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Local Justice Reinvestment Pilot: Final process evaluation report

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The authors

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1. Summary

1.1 Background

The Local Justice Reinvestment (LJR) Pilot was part of the Ministry of Justice (MOJ) commitment to test new approaches to criminal justice through Payment by Results (PbR) commissioning and has informed the government's Transforming Rehabilitation (TR) reforms. Justice Reinvestment assumes that there are significant reductions in crime and offending to be made by partners working more effectively together at the local level. Cost savings, realised through lower demand on the Criminal Justice System (CJS), can then be reinvested back into the system.

Six pilot sites were established – in Greater Manchester and the London boroughs of Croydon, Hackney, Lambeth, Lewisham and Southwark – covering both the adult and youth CJS in all sites except Hackney, which covered the adult CJS only. In these sites, local partners were free to target their resources on offenders in line with their local priorities and crime and/or reoffending patterns. They received a reward payment from MOJ if the *cost of demand* reduced by more than 5 per cent for adults and 10 per cent for youths, up to a maximum of 20 per cent, in either of the two test years (July 2011 to June 2012, July 2012 to June 2013) measured against the baseline period (July 2010 to June 2011). The value of the reward increased in line with greater reductions in the cost of demand, up to a maximum of 20 per cent.

The cost of demand was based on prices set for CJS metrics which included numbers of: custodial convictions of a specified duration; custody months for those convictions; community orders and suspended sentence orders; 'other convictions'¹; and probation requirements. Four sites² in year 1 and five sites³ in year 2 achieved the targets and received reward payments based on savings which were shared between the sites and MOJ (MOJ, 2012b; MOJ, 2013d).

A process evaluation was commissioned to identify: what actions were taken by the sites; their effect on the CJS metrics indicated above, including how this affected the overall cost of demand on the CJS; perceived strengths and weaknesses in implementation; any unintended consequences on the CJS; and implications for policy and practice. This final

¹ Non custody and non court order convictions for offences such as summary motoring offences and non payment of TV licences.

² Greater Manchester, Lewisham, Hackney and Southwark.

³ Greater Manchester, Lewisham, Hackney, Southwark and Lambeth.

report draws together the findings from all the phases of the evaluation.⁴ An interim report focusing on the development and implementation of the pilot in year one, including details of interventions was published in 2013 (Wong *et al*, 2013).

1.2 Interventions, investment and other initiatives and events at the sites

In year one of the pilot three sites implemented new interventions; the other three implemented interventions that they had already planned but were accelerated by the pilot. In year two, the interventions in place across all six sites were a continuation of those implemented in the first year. Across both years, the London sites focused on reducing reoffending primarily through Integrated Offender Management (IOM), whereas Greater Manchester adopted a CJS redesign approach by supporting offenders at points of transition in the CJS (arrest, sentence, release and youth to adult). During the second year, Greater Manchester also developed an evidence based framework for justice service commissioning to facilitate this.

Of the four sites receiving a reward payment after year one, the majority of the funding in Greater Manchester, Hackney and Southwark was allocated towards supporting adult offender management and sustaining existing services. In Lewisham, the majority of reward funding was allocated to functional family therapy for young people. It was not possible to obtain information on how year two reward allocations were targeted in the five sites receiving them due to the timing of the fieldwork.

Wider policies and programmes also being delivered at the same time as the LJR pilot were perceived to have assisted sites in reducing demand on the CJS, for example:

- A national adult sentencing proposal initiative (to reduce custodial sentences and probation requirements) by probation staff, which pre dated the pilot.
- In London, The Mayor's Office for Policing and Crime (MOPAC) provided continuation funding for IOM.
- In Greater Manchester, the Police and Crime Commissioner (PCC) co commissioned services supported by the reward funding and acted as banker for the reward grant.

⁴ The methodology was primarily qualitative, involving three phases of interviews, workshops and focus groups with local agencies spanning the duration of the pilot. Analysis of changes to CJS metrics during the pilot was also undertaken.

- In Greater Manchester the Public Service Reform (PSR) programme enabled the practice, process and partnership changes initiated during the pilot to continue, and facilitated the development of an evidence based commissioning framework for justice services.

1.3 Strengths and challenges in implementation

Interviewees perceived that the strengths of the pilot were:

- a focus on offenders with short sentences (under 12 months custody) in the London sites which pre dated the provision of statutory offender management for these offenders contained in the Offender Rehabilitation Act 2014;
- adopting a whole CJS approach to delivering justice services in Greater Manchester;
- implementing the pilot across Greater Manchester and therefore benefiting from geographical scale such as shared risk among local authorities;
- testing PbR commissioning of an offender management scheme in Lewisham;
- developing evidence based commissioning and a local 'what works' evidence base in Greater Manchester;
- enhancing partnership working; and
- facilitating buy in to IOM by police officers in some of the London sites, by building their confidence in multi agency offender management processes.

Interviewees perceived that the challenges of the pilot were:

- the large number of metrics (e.g. 16 for adult demand) which made it challenging for the sites to decide what interventions to implement;
- insufficient incentives (the lack of upfront funding and lack of a penalty if the target was not met) for the sites to substantially change practice and invest in new initiatives;
- difficulties in obtaining buy in from local agencies to the concept of reducing the cost of demand as an outcome measure in the London sites;
- the lack of a delivery framework to enable sites to link interventions they had implemented to the outcome metrics (in addition the sites perceived that as the project aimed to give sites local control over the implementation of the pilot, there was limited accountability);
- differing operational priorities between local agencies;
- the limited use of research evidence to inform delivery in the London sites; and

- limitations in the timeliness and type of management data provided by MOJ to inform delivery by the sites.

1.4 Changes to criminal justice demand metrics

As the study was designed as a process evaluation, without comparison areas, it was not possible to precisely identify the reasons for the changes in outcomes, and why performance varied across the sites. However, the actions taken by the sites and other external factors provided context within which the outcomes were examined.

The overall cost of both adult and youth demand reduced in the majority of sites in both years and by more than that observed in England and Wales and Greater London. In the sites that met the cost of demand reduction targets, there was a reduction in the majority of the outcome metrics. There were reductions in the number and costs of probation requirements, but this may also have resulted from national policy changes operating outside the pilot. ‘Other convictions’ made an important contribution to the sites meeting the reduction in the cost of adult demand target, despite the offences likely to result in these convictions not being specifically targeted by the sites. This appeared to be due to the volume of ‘other convictions’ compared to other metrics, and the relatively high value of the estimated savings that could be realised from a reduction in ‘other convictions’ compared to other metrics. Figures may also have been affected by overall crime levels and the reporting behaviour of victims.

1.5 Implications for policy

The research has identified the following implications which may be helpful to policymakers, commissioners and providers in designing and delivering future initiatives:

- Incentive based initiatives may benefit from:
 - outcome metrics which obtain buy in from providers and can be understood and monitored by providers using their own data;
 - upfront funding, a reward payment and a penalty mechanism;
 - providers articulating how their activities link to the outcome metrics and undertaking a minimum level of performance management and reporting to commissioners;
 - providers having the capacity and capability to analyse data to inform the design, implementation and monitoring of services; and
 - commissioners having sufficient capacity and capability to provide timely management data to providers.

- Individual agencies should be encouraged to deliver better criminal justice outcomes by reviewing and improving their own operating practices, rather than relying on partnership working as a panacea.
- Developing an evidence base to support reliable investment decisions requires:
 - a central database/repository of robust research evidence;
 - local commissioning frameworks which require that the most robust evidence is available to support funding decisions; and
 - providers to use the best evidence available and, where this is absent, undertake robust evaluations of their own services.
- Commissioners and providers need to allow adequate time to build their capacity and understanding of new commissioning frameworks, such as PbR.

2. Introduction

2.1 Background

The Local Justice Reinvestment (LJR) Pilot was part of the Ministry of Justice (MOJ) commitment to test new approaches to criminal justice through Payment by Results (PbR) commissioning (MOJ, 2010a). The pilot aimed to:

- test the premise that there were significant potential reductions in crime and reoffending to be made by partners working more effectively together at the local level;
- understand the extent to which local partners were incentivised to change their behaviours; and
- test a concept from which evidence could be generated to inform the development of policy on widening the use of PbR, local partnership working and local commissioning decisions (MOJ, 2011b).

Justice Reinvestment (JR), as noted by Fox *et al* (2013), seeks to reduce the cost of crime in the most efficient way possible. It involves local agencies working together to reduce the drivers of criminal justice costs through the analysis of criminal justice data, mapping of interventions, use of evidence, and identification of cost effective interventions. Interest in JR has grown in recent years and was endorsed by the House of Commons Justice Committee (Justice Committee, 2010). The development of the LJR pilot was preceded and informed by other initiatives that aimed to test out a JR approach – for example, the Diamond Initiative.⁵

Six LJR pilots were established in Greater Manchester⁶ and the London boroughs of Croydon, Hackney, Lambeth, Lewisham and Southwark. They covered both adult and youth Criminal Justice Systems (CJS) in all sites except Hackney, which covered the adult CJS system only.⁷

Under the pilot model, local statutory partners were free to target their resources (without prescription from MOJ) on specific groups of adult (18 and over at time of conviction) and

⁵ The Diamond Initiative commissioned by the London Criminal Justice Partnership was a resettlement scheme for offenders sentenced to less than 12 months in prison. It ran from 2009–11 in the London Boroughs of Croydon, Hackney, Haringey, Lambeth, Lewisham and Southwark (see Dawson *et al*, 2011).

⁶ The local authorities of Manchester, Salford, Trafford, Tameside, Stockport, Wigan, Oldham, Rochdale, Bury, Bolton.

⁷ The pilot only covered the adult system in Hackney as the area was also involved in the Youth Justice Custody Reinvestment Pathfinder. More information on this can be found in the Pathfinder final report (Wong *et al*, 2015).

young (under 18 at time of conviction) offenders in line with their local priorities and crime and/or reoffending patterns.

In contrast to two other MOJ PbR pilots, where the outcome payment was based on reducing reconvictions (MOJ, 2014), the LJR sites were rewarded if there was a reduction in the *cost of demand on the CJS*. The estimated saving that this created for MOJ was shared with the sites to reinvest in reducing reoffending and crime locally. The cost of demand was measured across the baseline year (July 2010 to June 2011), year one (July 2011 to June 2012) and year two (July 2012 to June 2013). Local partners received a reward payment if the cost of demand reduced by more than 5 per cent for adults and 10 per cent for youths, in either of the two measurement years compared to the baseline. These are referred hereafter as the ‘demand reduction targets’. The size of the reward payment increased in line with greater reductions in the cost of demand, up to a maximum of 20 per cent.

The cost of demand was measured using a range of metrics, and a total cost to MOJ for each site was calculated by multiplying these outcome metrics by an agreed price per metric. Prices were set based on what MOJ agencies⁸ agreed were the potential cashable financial savings from a reduction in each metric (MOJ, 2013b). The adult metrics were volumes of:

- under 12 month adult custodial convictions and custody months from those convictions;
- Community Orders and Suspended Sentence Orders;
- ‘other convictions’ (non custody and non court order convictions) in magistrates’ courts); and
- twelve probation requirements⁹ which each counted as individual metrics (detailed in Table A2.3).

The youth metrics were volumes of:

- under 24 month custodial convictions and custody months from those convictions;
- Community Orders; and

⁸ The agencies involved were National Offender Management Service (NOMS), Her Majesty’s Courts and Tribunal Service, Youth Justice Board (YJB) and the then Legal Services Commission.

⁹ At the time of the LJR pilot there were 12 requirements. However since then, there have been amendments to the requirements available. A foreign travel prohibition requirement was introduced under the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act 2012. A Rehabilitation Activity Requirement was introduced in February 2015 (as part of the Offender Rehabilitation Act 2014), which replaced the supervision and activity requirements for offences committed after the provision came into force.

- ‘other convictions’ (non custody and non court order convictions) in magistrates’ courts.

At the end of year one, four sites¹⁰ achieved the demand reduction targets and received reward payments totalling £3,623,000 (MOJ, 2012b). At the end of year two, five sites¹¹ achieved the demand reduction targets and received reward payments totalling £8,019,000 (MOJ, 2013d).¹² The reward payments were less than the estimated savings achieved and reflected the sharing of these savings between MOJ and the sites.

Since the LJR pilot was introduced in July 2011, MOJ has proceeded with plans to roll out PbR at scale and transform the way in which adult offenders are rehabilitated. ‘Transforming Rehabilitation: a Strategy for Reform’, published in May 2013, set out the key facets of MOJ’s approach to reduce reoffending. Under the Transforming Rehabilitation (TR) reforms:

1. The market has been opened up to a diverse range of new rehabilitation providers.
2. New payment incentives for market providers have been introduced, to only pay them in full for specified reductions in reoffending.
3. The majority of offenders released from custody (including the most prolific group of offenders – those sentenced to less than 12 months in custody) now receive statutory supervision in the community.
4. A ‘through the prison gate’ resettlement service has been put in place, so most offenders will be given continuous support by one provider from custody into the community.
5. A new public sector National Probation Service (NPS) has been created.

The competition was launched in September 2013 (MOJ, 2013f), and on 1 June 2014 transition to the new National Probation Service (NPS) and 21 Community Rehabilitation Companies (CRCs) took place. In October 2014 the preferred bidders to run the CRCs were announced. On 1 February 2015 the new providers took ownership of, and began running, the CRCs. On this date the remaining provisions of the Offender Rehabilitation Act (ORA) 2014 also commenced. The most significant change introduced by the ORA was to extend

¹⁰ Greater Manchester, Lewisham, Hackney and Southwark.

¹¹ Greater Manchester, Lewisham, Hackney, Southwark and Lambeth.

¹² Details of the results for year one and year two are included in Table A2.1.

statutory supervision to offenders released from short prison sentences of less than 12 months.

PbR payments to CRC owners are dependent on reducing the proportion of people who commit further offences (binary measure) and reducing the total number of offences (frequency measure).

While Justice Reinvestment is not the PbR model that MOJ is taking forward under the TR reforms, learning from the LJR pilot has informed the design of the reforms (for example, central to TR is the importance of partnership working and the need for a robust payment model).

2.2 Research questions

A process evaluation of the LJR pilot was commissioned by MOJ to answer the following research questions:

1. What actions did local partners take to reduce crime, reoffending and demand on the CJS, and why?
2. (How) Did the actions of local partners contribute to better CJS outcomes (including reduced first time offending, reoffending and CJS demand focused on the pilot outcome metrics)?
3. What were the perceived strengths and weaknesses of the project as implemented?
4. Were there any unintended consequences/impacts on other parts of the CJS and/or crime in the area (or neighbouring areas), and/or were any perverse incentives created?
5. What lessons can be learned to inform the development of policy in relation to PbR, local commissioning of services and reducing reoffending, and what are the implications for policy?

This final evaluation report draws together findings from all phases of the research to answer all the research questions. The interim evaluation report (Wong *et al*, 2013), focused on the development of the pilot and year one implementation, including full details about the interventions implemented.

2.3 Methodology

The methodology for this process evaluation was primarily qualitative. The fieldwork was conducted in three phases: November 2011 to February 2012; July to November 2012, and September to December 2013. Across the six pilot sites the three phases of the fieldwork involved 193 interviews with stakeholders, and a total of 15 workshops and one focus group involving 116 participants (some participating more than once).¹³ Participants included: MOJ staff; senior local authority managers; community safety managers; Youth Offending Team (YOT) managers; senior and operational probation managers; police officers; managers from the Voluntary and Community Sector (VCS) agencies; sentencers and senior court staff; managers from the Police and Crime Commissioners' (PCC) offices; and research and data managers from local authorities, criminal justice boards, probation, and PCC offices.

The interview findings were supplemented by documentary evidence relating to the implementation of the pilot across the six sites. Changes in the outcome metrics during the course of the pilot were also assessed. Further details of the methodology and limitations are contained in Appendices 1 and 2.

2.4 Interpreting the findings

The qualitative findings are based on purposively selected interviews. Not all interviewees had the same degree of direct involvement with the implementation of the pilot. As a result, the conclusions and learning presented in this report may not be representative of all stakeholder views held across the six pilot sites, and need to be interpreted with a degree of caution. With regard to the analysis of criminal justice demand data, in the absence of comparator sites it was not possible to directly attribute changes in demand to the pilot. This study was commissioned as a process evaluation and was not intended to measure impact.

2.5 Report outline

Chapter 3 summarises the governance arrangements at each of the sites, outlines the interventions implemented by the sites during the pilot, summarises how the reward payment from year one was allocated and examines other initiatives that may have impacted on the pilot. Chapter 4 identifies the strengths and challenges in the implementation of the pilot.

¹³ The workshops included theory of change workshops in Phase 1, system mapping workshops in Phase 2, and data review workshops in Phase 3.

Chapter 5 examines the performance of the sites against the metrics and identifies factors that may have contributed to the results. Chapter 6 outlines the main conclusions and implications for policy based on the lessons learned from both years of the pilot.

3. Interventions, investment and other initiatives and events at the sites

This chapter examines the actions undertaken by the sites to reduce criminal justice demand and the context in which the pilot was implemented. It outlines governance arrangements for the pilot, summarises the interventions implemented, details how sites allocated year one reward payments and considers other initiatives which may have impacted on the pilot.

3.1 Governance

Greater Manchester established an executive board to oversee delivery of the pilot, chaired by the Chief Constable with senior representatives from local authorities, probation, the Crown Prosecution Service, courts and the Voluntary and Community sector. In the London sites, governance of the pilot rested with the local community safety partnership and reducing reoffending structures. Across all sites, the agencies which had the main operational involvement were probation, the local authority and the police. Apart from in Greater Manchester, YOTs had limited operational involvement in implementing the pilot. There was limited involvement of courts in some sites, due to concerns by local stakeholders of an adverse response from the judiciary to the outcome of the pilot – demand reduction.

3.2 Interventions delivered during the pilot

The interview findings indicate that, during year one, some new interventions were implemented in three sites as part of the pilot. However, the majority of the interventions implemented across all the sites were either interventions that pre dated the pilot or interventions that the sites had planned to implement but were accelerated by the pilot (see Table 3.1). Details of these interventions can be found in the interim report (Wong *et al*, 2013). The interventions undertaken by all the sites in year two were a continuation of interventions implemented during year one (see also Table 3.1). However, in year two, Greater Manchester also implemented an evidence based commissioning framework which was in line with the strategic CJS design approach to managing offenders that was adopted by Greater Manchester in both years of the pilot. In the London sites the focus of service delivery was on adult offenders across both years of the pilot.

The rationale for decisions on interventions in year two was consistent with that of year one. The underpinning rationale in the London sites remained that a focus on reducing

reoffending, primarily through Integrated Offender Management (IOM),¹⁴ fitted with local priorities, and would ultimately reduce demand on the CJS. The development of the IOM schemes was, in part, based on the earlier Diamond Initiative. In Greater Manchester, stakeholders were committed to retaining the CJS model of justice reinvestment¹⁵ focused on supporting offenders at points of transition in the CJS (arrest, sentence, release and youth to adult)¹⁶ that had underpinned year one activity. They also ensured that the pilot complemented and was integrated with wider activities under the Public Service Reform (PSR) programme (see section 3.4 for more details).

Table 3.1: Summary of year one and year two key interventions (shaded interventions were new arising from the pilot)

Site	Year 1 – Interventions and processes	Year 2 – Interventions and processes
Greater Manchester ¹⁷	Diversion to more cost effective interventions based on points of transition (arrest, sentence, release, youth to adult) ¹⁸ including a focus on sentencing proposals by probation	Continuation of work on points of transition, including a focus on sentencing proposals by probation
	Intensive alternatives to custody (IAC) in three local authority areas	IAC orders were rebranded as Intensive Community Orders (ICOs)
	Small scale pilots: <ul style="list-style-type: none"> • conditional cautioning (drugs, alcohol, adult female offenders) • women’s custody triage • women’s attendance centres • neighbourhood justice panels 	Continuation of pilots
	Street Restorative Justice	Continuation of Street Restorative Justice
	Roll out of IOM across ten local authorities	Continuation of IOM
		Evidence based commissioning framework
Croydon	Intensive Supervision Model ¹⁹ Voluntary Supervision Model ²⁰	Continuation of Intensive Supervision Model Continuation of Voluntary Supervision Model

¹⁴ ‘Integrated Offender Management is an overarching framework which allows local and partner agencies to come together to ensure that the offenders which cause most damage and harm locally are managed in a co-ordinated way.’ Definition provided by the Home Office at <http://www.homeoffice.gov.uk/crime/reducing-reoffending/iom/>

¹⁵ Fox *et al* (2013) have proposed that a CJS model of justice reinvestment seeks to divert offenders at different points in the CJS to more cost effective alternatives.

¹⁶ This was adjusted during year one to also focus on female offenders, offenders aged between 16 and 21, and IOM offenders.

¹⁷ A more detailed list of the interventions implemented by Greater Manchester can be found in Wong *et al*, 2013.

¹⁸ Examples of diversionary interventions included: at point of arrest, increasing the use of out of court disposals; at point of sentence, a targeted services court which aimed to divert offenders with mental health problems to appropriate services. Some of these were based on existing research evidence; others were being evaluated (Wong *et al*, 2013).

¹⁹ This was based on the Intensive Alternatives to Custody programme which was piloted in a number of areas across the country (see Hansbury, 2011), including Greater Manchester.

²⁰ This involved VCS agencies engaging with low level non-statutory offenders (particularly on release from custody) and providing them with support and assistance. This was part of Croydon’s IOM programme.

Site	Year 1 – Interventions and processes	Year 2 – Interventions and processes
Hackney	IOM (extending PPO ²¹ work; co location of joint agency team)	Continuation of IOM (changed provider for non statutory offenders from VCS to probation)
Lambeth	IOM	Continuation of IOM
Lewisham	PbR commissioned IOM scheme ²² for non statutory offenders ²³ (delivered by VCS agency)	Continuation of PbR commissioned IOM scheme for non statutory offenders
Southwark	IOM Scheme Focus on sentencing proposals by probation	Continuation of IOM Continuation of focus on sentencing proposals by probation

3.3 Year one reward payment

Investment of year one payment

Four sites achieved their demand reduction targets in year one and were allocated a reward payment. Table 3.2 summarises how this was allocated.²⁴ The reward payments were received six months into year two of the pilot (January 2013) with no time restrictions on spending. This meant that by the end of the pilot (June 2013) the funding had been spent partially in some sites while others were still at the allocation stage. Only some of the interventions funded from the year one payment were implemented by the sites in year two. These are indicated by the shaded cells in Table 3.2.²⁵ The majority of funding in Greater Manchester, Hackney and Southwark was allocated towards supporting adult offender management, whereas in Lewisham the majority of funding was allocated to functional family therapy²⁶ for young people. Due to the timing of fieldwork, no data was available about how the year two reward payment was to be allocated.

²¹ Prolific and priority offenders.

²² As detailed in the interim report (Wong *et al*, 2013), Lewisham commissioned a voluntary sector agency to deliver a PbR service based on a Drugs Intervention Programme contract, but with a remit broadened to include reoffending.

²³ Non-statutory offenders were those in receipt of an under 12 month custodial conviction who would not have normally received probation supervision following release from prison.

²⁴ This data was provided and validated by the sites.

²⁵ Due to the timing of the fieldwork it was not possible to verify if the other initiatives that were to be funded by the year one payment (but not commenced in year two) were implemented.

²⁶ A psychological treatment for young people.

Table 3.2: Allocation of year one funding

Site and year one reward payment	Main interventions which were allocated reward funding and percentage of the reward payment apportioned to each intervention*			
	<i>Co ordination of the LJR pilot</i>	<i>Adult offender management (including IOM)</i>	<i>Reducing reoffending pathways services for adults</i>	<i>Support services for young offenders</i>
<i>Greater Manchester £2,670,000</i>	Programme management, business development and data analysis** ²⁷ (3%)	ICOs** (70%) Services for women offenders** (19%)	N/A	Resettlement support (2%)
<i>Hackney £189,000</i>	N/A	IOM co ordination and delivery (56%)	Housing, alcohol and counselling for IOM offenders (24%)	Diversion activities for young offenders (8%)
<i>Lewisham £249,000</i>	N/A	N/A	Employment programme (32%)	Functional family therapy (68%)
<i>Southwark £514,000</i>	N/A	IOM co ordination and delivery (63%)	Mental health, employment for IOM offenders, (17%)	Mental health, user participation, employability (14%)

The shaded cells indicate that these interventions were implemented in year two.

* The table identifies the main interventions funded, therefore the apportionments of funding may not total to 100 per cent.

** Whilst these interventions were part of the LJR pilot, they also formed part of the PSR programme in Greater Manchester (see section 3.4).

Rationale for allocating the reward payment

Across the four sites, the main rationale for spending the year one reward payment was to ensure sustainability of services. Interviewees in the London sites regarded the year one reward payment as a one off, non recurring sum. Therefore their allocation of spending over a two to four year period was based on anticipation of not receiving further reward funding at the end of year two.

Interviewees in Greater Manchester reported that the uncertainty felt locally about the effect of TR on future services contributed to delays in allocating and spending the reward payment. Interviewees in the three sites which invested reward funding in adult offender management expressed concerns about ensuring the longevity of this provision, when the new tier one providers²⁸ became responsible for delivery under the TR reforms. To facilitate the sustainability of interventions funded by the year one payment (such as ICOs), managers involved in the pilot in Greater Manchester met with potential TR tier one providers to promote the financial benefits of maintaining them.

²⁷ Having a dedicated co ordination resource was a key issue that was identified by interviewees during year one of the pilot (Wong *et al*, 2013).

²⁸ Tier one providers are those that are directly contracted with MOJ to run Community Rehabilitation Companies (CRCs). These contracts were signed in December 2014, with the transfer of ownership of all CRCs taking place in February 2015.

3.4 Other initiatives

The LJR pilot was implemented during a time when other policies and programmes were also being delivered. The initiatives which the sites identified as having the most impact on the implementation of the pilot were:

- The national sentencing proposal initiative undertaken by probation staff across England and Wales from 2008;
- Police and Crime Commissioners (PCCs) who were elected to office across England and Wales in November 2012;²⁹ and
- the Public Service Reform (PSR) programme which affected the implementation of the LJR pilot in Greater Manchester.

Changes to adult sentencing proposals

Probation interviewees across the sites reported that in 2008 (prior to the LJR pilot) probation trusts had been encouraged to review their approach to sentencing proposals.³⁰

Probation interviewees reported that these processes typically involved probation staff devising sentencing proposals which aimed to:

- more appropriately respond to the needs of individual offenders and their risk of reoffending – for example, by proposing one to one interventions to address offending behaviour rather than group programmes;
- make better use of sentencing guidelines and counsel guidance to support their proposals; and
- where appropriate, divert offenders from custody by proposing robust community orders and for other offenders (not at risk of custody) reduce the numbers of requirements attached to community orders.

Probation staff indicated that, across the sites, these processes were continued by probation during the pilot and may have assisted the sites in reducing demand on the CJS.

²⁹ Under the Police Reform and Social Responsibility Act 2011, PCCs were introduced with the aim of making the police accountable to the public. PCCs are also responsible for working in partnership with a number of agencies at a local and national level. In London Police, funding was transferred to the Mayor's Office for Policing and Crime (MOPAC).

³⁰ It was reported that probation trusts received a total of £40m to promote community orders as an alternative to under 12 month custodial sentences. This was confirmed by a memorandum, submitted by MOJ, to the House of Commons Justice Select Committee (MOJ, 2010b).

Police and Crime Commissioners (PCCs)

Across the London sites the Mayor's Office for Policing and Crime (MOPAC) facilitated the implementation of the pilot by providing funding to continue the delivery of IOM during the latter part of year two (from April 2013). Interviewees indicated that the MOPAC contribution to IOM was part of a funding mix which included local authority funding, public health funds and in kind contributions such as dedicated police officers as part of the IOM team. In two of the London sites the year one reward payment was also used to support IOM delivery.

In Greater Manchester, the PCC facilitated the implementation of the pilot by:

- taking over from the Chief Constable as the chairperson of a reconfigured executive board which was established to oversee the legacy of the pilot;
- acting as the banker for the LJR reward payment; and
- becoming a co commissioner along with the police, probation and local authorities for the new service delivery models which were to be commissioned using the LJR reward payment.

Public Service Reform (PSR) programme

During year two, the Greater Manchester pilot became integrated with the PSR programme which was established to reduce demand on public services.³¹ This benefited the LJR pilot in the following ways:

- Legacy – the PSR programme was due to be implemented over a five year period. While the LJR pilot ended in June 2013, the inclusion of criminal justice services as a key theme within the PSR programme enabled the practice, process and partnership changes initiated during the pilot to continue.
- Linkages to other social policy agendas – the PSR programme enabled the pilot to make linkages to other social policy areas of the programme such as: early years, worklessness, low skills and troubled families (Communities and Local Government Select Committee, 2013). This enabled the pilot to develop from a CJS model of justice reinvestment to a more social justice model of justice reinvestment as noted by Fox *et al*, (2013) and Allen (2014).

³¹ The PSR programme followed on from the Whole Place Community Budgets pilot which ran from March to October 2012 and aimed to deliver effective joint investment between local agencies to reduce dependency and support growth. The PSR programme aimed to jointly commission services in four thematic areas: early years; transforming criminal justice; troubled families; and health and social care (Greater Manchester Combined Authority, 2013).

The LJR pilot provided reciprocal benefits for the PSR programme. In particular, the reward payment from year one was used to fund the co ordination costs of the LJR pilot and the criminal justice element of the PSR programme. The funding also enabled the roll out of ICOs and offender management and support services for female offenders. These were two of the new service delivery models identified for roll out across Greater Manchester under the PSR programme.

4. Strengths and challenges in implementation

This chapter examines the perceived strengths and challenges in the implementation of the pilot and how the sites responded to incentives, based on interview and workshop findings.

4.1 Strengths

The following were perceived by interviewees as key strengths arising from the implementation of the pilot:

- a focus on non statutory adult offenders in the London sites;
- adopting a whole system approach to delivering justice services in Greater Manchester;
- the benefits of scale in Greater Manchester;
- testing PbR commissioning in Lewisham;
- developing an evidence based commissioning framework and local 'what works' evidence base in Greater Manchester;
- enhancing partnership working and;
- building confidence among police officers in multi agency offender management processes in some of the London sites.

Focus on non statutory offenders

In the London sites, the earlier Diamond Initiative supported non statutory offenders (those serving custodial sentences of less than 12 months who, because of their sentence length, would otherwise not have received any statutory community support). The LJR pilot enabled this focus of provision to continue.³²

Interviewees from Hackney, Lambeth, Lewisham and Southwark reported targeting non statutory adult offenders at high risk of reoffending (in relation to acquisitive crime), as part of the cohort of offenders managed under IOM. In Croydon, non statutory offenders were targeted through intensive supervision models, IOM and the voluntary supervision model.

³² This focus on offenders with under 12 month custodial convictions pre dated the change introduced by the Offender Rehabilitation Act 2014 for the provision of statutory offender management services to offenders with short sentences (under 12 months) following their release from prison. This is a key part of the TR programme (MOJ, 2013f).

Adopting a whole system approach to the delivery of justice services

In Greater Manchester, the pilot facilitated the development of a whole system approach to reducing crime, offending and demand which focused on key transition points in the CJS: arrest, sentencing, release from prison and between youth and adult systems. This involved identifying less expensive but effective interventions at each of the key transition points and diverting individuals to them: for example, diverting an individual at the point of sentence, from a short custodial sentence to an ICO.

This approach accords with the CJS model of justice reinvestment advocated by La Vigne *et al* (2010; 2013). The system approach was also intended to underpin the allocation of the potential year two reward payment.³³ However, interviewees in Greater Manchester acknowledged that during the pilot they were inhibited from fully implementing the systems approach by insufficient resources. They suggested that this accounted for less effective performance (compared to some of the London sites which did not implement such an approach) against the adult metrics of under 12 month custodial convictions and custody months for under 12 month custodial convictions (see section 5.1).

Benefits of scale

Greater Manchester decided to implement the pilot across all ten local authorities.

Interviewees from this site reported that this provided the following benefits of geographical scale:

- a sufficient volume of discharged prisoners to provide economies of scale in establishing resettlement support;
- the opportunity to share risk across agencies and local authorities to mitigate against unexpected events such as the August 2011 disturbances (explored further in section 5.5) which had the potential to impact on outcome metrics; and
- the potential for more cost effective engagement with courts, sentencers and prisons.

Testing PbR commissioning

Interviewees in some of the London sites indicated that the pilot had contributed to their learning about PbR commissioning. Lewisham, in response to the pilot, commissioned a PbR offender management scheme based on a drugs intervention programme and used Police

³³ At the time when the fieldwork was undertaken the year two results had not been published. However, the sites had received management information for three quarters of year two which had given them an indication about whether or not they were likely to receive a year two reward payment.

National Computer (PNC) data on reconviction as the outcome measure. The pilot increased their understanding of the time required for market development and the need to support providers in bidding under these new commissioning arrangements. It also enabled greater understanding of some of the challenges in accessing PNC data. The difficulties were due to data protection issues in relation to these highly sensitive data and availability of resources at MOJ which resulted in the site having to access locally held reconviction data for each offender. This was time consuming and resource intensive, and highlighted the difficulties in introducing PbR based on outcomes for which the commissioner does not own the data required to measure those outcomes.

Developing an evidence based commissioning framework and local ‘what works’ evidence base

Greater Manchester allocated the year one reward payment using a six stage evidence based commissioning framework underpinned by cost benefit analysis and a requirement for funded initiatives to be sustainable (Office of the Police and Crime Commissioner for Greater Manchester, 2013). The co commissioning process (involving the police, probation, PCC and local authorities) was valued by the interviewees who were closely involved in leading the implementation of the LJR pilot and/or the criminal justice theme of the PSR programme. However, interviewees from public and voluntary sector agencies, who were less closely involved, expressed concerns about perceived delays in the time taken to commission services using the payment and the complexity of the model. For example, the difficulties of developing investment agreements between agencies based on calculating cashable returns from cost savings arising from reductions in demand.

Interviewees in Greater Manchester also reported that, in addition to the evidence based commissioning framework, the pilot had prompted local agencies to develop a wider evidence base of interventions, using research evidence and through the monitoring and evaluation of interventions they had delivered as part of the pilot.

Enhancing partnership working

While partnership working was intended to be an important feature of the pilot, the choice of outcome metrics was not itself a driver for partnership working, as the metrics reflected the core business of just two agencies, probation and YOTs. Potentially the metrics could be directly affected by the actions of these two individual agencies without the need to engage with other partners, other than sentencers, although out of court disposals which affect the

number of cases being dealt with by courts would potentially require the involvement of the police and the CPS.

However, interviewees from all the sites reported that the pilot had acted as a catalyst to 'bring lots of different people with an interest in the system together' (*Local authority manager*). They reported that this had facilitated the development of more effective working relationships between police, probation, local authorities, VCS agencies and prisons.

In Greater Manchester the senior level involvement of the police, probation, YOTs and local authorities (with the Chief Constable chairing the executive board throughout most of the pilot) was regarded as critical to its effective implementation. In addition, being able to draw on data analysis and cost benefit analysis expertise from the local criminal justice board, local authorities, YOTs and probation was considered crucial in providing the capacity and capability to support the implementation of the pilot and the development of an evidence based commissioning framework for local justice services.

In London, MOPAC facilitated the implementation of the pilot by convening regular meetings of local authority, probation and police leads from the London pilot sites to share information and identify ways to address common issues.

Building police confidence in offender management processes

Police interviewees in some of the London sites indicated that the direct involvement of police officers in the implementation of IOM (as part of the pilot) had built their confidence and experience around the efficacy of offender management, despite some offenders returning to offending. This confidence facilitated their buy in to the multi agency IOM arrangements. However, this was not consistent across all the London sites as detailed in 4.2 below.

4.2 Challenges

The following were perceived by interviewees as key challenges in the implementation of the pilot:

- design of the pilot, such as the large number of metrics and insufficient incentives;
- difficulties in obtaining buy in to demand reduction as the outcome measure;
- perceived lack of a delivery framework and accountability mechanism;
- differing local operational priorities;

- use of research evidence to inform delivery in the London sites; and
- use of data to inform the delivery of the pilot.

Design of the pilot

Interviewees reported that the design of the pilot presented challenges for the sites. First, the large number (16 for adult demand)³⁴ and type of metrics which contributed to the demand reduction targets were challenging for the sites. In both years of the pilot, the outcome metrics themselves were not the primary rationale for decisions about which interventions to implement or how to use the year one reward payment (see sections 3.2 and 3.3 for more details). The complexity of the metrics meant that the London sites were unable to determine conclusively what activities in year one had led to them receiving (or not) a reward payment. Thus this had a limited impact on decisions about which interventions to implement during year two.

‘we haven’t really focused our interventions specifically around the model, it’s more that we’ve said our core business is reducing reoffending and if we’re successful in that we hope that a secondary result will be a reduction in the overall number of people going through.’ (*Local authority manager*)

In Greater Manchester, there was a much greater focus on the specific metrics and data for the pilot, but even there the complexity of the metrics and assessing the impact of individual activities on demand across all the measures was challenging. This necessarily limited the extent to which reducing demand on the outcome metrics was the rationale for decisions about which interventions to implement during year two (and year one):

‘What nobody has done, or I haven’t picked up, is make a single investment decision based on an ability to influence an outcome [metric] for year two. I don’t think anybody’s made an investment decision that says “if we reinvest some of our money into this delivery we will reduce demand on the system by X and consolidate our ability to get a payment in year two”, because I think it’s so complicated to work out.’ (*Local authority manager*)

³⁴ Each of the probation requirements counted as an individual metric.

'Other convictions' (non custody and non court order convictions) such as fines for the non payment of television licences³⁵ were included in the metrics. Interviewees reported that early modelling undertaken by some sites indicated that reducing 'other convictions' could have made a considerable contribution to the overall reduction in demand (this was later confirmed by analysing data from all sites – see section 5.2). So, the structure of the pilot meant that there was an incentive for the sites to focus more on reducing this metric over and above the others. However, interviewees across all sites reported that they instead decided to direct their efforts to reduce crime and reoffending in relation to offences that they and the public would perceive as being more serious, such as domestic burglary, theft from a motor vehicle and robbery.

Second, as identified in the interim report (Wong *et al*, 2013) the lack of upfront funding and the lack of a penalty (if the outcome target was not met) provided insufficient incentives for the sites to substantially change what they did and/or invest substantial resources in new initiatives. This was illustrated during year one by the lack of investment across the sites in new youth justice interventions.

Difficulties in obtaining buy in to demand reduction as the outcome measure

Interviewees in some of the London sites suggested that it had been difficult obtaining buy in to the pilot from some partner agencies due to the focus on demand reduction and the choice of metrics. For example, in one site, interviewees reported problems engaging the police:

'for them [the police] it was irrelevant whether we reduced a sentence, whether we got someone in for 12 months, or less than 12 months that would have got a higher category [of sentence], for them it would be is this person a burglar, is it a repeat offender, are they on drugs, what are we doing about them?' (*Local authority manager*)

As indicated in the interim report (Wong *et al*, 2013), during year one, strategic managers in Greater Manchester were able to overcome this challenge by articulating a vision for the pilot which linked it to local priorities around localism, the Whole Place Community Budget pilot and, during year two, the PSR programme.

³⁵ Television licence fines were removed from the metrics during year one following a review by MOJ, as they were regarded as being outside the control and influence of local agencies.

In contrast to the LJR pilot, the demand reduction metric used in another reinvestment model (the Youth Justice Reinvestment Custody Pathfinder) was simpler with just youth custody bed nights. The simplicity of this measure meant that it was easily understood by local agencies and enabled buy in from YOTs and other local partners as this aligned to their values – that reducing the use of custody would deliver better outcomes for young people (Wong *et al*, 2015).

Differing local operational priorities

In some of the London sites interviewees indicated that the implementation of a new policing approach (away from a localised to a centralised model) had had the potential to act as a barrier, by initially not including IOM as part of the policing model. In another London site, there were different operational priorities between the police and probation around which offenders should be included in IOM. Some interviewees thought that this resulted in limited buy in to IOM from the police.

Perceived lack of a delivery framework and accountability mechanism

While Greater Manchester responded to the pilot with a structured approach to delivery, interviewees from the London sites suggested that there was a lack of clarity about how the aim of the pilot was to be achieved and how this was demonstrated:

‘there wasn’t an intellectual narrative that ran through it and said “this is the aim, this is what we want you to try and achieve and therefore you can target your work to that”’ (*Local authority manager*)

The interview data from the London sites suggested that stakeholders did not think through their interventions in a way which allowed them to effectively manage their performance in relation to the outcome of the pilot. By way of illustration, in relation to IOM, which was the primary intervention implemented across the London sites, local agencies kept a record of the number of offenders they managed and how many were reconvicted of further offences. However, they were unable to demonstrate:

- how this impacted on the individual metrics and the outcome measure – the cost of demand; and
- how the number of offenders managed under IOM was intended to reduce crime and reoffending.

In addition, some interviewees from the London sites also suggested that the 'light touch' approach to the management of the programme³⁶ by MOJ and NOMS did not sufficiently hold the sites to account for the implementation of the pilot and the delivery of the outcome measure.

Use of research evidence

As detailed in section 4.1, the interview findings indicated that Greater Manchester made use of the available research evidence to support the development of new service delivery models. In the London sites, there was a less systematic use of evidence due to:

- Perceived limitations of the evidence base.
- A lack of resources to research and collate relevant evidence.
- A lack of incentive due to the design of the pilot to implement a wider range of interventions. Instead, the choice of interventions was based on local practitioner experience of previous schemes (such as the Diamond Initiative) and experience from other areas such as Bristol's IOM initiative.³⁷

Use of data to inform the delivery of the pilot

Interviewees in the London sites indicated that there were limitations around what they were able to learn from the quarterly management data (on the outcome metrics and cost of demand) provided by MOJ. Their perception was that the data did not explain the differences in performance between the sites at the end of year one.

Across all sites, interviewees were concerned about the timeliness of management data provided by MOJ for sites to performance manage the delivery of the pilot. The data were provided three months after the end of each quarter and reflected the time required to compile and quality assure the figures. However, the sites should have had (or been able to seek out) access to local data without waiting for centrally provided periodic updates. It should be noted that Greater Manchester made use of more timely local data which they later verified with the management data provided by MOJ. The interview data indicated that the London sites undertook limited performance management in relation to the pilot, focusing instead on service delivery.

³⁶ It was intended that the pilot adopt a 'light touch' approach in keeping with Government policy around freeing local agencies from central control (MOJ, 2010a).

³⁷ Further information on this can be found in the process evaluation of five integrated offender management pioneer areas by Senior *et al.*, 2011.

In addition to timeliness, interviewees expressed concerns about the capacity of MOJ to provide additional data to support the implementation of the pilot, such as the numbers of 12 month and over custodial convictions, to enable sites to assess any displacement effects.³⁸

Interviewees in Greater Manchester indicated that while they had access to local data for most of the metrics, in relation to curfews (which made a large contribution to the numbers of probation requirements)³⁹ it was difficult to validate local data with national data.

³⁸ For example, whether reductions in under 12 month custodial convictions might have been due to increases in 12 month and over custodial convictions.

³⁹ After unpaid work orders and supervision, curfews were the most numerous probation requirements during the baseline and both years of the pilot.

5. Changes to criminal justice demand metrics

This chapter examines the changes to the criminal justice demand metrics and discusses possible reasons for the changes. It contextualises these changes by presenting trends in other CJS outcomes (first time offending, reoffending and police recorded crime) over the course of the pilot. As this study was designed as a process evaluation, without comparison areas or much locally collected data on interventions (see section 4.2), it was not possible to precisely identify the reasons for the changes in outcomes, and why performance varied across the sites.

The quantitative findings are based on an analysis of criminal justice data provided by MOJ and from other published government sources. Appendix 2 contains the data and analysis from which the findings are drawn and details the sources of the raw data for the outcome metrics. Data for Greater London and England and Wales (where available) have been included to provide a context for the sites' performance.⁴⁰

The quantitative findings have been triangulated with interview and workshop findings to provide context for the observed changes in the criminal justice metrics.

5.1 Overview of performance of the pilot sites: adult metrics

An overview of the performance of the pilot sites in relation to the adult metrics and of changes in England and Wales and Greater London is provided in Tables 5.1 and 5.2. The figures presented in these tables represent percentage change in the overall cost of adult demand in the CJS (shaded) and for each of the different adult metrics. They compare the baseline year (July 2010 to June 2011) to year one and year two of the pilot. The outcome target was to reduce the cost of adult demand by more than 5 per cent.

⁴⁰ Data for Greater London covers 32 boroughs (including the five London boroughs where the pilot took place) and the City of London. Data for England and Wales includes data for the six pilot sites.

Table 5.1: Percentage change in adult demand year one (July 2011 to June 2012) compared to the baseline year (July 2010 to June 2011)

	Cost of demand	Custodial convictions < 12 m (number)	Duration of custodial convictions of < 12 m (months)	Community orders and suspended sentence orders	Number of probation requirements**	Other convictions: non custody and non court order convictions
Greater Manchester*	↓ -8.4%	↑ 8.8%	↑ 7.7%	↓ -7.1%	↓ -7.8%	↓ -15.3%
Croydon	↑ 8.1%	↑ 25.7%	↑ 30.8%	↑ 4.2%	↑ 19.6%	↑ 0.5%
Hackney*	↓ -7.5%	↓ -2.7%	↑ 14.9%	↓ -6.0%	↓ -3.5%	↓ -14.6%
Lambeth	↓ -4.9%	↓ -1.3%	↑ 7.7%	↓ -10.3%	↓ -4.6%	↓ -6.6%
Lewisham*	↓ -6.0%	↓ -1.6%	↑ 0.3%	↓ -6.8%	↑ 2.7%	↓ -9.5%
Southwark*	↓ -12.5%	↓ -10.4%	↓ -7.7%	↓ -18.5%	↓ -19.5%	↓ -11.0%
England and Wales	↓ -4.5%	↑ 5.2%	↑ 5.4%	↓ -5.9%	↓ -5.4%	↓ -7.3%
Greater London	↓ -5.1%	↑ 2.2%	↑ 4.9%	↓ -7.1%	↓ -5.6%	↓ -6.8%

Demand is calculated by multiplying the quantity of the different metrics by the agreed price for each metric.

* Asterisk sites received a payment.

** Each type of probation requirement was counted as an individual metric (see Table A2.3).

Source: Level of demand for the pilot sites was derived from MOJ published data (MOJ, 2012a, MOJ, 2012b) which include the raw figures. Equivalent unpublished data for the level of demand in England and Wales and Greater London was provided by MOJ.

In the first year of the pilot:

- In the sites where a reward payment was received (asterisked), the reduction in the overall cost of demand was greater than that observed in England and Wales and Greater London.
- Five out of the six sites (and England and Wales and Greater London) saw the duration of under 12 month custodial convictions increase.
- In Croydon, which did not meet its target, there was an increase across all the metrics.

Table 5.2: Percentage change in adult demand year two (July 2012 to June 2013) compared to the baseline year (July 2010 to June 2011)

	Cost of demand	Custodial convictions < 12 m (number)	Duration of custodial convictions of < 12 m (months)	Community orders and suspended sentence orders	Number of probation requirements **	Other convictions: non custody and non court order convictions
Greater Manchester*	↓ -14.9%	↑ 5.2%	↑ 6.3%	↓ -19.0%	↓ -20.2%	↓ -19.0%
Croydon	↓ -0.9%	↑ 1.3%	↓ -0.6%	↓ -3.2%	↑ 2.4%	↓ -0.4%
Hackney*	↓ -20.1%	↓ -15.8%	↓ -6.9%	↓ -18.8%	↓ -18.4%	↓ -23.3%
Lambeth*	↓ -17.7%	↓ -18.1%	↓ -13.6%	↓ -19.1%	↓ -29.3%	↓ -13.9%
Lewisham*	↓ -18.1%	↓ -10.9%	↓ -10.3%	↓ -16.7%	↓ -17.4%	↓ -20.8%
Southwark*	↓ -26.7%	↓ -30.1%	↓ -32.2%	↓ -30.6%	↓ -32.4%	↓ -21.6%
England and Wales	↓ -10.5%	↓ -0.1%	↓ -1.0%	↓ -13.8%	↓ -15.6%	↓ -10.3%
Greater London	↓ -13.4%	↓ -6.4%	↓ -5.6%	↓ -15.5%	↓ -12.8%	↓ -14.2%

Demand is calculated by multiplying the quantity of the different metrics by the agreed price for each metric.

* Asterisk sites received a payment.

** Each type of probation requirement was counted as an individual metric (see Table A2.3).

Source: Level of demand for the pilot sites was derived from MOJ published data (MOJ, 2013a, MOJ, 2013d) which include the raw figures. Equivalent unpublished data for the level of demand in England and Wales and Greater London was provided by MOJ.

In the second year of the pilot:

- Across all the metrics there were further reductions compared to those observed in year one.
- Although the results in Croydon improved compared to year one, it was not enough to reach its target.
- There was a reduction in 'other convictions' in all sites.
- The four London sites which received a reward payment (asterisked) saw a reduction across all the metrics.
- In Greater Manchester, which met the target, the number and duration of under 12 month custodial convictions increased.
- The reductions observed in the sites were set against a backdrop of reductions in Greater London and England and Wales.
- In the sites where a reward payment was received (asterisked), the reduction in the overall cost of demand was greater than that observed in England and Wales and Greater London.

5.2 Factors affecting the adult metrics

This section examines factors which may have contributed to the observed performance figures for adult demand.

IOM and interventions based on IAC

IOM and interventions based on the IAC programme were the two principal interventions implemented by the sites as part of the pilot. The evaluation literature on these interventions indicates that they would most likely have the following effects on the metrics (Senior, *et al* 2011; Hansbury, 2011):

- reduce the conviction count for under 12 month custodial convictions;
- reduce the number of custody months arising from under 12 month custodial convictions;
- increase the conviction count for community orders and suspended sentence orders; and
- increase the total number of probation requirements.

IOM

While all sites targeted offenders with under 12 month custodial convictions as part of their IOM schemes, in Hackney, Lambeth, Lewisham and Southwark, IOM was the sole or main initiative implemented by the site which focused on this cohort. Across these four sites, as detailed in Tables 5.1 and 5.2, compared to the baseline, there were:

- reductions in the number of under 12 month custodial convictions in both years of the pilot;
- increases in the number of custody months (arising from under 12 month custodial sentences) in three of these sites in year one, and reductions in all four sites in year two;
- reductions in community orders and suspended sentence orders across all four sites in both years; and
- a reduction in the total number of probation requirements in three sites in year one, and a reduction across all four sites in year two.

These findings do not appear to align with the hypothesised outcomes detailed above. The findings need to be treated with caution as it has not been possible to compare these results with comparator non pilot sites. Also, the proportion of offenders with under 12 month

custodial convictions (as a part of the IOM cohort) varied between the sites,⁴¹ as did the overall IOM caseloads.

Interventions based on IAC

As indicated in Table 3.1, Croydon and Greater Manchester established interventions that were based on the principles of the IAC programme as part of the pilot. These aimed to offer a robust community order to offenders at risk of receiving an under 12 month custodial sentence (Clark *et al*, 2012; Wong *et al*, 2012) which pre dated the LJR pilot.

In Greater Manchester (see Tables 5.1 and 5.2) compared to the baseline, there were:

- increases in the number of under 12 month custodial convictions and associated custody months in both years of the pilot; and
- reductions in the number of community orders and suspended sentence orders and total probation requirements in both years of the pilot.

In Croydon (see Tables 5.1 and 5.2) compared to the baseline:

- in year one there were increases across all the categories of metrics;
- in year two there were increases in the total number of custodial convictions of under 12 months, and total probation requirements and reductions in the number of custody months for under 12 month custodial convictions, community orders and suspended sentence orders, and 'other convictions'.

The findings suggest that these interventions did not have the expected effect on these metrics.

Interviewees in both sites reported they were unable to implement these interventions at sufficient scale to affect the metrics, suggesting this was due to limited resources.⁴² Croydon also indicated that this was particularly the case in year one due to the increase in demand arising from the August 2011 disturbances.⁴³ Recognising that limited resources were an inhibitor, Greater Manchester had allocated a proportion of their year one reward payment to scale up the implementation of IAC.⁴⁴

⁴¹ The interview data indicated that this varied from approximately 70 per cent in Southwark to a 'very small' percentage in Hackney.

⁴² As indicated in the interim report (Wong *et al*, 2013) in Greater Manchester IAC type schemes operated in only three of the ten local authorities during the pilot.

⁴³ As noted below in section 5.5, it has not been possible to assess the impact of the disturbances.

⁴⁴ This was due to take place after the end of the pilot.

Displacement

Both IOM and IAC targeted under 12 month custodial convictions. This could result in displacement to either community orders or suspended sentence orders (down tariffing), or over 12 month custodial convictions (up tariffing).⁴⁵ Tables 5.1 and 5.2 suggest that there was limited down tariffing. No data relating to longer (i.e. 12 months and over) custodial sentences was available to the evaluation team in order to robustly assess up tariffing. The only evidence of possible up tariffing of under 12 month custodial convictions that may have occurred took place in year one; compared to the baseline, there was a slight reduction in the number of custodial convictions in Hackney and Lambeth, while their duration increased by more than 7 per cent (see Table 5.1). In Greater Manchester, there may have been some evidence of up tariffing from community orders and suspended sentence orders (which reduced in both project years) to under 12 month custodial convictions (which increased in both project years, both in number and duration). However, any conclusions about whether up tariffing took place or not would also need to take into account factors such as offence seriousness.

Probation requirements

Probation staff reported that they had been encouraged to be more targeted in their use of 12 probation requirements⁴⁶ for community sentences as part of the national sentencing proposal initiative which commenced prior to, and continued throughout, the pilot (see section 3.4). This typically involved focusing on offender need, making better use of sentencing guidelines and proposing robust community orders as an alternative to short term custody. Interviewees in Greater Manchester and Southwark identified focusing on sentencing proposals (which also included reducing the number and duration of probation requirements) as an intervention for the pilot. In the other four sites reducing requirements may have taken place as part of wider CJS practice changes, but was not identified as part of the pilot. The costs of the requirements varied considerably, from Curfew (electronic

⁴⁵ It should be noted that over 12 month custodial convictions was not an outcome metric. Therefore, there was a *potential perverse incentive* for this to increase during the pilot. As sentencing decisions are generally informed by pre sentence reports produced by probation, these reports *could have* proposed over 12 month custodial sentences for offenders (based on offence committed and offence history) on the cusp of either receiving an under 12 month custodial sentence or an over 12 month custodial sentence. However, this would still have created work for probation as those on over 12 month custodial sentences were also released to probation supervision (on licence). In addition, it is sentencers who make the final decisions on sentencing

⁴⁶ Probation requirements were counted as individual metrics and included accredited programme; unpaid work; drug treatment; supervision; specified activity; mental health; alcohol treatment; residence; curfew; exclusion; prohibited activity; and attendance centre. At the time of the LJR pilot there were 12 requirements. However since then, there have been amendments to the requirements available. A foreign travel prohibition requirement was introduced under the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act 2012. A Rehabilitation Activity Requirement was introduced in February 2015 (as part of the Offender Rehabilitation Act 2014), which replaced the supervision and activity requirements for offences committed after the provision came into force.

monitoring) being the most expensive at £550, to Prohibited Activities, at £150, being one of the least expensive (see Table A2.3). The types and numbers of different requirements used, therefore, had a different effect on the overall cost of demand.

Across all the sites (except Croydon), Greater London and England and Wales, reductions were observed between the baseline year and year two for the following probation requirements (see Table A2.3 for more information):

- accredited programmes;
- unpaid work;
- drug treatment;
- supervision; and
- curfews.

Accredited Programmes showed a reduction in use in all areas, and these were greater than those observed in England and Wales. Where reductions in Drug Treatment and Supervision Requirements were observed in the sites, they were generally greater than those observed across Greater London, and England and Wales. Specified Activity Requirements showed increases in four of the London sites, which probation interviewees in the London sites attributed to national policy changes which encouraged probation trusts to reduce the use of Accredited Programmes and use the less costly requirement of Specified Activities as an alternative (where appropriate in order to meet offenders' needs).

'Other convictions'

Interviewees across the pilot sites reported that they did not specifically implement interventions to reduce 'other convictions' (non custody and non court order convictions in magistrates' courts) which included: fines for non payment of fares on public transport, summary motoring offences and non payment of council tax.⁴⁷ These were not a priority for the sites and were perceived to be outside the control and influence of local agencies (Wong *et al*, 2013). They did however make an important contribution in enabling the adult demand reduction target to be met, and to the size of the adult reward payment. This was due in part to a combination of:

⁴⁷ At the commencement of the pilot they also included non payment of TV licences, but these were removed during the latter half of year one (Wong *et al*, 2013). None of the analysis includes data related to the non payment of TV licences.

- *The large reduction in the volume of ‘other convictions’ compared to changes in other metrics:* For example, the number of ‘other convictions’ in Greater Manchester reduced by 8,032 in year one compared to the baseline. Over the same period the net change in the combined numbers of custodial convictions for under 12 month convictions, related custody months, and community orders and suspended sentence orders showed an increase of 508 (MOJ, 2012a).
- *The relatively high price of ‘other convictions’ compared to other outcome metrics:* The price paid for a reduction in each of the metrics was based on a cautious estimate of the potential realisable savings to MOJ, of a fall in the unit cost of that metric, over the duration of the pilot. The price paid for a reduction in an ‘other conviction’ was £300, which is relatively close to the actual cost of the ‘other convictions’, indicating that much of the estimated savings were realisable within the time frame of the pilot. In contrast, the price paid for a reduction of a custody month for an under 12 month custodial sentence was £360 (MOJ, 2013d). This may appear to be low compared to £2,616, the average monthly cost in 2012/13 of a place in a male local prison (where under 12 month sentenced prisoners are likely to be held).⁴⁸ However, this comparatively low price indicated that limited savings were realisable within the duration of the pilot.

Analysis of the change in costs of adult demand (see Table A2.6) indicates that if ‘other convictions’ had been excluded, only one site (Southwark) would have met the target.

Analysis of the change in costs for ‘other convictions’ as a percentage of the change in the cost of overall adult demand (see Table A2.8) demonstrates that:

- In five sites, the change in the costs of ‘other convictions’ contributed over 40 per cent of the total reduction in costs in both years.
- In Croydon, the contribution of ‘other convictions’ was generally considerably smaller in both years compared to the other sites.

⁴⁸ The average annual cost of a prison place in a male local prison in 2012/13 was £31,398 (MOJ, 2013b).

5.3 Overview of the performance of the sites: youth metrics

An overview of the performance of the pilot sites in relation to the youth metrics, and of changes in England and Wales and Greater London, is provided in Tables 5.3 and 5.4. The figures presented in these tables represent percentage change in the overall cost of demand (shaded) and for each of the different metrics. They compare the baseline year (July 2010 to June 2011) to year one and year two of the pilot. The outcome target was to reduce the cost of youth demand by more than 10 per cent.

Table 5.3: Percentage change in youth demand year one (July 2011 to June 2012) compared to the baseline year (July 2010 to June 2011)

	Cost of demand	Custodial convictions of less than two years (number)	Duration of custodial convictions of less than two years (months)	Community order convictions	Other convictions: non custody and non court order convictions
Greater Manchester*	↓ -21.1%	↓ -17.5%	↓ -16.4%	↓ -22.3%	↓ -35.1%
Croydon	↑ 6.7%	**	↑ 49.3%	↓ -21.9%	0.0%
Hackney	<i>Not involved in the youth element of the pilot</i>				
Lambeth	↑ 13.4%	**	↑ 42.8%	↓ -14.6%	↓ -3.1%
Lewisham*	↓ -20.0%	**	↓ -16.3%	↓ -20.8%	↓ -31.7%
Southwark*	↓ -29.2%	**	↓ -41.5%	↓ -14.0%	↓ -15.5%
England and Wales	↓ -13.0%	↓ -5.4%	↓ -2.9%	↓ -17.5%	↓ -25.4%
Greater London	↑ 0.1%	↑ 9.2%	↑ 17.3%	↓ -8.5%	↓ -23.9%

Demand is calculated by multiplying the quantity of the different metrics by the agreed price for each metric.

* Asterisked sites received a payment.

Source: Level of demand for the pilot sites was derived from MOJ published data (MOJ, 2012a, MOJ, 2012b) which includes the raw figures. Equivalent unpublished data for the level of demand in England and Wales and Greater London was provided by MOJ.

** The calculations for these cells use figures for the baseline year and/or the project year of less than 50. Small changes in these figures can produce large percentage changes: in these cases, the percentage change is not reported.

In the first year of the pilot:

- The three sites which received a reward payment at the end of year one (asterisked) and England and Wales had a reduction in all metrics.
- The two sites which did not reach their targets saw a large increase in the duration of custodial convictions of less than two years.

Table 5.4: Percentage change in youth demand year two (July 2012 to June 2013) compared to the baseline year (July 2010 to June 2011)

	Cost of demand	Custodial convictions of less than two years (number)	Duration of custodial convictions of less than two years (months)	Community order convictions	Other convictions: non custody and non court order convictions
Greater Manchester*	↓ -42.1%	↓ -38.4%	↓ -35.0%	↓ -45.1%	↓ -59.2%
Croydon	↑ 6.7%	**	↑ 76.5%	↓ -31.1%	↓ -28.6%
Hackney	<i>Not involved in the youth element of the pilot</i>				
Lambeth*	↓ -45.9%	**	↓ -56.3%	↓ -42.7%	↓ -12.4%
Lewisham*	↓ -53.1%	**	↓ -58.3%	↓ -50.7%	↓ -35.9%
Southwark*	↓ -50.0%	**	↓ -57.9%	↓ -43.3%	↓ -28.9%
England and Wales	↓ -36.8%	↓ -32.6%	↓ -30.7%	↓ -40.7%	↓ -45.1%
Greater London	↓ -28.3%	↓ -21.6%	↓ -16.2%	↓ -36.3%	↓ -39.7%

Demand is calculated by multiplying the quantity of the different metrics by the agreed price for each metric.

* Asterisked sites received a payment.

Source: Level of demand for the pilot sites was derived from MOJ published data (MOJ, 2013a, MOJ, 2013d) which includes the raw figures. Equivalent unpublished data for the level of demand in England and Wales and Greater London was provided by MOJ.

** The calculations for these cells use figures for the baseline year and/or the project year of less than 50. Small changes in these figures can produce large percentage changes: in these cases, the percentage change is not reported.

In the second year of the pilot:

- Across the four sites which received a reward payment at the end of year two, there were further reductions on all metrics compared to those achieved in year one.
- The reductions observed in the sites were set against a backdrop of reductions in Greater London and England and Wales.
- Where a reward payment was received, the reduction in the overall cost of demand at these sites was greater than that observed in England and Wales and Greater London.
- Croydon, which did not meet its target in year one or year two, saw a large increase in the duration of custodial sentences of less than two years.

5.4 Factors affecting the youth metrics

As indicated in section 3.2, the sites implemented limited practice changes in response to the youth metrics. Therefore the changes in youth metrics are likely to have arisen as a result of other factors. However, it was not clear what the drivers of this change were.

Analysis of the change in costs of youth demand (see Table A2.7) indicates that the inclusion of the costs of 'other convictions' did not result in any sites achieving their target, as those sites that exceeded the 10 per cent target did so without including these convictions; nor did it substantially affect the size of the reward payment.

5.5 Wider external factors

Other criminal justice outcomes

While the pilot sites may have aimed to reduce demand on the CJS through the interventions that they implemented, initiatives outside the pilot may also have affected these outcomes, as well as overall crime levels and the reporting behaviour of victims. The broader aims of this pilot were to reduce crime and reoffending, based on an assumption that reducing demand (through the pilot metrics) would have some influence on these broader CJS outcomes – indicated in section 2.1. In this section, changes in recorded crime, reoffending and numbers of first time entrants across England and Wales are examined to provide context for the performance of the sites during the pilot.

During the period of the pilot, the following trends were observed:

- All sites, England and Wales and Greater London, saw a reduction in police recorded crime between the baseline year and year two, with slight fluctuations in year one in some sites (see ONS, 2013 and Table A2.9).
- Most sites, England and Wales and Greater London, saw a reduction in three month adult reoffending rates⁴⁹ between the baseline year and year two, with fluctuation in some sites in year one (see MOJ, 2011a; MOJ, 2012c; MOJ, 2013e and Table A2.10).⁵⁰
- There was a reduction in adult and young offender first time entrants into the CJS in England and Wales between the baseline year and year two (see MOJ, 2013c and Table A2.11).

Considering these three outcomes together, they would suggest that the throughput into the wider CJS reduced over the pilot years. This cannot be seen as an effect of the pilot, but provides an indication of the context within which the pilots were operating.

⁴⁹ Which covers all offences occurring in the area, including those which would not be covered by the outcome metrics.

⁵⁰ There may be a substantial time lag between interventions and their impact on reconviction rates therefore changes to reconviction rates during the pilot may have been due to interventions which commenced prior to the pilot.

The effect of deadweight on the cost of demand

Deadweight is defined as what would have occurred anyway, without the pilot. The reductions in the cost of demand in England and Wales and Greater London during the two years of the pilot suggest that reductions at the sites may have been partly due to wider reductions in demand on the CJS, i.e. deadweight.

- For adult demand, the 5 per cent reduction target for the pilot was exceeded in Greater London in year one, and in England and Wales and Greater London in year two (see Tables 5.1 and 5.2).
- For youth demand, the 10 per cent reduction target for the pilot was exceeded in England and Wales in year one, and in England and Wales and Greater London in year two (see Tables 5.3 and 5.4).

While the reductions in the sites which achieved the target were greater than in Greater London and England and Wales (see Tables 5.1 to 5.4), it has not been possible to account for this.

The issue of deadweight was acknowledged by some interviewees involved in delivering the pilot in the London sites. They suggested that the initiatives they had implemented were unlikely to have impacted substantially upon the demand reduction target during the pilot.

Setting the cost of demand reduction targets at more than 5 per cent for adults and 10 per cent for young people was intended to account for deadweight, while enabling the targets to be achievable.⁵¹ However, the results suggest that setting the targets at these levels may have been insufficient for this pilot to ensure deadweight prevention.

Unlike the Youth Justice Custody Reinvestment Pathfinder, where demand reduction targets (based on reducing custody bed nights) were individualised to each of the Pathfinder sites (ranging from 12 to 20 per cent),⁵² the LJR pilot target was based on the same target for each site. The target may have been more challenging for some sites and less challenging for others, allowing a differential level of deadweight prevention between the LJR pilot sites.

⁵¹ The targets were set based on the average standard deviation in overall net cost across all the sites in the three years prior to the pilot.

⁵² Further details can be found in Wong *et al*, 2015.

The August 2011 disturbances

As detailed in the interim report, interviewees in some of the sites, and data from MOJ, indicated that the disturbances in August 2011⁵³ may have impacted on the cost of demand. Interviewees across all the London sites reported that they were affected by the disturbances. The analysis of the cost of demand excluding 'other convictions'⁵⁴ shows that, compared to the baseline, in year one (July 2011 to June 2012):

- Croydon and Hackney saw an increase in the cost of adult demand excluding 'other convictions', while the other three London sites saw a reduction (see Table A2.4); and
- Croydon and Lambeth saw an increase in the cost of youth demand excluding 'other convictions', while Lewisham and Southwark saw a reduction⁵⁵ (see Table A2.5).

Disturbances also took place in two⁵⁶ of the ten local authority areas in Greater Manchester. However, interviewees and workshop participants suggested that this had a limited impact, due to any increase in demand being absorbed across the county (Wong *et al*, 2013). This appears to be confirmed by the data which show reductions in the cost of adult and youth demand excluding 'other convictions' in both years of the pilot (see Tables A2.4 and A2.5).

Overall, it has not been possible to assess the impact of the disturbances on the cost of demand.

⁵³ In August 2011, thousands of people caused disturbances and looting, in several London boroughs and in cities (including Manchester and Salford) and towns across England, after a protest in Tottenham (London) about the police shooting of a local man. 3,103 people were brought before the courts by 10 August 2012 for offences related to the August 2011 public disorder. MOJ (2012d) compared sentencing outcomes in England and Wales following the disturbances, between 6 and 9 August 2011, with similar offences committed in England and Wales in 2010. The study found that the duration of custodial sentences doubled (from 2.1 to 4.3 months) for adults, with a smaller increase for youths (from 7.3 to 8.0 months).

⁵⁴ 'Other convictions' were excluded as these offences were unlikely to have been affected by the disturbances.

⁵⁵ The third site, Hackney, was not involved in the youth element of the pilot

⁵⁶ Manchester and Salford.

5.6 Summary

The overall cost of both adult and youth demand reduced in the majority of sites in both years of the pilot. Reductions observed in England and Wales and Greater London suggest that the reductions at the sites may have been partly due to wider reductions in demand on the CJS, i.e. deadweight. While the sites' reductions were greater than in England and Wales and Greater London, this process evaluation was not set up, and therefore not able to explain these differences.

In the sites that met the demand reduction targets, there was a reduction in the majority of the outcome metrics. Reductions in 'other convictions', a metric which was not targeted for interventions by any of the sites, made a large contribution to reducing the cost of adult demand in the majority of sites. In relation to the other metrics, it has been not possible to identify the effect of IOM or IAC, the main interventions implemented by the sites. The changes in the metrics that were observed at the sites did not align with the outcomes hypothesised for these interventions.

6. Conclusions and implications for policy

The LJR pilot was commissioned as an exploratory project to test out new approaches to criminal justice through PbR commissioning, and the research has provided important learning to inform the government's TR reforms. This chapter draws together the key lessons learned from all phases of the evaluation and identifies implications for policy.

6.1 Design of the outcome measure and metric

The experience of the pilot suggests that it is difficult to design an outcome measure that is sufficiently challenging and provides adequate deadweight prevention. Basing an outcome measure on a wide range of metrics with different prices appeared to have added a perceived complexity to devising interventions to address them, particularly where reducing demand on one metric could increase demand on another (albeit at a lower cost) e.g. Accredited Programmes and Specified Activities.

In addition, the relatively high price paid for reducing a high volume metric such as 'other convictions' compared to the relatively low price paid for reducing the lower volume custody months (a reflection of the relative cashability of these outcomes within the duration of the pilot) may have affected the credibility of the outcome measure for the sites. 'Other convictions' made a large contribution to most of the sites achieving their adult demand target, despite this metric not being targeted for interventions by any of the sites as the offences related to the metric were not regarded as a priority. In relation to other metrics, it was not possible to assess what action taken by the sites contributed to their performance, in part because of the lack of local management information collected by the sites which linked their activity to the metrics.

The research has identified the following implications, which may be helpful in designing future initiatives. To:

- Design outcome measures which:
 - can be directly linked to actions undertaken by delivery agencies to aid implementation and evaluation;
 - are easy to understand and can be monitored using local data;
 - are aligned to local priorities; and
 - have the buy in of a wide range of stakeholders.

- Ensure that the volume and the importance of the metric in relation to the priorities of providers are taken into account, along with cashability when setting the price for different outcome metrics.
- Require local agencies to articulate how their activities link to outcomes and to collect management information to monitor this so that initiatives can be comprehensively evaluated.
- Minimise the likelihood of ‘deadweight’ by designing an outcome measure that is individualised to an area based on past criminal justice trends.
- Have in place clear agreements between commissioners and providers on what constitutes exceptional external circumstances (such as the August 2011 disturbances) and consider adjusting the performance metrics accordingly.

6.2 Design of the incentives

Stakeholders across all the sites felt that the pilot provided only limited incentive to encourage local areas to invest in and/or make substantial changes to their services.

The research has identified these possible lessons for future initiatives:

- Provide some upfront funding to local agencies to help facilitate change and reinforce incentives offered by the reward payments.
- Consider a potential reward payment in combination with a penalty mechanism which is substantial enough to incentivise providers to focus their delivery on better outcomes.

6.3 Partnership working and the role of individual agencies

The buy in from the *core partners* (the police, probation, local authorities and YOTs) was important to the effective implementation of this initiative. However, probation had the most central role because they were the agency that could most significantly influence the adult metrics by improving existing practice.⁵⁷ Similarly, while there appeared to be limited YOT involvement in the implementation of this pilot, they were the agency that could most significantly influence the youth metrics by improving existing practice, as suggested by the findings from the Youth Justice Custody Reinvestment Pathfinder (Wong *et al*, 2015).

⁵⁷ Although it should be noted that sentencers made the final decisions e.g. on what requirements should be included in an order, taking into account proposals put forward by probation staff.

The research has identified these possible lessons for future initiatives:

- Individual agencies should be encouraged to deliver more effective services by systematically reviewing their processes and operational practices and ensuring that staff implement the changes.
- Commitment is required from the core agencies of police, probation, local authorities and YOTs.
- Partnership working should not be regarded as a panacea for delivering more effective criminal justice outcomes. Individual agencies also need to focus on improving their own practices and processes.

6.4 Data analysis and performance management

The pilot has demonstrated that there may be variable (and in some cases limited) motivation to invest in data analysis capability to inform delivery and facilitate performance management. In part this was due to the limited availability of nationally held data and the time lag in providing this data. Greater Manchester adopted and continued to refine performance management as a strategic and operational imperative, while other sites undertook limited or no such activity. There was limited evidence that receipt (or non receipt) of a reward payment had any impact on sites' motivation to undertake such analysis, monitoring and management. Whilst the project was set up so that the sites could have autonomy over implementation locally, there was a perception by the sites that they were not fully held to account by MOJ/NOMS for the implementation of the pilot or performance.

The research has identified these possible lessons for future initiatives:

- Ensure that there is sufficient capacity and capability to provide management data to local agencies.
- Specify that local agencies undertake a minimum level of performance management and data analysis to ensure effective implementation.
- Specify a level of regular reporting that holds local agencies to account for delivery and performance and which can also be used for evaluation.
- Ensure that there are sufficient incentives/penalties to encourage local agencies to invest in resourcing a data analysis capability.
- Support local agencies to develop their capability to analyse and use local and national data to effectively inform local implementation and cost effective commissioning of services.

- Local agencies need to invest (individually or as a group of agencies) in their capacity and capability to analyse data to inform the design and implementation of local services.

6.5 Evidence base

A key barrier identified through the evaluation was the limited availability locally of robust evidence to support reliable investment appraisals of the costs and benefits of interventions. Developing such evidence was seen as being particularly important to ensure sustainability in response to changes in policy and new commissioning arrangements, such as TR.

This has the following implications which may be helpful in implementing future initiatives:

- Commissioners could support the development of a database/repository of robust evidence to inform the delivery of cost effective justice interventions.
- Local commissioning frameworks should require that the most robust evidence is available to support funding decisions.
- Local agencies implementing justice services should consider:
 - Using the best research evidence available, and where this is absent undertake robust evaluation of their interventions; and
 - Adopting a portfolio approach to commissioning/implementing interventions that allows for risk to be shared between interventions which are proven to be effective, and promising interventions with limited evidence of impact.

6.6 Scale

The experience of the pilot suggests that there are advantages to implementing a PbR pilot across a large geographical area such as Greater Manchester, which included:

- economies of scale in establishing resettlement support and engaging with courts, sentencers and prisons;
- sharing risk to mitigate the effects of unexpected events such as the August 2011 disturbances; and
- being able to resource data analysis capacity and capability to inform the design of interventions and monitor performance.

The implication of this for the design of future incentive based initiatives is that consideration should be given to implementing them over a large geographical area.

6.7 Timescales for implementation and assessing change

The pilot has demonstrated that providers need time to adjust to new commissioning processes such as PbR.

Providing no time restrictions on spending the reward payment appeared to allow for better and more considered decisions about how to spend it. Conversely, without time restrictions it can be difficult to assess the impact of the reward payment.

In designing future initiatives, the following may need to be considered:

- Contractors and commissioners need to allow sufficient time for procurement, bedding in of contracts, and building of capacity/understanding.
- Some limits could be placed on the timescales for spending reward payments, allowing adequate time for considered assessment and evaluation of options.

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Appendix 1

Methodology

The research was mainly qualitative. Fieldwork was conducted in three phases:

- Phase one – between November 2011 and February 2012.
- Phase two – between July and November 2012.
- Phase three – between September and December 2013.

Details of the number of participants, research activities, how the qualitative data was analysed and the limitations of the methodology, are reported below.

Research participants were purposively sampled, based on their knowledge of and/or involvement in implementing the pilot. Interview schedules, workshop and focus group topic guides were used.

A1.1 Phase one

Research activities were undertaken across six sites, and are summarised in Table A1.1.

Table A1.1: Phase one research activities across the sites, and numbers of participants

Research activity	MOJ, Home Office, NOMS	Greater Manchester	Croydon	Hackney	Lambeth	Lewisham	Southwark	London wide agencies	Total
Interviews with strategic and operational managers (public, private and Voluntary and Community Sector agencies)	7	19	6	2	4	5	4	7	54
Focus group with VCS agencies	-	9	-	-	-	-	-	-	9
Modelling workshop	-	10	7 (across the London sites, and London wide agencies)						17
Validation workshop	-	6	7 (across the London sites, and London wide agencies)						13
Document review	<i>Documents reviewed across all sites</i>								

A1.2 Phase two

Research activities were undertaken across all six sites. In addition, three case study sites (Greater Manchester, Croydon and Lewisham) were selected based on: the delivery model; access to quantitative data; and links to complementary initiatives. Additional activities were undertaken at these sites. These included: interviews with front line staff from police, probation and VCS agencies; interviews with sentencers and court staff; interviews with

prisons; and workshops which explored, in depth, the implementation and costs of an exemplar intervention selected by the case study site. The activities undertaken in phase two are summarised in Table A1.2.

Table A1.2: Phase two research activities across the sites, and number of participants

Research activity	MOJ, Home Office, NOMS	Greater Manchester	Croydon	Hackney	Lambeth	Lewisham	Southwark	London wide agencies	Total
Interviews with strategic and operational managers (public, private and Voluntary and Community Sector agencies) and front line staff (police, probation and VCS)	6	44	12	2	7	8	6	5	90
Mapping workshop	-	7	7	-	7	5	6	-	32
Validation workshop	-	10	12 (across the London sites, and London wide agencies)						22
Exemplar intervention workshop	-	9	3	-	-	7	-	-	19
Document review	<i>Documents reviewed across all sites</i>								

A1.3 Phase three

Research activities were undertaken across all six sites. These are summarised in Table A1.3. During phase three, the evaluation team analysed data provided by MOJ and drawn from published government sources on: the outcome measure, the outcome metrics and other related criminal justice data, including recorded crime and reoffending rates. The team produced a report which examined trends before and during the pilot for the sites, Greater London and England and Wales. The resulting analysis was approved by MOJ prior to being sent to the key individuals at the sites for their consideration. Following this, a data workshop and interviews were undertaken to validate the quantitative findings and to understand the local factors which may have influenced the performance of the sites.

Table A1.3: Phase three research activities across the sites and number of participants

Research activity	MOJ, Home Office, NOMS	Greater Manchester	Croydon	Hackney	Lambeth	Lewisham	Southwark	London wide agencies	Total
Interviews with strategic and operational managers (public, private and Voluntary and Community Sector agencies) and data interviews	2	18	5	4	4	7	5	4	49
Data workshop	-	4	-	-	-	-	-	-	4
Document review	<i>Documents reviewed across all sites</i>								
Analysis of criminal justice data	<i>Based on data for the sites, Greater London and England and Wales</i>								

A1.4 Analysis of qualitative data

Interview data was transcribed (where consent was given), coded and analysed thematically (based on the research questions) using NVivo software.

A1.5 Limitations of the methodology

The purposive sampling of interview, focus group and workshop participants aimed to reflect the range of agencies involved in implementing and supporting the implementation of the LJR pilots.

As with all qualitative research, the data gathered was dependent on the availability and the willingness of individuals to participate. Therefore, those who participated may have been more positive or negative about the experience of the pilot.

Details of the analysis of the demand metrics and other criminal justice data are contained in Appendix 2.

Appendix 2

Analysis of quantitative data

The data for the cost of demand and outcome metrics was provided by the MOJ. Other data was obtained from published government sources, as indicated in the sections below.

The sources of the raw data for the pilot outcome metrics were:

- the number and duration of custodial convictions came from the Police National Computer (PNC);
- the number of Community Orders and Suspended Sentence Orders also came from the PNC;
- Probation requirements data came from the probation trusts and commercial providers; and
- data on 'other convictions' came from Magistrates HOCAS and LIBRA systems.

The data covers the following periods:

- The baseline year (July 2010 to June 2011);
- Year one of the pilot (July 2011 to June 2012); and
- Year two (July 2012 to June 2013).

Data relating to England and Wales and the whole of Greater London⁵⁸ were included in the analysis to enable a high level analysis of the performance of the sites to be undertaken.

A2.1 Cost of demand

Table A2.1 sets out the change in the cost of adult and youth demand for years one and two of the pilot compared to the baseline for the six pilot sites, Greater London and England and Wales.

⁵⁸ Data for England and Wales includes the data for the six pilot sites. Greater London covers 32 boroughs (including the five London boroughs where the pilot took place) and the City of London.

Table A2.1: Percentage change in the cost of criminal justice demand across the pilot sites, Greater London and England and Wales in year one and year two, compared to baseline year

	Year one (July 2011 to June 2012)			Year two (July 2012 to June 2013)		
	Change in cost of demand (adult) %	Change in cost of demand (youth) %	Payment due (000)	Change in cost of demand (adult) %	Change in cost of demand (youth) %	Payment due (000)
Greater Manchester	-8.4	-21.1	£2,670	-14.9	-42.1	£4,986
Croydon	8.1	6.7	£0	-0.9	6.7	£0
Hackney	-7.5	N/A	£189	-20.1	N/A	£659
Lambeth	-4.9	13.4	£0	-17.7	-45.9	£737
Lewisham	-6	-20.0	£249	-18.1	-53.1	£792
Southwark	-12.5	-29.2	£514	-26.7	-50.0	£844
Greater London	-5.1	0.1	N/A	-13.4	-28.3	N/A
England and Wales	-4.5	-13.0	N/A	-10.5	-36.8	N/A

Source: MOJ, 2012b and 2013d

A2.2 Probation requirements

Table A2.2 presents the percentage change in the total number of probation requirements given, and the associated costs, comparing years one and two to the baseline. These requirements were those specific requirements linked to Community Orders and Suspended Sentence Orders, and encompassed the following: accredited programmes; unpaid work; drug treatment; supervision; specified activities; mental health programmes; alcohol treatment; residence conditions; exclusion orders; prohibited activities; attendance centre requirements; and curfews.⁵⁹

Table A2.2: Percentage change in the total number and costs of probation requirements in years one and two, compared to the baseline

	Greater Manchester*	Croydon	Hackney*	Lambeth**	Lewisham*	Southwark*	Greater London	England and Wales
Total number of requirements year 1	-7.8	19.6%	-3.5%	-4.6%	2.7%	-19.5%	-5.6%	-5.4%
Total cost of requirements year 1	-8.7%	16.7%	-6.8%	-8.4%	-0.3%	-20.1%	-8.1%	-6.4%
Total number of requirements year 2	-20.2%	2.4%	-18.4%	-29.3%	-17.4%	-32.4%	-12.8%	-15.6%
Total cost of requirements year 2	-20.8%	-1.9%	-24.0%	-32.8%	-19.6%	-32.8%	-17.4%	-17.6%

* Received a reward payment both pilot years.

** Received a reward payment in year two only.

Source: Site figures are derived from MOJ published data (MOJ, 2012a, 2012b, and 2013a). Figures for Greater London and England and Wales are calculated from data provided by MOJ.

⁵⁹ At the time of the LJR pilot there were 12 requirements. However since then, there have been amendments to the requirements available. A foreign travel prohibition requirement was introduced under the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act 2012. A Rehabilitation Activity Requirement was introduced in February 2015 (as part of the Offender Rehabilitation Act 2014), which replaced the supervision and activity requirements for offences committed after the provision came into force.

Table A2.3 presents the percentage change in the number of individual requirements comparing the baseline year to year two.

Table A2.3: Percentage change in use of probation requirements attached to community orders and suspended sentence orders, between baseline year and year two

	Greater Manchester	Croydon	Hackney	Lambeth	Lewisham	Southwark	Greater London	England and Wales
Accredited programme (£430)	↓ -54.6%	↓ -37.8%	↓ -63.3%	↓ -63.6%	↓ -48.6%	↓ -55.6%	↓ -50.1%	↓ -31.1%
Unpaid work (£290)	↓ -16.1%	↓ -4.8%	↓ -21.1%	↓ -30.8%	↓ -27.4%	↓ -33.5%	↓ -12.7%	↓ -20.5%
Drug treatment (£270)	↓ -20.0%	↑ 6.1%	↓ -35.9%	↓ -33.1%	↓ -13.9%	↓ -40.0%	↓ -9.0%	↓ -8.2%
Supervision (£270)	↓ -24.5%	↑ 14.0%	↓ -13.9%	↓ -30.6%	↓ -9.5%	↓ -24.0%	↓ -6.3%	↓ -13.8%
Specified activity (£230)	↓ -10.0%	↑ 66.4%	↑ 76.4%	↑ 30.7%	↑ 18.3%	↓ -2.7%	↑ 44.9%	↑ 25.3%
Curfew (EM tagging) (£550)	↓ -9.5%	↓ -9.7%	↓ -36.8%	↓ -38.3%	↓ -18.1%	↓ -32.3%	↓ -33.0%	↓ -22.2%

Source: Figures are derived from MOJ published data (MOJ, 2012a, 2012b and 2013a) and unpublished data provided by MOJ.

Other requirements included mental health (£220); residential (£150); exclusion (£150); prohibited activity (£150), alcohol treatment (£170) and attendance centre (£190). The percentage changes for these requirements have not been included as the actual numbers were too small.

A2.3 'Other convictions'

Tables A2.4 to A2.8 detail the contribution of 'other convictions' to the demand totals in both the adult and youth justice system:

- Table A2.4 sets out the adult demand costs excluding 'other convictions' costs for both years of the pilot compared to the baseline.
- Table A2.5 presents the same analysis in relation to the youth justice system.
- Tables A2.6 and A2.7 address the changes in total demand costs for adults and youth resulting from the inclusion of the 'other convictions'.
- Table A2.8 shows 'other convictions' in year one and year two, as a percentage of changes in the cost of overall adult demand.

Table A2.4: Annual costs of adult demand excluding ‘other convictions’ for the pilot sites, Greater London and England and Wales in the baseline year, year one and year two

	July '10 to June '11 (Baseline) £	July '11 to June '12 (Pilot year 1) £	July '12 to June '13 (Pilot year 2) £
Greater Manchester	19,632,280	19,070,370	17,351,100
Croydon	1,886,970	2,237,790	1,858,190
Hackney	1,729,900	1,744,980	1,448,050
Lambeth	2,088,680	2,026,860	1,633,280
Lewisham	2,039,680	2,003,200	1,735,170
Southwark	2,209,470	1,897,700	1,507,470
Greater London	48,776,950	47,241,380	42,678,950
England and Wales	284,197,280	278,296,530	253,907,090

Source: Figures relating to the project sites are derived from MOJ published data (MOJ, 2012a, 2013a and 2012b). Equivalent unpublished data for the level of demand in England and Wales and Greater London was provided by MOJ.

Demand is calculated by multiplying the quantity of the different metrics (taken from MOJ, 2012a, MOJ, 2013a) by the agreed prices used in the LJR pilots (taken from MOJ, 2012b). The prices paid for reducing demand were based on cautious estimates of the realisable savings to MOJ.

Table A2.5: Annual costs of youth demand excluding ‘other convictions’ for the pilot sites, Greater London and England and Wales in the baseline year, year one and year two

	July '10 – June '11 (Baseline) £	July '11 – June '12 (Pilot year 1) £	July '12 – June '13 (Pilot year 2) £
Greater Manchester	3,395,660	2,750,350	2,052,220
Croydon	468,940	505,820	530,160
Hackney	<i>Hackney did not participate in the youth element of the pilot</i>		
Lambeth	460,640	529,830	233,680
Lewisham	553,410	450,990	248,120
Southwark	424,810	294,490	202,360
Greater London	8,432,390	8,797,560	6,216,240
England and Wales	44,868,950	40,211,100	28,795,120

Source: Figures relating to the project sites are derived from MOJ published data (MOJ, 2012a, 2013a and 2012b). Equivalent unpublished data for the level of demand in England and Wales and Greater London was provided by MOJ.

Demand is calculated by multiplying the quantity of the different metrics (taken from MOJ, 2012a, MOJ, 2013a) by the agreed prices used in the LJR pilots (taken from MOJ, 2012b).

Table A2.6: Percentage changes in adult demand costs including and excluding ‘other convictions’ for year one and year two of the pilot, compared to the baseline

	Year one (July 2011 to June 2012)		Year two (July 2012 to June 2013)	
	Excluding ‘other convictions’ %	Including ‘other convictions’ %	Excluding ‘other convictions’ %	Including ‘other convictions’ %
Greater Manchester	-2.9	-8.4	-11.6	-14.9
Croydon	18.6	8.1	-1.5	-0.9
Hackney	0.9	-7.5	-16.3	-20.1
Lambeth	-3.0	-4.9	-21.8	-17.7
Lewisham	-1.8	-6	-14.9	-18.1
Southwark	-14.1	-12.5	-31.8	-26.7
Greater London	-3.1	-5.1	-12.5	-13.4
England and Wales	-2.1	-4.5	-10.7	-10.5

Source: Figures are derived from MOJ published data (MOJ, 2012a, 2013a and 2012b).

Table A2.7: Percentage changes in youth demand costs including and excluding 'other convictions' for year one and year two of the pilot, compared to the baseline

	Year one (July 2011 to June 2012)		Year two (July 2012 to June 2013)	
	Excluding 'other convictions' %	Including 'other convictions' %	Excluding 'other convictions' %	Including 'other convictions' %
Greater Manchester	-19.0	-21.1	-39.6	-42.1
Croydon	7.9	6.7	13.0	6.7
Hackney	<i>Hackney did not participate in the youth element of the pilot</i>			
Lambeth	15.0	13.4	-49.3	-45.9
Lewisham	-18.5	-20.0	-55.2	-53.1
Southwark	-30.7	-29.2	-52.4	-50.0
Greater London	4.3	0.1	-26.3	-28.3
England and Wales	-10.4	-13.0	-35.8	-36.8

Source: Figures are derived from MOJ published data (MOJ, 2012a, 2013a and 2012b).

Table A2.8: Change in costs for all 'other convictions' in year one and year two, as a percentage of changes in the cost of overall adult demand, compared to the baseline year

		Change in costs of all the metrics excluding 'other convictions'	Change in costs for 'other convictions' (£)	Change in cost of overall demand (£)	Percentage of overall demand change accounted for by 'other convictions'
Greater Manchester	Year 1	-561,910	-2,409,600	-2,971,510	81.1%
	Year 2	-2,281,180	-3,006,300	-5,287,480	56.9%
Croydon	Year 1	350,820	12,300	363,120	3.4%
	Year 2	-28,780	-11,100	-39,880	27.8%
Hackney	Year 1	15,080	-298,200	-283,120	105.3%
	Year 2	-281,850	-475,500	-757,350	62.8%
Lambeth	Year 1	-61,820	-149,400	-211,220	70.7%
	Year 2	-455,400	-314,100	-769,500	40.8%
Lewisham	Year 1	-36,480	-231,900	-268,380	86.4%
	Year 2	-304,510	-506,700	-811,210	62.5%
Southwark	Year 1	-311,770	-242,400	-554,170	43.7%
	Year 2	-702,000	-477,300	-1,179,300	40.5%
Greater London	Year 1	-1,535,570	-3,742,800	-5,278,370	70.9%
	Year 2	-6,098,000	-7,805,100	-13,903,100	56.1%
England and Wales	Year 1	-5,900,750	-18,643,500	-24,544,250	76.0%
	Year 2	-30,290,190	-26,330,100	-56,620,290	46.5%

Source: Figures are derived from MOJ published data (MOJ, 2012a, 2013a and 2012b).

A2.4 Recorded crime

The recorded crime figures have been obtained from data published by the Office for National Statistics (ONS, 2013).

Table A2.9 sets out the annual police recorded crime for the pilot sites, Greater London and England and Wales for the baseline and both years of the pilot.

Table A2.9: Annual police recorded crimes in the pilot sites (number and percentage change from baseline), Greater London and England and Wales. Baseline year, year one and year two.

	July 10 to June 11 Baseline	July 11 to Jun 12 Year 1		July 12 to June 13 Year 2	
	Number	Number	% change from baseline	Number	% change from baseline
Greater Manchester	220,508	199,520	-9.5%	178,195	-19.2%
Croydon	32,297	32,593	0.9%	29,893	-7.4%
Hackney	27,870	28,020	0.5%	27,020	-3.0%
Lambeth	36,148	36,340	0.5%	33,926	-6.1%
Lewisham	28,218	26,442	-6.3%	23,869	-15.4%
Southwark	35,790	33,587	-6.2%	32,188	-10.1%
Greater London	819,332	798,354	-2.6%	741,938	-9.4%
England and Wales	4,035,847	3,801,259	-5.8%	3,514,968	-12.9%

Source: Figures are derived from ONS, 2013.

A2.5 Adult reoffending rates

Table A2.10 sets out the three month adult reoffending rates for the pilot sites, Greater London and England and Wales for the baseline and both years of the pilot. These have been drawn from data published by MOJ (MOJ, 2011a; MOJ, 2012c; MOJ, 2013e).

Table A2.10: Three month reoffending rates for all offenders on the probation caseload: the pilot sites, Greater London and England and Wales, baseline year, year one and year two⁶⁰

	July 2010 to June 2011 Baseline	July 2011 to June 2012 Project year 1	July 2012 to June 2013 Project year 2
Greater Manchester	9.80%	9.56%	9.06%
Lewisham	8.45%	8.49%	8.08%
Hackney	8.69%	8.08%	7.37%
Croydon	8.40%	8.15%	8.48%
Lambeth	8.05%	8.93%	7.18%
Southwark	8.26%	7.53%	6.48%
Greater London	8.47%	8.18%	7.88%
England and Wales	9.81%	9.66%	9.23%

Source: MOJ, 2011a, 2012c, 2013e.

A2.6 First time entrants to the CJS: adult and young offenders

Table A2.11 sets out the annual figures for first time entrants in to the adult and youth justice systems in England and Wales, for the periods July 2010 to June 2011, July 2011 to June 2012, and July 2012 to June 2013. These have been drawn from data published by MOJ (MOJ, 2013c). No site specific data was available.

⁶⁰ The local adult reoffending measure takes a snapshot of all offenders, aged 18 or over, who are under probation supervision at the end of a quarter, and combines four such snapshots together. The proportion of offenders who reoffend in a three month period is counted. Fuller methodological details are available in MOJ, 2013d.

Table A2.11: First time entrants in to the adult and youth justice system in England and Wales, baseline year, year one and year two

12 month period to the end of June	Young offenders	Adults	All ages
July 2010 to June 2011 (Baseline)	43,179	177,300	220,478
July 2011 to June 2012 (Year 1)	34,098	160,732	194,830
July 2012 to June 2013 (Year 2)	26,071	146,929	173,000

Source: MOJ, 2013c.