

Manchester and Salford Women's Problem Solving Court – Cost Benefit Analysis

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1 Introduction

- 1.1 Following a successful pilot (2011-12) of a Problem Solving Court (PSC) at Stockport Magistrates Court the LCJB and the HMCTS Judicial Issues Group (JIG) approved the roll out of problem solving courts across Greater Manchester, starting (2014-15) with Manchester & Salford and Bury & Rochdale Magistrates Courts in the first instance.
- 1.2 The decision was made to target female offenders within the problem solving court at Manchester and Salford Magistrates court. The decision to focus on female offenders was informed by national, regional and local knowledge, research and policy development. Baroness Corston's 'Review of Women with Particular Vulnerabilities in the Criminal Justice System' (Corston, 2007) highlighted that the multiple, complex needs of women offenders, require a multi-agency, woman centred and holistic approach, if their offending is to be reduced.
- 1.3 Female offenders constitute less than a tenth of the offender population and 81% of women sentenced to custody do not present a risk of harm to the public. They often have a high level of mental health, domestic abuse, substance misuse and self-harm needs and 50% of these women will serve sentences less than six months
- 1.4 The Female Problem Solving Court at Manchester & Salford Magistrates Court launched on 1st June 2014.
- 1.5 This report outlines the inputs and outputs of the female problem solving court CBA. This is an initial CBA based on data available in the first 8 months of the court being operational. Sheffield Hallam University will complete a full women offender's model CBA in the future, as part of the overall evaluation of the women offender's model.

Overview of the Manchester & Salford Problem Solving court

- 1.6 The Problem solving court is intended to be an alternative sentence that can be given by a magistrate or judge instead of the alternative approach of sending the offender for a short prison sentence or a community order. The rationale of the approach is that the problem solving approach requires the woman to engage with support services with a sanction for not doing so. If issues such as debt, health, parenting, housing and substance misuse were addressed and access to these services improved, this would result in reduced crime and reduced levels of social deprivation. As a result they are less likely to present back into the criminal justice system with the same issues in the future.
- 1.7 Statutory and support agencies who form the problem solving court have identified that their services are available to this cohort with or without the problem solving court, however the benefit of this model is that:
 - they can maintain links with females who would lose services when in custody;
 - support a cohort who have been hard to previous engage with;
 - less time is spent duplicating assessments and referring to partner agencies;
 - they can focus specifically on their area of expertise while being confident that other agencies are involved to address other issues the female presents with.

1.8 Criteria for the Problem Solving Court (PSC) cohort focuses on those who are at risk of short term custody, present with four or more complex needs and are motivated to comply. The complex needs are:

- OGRS 50%+;
- Accommodation;
- Finances;
- Drugs or alcohol;
- Domestic violence;
- Mental health;
- Self-harm;
- Children services involvement;
- Emotional well-being (i.e. struggling to cope with past abuse).

1.9 The Manchester agencies supporting women on the PSC consist of: The Community Alcohol Team, RISE, WomenMATTA, Northwards Housing, MASH, Family Intervention Project, Inspiring Change, Women's Aid, MO:DEL and CRC offender managers. Salford consists of: Salford Drug & Alcohol Service, Salford Mental Health Service, CityWest Housing, Together Women Project, and CRC offender managers.

1.10 The contract with the Pertemps service, a team of debt advisors and employment support, came to an end during the period of the CBA analysis.

1.11 **This CBA is based on data and processes prior to the introduction on 1st February 2015 of the Offender Rehabilitation Act 2014.**

1.12 The processes at this point in time within the problem solving court were:

Court appearance – the female is identified as meeting the criteria by probation/court staff and presents as motivated to engage in a problem solving sentence. The case is adjourned for three weeks and she is interviewed for her Pre-Sentence report.

Sentence planning meeting - The pre-sentence report author (who would chair the meeting), relevant agencies who would support delivery of a Community Order and the female, meet to discuss the sentence plan. This meeting takes place within local women's centres, hosted by TWP and WomenMATTA. The Probation Officer will draw up an agreement of who will take which action presented in the Pre-Sentence Report.

Sentencing – this will involve probation and court staff. The female will receive a problem solving court community order for 6, 9 or 12 months. This is managed by a probation officer.

Four weekly reviews - Should the female receive the proposed Community Order, with the agencies support, the cases will be reviewed every four weeks, in order to mark the female's progress and review the sentence plan (this increased to every two weeks from January 2015). There are clear consequences for non-compliance; the female will be breached for non-attendance.

Completion/early progress de-registration – To reward progress, cases over 6 weeks are reviewed and considered for revocation or de-registration for good progress. This is

an opportunity or agencies to record a successful completion, if the female and the agencies have achieved all of the objectives they have set.

Structure of this paper

1.13 The remainder of this paper is structured as follows:

- **Section 2** outlines the inputs to the CBA, detailing the assumptions used to inform the analysis;
- **Section 3** presents the results of the analysis.
- **Section 4** draws conclusions from the analysis.

2 Cost Benefit Analysis inputs

2.1 In this section, we present the approach we have used to carry out a CBA for the female problem solving court. The analysis is based upon data provided by staff involved in delivering the project, the previous CBA of the Stockport problem solving court and statistics from government agencies.

2.2 We have used the New Economy Cost Benefit Analysis model which is being used across the whole Greater Manchester Public Service Reform programme. This methodology has been adopted by HM Treasury as part of the Green Book suite of documents. The methodology supporting the analysis can be found on the HMT website here:

<https://www.gov.uk/government/publications/supporting-public-service-transformation-cost-benefit-analysis-guidance-for-local-partnerships>

Comments and caveats

2.3 The following points should be noted regarding the CBA:

- The costs in the analysis are based on the costs provided by local agencies delivering the support services across Greater Manchester.
- The benefits are based on scaling up the results from an 8 month data collection period (June 2014 – Jan 2015 inclusive) which was undertaken by the NPS PSC lead. As robust outcome data was not available at this early stage a conservative optimism bias correction has been used and outcomes from similar projects (Stockport PSC and Troubled Families).
- It is not possible to include all potential outcomes of a project in Cost Benefit Analysis due to unavailability of data or difficulties in monetising the improvement in outcomes. Also at this early stage of data collection this CBA should be used as a decision support rather than decision making tool, with the findings supplemented by qualitative perspectives on the project's performance.

Costs of the project

2.4 The following costs of delivering the project have been modelled. Details are included in Figure 1 of the Appendix.

Capital costs

2.5 There were no capital costs as the orders were run from existing premises.

Revenue costs

The NPS and CRC undertake the majority of the activity. This includes sentence planning, offender management by probation staff, and four weekly reviews. As the NPS undertake the pre-sentence report and sentence planning meetings and the women have fortnightly rather than weekly appointments the CRC offender manager has less work when managing a PSC case compared to a non-PSC case. As such there are some cost savings for the CRC (offset efficiencies).

In-kind costs

- 2.6 The day to day support services are delivered by a number of organisations in both Manchester and Salford.
- WomenMatta
 - Together Women project
 - Manchester Community Alcohol Team
 - Salford Drug and Alcohol service
 - RISE
 - Northwards Housing
- 2.7 Additional in kind costs such as mental health services (Mo:Del and Salford mental health service) and Employment services (Pertemps) were not factored in due to a lack of data.

Optimism bias

- 2.8 Optimism bias correction is applied to both costs and benefits to ensure a conservative analysis to be made. For benefits, figures have been reduced by 40% as the outcome data is based on limited unaudited local data or other national programmes so a conservative approach has been taken. For costs, figures are increased by up to 40% dependent on the certainty of the cost estimates. As the cost have been collated by practitioners delivering the service or staff judgement optimism bias corrections of between 10% and 40% have been used as can be seen in Figure 1.

Benefits of the project

- 2.9 Six outcome areas have been modelled in the CBA: mental health, alcohol dependency, drug dependency, offending, custodial sentences and well-being. As the benefits are based on results from the first 8 months the PSC was in operation (61 women), robust outcome data is not yet available. Therefore the benefits in this CBA are forecast. The CBA will be updated further when the impacts for the current cohort are available, but this will not be for some time due to lags in the data. Details of the outcome data is shown in Figure 2.
- 2.10 *Mental health outcomes.* In the initial 8 months of the PSC, 34.4% of the woman had mental health issues. Just over half engaged with services.
- 2.11 *Alcohol dependency.* In the initial 8 months of the PSC, 42.6% of woman had issues with alcohol and were referred to support services. 60% of these women engaged and retained in the service.
- 2.12 *Drug dependency.* In the initial 8 months of the PSC, 40.9% of woman had issues with drugs and were referred to support services. 56% of these women engaged and retained in the service.
- 2.13 *Offending outcomes.* To estimate the potential number of crimes likely to be committed by the women on the PSC programme the convictions data that was available had to be scaled up. As the New Economy CBA uses monetisation based on total actual crime (as measured by the British Crime Survey) rather than convictions, the number of conviction
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was scaled up by standard multipliers. The first of these is to take account of the difference between recorded crime and convictions (approx. 1 in 5.4 recorded crimes results in a conviction). The second multiplier is specific to crime type and based on Home Office figures. In order to establish a deadweight figure for offending (what would have happened without the programme), we have used successful outcome rate for those that would have got a community order rather than a custodial sentence.

- 2.14** *Reduced custodial sentences:* Of the women receiving the PSC community order 55.7% were at risk of custody. 71% of these women did not breach the order or re-offend.
 - 2.15** *Emotional wellbeing.* In the initial 8 months of the PSC, 67.2% of women were referred to support services. 85% of these women have engaged and retained in the service.
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Cost Benefit Analysis results

Financial Case

- 2.16** Using the above methodology the CBA model estimated the costs of the programme as detailed in Figure 1 of the Appendix below. Since all of the costs were accrued in year one, this can be considered to be the total costs of delivering the PSC. The estimated year 1 costs are therefore £137,671.
- 2.17** The Financial or Fiscal Case considers the impact on government agencies and delivery partners of the project. Figure 3 of the Appendix shows the costs and benefits that make up the financial case for the project and indicate the total impact on the budget of organisations delivering or benefiting from the project over a five year period.
- 2.18** Future costs and benefits are discounted by the standard Green Book discount rate of 3.5% to account for the time value of money. The costs and benefits are then summed up to produce Net Present Values.
- 2.19** The Net Present Budget impact over the 5 year period is a saving of £398K, assuming that all benefits are cashable – the gross fiscal benefits scenario. The saving is not substantial but is based on a low number of participants (less than 100 per year). The financial return on investment metric is calculated as 3.9, which indicates that £3.88 is saved for every £1 invested in the project. A payback period for this scenario is short - two years.

Cashability scenarios

- 2.20** The figure for gross fiscal benefits is the maximum saving possible if all the savings due to reduction in demand are realisable. However, it is unlikely that all these savings will be possible due to fixed costs in the system. The model allows two other scenarios to be undertaken to take account of the cashability of the savings. The short term cashability scenario looks at the quick wins and what could be saved immediately with a reduction in demand. The long term cashability scenario considers the savings that can be achieved with sustained reduction in demand and when the scale of the demand reductions allows reduction of some of the fixed costs (e.g. closing a prison wing).
- 2.21** If short term cashability assumptions are considered, there is a net saving of £109K with a cost benefit ratio of 1.8:1. However the model predicts £430K of net savings if the long term cashability assumptions are used.
- 2.22** The financial return on investment, for the long term cashability scenario is 4.1. So £4.13 is saved for every £1 spent.

Economic Case

- 2.23** The Economic or Public Value Case considers all the wider costs and benefits of the project, so includes the economic and social value created by the project as well as the fiscal impact. The figures for costs and benefits for the Economic Case are shown in Figure 4. The model calculates an additional public value created by the project of £2.28million. A return on investment metric of 17.6 indicates that for every £1 spent on the project £17.60 of value is created. Most of this value is around increased economic and social (mostly health) benefits of reducing crime.
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3 Conclusions

- 3.1 The Cost Benefit Analysis gives a rationale for investing in the Problem Solving court. The reduction in offending produces a large proportion of the savings, and shows a good return on investment for the longer term cashability scenario even based on a small number of participants (less than 100 per year). The analysis indicates for this scenario, £4.13 is saved for every £1 spent.
 - 3.2 The CBA, whilst giving a good indication of the financial implications of the project, will only show part of the picture of whether the project has been successful. The CBA should be repeated once more robust data has been collected as part of the Women Offender's model. This report should also be considered in conjunction with the wider evaluation being carried out by Sheffield Hallam University.
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4 Appendix – Figures and tables

Figure 1: Costs of the programme

Project title: Manchester/Salford Problem solving court

Costs

Ref	Cost category	Predicted costs (£)	Predicted costs notes/ assumptions	Offset costs/ efficiencies (£)	Offset costs/ efficiencies notes/ assumptions	Who pays?	Capital/ Revenue/ In-kind	Optimism bias correction	Total costs	% Costs Yr1	% Costs Yr2
C1	NPS officer time (PO)	£ 9,169	2 PSC cases per week involving extra tasks totally 11.8 hrs per week. PO salary is £28,750			NPS	Revenue	10%	£ 10,086	100%	
C2	NPS officer time (Court PSO)	£ 2,500	PSO has half a day workload relief to do this role.			NPS	Revenue	10%	£ 2,750	100%	
C3	CRC Offender Manager		OM holding the case undertakes 9.5 hrs work a week on the PSC case rather than the usual 11hrs	£ 1,014	OM holding the case undertakes 9.5 hrs work a week on the PSC case rather than the usual 11hrs resulting in 1.5 hrs saving	CRC	Revenue	10%	-£ 1,115	100%	
C4	Salford Drug and Alcohol Serviced	£ 25,679	See 15% of women. Total cost of £2,038 for a Band 5 to work with one female for 6 months.			SDAS	In-kind	10%	£ 28,247	100%	
C5	Manchester Community Alcohol Team	£ 60,831	See 32% of women. Total cost of £2263.04 for one alcohol worker to work with 1 woman for 6 mths			CAT	In-kind	10%	£ 66,914	100%	
C6	Together Women Project	£ 14,031	See 16% of women at a cost of £1044 per woman			TWP	In-kind	10%	£ 15,434	100%	
C7	Women Matta	£ 11,544	See 50% of women - 4 per mth for 4 mths (avg caseload 16 women). Project worker salary £21786 - 1hr per week. Plus 1 day/mth @ £26495 and admin support at 1 day/mth at £15972. Plus 2-4 appt per wk at St Wilfs			Women Matta	In-kind	10%	£ 12,699	100%	
C8	RISE	£ 338	1 hour a fortnight based on PSO salary			RISE	In-kind	15%	£ 389	100%	
C9	Northwards Housing provider	£ 1,560	Half an hour per case (approx £15) at 2 manchester cases per week			Northwards housing	In-kind	15%	£ 1,794	100%	
C10	MO:DEL/ Salford MH		See 12/62 (19.7%) of women			NHS	In-kind	15%	£ -		
TOTAL									£ 137,197		

Figure 2: Benefits of the programme

Ref.	Outcomes	Included outcome?	Benefits	Who does benefit accrue to?	Target population	Pop notes/ assumptions	Affected population / Predicted incidents	Affected pop notes/ assumptions	Level of engagement with the target population (%)	% engagement notes / assumptions	Retention rate (%)	% retention notes / assumptions	% impact (effectiveness of changing skills / attitudes / behaviours)	% impact notes / assumptions / sources	% deadweight	% deadweight notes / assumptions
B5	Mental health	Yes	Reduced health cost of interventions	NHS/Individuals	92	61 cases between June 14 and Jan 15	31	21 of 61 cases with MH issues (34.4%)	57%	12 of 21 are engaging with services	100%	So far 3 completed. Of the 12 all still engaging	44%	Based on Mch & Salford TF programme (JC confirmed figure)	38%	Based on Mch & Salford TF programme (JC confirmed figure)
B9	Reduced incidents of crime (all crimes)	Yes	Reduced police, other criminal justice costs, health costs per actual crime (N.B. Use multipliers to convert from recorded crime or convictions)	Police, CJS, NHS	92	61 cases between June 14 and Jan 15	2569	Advised by Julian to use the popn x 5.4.5.2 (to account for all recorded crimes and incidents that are not detected)	84%	10 women yet to engage (needs TBA)	100%	So far 8 re-offended out of 51 that engaged. So far 5 successful. However use 100% as applying impact rate.	22%	ICPR: The development and impact of community services for women offenders: an evaluation. Offending reduced by 22%	9%	Of the 61 cases 25 are so far successful and would have probably got a CO without the PSC.
B13	Reduced drug dependency	Yes	Reduced health and criminal justice costs	NHS, Police, CJS	92	61 cases between June 14 and Jan 15	37	25 of 61 cases with drug issues (40.9%)	72%	18 of 25 are engaging with services	78%	Of the 18, 4 have breached or re-offended. So far 2 completed	49%	DTORS Study (judgement taken from Stockport PSC CBA as advised by New Economy)	8%	Of the 18, 13 would have gone to prison and a further 2 would not have got service.
B14	Reduced alcohol dependency	Yes	Reduced health and criminal justice costs	NHS, Police, CJS	92	61 cases between June 14 and Jan 15	39	26 of 61 cases with alcohol issues (42.6%)	77%	20 of 26 are engaging with services	60%	Of the 20, 8 have breached or re-offended. So far 3 completed	60%	Expert judgement from local programme - Stockport PSC CBA	0%	All 20 would either be in prison (13) or not get service without ATR
B19	Reduced custodial sentences	Yes	Reduction in prison stays	NOMS	92	61 cases between June 14 and Jan 15	51	34 of 61 cases at risk of custody (55.7%)	91%	31 out of 34 cases engaging so far (3 yet to have needs id'd)	71%	Of the 31 cases, 9 have breached or re-offended. So far 5 successful	100%	Expert judgement from local programme - Stockport PSC CBA	0%	All deadweight figures are handled in affected population figure
S4	Improved well-being of individuals	Yes	Emotional well-being	Individual	92	61 cases between June 14 and Jan 15	61	41 of 61 cases with emotional wellbeing needs (67.2%)	85%	6 of the 41 cases have not completed an outcomes star	85%	Used engagement rate. So far 10 have done more than 1 outcome star	21%	100% would be moving 9 points from worst to best case on the outcome star. Women have on avg moved 1.9 points. 1.9 points would then be $1.9/9 * 100\% = 21\%$.	0%	All deadweight figures are handled in affected population figure

Figure 3: Financial Case
Manchester/Salford Problem solving court

Cashability Assumption
 Price base FY 2014

Gross Benefits

Financial Case (Fiscal CBA)		Financial Year					Net Present Value (NPV)	
		2014	2015	2016	2017	2018		
Actual costs	Costs	£ 137,671.42	£ -	£ -	£ -	£ -	£ 568,910.30	
	Benefits	£ 134,142.35	£ 129,783.57	£ 115,722.51	£ 101,661.46	£ 87,600.41		
Discounted costs	Costs	£ 137,671.42	£ -	£ -	£ -	£ -	£ 137,671.42	
	Benefits	£ 134,142.35	£ 125,241.14	£ 107,763.70	£ 91,356.25	£ 75,965.32	£ 534,468.77	
							-£ 396,797.35	Net Present Budget Impact
							3.88	Overall Financial Return on Investment
							2 years	Payback period

Figure 4: Economic case

Economic Case (Public Value CBA)		Financial Year					Net Present Value (NPV)	
		2014	2015	2016	2017	2018		
Actual costs	Costs	£ 137,671.42	£ -	£ -	£ -	£ -		
	Benefits	£ 632,382.87	£ 581,104.75	£ 517,781.34	£ 454,457.94	£ 391,134.54		
Discounted costs	Costs	£ 137,671.42	£ -	£ -	£ -	£ -	£ 137,671.42	
	Benefits	£ 632,382.87	£ 560,766.08	£ 482,170.93	£ 408,390.51	£ 339,184.05	£ 2,422,894.44	
							£ 2,285,223.02	Net Present Public Value
							Not applicable	Public Value for Money BCR
							17.60	Public Value Return on Investment