

Impact Assessment, The Home Office

Title: PPPCS Bill – Reform of the Pre-Charge Bail System

IA No: HO0387

RPC Reference No: N/A

Other departments or agencies: Ministry of Justice, HM Courts and Tribunals Service, Legal Aid Agency.

Date: 12 January 2021

Stage: Final

Intervention: Domestic

Measure: Primary Legislation

Enquiries: Pre-Charge Bail Team
police.integrity@homeoffice.gov.uk

RPC Opinion: Not Applicable

Business Impact Target: Non-qualifying provision

Cost of Preferred (or more likely) Option (in 2020/21 prices)

Net Present Social Value NPSV (£m)

-9.1

Business Net Present Value BNPV (£m)

N/A

Net cost to business per year EANDCB (£m)

N/A

What is the problem under consideration? Why is government intervention necessary?

The pre-charge bail (PCB) system was reformed through the Policing and Crime Act 2017 to address concerns that PCB suspects were spending too long under restrictive conditions. As a result, the use of PCB has fallen, with a corresponding increase in those released under investigation (RUI). This is a cause for concern as RUI does not allow for conditions to be set, include timescales for the police to adhere to or require communication with the suspect or victim. The Government held a public consultation which ended in May 2020 to consider what changes should be made to ensure this process is more effective and that PCB is used appropriately.

What are the policy objectives and the intended effects?

The objective is to ensure a system that: prioritises the safety of victims and witnesses, supports the effective management and timely progression of investigations, respects the rights of suspects, witnesses and victims to timely decisions and updates and ensures PCB supports the timely progression of cases to courts. The intended effect is that this new regime will increase the use of PCB, decrease the use of RUI and help police reduce the average time individuals are spending under investigation.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Baseline: The 'do-nothing' option is to maintain the current position with no changes to the current time limits and conditions of PCB.

Option 1: The Government's preferred option proposes reforms which enable the use of PCB where necessary and proportionate. This option considers removing the negative presumption against PCB and changing the timescales and authorisation/ investigatory review points.

Main assumptions/sensitivities and economic/analytical risks

Discount rate (%)

3.5

1. The arrest rate over the appraisal period.
2. The percentage of arrests that result in PCB.
3. The percentage of arrests that result in RUI.
4. The length of time suspects are on PCB for.
5. The take up rate of Legal Aid by suspects who attend Magistrates Court for PCB extensions.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: October 2024

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



Date: 5 February 2021

Summary: Analysis & Evidence

Policy Option 1

Description: PPPCS Bill – Reform of the Pre-Charge Bail

FULL ECONOMIC ASSESSMENT

Year(s):	Price Base	2020/21	PV Base	2020/21	Appraisal	10	Transition	1
Estimate of Net Present Social Value NPSV (£m)						Estimate of BNPV (£m)		
Low:	43.4	High:	-88.5	Best:	-9.1	Best BNPV	N/A	

COSTS, £m	Transition Constant Price	Ongoing Present Value	Total Present Value	Average/year Constant Price	To Business Present Value
Low	0.1	68.4	68.5	8.1	N/A
High	0.5	199.9	200.4	23.7	N/A
Best Estimate	0.2	120.8	121.0	14.3	N/A

Description and scale of key monetised costs by 'main affected groups'

The main costs are the staff and judicial costs to the courts. This includes PCB extension hearings, and police Superintendent, Inspector, and Custody Officer extensions of PCB. There are also familiarisation costs associated with officers, solicitors and HM Courts and Tribunals Service (HMCTS) staff, and Legal Aid costs associated with Magistrates' Court extension hearings.

Other key non-monetised costs by 'main affected groups'

Costs to the police for re-arresting suspects who breach bail conditions have not been estimated. Costs to the Criminal Justice System (CJS) of charges following PCB or RUI have not been estimated, however it is assumed these would occur regardless of PCB or RUI. There may be small administrative costs to the police for placing a suspect on RUI that have not been estimated.

BENEFITS, £m	Transition Constant Price	Ongoing Present Value	Total Present Value	Average/year Constant Price	To Business Present Value
Low	-	111.9	111.9	13.2	N/A
High	-	111.9	111.9	13.2	N/A
Best Estimate	-	111.9	111.9	13.2	N/A

Description and scale of key monetised benefits by 'main affected groups'

As the use of PCB increases, the volume of suspects on RUI is expected to fall. This will result in a cost saving to the police as time spent issuing postal requisitions and warrants decreases.

Other key non-monetised benefits by 'main affected groups'

The main affected groups are suspects, victims and witnesses. Victims and witnesses may benefit from an increased feeling of safety if PCB is used rather than RUI. Suspects may benefit from better communication with investigators and a better understanding of how long the extension could last for and the review process for PCB.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m: N/A										
Cost, £m	N/A		Benefit, £m	N/A		Net, £m	N/A			
Score for Business Impact Target (qualifying provisions only) £m:							N/A			
Is this measure likely to impact on trade and investment?							N/A			
Are any of these organisations in scope?			Micro	N	Small	N	Medium	N	Large	N
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)					Traded:	N/A	Non-Traded:	N/A		

PEOPLE AND SPECIFIC IMPACTS ASSESSMENT (Option 2)

Are all relevant Specific Impacts included?	Y	Are there any impacts on particular groups?	Y
---	---	---	---

Evidence Base (for summary sheets)

A. Strategic Overview

A.1 Background

An individual who has been arrested by the police but who has not yet been charged can be released on pre-charge bail (PCB) or released without bail while the investigation continues. PCB means the individual under investigation is released from police custody, with or without conditions, while officers continue their investigation.

Individuals on PCB are required to return to the police station at a specified date and time, known as 'answering bail', to either be informed of a final decision on their case or to be given an update on the progress of the investigation.

Conditions may be imposed upon the individual if they are deemed necessary to: prevent someone from failing to surrender to custody, prevent further offending, prevent someone from interfering with witnesses, or otherwise obstructing the course of justice. Conditions may also be imposed for the individuals' own protection or, if aged under 18 years old, for their own welfare and interests.

The Government legislated through the Policing and Crime Act 2017 to address concerns that individuals were being kept on PCB for long periods, sometimes with strict conditions. The reforms introduced:

- A presumption against PCB unless necessary and proportionate.
- Clear statutory timescales and processes for the initial imposition and extension of bail, including the introduction of judicial oversight for the extension of PCB beyond 3 months.

Since the reforms came into force, the Home Office have been working closely with partners across the criminal justice system (CJS) to track implementation and monitor impacts. The use of PCB has fallen significantly, mirrored by an increasing number of individuals released without bail, commonly known as 'released under investigation' (RUI). This change has raised concerns that bail is not always being used where appropriate, including to prevent individuals from committing an offence whilst on bail or interfering with witnesses. Other concerns focus on the potential for longer investigations in cases where bail is not used and adverse impacts on the courts.

A.2 Groups Affected

Victims and witnesses of crimes and suspects under investigation, Law Enforcement bodies, Courts and Legal Aid Agency

A.3 Consultation

Public Consultation

The consultation paper Police Powers: Pre-charge Bail¹ was published on 5 February 2020 and the consultation period closed on 29 May 2020.

The consultation set out issues raised by a wide range of stakeholders across policing and law enforcement, relevant government agencies and external organisations, alongside a corresponding set of initial proposals on which views were sought.

It invited comments on the timescales and criteria for pre-charge bail, the effectiveness of bail conditions as well as non-bail investigations. The consultation asked 13 questions covering six topics:

- Criteria for pre-charge bail;
- Timescales for pre-charge bail;

¹ Police powers: pre-charge bail government consultation available at <https://www.gov.uk/government/consultations/police-powers-pre-charge-bail>

- Non-bail investigations;
- Effectiveness of bail conditions;
- Other Issues; and
- Your experience.

A total of 844 responses were received from across Policing, Members of the Public, Charity Sector, Legal Professions and other Government organisations. The Policing sector and members of the public provided the most responses to the consultation.

There was generally strong agreement for longer bail timeframes, removal of the presumption against bail, strengthening consequences for breach of bail and the use of specific risk-based factors. Amongst practitioners there was a desire for clearer guidance on how to operate bail.

B. Rationale for intervention.

The Policing and Crime Act 2017² introduced reforms to PCB to address legitimate concerns that suspects were spending too long under restrictive conditions with no oversight or redress. Since reforms came into force in April 2017, the use of PCB has dropped significantly, with a corresponding increase in those on RUI. This change has raised concerns that bail is not always being used where appropriate, including to prevent individuals from committing an offence whilst on bail or interfering with witnesses. Other concerns focus on the potential for longer investigations in cases where bail is not used and adverse impacts on the courts.

C. Policy objective

On 5 November 2019 the Government announced³ a review of the PCB legislative framework to address the concerns as stated above.

The objective of the review was to make sure there is a system that:

- **prioritises** the safety of victims and witnesses;
- **supports** the effective management and timely progression of investigations;
- **respects** the rights of suspects, victims and witnesses to timely decisions and updates and;
- **ensures** PCB supports the timely progression of cases to courts.

The intention is that this new regime will increase the use of PCB and help police reduce the average time individuals are spending under investigation. The package of reforms includes:

- removal of the presumption against bail,
- changes to the timescales for the initial bail period and extension periods, and
- provision to forces of adequate operational guidance for PCB

² Policing and Crime Act 2017 available at <https://www.legislation.gov.uk/ukpga/2017/3/part/4/chapter/1/enacted>

³ Details on the announcement available at <https://www.gov.uk/government/news/government-announces-plans-to-review-pre-charge-bail-law>

D. Options considered and implementation.

Options under consideration

Option 0: The 'do-nothing' option is to maintain the current position with no changes to the current conditions of PCB. This would mean to maintain the presumption against the use of PCB and maintain the current timelines and review points, i.e. initial bail approved by the Custody Officer for up to 28 days, second approval by the Superintendent up to 3 months, further approval by the Magistrates Court at 3-month intervals. This option is used as the baseline in the appraisal.

Option 1:

- Criteria: Remove the negative presumption against the use of PCB and replace with a neutral position applied based on risk factors.
- Timescales and authorisation/ investigatory review points PCB could be authorised for: initial bail approved by the Custody Officer for up to 3 months, second approval by the Inspector up to 6 months, third approval by the Superintendent up to 9 months, further approval by the Magistrates Court at 3-month intervals.
- Applying investigatory review points in guidance to voluntary attendance (VA) investigations.
- Ensure forces have adequate operational guidance for PCB.

Other options were considered with different timescales and authorisation review points but were ultimately rejected following consultation. The timescales considered in option 3 and 4 are detailed below;

Option 2: Timescales and authorisation/ investigatory review points: PCB could be authorised for: initial bail approved by the Custody Officer for up to 2 months, second approval by the Inspector up to 4 months, third approval by the Superintendent up to 6 months, further approval by the Magistrates Court at 3-month intervals.

Option 3: Timescales and authorisation/ investigatory review points PCB could be authorised for: initial bail approved by the Custody Officer for up to 3 months, second approval by the Inspector up to 6 months, third and fourth approval by the Superintendent up to 9 and 12 months, further approval by the Magistrates Court at 3-month intervals.

Preferred option and implementation plan

The Government has considered these options and, taking account of the responses from the consultation and further work with stakeholders, has determined to move forward with **Option 1**. The timeframes in Option 1 strikes the best balance between the different stakeholders involved in PCB.

By removing the presumption against PCB, there is an expectation that the police will utilise PCB more often when it's necessary, appropriate and proportionate to do so, allowing for the effective investigation of crime and protection for victims.

The government intends to legislate for a minimum 6-month implementation period before the reforms come into force. Law enforcement agencies and the court system will be responsible for the implementation and ongoing operation of the reforms.

E. Appraisal.

The following appraisal considers the costs and benefits associated with the implementation of the preferred option in comparison to the baseline 'do nothing' option.

- **Baseline (option 0):** 'Do-Nothing', continue to impose the negative presumption against using PCB and maintain the current timelines and review points; initial bail approved by the

Custody Officer for up to 28 days, second approval by the Superintendent up to 3 months, further approval by the Magistrates Court at 3-month intervals.

- **Preferred Option (option 1):** Remove the negative presumption against the use of PCB and impose new timelines and review points for PCB extensions; initial bail approved by the Custody Officer for up to 3 months, second approval by the Inspector up to 6 months, third approval by the Superintendent up to 9 months, further approval by the Magistrates Court at 3-month intervals.

The analysis is carried out in this way as there will be substantial costs irrelevant of the change in legislation. These costs are used to calculate net costs and cost savings incurred by the preferred option in comparison to the baseline.

All costs and benefits are discounted at a rate of 3.5 per cent, in line with Green Book⁴ guidance, over a 10-year appraisal period, starting in 2020/21, with costs and benefits incurred from 2021/22 onwards. Costs and benefits are presented in the 2020/21 price year.

General assumptions and data

The number of arrests over the appraisal period have been estimated using data published in March 2020 by the Home Office⁵, which reports there were 639,950 arrests in 2019/20. These figures have been kept constant over the 10-year appraisal period due to difficulties in estimating future arrest volumes. Further detail on the impact of this assumption is given in the risk section.

There is limited data surrounding the proportion of arrests that are placed on PCB. Therefore, following analytical workshops, high, low and best proportions have been used to estimate PCB use and account for the uncertainty. The use of PCB in the baseline has only one estimate as there is slightly more certainty given the availability of experimental statistics and insight provided by analysts working in the area. However, it is likely that the actual PCB use currently is different from estimates. This cannot be improved at this time, but as data recording improves in this area there will opportunities for more accurate appraisal in the future.

'Violence against the person' and 'sexual offences' have been estimated to have a higher rate of PCB use compared to arrests due to the nature of these crimes and potentially greater need to protect victims and witnesses.

Figure 1: The percentage of arrests that result in PCB

	Baseline	Low	Best	High
Violence Against the Person	25%	35%	45%	55%
Sexual Offences	25%	35%	45%	55%
Other	20%	25%	35%	45%

Source: Home Office, own estimates, 2020

Familiarisation costs

There will be familiarisation costs to the police, HMCTS staff and for solicitors to reflect the time required to become familiar with the change in legislation. This has been calculated using salary, volumes and time taken to read the legislation; for the police, HMCTS staff and solicitors. Due to the uncertainty around how long the guidance will be and how many staff will need to read it, ranges have been used to estimate costs.

⁴ The Green Book: appraisal and evaluation in central government available at <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

⁵ Police powers and procedures, England and Wales, year ending 31 March 2020 second edition available at <https://www.gov.uk/government/statistics/police-powers-and-procedures-england-and-wales-year-ending-31-march-2020>

- An assumption of 250 words per minute reading speed has been assumed in all estimates.
- The length of guidance has been estimated as either 1000, 1500 or 2000 words.
- Gross wages for each group have been estimated using the Annual Survey of hours and Earnings⁶, inflated to 2020/21 price year.
- Police volumes has been estimated using the Police Workforce statistics⁷ and varied as 25 per cent, 50 per cent and 75 per cent of staff reading the guidance. The same approach has been taken for HMCTS staff⁸ and solicitors⁹.

The best estimate of police time in doing this has been estimated as £0.2 million, the cost to HMCTS staff as £0.01 million and cost to solicitors as £0.09 million. Therefore, the total familiarisation cost is estimated to be **£0.2 million**, within a range of **£0.1 to £0.5 million**. This cost will only be incurred in 2021/22, which is the first-year costs and benefits are incurred.

Extension Costs

The most significant costs of this measure are driven by the changing timescales and authorisation/investigatory review points for bail. There is limited data on the length of time suspects spend on PCB and uncertainty how this will change between the baseline and preferred option.

The proportion of individuals who are on PCB at each review stage in the baseline has been estimated using outcome data provided by the Home Office for the year ending March 2020. These proportions have been discussed in workshops and compared to experimental statistics published by the Home Office¹⁰ to minimise inconsistencies.

For the preferred option, a low, high, and best estimate has been used to account for the uncertainty around what the change in legislation will do to the length of time a suspect is on PCB. In the low estimate, the length of time suspects are on PCB is consistent with the baseline estimate, but split between the new review timeline, whereas the best and high estimates assume suspects will be on PCB for a longer period. This assumption is informed by the idea that the removal of the presumption against bail, the longer initial bail timeline, and the Magistrates Court approval being needed at a later stage, will increase the length of time suspects are on PCB.

These proportions are presented in Figure 2 and 3 below;

Figure 2: The proportions of suspects on PCB at each review point in the baseline, per cent

		Baseline
Initial Bail	Up to 28 days	55
Extension	Up to 3 months	23
Further	Beyond 3 months	22

Source: Home Office, own estimates, 2020

⁶ Employee earnings in the UK: 2020 available at <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2020>

⁷ Police workforce, England and Wales: 31 March 2020 second edition available at

<https://www.gov.uk/government/statistics/police-workforce-england-and-wales-31-march-2020>

⁸ HMCTS staff numbers available at <https://www.theyworkforyou.com/wrans/?id=2020-05-11.44950.h&s=c>

⁹ Population of solicitors in England and Wales available at https://www.sra.org.uk/sra/how-we-work/reports/statistics/regulated-community-statistics/data/population_solicitors/

¹⁰ Police powers and procedures, England and Wales, year ending 31 March 2020 second edition available at

<https://www.gov.uk/government/statistics/police-powers-and-procedures-england-and-wales-year-ending-31-march-2020>

Figure 3: The proportions of suspects on PCB at each review point in the preferred option, %

		Low	Best	High
Initial Bail	Up to 3 months	78	70	65
Extension	Up to 6 months	12	12	12
Extension	Up to 9 months	5	11	12
Further	Beyond 9 months	5	7	11

Source: Home Office, own estimates, 2020

For the purpose of this IA, these proportions have been kept constant over the 10-year appraisal period, but it is likely that they will change over time.

Each of the review points produce different costs dependent upon the level of officer or court hearing required to grant the extension. Staff costs of a Custody Officer, Inspector and Superintendent represent a total cost made up of average salary, pension, overheads and National Insurance contributions. These costs are based on a National salary, so will be an underestimate for staff who work in areas such as London. The breakdown of the unit costs are detailed below;

- **Custody Officer** – in both the baseline and preferred option the initial bail is granted by the custody officer. It has been assumed that a Custody Officer would take approximately 20 minutes to extend PCB. The hourly salary for a Custody Officer has been estimated to be £44.02 using the National salary of a Sergeant, as calculated by the Home Office Staff Cost Model. This results in 20 minutes of Custody Officer time being valued at approximately **£14.67**.
- **Inspector** – the preferred option includes a new extension approval by an Inspector from three to six months. It has been assumed that an Inspector would take approximately 20 minutes to extend PCB. The hourly salary for an Inspector has been estimated to be £52.60 using the National salary of an Inspector, as calculated by the Home Office Staff Cost Model. This results in 20 minutes of Inspector time being valued at approximately **£17.53**.
- **Superintendent** – in both the baseline and preferred option, a Superintendent will need to grant approval of PCB extension. However, this approval is required at different times in the two options. The hourly salary for a Superintendent has been estimated to be £72.71 using the National salary of a Superintendent, as calculated by the Home Office Staff Cost Model. This results in 20 minutes of Superintendent time being valued at approximately **£24.24**.
- **Magistrates Court** - in both the baseline and preferred option, the Magistrates Court will need to grant approval of PCB extension. In both options a paper application will need to be submitted each time the Magistrates' Court grant an extension. There may be a further requirement to submit an oral application for extension(s) beyond the first Magistrates' Court approval. For the purposes of this IA it has been assumed that an oral application will only be required once the suspect has been on bail for 12 months. The Ministry of Justice (MoJ) provided estimates for the cost of each case to the Magistrates' Courts for the Consultation stage IA¹¹. These costs have been used again in this IA, updated to reflect the 2020/21 price year. The cost for a paper application is estimated to be **£292**, whereas an oral application is estimated to cost **£583** per case. This difference in costs is driven by the difference in time needed for each application; a paper extension takes approximately 30 minutes, whereas an oral extension takes approximately 60 minutes. These costs reflect staff and judicial costs only and it is expected that actual costs may be significantly higher once overheads are considered.

¹¹ Consultation stage impact assessment for Pre-Charge Bail available at <https://www.gov.uk/government/consultations/police-powers-pre-charge-bail>

The cost saving benefit for the baseline is presented in Figure 4 and the costs for the preferred option at each review point are presented in Figure 5.

Figure 4: The benefit in a year of the baseline option for granting PCB extensions (£m, 2020/21 price year, constant prices)

£m 2020/21		Baseline
Initial Bail	Up to 28 days	2.1
Extension	Up to 3 months	1.5
Further	Beyond 3 months	10.5
	TOTAL BENEFIT	14.1

Source: Home Office, own estimates, 2020

Figure 5: The cost in a year of the preferred option for granting PCB extensions (£m, 2020/21 price year, constant prices)

£m 2020/21		Low	Best	High
Initial Bail	Up to 3 months	2.8	3.7	4.6
Extension	Up to 6 months	0.7	1.3	1.9
Extension	Up to 9 months	0.5	1.1	1.8
Further	Beyond 9 months	4.7	9.6	17.5
	TOTAL COST	8.7	15.7	25.9

Source: Home Office, own estimates, 2020

Over the 10-year appraisal period, the total cost saving benefit of the baseline is estimated to be **£107.6 million (PV)**. The preferred option is estimated to cost **£119.4 million (PV)**, **with a range of £65.8 million (PV) to £196.9 million (PV)**. The key drivers of these costs and benefit are the number of PCB extensions that require Magistrates' approval, as this approval incurs the largest unit cost.

The NPSV of the preferred option in relation to extension of PCB only is estimated to be **-£11.8 million (NPSV)**, with a range of **£41.8 million (NPSV) to -£89.3 million (NPSV)**. This is calculated by comparing the baseline costs to the preferred option costs. A positive NPSV indicates a cost saving, whereas a negative NPSV indicates an increase in costs.

Legal Aid costs

Those suspects who face Magistrates' court approval for PCB extensions will be eligible for Legal Aid. Using 2019/20 data¹² an assumption of **£200** (2020/21 prices) per court hearing has been used to estimate the cost to the Legal Aid Agency. This cost is likely to be an overestimate for those cases which only require a paper hearing, but an underestimate for complex cases or those which require an oral hearing. Furthermore, the small sample size means that this unit cost may be skewed to one type of hearing and therefore may not be an accurate representation of average costs. An adjusted average over 4 years has been used to account for some of this uncertainty, as well as discussions with the Legal Aid Agency (LAA) to sense check this figure.

¹² Legal Aid Statistics available at <https://www.gov.uk/government/collections/legal-aid-statistics>

There is limited data on the use of Legal Aid in relation to PCB extensions, but recent data from 2019/20 shows that 105 people claimed for legal aid in relation to PCB in 2019/20. Based on the estimated volumes of individuals subject to Magistrates' Court approval in this Impact Assessment, this would reflect a take up rate of less than 1 per cent. Therefore, in the baseline and low estimates, a 0.5 per cent take up rate has been used, increasing to 2 per cent and 4 per cent in the best and high estimates respectively.

Over the 10-year appraisal period, the total cost saving benefit of the baseline is estimated to be **£0.5 million (PV)**. The preferred option is estimated to cost **£0.8 million (PV)**, within a range of **£0.1 to £2.9 million (PV)**. The key drivers of these costs and benefit are the number of PCB extensions that require Magistrates' approval, and the proportion of these who will use legal aid.

The NPV of the preferred option in relation to legal aid only is estimated to be **-£0.3 million (NPV)**, with a range of **£0.4 million (NPV) to -£2.4 million (NPV)**. This is calculated by comparing the baseline costs to the preferred option costs. A positive NPV indicates a cost saving, whereas a negative NPV indicates an increase in costs.

Non-Monetised Costs

As part of the PCB process, suspects may have conditions applied to their bail. It is likely that some suspects will breach these conditions, and in some instances, these breaches may come to the attention of the police. Breach of bail is an arrestable offence, but not a criminal offence. Due to absence of data on breach rates and associated arrests, the volume of arrests linked to breaches has not been estimated. It is likely that the policy change will not affect the rate of breaches and associated arrest rate, but the overall volume of 'breach' arrests may change as PCB use increases.

In cases where conditions are applied to PCB, a breach is made, it comes to the attention of the police, and a decision is made to re-arrest the suspect, there will be costs incurred by the police. However, due to absence of data and insight into all of those stages, costs have not been estimated.

There is also a possibility that arrest following a breach will involve further additional costs where the suspect is under 18 years of age in cases where appropriate adults who are either parents or guardians are required. Again, lack of data in this area means these costs have not been estimated. However, to give an indication of the volumes; Home Office data for the year ending March 2020¹³, recorded 57,607 arrests of people aged 10 to 17, 9 per cent of total arrests recorded in that year. Using PCB use estimates for the preferred option, as outlined in 'general assumptions', an average of 39 per cent of those arrested may be placed on PCB, totalling 22,717. This volume would then reduce at each stage that leads to the decision of re-arrest. However, this volume is likely to be an overestimate as 10-17-year olds are less likely to commit crimes such as violence against the person (6 per cent of arrests) and sexual offences (7 per cent of arrests), which are more likely to result in PCB.

It has been deemed unlikely, but there may be an increase in demand on the Criminal Justice System (CJS) following increased use of PCB. However, there has not been a causal link established to link PCB use to more charges in comparison to RUI, so costs associated with this possible increase have not been estimated.

BENEFITS

Released Under Investigation

As the use of PCB increases, the volumes of RUIs are expected to fall. There is limited data available on the relationship between PCB and RUI use; limited data provided by Essex Police has

¹³ Police powers and procedures, England and Wales, year ending 31 March 2020 second edition available at <https://www.gov.uk/government/statistics/police-powers-and-procedures-england-and-wales-year-ending-31-march-2020>

been used to estimate the baseline relationship, which has been kept constant in the Low and Best estimates. A one per cent RUI use estimate has been used in the High estimate. The overall proportions of PCB and RUI use are presented in Figure 6.

Figure 6: The proportions of people on PCB and RUI for the baseline and preferred option.

	Baseline	Low	Best	High
PCB	22	29	39	49
RUI	20	13	3	1

Source: Home Office, own estimates, 2020

The cost saving associated with a reduction in RUI is determined by the following costs;

- **Postal Requisition (PR)** – It is assumed that 9 per cent of suspects on RUI receive a PR. This is based on a small sample provided by Thames Valley Police and over a short period of time, April 2017 to December 2018, but is the best estimate available at this time. The cost of a PR has been estimated to be **76p**, based on the cost of a first-class stamp for Royal Mail in 2020/21¹⁴. It is assumed that a constable will have to process the PR, and this will take 10 minutes, with the staff cost per PR estimated at **£5.82**.
- **Warrant** – If individuals fail to attend the first court hearing, the police will need to acquire a warrant which has been estimated to cost **£84.54**. This has been calculated using assumptions regarding how much time will be required to execute the warrant and hourly salary for both Constables and Sergeants. A constable would execute the warrant, assumed to take 2 hours at an hourly cost of £34.93, and a sergeant would process the warrant, assumed to take 20 minutes at an hourly cost of £44.02. These costs have been calculated using the Home Office Staff Cost Model National salaries. Using data provided by HMCTS, it is assumed that approximately 42 percent of suspects who receive a RUI will fail to attend the first court hearing, subsequently activating the requirement of a warrant.

Over the 10-year appraisal period, the total cost of the baseline is estimated to be **£3.9 million (PV)**. The preferred option is estimated to cost **£0.6 million (PV)**, within a range of **£2.5 million (PV) to £0.2 million (PV)**. The key drivers of these costs are the number of suspects placed on PCB and the subsequent change in the number of suspects placed on RUI.

The NPV of the preferred option in relation to RUI only is estimated to be **£3.3 million (NPSV)**, with a range of **£1.3 million (NPSV) to £3.7 million (NPSV)**. This is calculated by comparing the baseline costs to the preferred option costs. The positive NPSV indicates a cost saving in all three estimates.

Non-Monetised Benefits

One of the areas of concern about the current presumption against PCB use and the subsequent increase in RUI use is how it could impact victims' confidence, safety and wellbeing, especially in cases involving domestic abuse or other offences involving close victim-offender relationships. This is highlighted by the tragic case of Kay Richardson who was murdered by her estranged husband whilst released under investigation. Removal of the presumption and the introduction of a neutral position in legislation will make it clear that each case should be considered on its own merits from a neutral standpoint. From the consultation, 82 per cent thought that application of PCB should consider the need to safeguard victims and witnesses, and the provisions in the Bill will help with this.

There are expected non-monetised benefits to the police that include a greater public confidence from a more effective PCB regime, enabling investigations to be managed more appropriately and

¹⁴ Details on the Royal Mail price changes for 2020/21 available at <https://www.frama.co.uk/news/single/royal-mail-tariff-changes-2020-21/>

as a result, proving more confidence in their ability to protect victims. PCB use may allow police to better manage investigations, with the review points providing clear milestones in cases and possibly shortening investigation timelines.

There will also be non-monetised benefits to the suspects through potentially better communication between investigators and suspects, in comparison to RUI.

NPSV, BNPV, EANDCB

Figure 8: The costs, benefits and Net Present Social Value over the 10-year appraisal period 2020/21-2029/30 (£m, 2020/21 price year).

(£m, PV)	Low	High	Best Estimate
NPSV	43.4	-88.5	-9.1

COSTS (£m)	Transition	Ongoing (PV)	Total (PV)	Average/year
Low	0.1	68.4	68.5	8.1
High	0.5	199.9	200.4	23.7
Best Estimate	0.2	120.8	121.0	14.3

BENEFITS (£m)	Transition	Ongoing (PV)	Total (PV)	Average/year
Low	-	111.9	111.9	13.2
High	-	111.9	111.9	13.2
Best Estimate	-	111.9	111.9	13.2

Source: Home Office, own estimates, 2020

The cost and benefit analysis produces a best estimate NPSV of **-£9.1 million** over the 10-year appraisal period, within a range of **£43.4 million to -£88.5 million**, over the same period. The monetised net benefits of this measure are determined by the cost savings in comparison to the baseline. These are predominantly driven by the reduction in RUI use and PCB extensions needing to be approved by the Magistrates' Court at a later stage in the preferred option. The monetised net costs for the preferred option are driven by the increase in PCB use expected to be caused by the removal of the presumption against bail.

There is a large NPSV range between the low and high estimate, with the low having a positive NPV of **£43.4 million** and the high having a negative NPV of **-£88.5 million**. This range shows how sensitive the NPV is to the assumptions. The key assumptions are the number of people placed on PCB and how long they remain on PCB for, particularly if they reach the Magistrates' Court review stage.

This NPSV is also sensitive to the Baseline estimates as these drive the cost-saving benefits. If the current use of PCB was just 5 per cent lower than anticipated, at 17 per cent rather than 22 per cent, the best estimate NPV would fall to negative **-£8.8 million** over the appraisal period. Likewise, if the length of PCB in the best estimate was incorrect and 10 per cent of suspects remained on PCB long enough for the first Magistrates approval at nine months rather than 7 per cent, the best estimate NPV would fall to negative **-£27.0 million**.

Impact on small and micro-businesses

There are no direct or indirect costs to business therefore the Business Net Present Value (BNPV) equals zero as does the Equivalent Annual Net Direct Cost to Business (EANDCB).

F. Proportionality.

The analysis has identified the main costs and benefits that are likely to result from the policy options. These have been quantified where data is available, and a qualitative assessment has been applied where there is a lack of quantitative data. Given the data available the effort and resource applied to the analysis is proportionate.

G. Risks.

The main risk to the analysis centres around the main assumptions being inaccurate. Various sources of data and peer-review exercises have been carried out to ensure these are as accurate as possible, but the lack of robust evidence means that the NPSV relies heavily on assumptions. These sensitivities are explained further in the NPSV section above, but the key assumptions and uncertainties are;

- The percentage of arrests that are placed on PCB in the baseline and preferred option.
- The percentage of arrests that are placed on RUI in the baseline and preferred option
- The length of time suspects are on PCB for in the baseline and preferred option.

These sensitivities have been tested in the three preferred option estimates to present how changes in the assumptions will affect the NPSV. The wide NPSV range between the low and high estimate present how impactful a change in these assumptions will be.

There will be a small number of suspects who will remain on PCB for longer than 15 months, meaning a further Magistrates Court hearing will be required to approval the extension of PCB. As costs have been calculated on an annual basis, these costs have not been calculated. This, therefore, means that the costs of the extension approvals may be underestimated and the NPSV should be more negative than the current estimate of -£9.1 million.

There is a risk to the NPSV from a change in the number of people arrested over the 10-year appraisal period. This uncertainty has not been tested in the NPSV range and arrests have been kept constant using 2019/20 volumes published by the Home Office¹⁵. The baseline and best estimate have been subject to minimal testing to explore what the effect would be if the number of arrests were to increase. If the number of arrests were to increase by two per cent each year over the 10-year appraisal period, the best estimate NPSV would fall slightly to -£10.2 million. This test shows that this assumption alone is not key to impacting the NPSV, especially in comparison to the other assumptions used.

Furthermore, as this analysis uses published arrest data for the year ending March 2020, the data excludes Greater Manchester Police and Lancashire as those forces were unable to provide complete data. This means that the volumes of arrests and subsequent PCB and RUI use volumes are underestimated, meaning the total costs are also underestimated. These omissions would not affect the percentage of people on PCB, RUI or the length of time suspects are on PCB for, and as discussed, the volume of people arrested is not a key assumption impacting the NPSV.

¹⁵ Police powers and procedures, England and Wales, year ending 31 March 2020 second edition available at <https://www.gov.uk/government/statistics/police-powers-and-procedures-england-and-wales-year-ending-31-march-2020>

Wider impacts

A Justice Impact Test is currently being completed.

Statutory Equalities Duties

Some of the interventions as a result of this policy may reflect existing disproportionality in arrests. The Black, Male and young population may be disproportionately indirectly impacted as these groups are more likely to be suspects of criminal investigations and arrested. According to the most recent Home Office publication¹⁶ (year to March 2020) 77 per cent of individuals arrested were White, 10 per cent were Black and 8 per cent were Asian. When looking at rates, it is clear that Black people were disproportionately arrested, with the rate being 32 per 1,000 for Black individuals, 11 for Asian individuals, and 9 for White individuals. Using the same publication, 85 per cent of those arrested were male. As bail can only be applied post-arrest, our changes may also result in similar disparities in the use of pre-charge bail. This means that any intervention that aims to increase the use of PCB, may disproportionately impact this group. The nature of the crime survey and small sample size can make comparisons difficult, but the Crime Survey for England and Wales (CSEW) ending March 2020¹⁷, showed in general people of a White ethnic background were the least likely to have experienced crime (excluding fraud), at 13 per cent, whilst people of Mixed or Multiple ethnic backgrounds were the most likely to have experienced crime, with 20 per cent having experienced crime in the same period. Asian people were the next most likely with 15 per cent having experienced crime in the previous year. The likelihood of being a victim also decreased with age. The benefits to victims from changes to PCB are therefore also more likely to benefit young people and ethnic minorities.

When looking at closer specific crime types where police would potentially utilise PCB more often, the benefits are unlikely to be evenly spread. For domestic abuse offences, in the year ending March 2020, the CSEW¹⁸ estimated that approximately 7 in 100 women and 4 in 100 men experience domestic abuse. Women were significantly more likely than men to be victims of each type of abuse, with the exception of sexual assault by a family member where, although higher, the difference was not significant. Furthermore, the data showed that women aged 16 to 19 years were significantly more likely to be victims of any domestic abuse in the last year than women aged 25 years and over. Therefore, for some crime types there is an expectation that the benefits may disproportionately benefit women and young women.

H. Trade Impact.

This policy has no impact upon trade

I. Monitoring and evaluation (PIR if necessary), enforcement principles.

The Home Office is improving the Annual Data Requirement (ADR) to include more information on PCB, RUI, and non-bail investigations. This includes collecting more information on the ethnicity and age of those being investigated.

Currently limited data is collected as experimental statistics, this data is disparate and not easily comparable across forces. The Home Office is working with other policing stakeholders including the College of Policing and National Police Chiefs Council to improve the quality and national consistency of data collected by forces.

Due to the difficulties in the historic data collection for PCB, accurate benchmarking a comparable set of data against previous years will be challenging. However, data will be monitored from introduction to monitor any changes and disparities that occur on the new system.

¹⁶ Police powers and procedures, England and Wales, year ending 31 March 2020 second edition available at <https://www.gov.uk/government/statistics/police-powers-and-procedures-england-and-wales-year-ending-31-march-2020>

¹⁷ Crime in England and Wales: year ending March 2020 available at <https://www.ons.gov.uk/releases/crimeinenglandandwalesyearendingmarch2020>

¹⁸ Domestic abuse victim characteristics, England and Wales: year ending March 2020 available at <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/articles/domesticabusevictimcharacteristicsenglandandwales/yearendingmarch2020>

Impact Assessment Checklist

Mandatory specific impact test - Statutory Equalities Duties	Complete
<p>Statutory Equalities Duties</p> <p>The public sector equality duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services. [Equality Duty Toolkit]</p> <p>This has been completed, and a summary is presented in Section H.</p> <p>These finding have been agreed by the Senior Responsible Owner (SCS).</p>	<p>Yes</p>

Any test not applied can be deleted except **the Equality Statement**, where the policy lead must provide a paragraph of summary information on this.

The Home Office requires the **Specific Impact Test on the Equality Statement** to have a summary paragraph, stating the main points. **You cannot delete this and it MUST be completed.**

Social Impact Tests

Does your policy option/proposal consider...?	Yes/No (page)
<p>Justice Impact Test</p> <p>The justice impact test is a mandatory specific impact test, as part of the impact assessment process that considers the impact of government policy and legislative proposals on the justice system. [Justice Impact Test Guidance]</p> <p>A Justice Impact Test (JIT) will be completed to account for the financial impact on the Criminal Justice System.</p>	<p>Yes</p>