Persistent Offender Project:
An analysis of the costs and benefits

Executive Summary

Foreword:

The Persistent Offender Project (POP) commenced service in November 2006. The POP was funded from 2006 - 2010 by Glasgow Community Planning Partnership (Fairer Scotland Fund) and delivered jointly by Glasgow Addiction Services and Strathclyde Police (the service funding is now mainstream). The POP provides a means to stabilise the most chaotic and ‘at-risk’ drug/alcohol misusing offenders by linking in to Glasgow Police Divisions and then the POP integrates those persistent offenders into mainstream addiction services in particular Glasgow Addiction Services Community Addiction Teams. The overall aims are to tackle addiction-related offending, improve quality of life, and promote training/employment opportunities and community safety.

The Cost Benefit Analysis that follows (provided by Joe Perman, Scottish Government) clearly highlights the success of the POP service in terms of finance and reduced offending. A quote from a POP service user on her view of the work undertaken by the POP:

“I was on drugs, they (POP) helped me to get on methadone, they spoke to me about everything, they got me linked in with the Community Addiction Team and they got me counselling, if it wasn’t for POP I wouldn’t be where I am today”.

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1. Background

The Persistent Offender Project (POP) is a community safety initiative delivered jointly by Glasgow Addiction Services and Strathclyde Police. It seeks to identify substance misusing persistent offenders by effective information sharing and subsequently offer and encourage the uptake of intensive support and treatment through community based outreach.

Treatment and care is provided by Community Addiction Teams (CATs), these teams bring together Health Addiction Services and Social Work Addiction Services.

There are a range of impacts resulting from the intensive support and treatment of substance misusing persistent offenders including improved quality of life, health benefits, employment opportunities, lower illicit drug expenditure and decreased criminal activity. This analysis focuses on the benefits of reduced offending behaviour among the participants, and the savings in the economic and social costs of crime that follows.

2. Methodology

The analysis examines the offending behaviour of 137 POP participants who were signed up to the programme between 29 November 2006 and 24 March 2009. Using police recorded crime data a comparison is constructed of their offending behaviour.

These offences can be assigned a monetary value based on the resulting economic and social costs, allowing a comparison of the total costs of crime from this group of offender’s pre- and post- POP engagement. Offsetting this against the running costs of the programme allows an estimation of the net benefit of the project.

2.1 Costs of crime

The costs of crime results in both direct and indirect costs and the figures used for this analysis are adapted from estimates produced for England and Wales by the Home Office\(^1\). Along with the direct costs of the criminal justice system it includes wider social costs such as the physical and emotional impact on victims, lost output and health costs. As the offence categories between Scotland and England and Wales do not correspond one-to-one these costs were slightly adapted to reflect the Scottish offence codes more accurately\(^2\).

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\(^2\) Unit costs taken from early findings of ongoing Scottish Government analysis mapping the crime categories and associated unit cost estimates between England and Wales and Scotland.
2.2 Multipliers

Not every offence committed comes to the attention of, or is recorded by, the police. The multiplier approach uses the differences between police recorded crime, the clear-up rate, and estimates of the full incidence of crime from crime victim surveys to calculate the ratio of recorded crimes to actual incidence for the different crime categories. The actual occurrence of people handling weapons and possessing drugs will be much larger, but this cannot be included in this analysis.

2.3 Assumptions and limitations

Not all offences committed by the POP participants have been assigned unit costs, and those offences are therefore excluded from the analysis.

The calculation of multipliers is based on the differences between recorded crime and the actual incidence at an aggregate level rather than per offender, it is assumed that the ratios hold for each offender. Overall it is estimated that each spend of £1 leads to benefits of up to £14 in the form of reduced economic and social costs of crime. This corresponds to a total net benefit from POP of £10 million over 3 years.

3. Findings

The following section sets out how estimates were calculated, first looking at the change in offending behaviour, then the economic and social costs of this offending and hence any savings from its reduction, and finally the costs of the project.

3.1 Demographics

At the time of the sign-up the majority of the offenders (52%) were aged 25-34. The youngest POP participant was aged 16 at the time of intervention while the oldest was 54 years old.
3.2 Change in offending behaviour

There is a clear difference between the average number of offences committed prior to and after being engaged in POP. The average number of offences appears to drop relatively sharply soon after the POP sign-up and then remains lower thereafter.

Overall, it shows a 32% fall in recorded crime and 39% fall in estimated actual incidence. These falls are not equal because the volumes of offence types, which have different multipliers, do not change uniformly.

This analysis assumes that offending levels would have remained at their average pre-POP comparison period level had there been no intervention.

3.3 Economic and social costs of crime

Using the average economic and social costs per offence the total costs of offences by those recruited to POP can be calculated. These costs are based on the actual estimated incidence, calculated using the multipliers described previously.

There is a variation in the changes in costs across the different offence categories with the costs of some crime types increasing slightly while the majority show declines and the largest reduction in costs arises from the decrease in crimes of dishonesty.

3.4 Breakdown of the costs of crime

The components of the economic and social costs of crime are also included in the estimates of the average costs per offence, allowing us to break down the estimated cost savings into further detail. The relative magnitudes of the savings are generally in line with the proportion of total criminal justice system costs of each area, with the Police having the largest change followed by Prisons, Probation, Legal Aid and Prosecution.
3.5 Costs of programme

The annual operating expenditure of POP is £254,540. This equates to £776,115 over the evaluation period of the three years since the project began engaging with prolific offenders.

The majority of this expenditure is in the form of staff and property costs, comprising 60% Social Care and Administration Staff, 29% Police Staff and 5% Property Costs (6% miscellaneous costs).

3.6 Net benefits of Persistent Offender Project

Subtracting the programme costs of £0.8 million from the savings in reduced offending of £10.8 million leaves a social net benefit of around £10 million over the 3-year evaluation period. This equates to a net benefit of £3.3 million per annum and £73k per POP offender.

This implies a benefits-cost ratio of 14:1, or in other words for each £1 spent there will be benefits of up to £14 in the form of reduced economic and social costs of crime.

Table 1: Key findings from cost benefit analysis (£2009)

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<tr>
<td>Savings in the economic and social costs of crime</td>
<td>£10,790,030</td>
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<td>Operational expenditure</td>
<td>£763,620</td>
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<td><strong>Net benefit</strong></td>
<td><strong>£10,026,410</strong></td>
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<td>Benefit-cost ratio</td>
<td>14.1:1</td>
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The analysis only includes the 3 years before and after the project commenced, but should the persistent offenders continue to exhibit lower offending patterns over their subsequent lifetimes (than otherwise would have been the case without intervention) then the savings to society from reduced costs of crime will continue into the future.
4. Sensitivity Analysis

To examine how the results would change given changes in the baseline assumptions, the same comparison can be made using only police recorded crime (rather than using multipliers to estimate the actual incidence of crime).

It can be seen that there is still a reduction in the economic and social costs of crime, but to a much lower extent than when using the baseline assumptions. However, the savings from these costs is large enough to outweigh the expenditure costs of operating the project and therefore there is still a positive net benefit. The key figures are shown below in Table 2.

Table 2: Key findings from sensitivity analysis (£2009)

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<td>Operational expenditure</td>
<td>£763,620</td>
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<td><strong>Net benefit</strong></td>
<td><strong>£229,680</strong></td>
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<td>Benefit-cost ratio</td>
<td>1.3:1</td>
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In reality the incidence of crime committed by these offenders will be significantly higher than their police recorded crime. This sensitivity analysis is included to evidence that even taking this extreme example there is still a positive net benefit.
5. **Conclusion**

Crime results in large costs to the economy and society in general, generating direct costs to victims and the criminal justice system, along with more intangible indirect costs to society. This analysis has demonstrated the large costs that a relatively small group of persistent offenders can generate, and that their introduction to the persistent offender project can reduce their offending activity and lead to large savings to society and the public purse.

The analysis includes sensitivity testing which used conservative estimates of the reductions in crime, and this still shows a positive net benefit of POP. In reality the figure will be closer to the baseline assumptions, that each spend on POP of £1 leads to estimated benefits of up to £14 in the form of reduced economic and social costs of crime. This corresponds to a total net benefit from POP of £10 million over 3 years.

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November 2010.
Acknowledgements

Alan Bruce - Sergeant, Team Leader POP
Keith Chalmers - Senior Addiction Worker POP
Allison Lawson - POP Contract Manager, Senior Officer Glasgow Addiction Services
Michelle Love - Analyst Co-ordinator Glasgow Community & Safety Services
Jim McBride - Head of Addiction East Area
Ruaridh Nicolson - Chief Superintendent Community Safety, Strathclyde Police
Joe Perman - Justice Analytical Services Scottish Government, Edinburgh
Gavin Smith - Inspector, Community Safety Strathclyde Police, Force Headquarters
Eric Steel - Interim Joint General Manager, Glasgow Addiction Service
Morag Stewart - Inspector, Community Safety Strathclyde Police, Force Headquarters

“The Persistent Offender Project would like to thank Joe Perman for producing the Persistent Offender Project Cost Benefit Analysis and for his support and thanks to Michelle Love for producing the initial analysis.

The Persistent Offender Project would like to thank their service users who are committed to the Persistent Offender Project and work hard with the Persistent Offender Team to make significant changes in their lives and reduce their offending.”