC Intensive Alternatives to Custody (IAC) from 2008</b></li> </ul>
<i>Integrated offender management (IOM)</i>	<ul style="list-style-type: none"> <li>•Development of multi-agency arrangements from PPOs, MAPPA</li> <li>•<b>Six IOM Pioneer Sites</b> from 2008 (and before) to a proliferation of IOM across England and Wales – <i>bottom up development</i></li> </ul>
<i>Market testing of justice services</i>	<ul style="list-style-type: none"> <li>•Contestability from 2005</li> <li>•NOMS VCS Change up pilots: Nacro MOVE, Clinks led project and others from 2005</li> </ul>
<i>Restorative justice (RJ)</i>	<ul style="list-style-type: none"> <li>•Not radical enough?</li> <li>•RJ for PPOs delivered post sentence and in prison</li> </ul>
<i>Payment by results</i>	<ul style="list-style-type: none"> <li>•Existed in NHS – to drive more effective clinical practice</li> <li>•Not previously existed for Justice Services</li> </ul>

# Should it work?

Implementing the Green Paper will  
deliver more effective justice  
services at reduced 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.

# **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

**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 – based on risk of re-offending and risk of harm

**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

	<b>% Prisoners up-tiered (principally from Layer 1 to Tier 3 or Tier 4)</b>	<b>% Prisoners down- tiered (principally from Layer 2 and 3 to Tier 1 or 2)</b>
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*
- 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? Resources for this?*
- 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

# 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

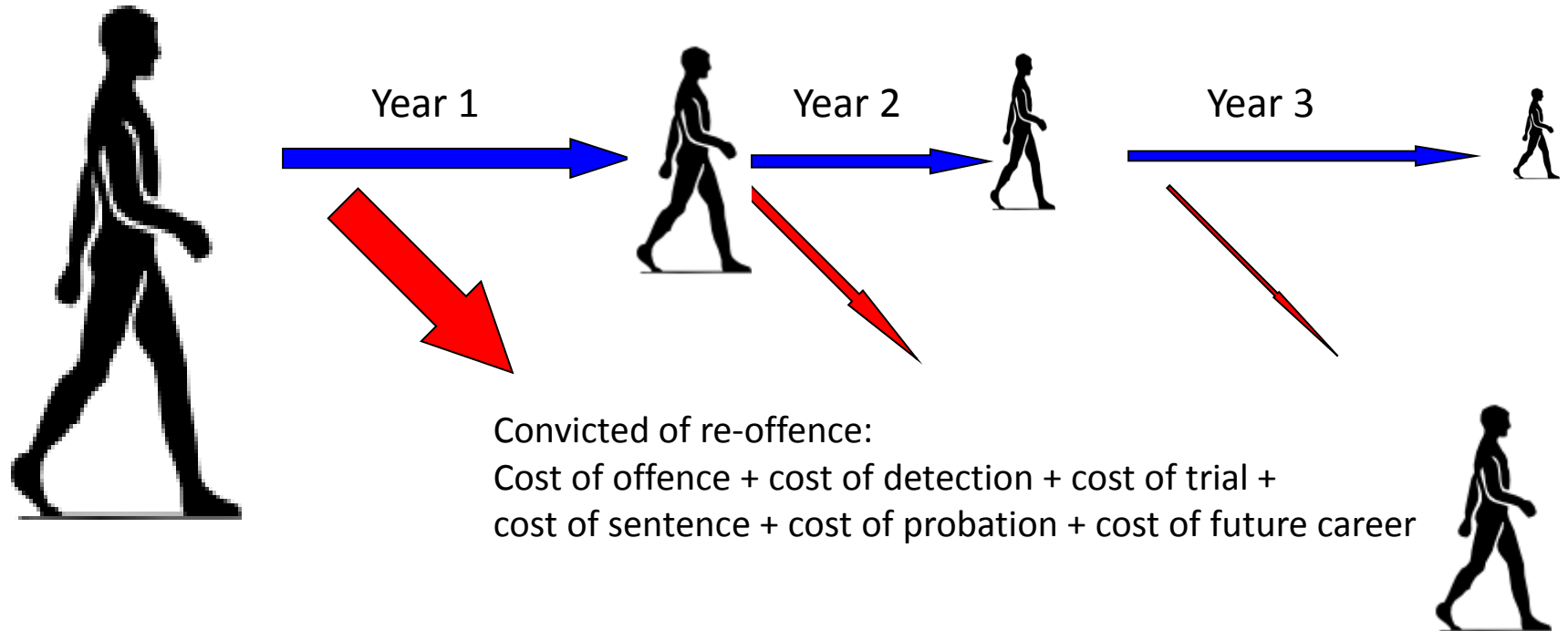
- Cost of an IAC order (based on the pilots)
- Expected cost to society of an offender committing offences while on IAC (estimated from the pilots)



# Costs of a custodial sentence



# Representation of future offending career



# IAC costs and assumptions

- Average project costs of an IAC sentence per offender per year is £5,251
- Costs of short term custody are £48,083
- The probability of revokation and re-sentencing on IAC
- 59.9% of offenders released from short term custody re-offend in the first year (NB if someone is in prison, they are not offending)

# Findings from Break Even Analysis

- 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' while retaining elements that are effective – **can the Government afford more expensive community orders?**
- Impact needs to be test quantitatively through a re-conviction analysis
- Targeting and selection of offenders for IAC is critical – **best bang for your buck**
- 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
- 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%	(8)
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%	(8)
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)

# 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	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)
<b>Notes:</b> "n/e" means not estimated at this time. Prevention program costs are partial program costs, pro-rated to match crime outcomes.					
<b>Programs for People in the Adult Offender System</b>					
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% (8)	\$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% (8)	\$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

# 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**

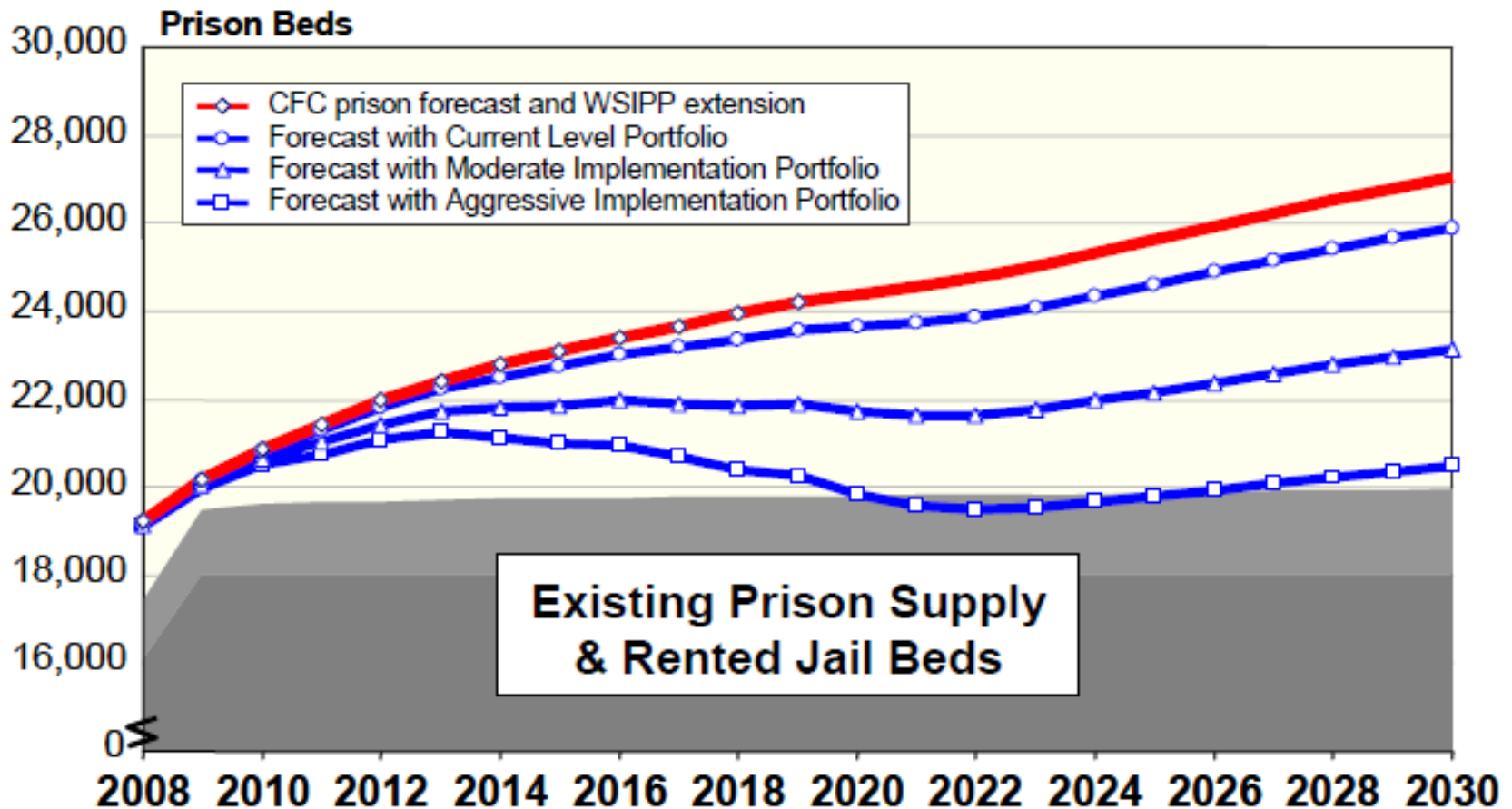
- Assumes that existing evidence-based programs are expanded to reach 20% more of remaining eligible people.

## **Aggressive portfolio**

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

# Stage 3: Forecasts

**Adult Prison Supply and Demand in Washington: 2008 to 2030, Current Forecast and the Effect of Alternative Evidence-Based Portfolios**

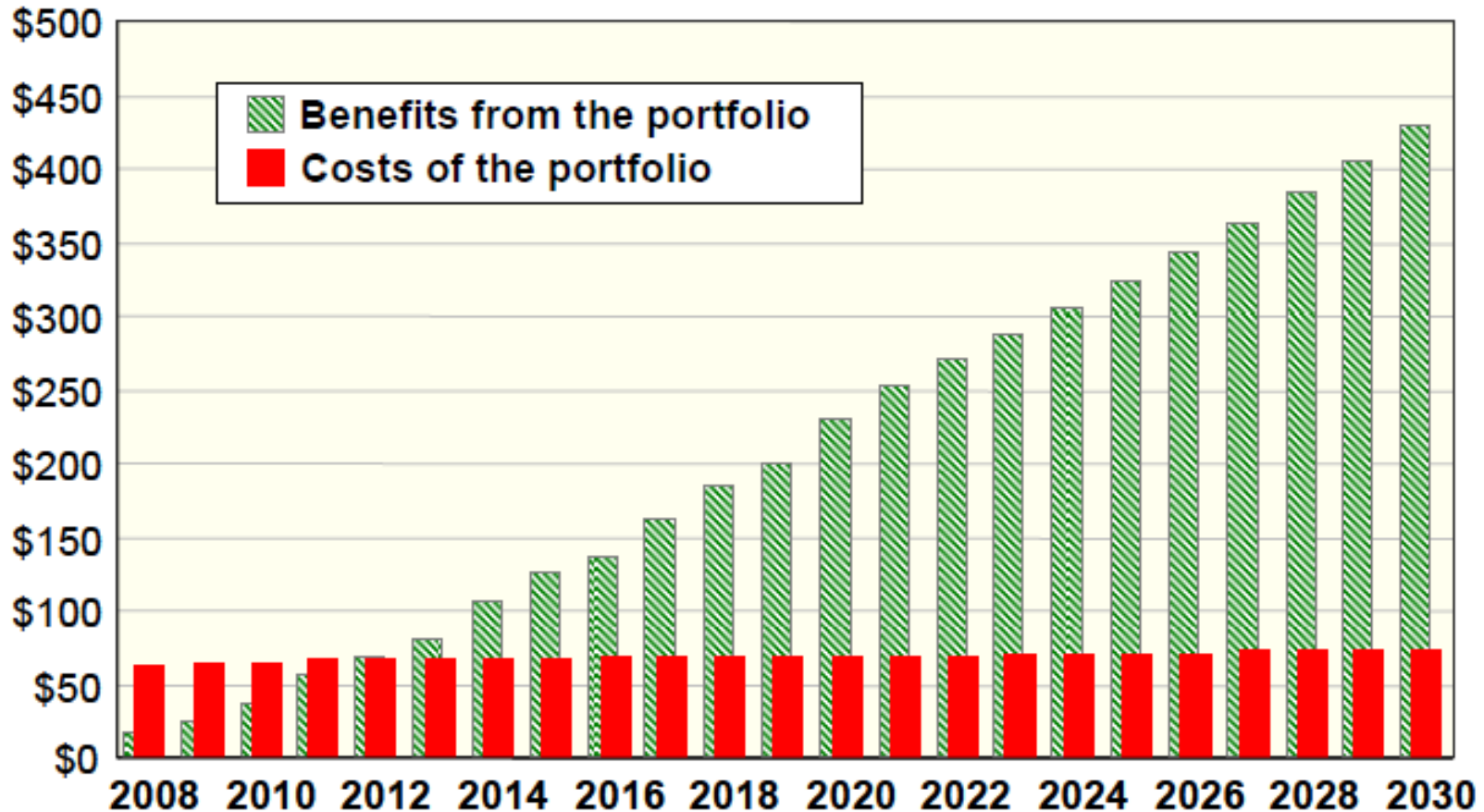


# Cost savings

- 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

Annual Taxpayer Costs & Benefits: Forecasted Cash Flows, Moderate Portfolio (Millions of 2006 Dollars)





Case study 4: Payment by results?



# Payment by results

- **Size and type of cohort** - Large enough number to generate a statistically significant change (not due to chance or other factors) Mix of offenders (requiring differing levels of intervention) in order to manage business risk
- **Measurement** - specifying outcomes
  - Prevalence - proportion of offenders who re-offend over a specified time
  - Frequency – regularity with which an offender re-offends
  - Time to re-offend
  - Seriousness
  - Court reviews
- **Payment mechanism** - payment for delivery and payment for outcome
- **Attribution of results** - who gets the bonus?

For further information  
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