

Title: Serious Crime Bill: Participation in Organised Crime IA No: Lead department or agency: Home Office Other departments or agencies: Ministry of Justice, Crown Prosecution Service, National Crime Agency, Serious Fraud Office	Impact Assessment (IA)		
	Date: 02/06/2014		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
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Summary: Intervention and Options			RPC Opinion: RPC Opinion Status

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as
N/A	N/A	N/A	NO	N/A

What is the problem under consideration? Why is government intervention necessary?
 Serious and organised crime is a threat to our national security and costs the UK more than £24 billion a year. We estimate there are around 5,500 active organised crime groups, comprising 37,000 people. Organised crime groups can intimidate, corrupt and deprive people of their security, prosperity and identity. They can have a corrosive impact on communities and a devastating and lifelong impact on victims. Within and beyond this 37,000, there are people who support and benefit from organised crime. They reap high rewards from their participation at low risk of prosecution as their activities are difficult to target under current legislation. Government intervention is necessary so these individuals can be targeted.

What are the policy objectives and the intended effects?
 The policy objectives are to:
 - Reduce the number of individuals involved in organised crime in the UK.
 - Ensure that effective legal powers are available and are used to deal with the threat from organised crime.
 - Contribute to the relentless disruption of serious and organised crime and the prosecution of those responsible.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
Option 1. Do nothing. Continue current arrangements under existing law.
Option 2. Legislate.
 The preferred option is **option 2**, legislate. We propose to criminalise participation in an organised crime group (OCG)

Will the policy be reviewed? No, but it will be monitored. If applicable, set review date: n/a					
Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A		Non-traded: N/A

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister: Karen Bradley Date: 3/6/14

Description: Legislation

Price Base Year 2012/13	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)	
				N/A

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant)	Total Cost (Present Value)
Low	0	0	4.1	35.2
High	0		9.2	78.9
Best Estimate	0		6.6	57

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

The creation of a new offence will lead to costs to the police, Crown Prosecution Service, Her Majesty's Courts and Tribunals Services, the Legal Aid agency and prison and probation services.

Based on an estimate of an additional 100-200 prosecutions a year for the new offence, the total cost to the parties listed above is estimated to be between **£4.1m-£9.2m per year**, less the fines paid.

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

N/A

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant)	Total Benefit (Present Value)
Low				
High				
Best Estimate				NK

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

N/A

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

The new offence will target those currently evading prosecution and send a clear signal to discourage the participation of minor criminal players in organised crime and those who provide materials, services, infrastructure, information and other support that organised crime groups need.

Any reduction in organised crime would benefit society due to the negative impact these crimes have on innocent members of society.

Key assumptions/sensitivities/risks

3.5%

The number of additional prosecutions following the introduction of the new offence is highly uncertain. All estimates are based on a number of assumptions with associated risks and limitations, outlined in the Risks section in the evidence base.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:	In scope of	Measure qualifies
Costs:	NO	N/A
Benefits:		
Net: N/A		

Evidence Base

Problem under consideration

Serious and organised crime is a threat to our national security and costs the UK more than £24 billion a year. We estimate there are around 5,500 active organised crime groups, comprising around 37,000 people (all data from the Serious and Organised Crime Strategy, 2013). Organised crime groups can intimidate, corrupt and deprive people of their security, prosperity and identity. They can have a corrosive impact on communities and a devastating impact on victims.

Organised crime groups use a range of enablers, both professional and non-professional to facilitate their criminal enterprises. The activities of these individuals are often 'one step removed' from the organised criminality and include those who, for example, 'turn a blind eye' to the possibility that their conduct would or may contribute to the occurrence of criminal activity.

Existing offences that are used against those involved in organised crime are 'conspiracy' and 'encouraging and assisting',

'Conspiracy' is a widely-used offence and considered by the majority of law enforcement to be effective for targeting key players in an organised crime group. The essential element of the crime of conspiracy is the agreement by two or more people to carry out a criminal act. It must involve spoken or written words or other overt acts to prove they had knowledge of the crime. 'Encouraging and assisting'¹ requires that the prosecution prove that the individual charged undertook an act which was capable of encouraging or assisting the commission of any offence, and that they believed that the offence will be committed and that their act would encourage or assist its commission. Both the mental elements of knowledge and belief make it difficult to pursue people in the wider organised crime group and beyond who 'ask no questions' and support organised crime at arm's length. The result is that a significant number of people within the '37,000' and beyond can engage in and benefit from organised crime with limited risk of being prosecuted. While the offence of 'encouraging and assisting' was used successfully against those involved in the 2011 riots there is only limited evidence of their use against organised crime.

Rationale for intervention

Organised crime is a threat to our national security and causes significant harm to our society. Government has a role in protecting its citizens and ensuring law enforcement agencies have the necessary powers and offences to tackle organised crime.

Policy objectives

The policy objectives are to:

- Reduce the number of individuals involved in organised crime in the UK (estimated to be 37,000 in October 2013).
- Ensure that effective legal powers are available and are used to deal with the threat from organised crime as committed to by the cross-Government Serious and Organised Crime Strategy (October, 2013).
- Contribute to the relentless disruption of serious and organised crime and the prosecution of those responsible also committed to by the Serious and Organised Crime Strategy.

¹ s.44 and s.45 Serious Crime Act, 2007

Description of options considered (including do nothing)

Option 1. **Do nothing. Continue current arrangements under existing law.**

Option 2. **Legislate.**

The preferred option is option 2, legislate.

We propose to criminalise participation in an organised crime group (the participation offence). The offence of participating in activities of an organised crime group will be indictable only, with a maximum penalty of 5 years.²

This offence will rely on proving the active relationship with the organised criminality, so the individual will have to have actually done something to take part in the crime (eg delivered packages, rented warehouse space, written a contract).

In order to tackle the problem of those who support and benefit from organised crime a criminal offence is necessary. We do not believe there are any suitable alternatives. We are also currently undertaking reforms to improve the effectiveness of civil orders and injunctions but do not deem these as appropriate alternatives to the Participation Offence. Our objective is that the offence should reflect the seriousness of participating in organised crime and act as a sanction and as a deterrent.

Mens rea

Every criminal offence has a 'mental element' or 'mens rea' which the prosecution will have to prove regarding how much the defendant knew about the crime. Knowledge is considered the highest level (which the offence of 'conspiracy' requires) followed by recklessness, belief (which the 'encouraging and assisting' offence requires). Lower than belief is reasonable grounds to suspect and then suspicion at the lowest. The mental element of the new offence will be 'knowledge or reasonable grounds to suspect'. This means that the jury must be satisfied that the defendant at least had reasonable grounds to have suspected that they were involved in organised crime.

Case study

An organised crime group based in Liverpool is involved in smuggling 40 tons of hard drugs into the UK. The head of the group, D, was able to keep a low profile while running his drug business by using haulage contractors and corrupt port officials to move his drugs. He was also able to buy a home in the richest neighbourhood of Liverpool and build an empire of clubs, pubs and restaurants. D eventually moved to a villa in Costa del Sol, Spain and would fly back whenever something in Liverpool needed his attention.

P is a professional enabler or facilitator, who enables D to purchase the house and expand their empire in Liverpool. P has reasonable grounds to suspect D is involved in organised crime, but does not have any proof of this. A haulage company who arrange the collection of the cargo have reasonable grounds to suspect that they are transporting illegal cargo. Corrupt port officials wave through the cargo, having been paid to do so. Under the existing law, D would very likely be charged with a conspiracy offence, and the port officials would be charged with a bribery offence. However, P is likely to evade prosecution, as is the haulage company. Under the new participation offence, we would expect to be able to also charge both P and members of the haulage company.

² An indictable only offence will go to the Crown Court.

Monetised and non-monetised costs and benefits of each option (including administrative burden)

Option 1: Do nothing

There are no additional costs or benefits if there is no policy change.

Option 2: Legislate

Groups affected

Apart from the individuals who would be prosecuted under this new offence, the main groups affected by the policy would be:

- **The Police** - we predict there will be an increase in the number of investigations and arrests.
- **Ministry of Justice** - an increase in arrests should mean an increase in the number of cases that enter the justice system.
- **HM Courts and Tribunals Service (HMCTS)** - additional proceedings under the new offence would increase the volume of cases entering the courts system and would increase the administrative burden on HMCTS.
- **Crown Prosecution Service (CPS)** - an increase in police arrests means a likely increase in the number of cases being prosecuted (subject to there being enough evidence for a prosecution and that it is in the public interest).
- **The Legal Aid Agency (LAA)** - the cost of legal aid is likely to increase with the increase in cases at court.
- **HM Prison Service, Probation service, National Offender Management Service (NOMS)** - there will be an impact on prisons and probation, as these disposals will be likely for offenders.

Monetised costs:

There are no expected costs to business from this option.

It is important to note that the below costs should be viewed as **opportunity costs**. For example, one additional case being heard in the courts may delay another case. The additional costs created by this option to the Criminal Justice system may be absorbed within existing resources.

Training costs

The College of Policing ensure that all new legislation is incorporated into the National Policing Curriculum as matter of course, and falls within existing budgets. The additional cost of training for this policy is therefore expected to be **negligible**.

Ongoing costs

It is difficult to estimate the number of new prosecutions that will occur as a result of this policy change. We estimate 37,000 individuals are involved in organised crime in the UK. Discussions with the police and the Crown Prosecution Service indicate that there could be an estimated additional 100-200 prosecutions per year.

The additional time spent by the police arresting these individuals will be in place of other police activities. This cost is estimated to be **£64.3k-£129k per year**, with 100-200 more arrests per year and an assumption of 14.9hours required per arrest.³ The hours required per arrest is based on an estimate of the time an individual is held in custody for a drugs offence.

³ Time for arrest based on the mean time a non-intoxicated individual is held in custody for a drugs offence, taken from Deehan, A., Marshall, E., Saville, E., (2002), "Drunks and Disorder: Processing Intoxicated Arrestees in two city-centre custody suites", Home Office. Unit costs £43.16. Costs were calculated using CIPFA (Chartered Institute of Public Finance and Accounts) and ASHE (Annual Survey of Hours and

Ministry of Justice have provided estimates of the costs to the Criminal Justice system (CJS) of the new participation offence.⁴ Costs to the Criminal Justice System (CJS) consist of costs to the Crown Prosecution Service (CPS), Legal Aid, Her Majesty's Courts and Tribunals Service (HMCTS), Prison and Probation services.

A lower and upper bound cost per case has been estimated based on varying CPS costs, using data from a proxy offence⁵ to estimate the progression of the new offence through the Criminal Justice System (CJS). (See Annex A: *Analysing the impact on the CJS*, for a detailed outline of the method including the associated risks and assumptions).

Table 1: Estimated cost of Participation Offence to Criminal Justice System^{6,7}

CJS Agency	Lower bound cost per case	Upper bound cost per case
HMCTS ⁸	£2,400	£2,400
CPS	£20,000	£25,000
Legal Aid	£7,700	£7,700
Prison	£9,200	£9,200
Probation	£1,000	£1,000
Weighted cost per case	£40,200	£45,200

We estimate approximately 100-200 additional proceedings per year. Therefore, the total cost to the CJS and police of the participation offence is estimated to be between **£4.1m-£9.2m per year⁹**. This includes an additional 30-60 prison places per year, with a best estimate of 45 places per year.

The total cost of this policy is therefore £4.1m-£9.2m p.a. with a best estimate¹⁰ of £6.6m p.a.

The table below shows the costs discounted over a ten year period

	Low Estimate (millions)	Best Estimate (millions)	High Estimate (millions)
2015	£4.1	£6.6	£9.2
2016	£3.9	£6.4	£8.9
2017	£3.8	£6.2	£8.6
2018	£3.7	£6.0	£8.3
2019	£3.6	£5.8	£8.0
2020	£3.4	£5.6	£7.7
2021	£3.3	£5.4	£7.5
2022	£3.2	£5.2	£7.2
2023	£3.1	£5.0	£7.0
2024	£3.0	£4.9	£6.7
Total	£35.2	£57.0	£78.9

Monetised benefits:

N/A

Earnings) data for 2011/12, figures were then inflated by 1% to take into account the pay rise in 2013. On-costs of 30% from the Standard Cost Model, Better Regulation Framework were applied.

⁴ Based on the proxy offence of the Proceeds of Crime Act 2002, section 328

⁵ From the 2002 Proceeds of Crime Act SS.328 and 334(1): Arrangements - being concerned in arrangement, knowing or suspecting, facilitating acquisition retention use or control of criminal property by, or on behalf of another person

⁶ All costs are in 2012/13 prices and are rounded to the nearest 100.

⁷ Figures do not sum due to rounding

⁸ Her Majesty's Courts and Tribunals Service

⁹ Subtracting revenue from fines (see Annex A)

¹⁰ Best estimate= mid-point between the low and high estimate.

Non-monetised costs:

N/A

Non-monetised benefits:

The Home Secretary committed in the Serious and Organised Crime Strategy (2013) to make changes to our legislation to make our powers more effective and contribute towards the 'relentless disruption of organised criminals'.

The offence will help deliver objectives in this strategy by:

- contributing to the relentless pressure on those in the known group of (37,000) individuals who participate and enable organised crime groups; and
- sending a clear signal to discourage the participation of minor criminal players in organised crime and those who provide materials, services, infrastructure, information and other support that organised crime groups need.

Any reduction in organised crime would benefit society due to the negative impact these crimes have on innocent members of society.

Break-even analysis

The overall purpose of this policy is to reduce organised crime. Home Office unit costs of crime can be used to illustrate how many crimes the policy would have to prevent in order for the costs to equal the benefits. For example, 169 sexual offences would need to be prevented each year for the costs of the policy to equal the benefits.

Crime type (and unit cost) ¹¹	Number of crimes policy would have to prevent in order to break-even (p.a.)
Theft of vehicle (£5k)	1,259
OR	
Sexual offence (£38k)	169
OR	
Homicide (£1,830k)	4

Risks

- The number of prosecutions as a result of the new offence cannot be accurately estimated. It will be up to the courts to decide which offence is most relevant. The subsequent costs on the Criminal Justice System could therefore be significantly higher or lower than estimated in this impact assessment.
- See *Annex A* for assumptions and risks for Criminal Justice costs.

Consultation

A full public consultation will not be taken due to the tight time frame before the 4th session. However stakeholders have been consulted. List is below.

Within Government:

- Ministry of Justice
- Crown Prosecution Service
- Attorney General's Office

¹¹ Home Office Unit Costs of Crime, Revisions made to the multipliers and unit costs of crime used in the Integrated Offender Management Value for Money Toolkit September 2011. Updated to 2012/13 prices in line with the CJS costs. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118042/IOM-phase2-costs-multipliers.pdf

- Ministry of Defence
- Department of Work and Pensions
- Department for Business, Innovation and Skills
- Her Majesties Revenue and Customs
- Serious Fraud Office
- Scotland Office
- Northern Ireland Office
- Wales Office

Outside Government:

- National Crime Agency
- Regional Organised Crime Units
- Association of Chief Police Officers
- Metropolitan Police
- Greater Manchester Police

Devolved Administrations:

- Scotland
- Northern Ireland

Summary and preferred option with description of implementation plan

In summary, we have identified a gap in our ability to target the wider criminal group who commit the minor criminal acts or provide the materials, services, infrastructure and information which enable organised crime groups to function. These individuals, both professional and non-professional enablers reap high rewards and operate at low risk to themselves, often choosing not to notice the part they play in organised crime. The government believe that these individuals should be prosecuted for their contribution to organised crime.

The participation offence will be an additional tool for law enforcement, which would carry a maximum sentence of 5 years and often form a second tier of an investigation.

Implementation plan

The government plans to implement these changes through the Serious Crime Bill (expected to be introduced in parliament in June 2014). Dependant on its safe passage, enactment will be in Spring 2015 and commencement will be in 2016.

Monitoring

This policy will not be reviewed after a certain date, but instead the numbers of offences and offenders under the new offence will be monitored routinely.

Annex A: Analysing the impact on the CJS

Proxy offence data:

1. The Proceeds of Crime Act 2002, section 328¹² acts as a proxy for estimating the proportion of those proceeded against who are sentenced to immediate custody and also the average sentence length given.
2. Data on proceedings/convictions for this offence in 2012 provides the proportions in Table 3 below.

Table 3: Proportions for progression through the CJS for proxy offence

Proportion of those proceeded against receiving a custodial sentence	24%
Average sentence length given (in months) ¹³	29.9
Proportion of those proceeded against receiving a community or suspended sentence	37%
Average fine given	£138

Source: Based on further breakdown of Criminal Justice Statistics publication, MoJ

Table 4: Main assumptions and risks/limitations for costs estimates

Assumption	Risks/Limitations
<p>Progression of a case through the CJS (e.g., proportion sentenced to immediate custody, average custodial sentence length):</p> <p>Based on data on the proxy offence for Proceeds of Crime Act Section 328: <i>being concerned in arrangement, knowing or suspecting, facilitating acquisition retention use or control of criminal property by, or on behalf of another person (excluding drug offences)</i>.</p> <p>Source: MoJ internal analysis, 2013.</p>	<p>There is a risk that more/fewer offenders may be sentenced to custody, especially as the threshold for the offence is different (the proposed offence has a low threshold of suspicion).</p> <p>There is a risk that the average custodial sentence length for the new offence could be lower as the POCA offence used as a proxy carries a 14 year maximum penalty, whereas for the proposed new offence the maximum is only 5 years.</p>
<p>CPS costs:</p> <p>The CPS costs per case include advocacy, staff and running costs.</p> <p>A range of CPS costs are included to account for the fact that organised crime cases can vary, particularly in complexity. Given the broad scope of the offence, an upper and lower bound estimate have been provided.</p>	<p>There are several risks associated with the estimated CPS costs:</p> <p>There is a risk that the proportion of effective trials would be greater and the costs therefore higher. Equally, if all defendants entered an early guilty plea the estimated costs would be lower.</p> <p>If a case was particularly complicated, the costs could be higher as more resources would be required to prosecute.</p> <p>The number of hearings in a case would also affect the estimated costs, as well as the number of Counsel instructed to conduct the trial.</p>

¹² For arrangement, knowing or suspecting, facilitating acquisition retention use or control of criminal property by, or on behalf of another person (excluding drug offences)

¹³ Note: there is a risk that the ACSL for the new offence could be lower as the POCA offence used as a proxy carries a 14 year maximum penalty, whereas for the proposed new offence the maximum is only 5 years.

Assumption	Risks/Limitations
<p>HMCTS costs:</p> <p>Magistrates Courts Costs</p> <p>To generate the costs by offence categories, HMCTS timings data for each offence group were applied to court costs per sitting day. Magistrate's court costs are £1,200 per sitting day in 2012/13 prices. A sitting day is assumed to be 5 hours. The HMCTS costs are based on average judicial and staff costs, found at HMCTS Annual Report and Accounts 2012-13. HMCTS timings data from the Activity based costing (ABC) model, the Timeliness Analysis Report (TAR) data set and the costing process.</p>	<p>Timings data for offence categories:</p> <p>The timings data are based on the time that a legal advisor is present in court. This is used as a proxy for court time. Please note that, there may be a difference in average hearing times as there is no timing available e.g. when a DJ(MC) sits.</p> <p>Timings do not take into account associated admin time related with having a case in court. This could mean that costings are an underestimate. There is some information available on admin time, however we have excluded it for simplicity.</p> <p>The timings are based on a collection of data from February 2009. Any difference in these timings could influence costings.</p> <p>The timings data also excludes any adjournments (although the HMCTS Activity Based Costing model does include them), and is based on a case going through either one guilty plea trial (no trial) or one effective trial. However a combination of cracked, ineffective and effective trials could occur in the case route. As a result the costings could ultimately be underestimates.</p> <p>Guilty plea proportions at the Initial hearing from Q2 in 2012 are used, based on the Time Analysis Report. As these can fluctuate, any changes in these proportions could influence court calculations (effective trials take longer in court than no trials (trials where there was a guilty plea at the initial hearing).</p> <p>HMCTS average costs per sitting day:</p> <p>HMCTS court costs used may be an underestimate as they include only judicial and staff costs. Other key costs which inevitably impact on the cost of additional cases in the courts have not been considered; for example juror costs.</p> <p>Given the complex nature of organised crime offences, HMCTS costs may be substantially higher.</p>
<p>HMCTS costs:</p> <p>Crown Courts Costs</p> <p>Timings data for types of case (e.g., indictable only, triable either way) were applied to Crown court costs per sitting day. This was added to the cost of the initial</p>	<p>Timings data for types of cases:</p> <p>The average time figures which provide the information for the timings do not include any down time. This would lead to an underestimate in the court costing.</p>

Assumption	Risks/Limitations
<p>hearing in the Magistrates, as all criminal cases start in the Magistrates courts. Crown Court cost is £1,600 per sitting day in 2012/13 prices, assuming a sitting day is 5 hours. The HMCTS costs are based on average judicial and staff costs, found at HMCTS Annual Report and Accounts 2012-13.</p>	<p>Timings do not take into account associated admin time related with listing a case for court hearings. This could mean that costings are an underestimate.</p> <p>The data which informed the timings data excludes cases where a bench warrant was issued, no plea recorded, indictment to lie on file, found unfit to plead, and other results.</p> <p>Committals for sentence exclude committals after breach, 'bring backs' and deferred sentences.</p> <p>HMCTS average costs per sitting day:</p> <p>HMCTS court costs used may be an underestimate as they include only judicial and staff costs. Other key costs which inevitably impact on the cost of additional cases in the courts have not been considered; for example juror costs.</p> <p>Given the complex nature of organised crime offences, HMCTS costs may be substantially higher.</p>
<p>Legal Aid costs: We assume an eligibility rate of 100% in the Crown Court. The average legal aid cost in Crown court for offences of dishonest is approximately £6,700 (based on Crime Lower Report and Crime Higher Report, Legal Aid Agency).</p> <p>An average cost is used including all offence types from the dataset that includes both standard and non-standard fees to estimate the cost to the Legal Aid Agency.</p>	<p>Assuming 100% eligibility for Legal Aid in the Crown court carries several risks. Firstly, an individual may refuse legal aid. Secondly, an individual may contribute to legal aid costs. Lastly, the size of this contribution can vary. This could mean that the costings provided are a slight overestimate.</p> <p>There is a risk that the cost could be higher for specific new offences where Legal Aid is paid under the more expensive non standard fee scheme.</p>
<p>Prison costs: Assume that 50% of a prison sentence 12 months or over is served on probation and that there is no element of licence for a sentence under 12 months. The proportions of offenders who are sentenced to probation are determined by the proportion of those who receive a sentence 12 months or over. It is assumed that half the given ACSL is served. The cost per prison place is £28,000 in 2012/13 prices (NOMS management accounts addendum (2011)).</p>	<p>The cost of additional prison places is also dependent on the existing prison population, as if there is spare capacity in terms of prison places then the marginal cost of accommodating more offenders will be low due to existing large fixed costs and low variable costs. Conversely, if the current prison population is running at or over capacity then marginal costs may be significantly higher as contingency measures will have to be found.</p>
<p>Probation costs: Costs for probation and community sentences are approximately £2,600 per year in 2012/13 prices. The probation costs are based on national costs for community order/ suspended sentence order, found at NOMS, Probation Trust Unit Costs, Financial Year 2012-13. Source: MoJ internal analysis, 2013.</p>	<p>Costs represent the national average fully apportioned cost based on delivery by 35 Probation Trusts in 2012/13.</p> <p>Unit costs are calculated from the total fully apportioned cost of relevant services divided by starts in that year and do not consider which</p>

Assumption	Risks/Limitations
	<p>elements of cost are fixed and which will vary based on service volumes. Major changes to the volume, length or content of community sentences or the characteristics of the offender population could affect the unit cost. The costs consist of costs for both (a) managing the sentence and (b) delivering court-ordered requirements. Excludes centrally managed contract costs for Electronic Monitoring and Sentence Order Attendance Centres.</p>

Fines and victim surcharge:

Assumption

Payment rate of financial penalties

55%

The payment rate that should be used for appraisal purposes is that recorded in the most recent published version of Court Statistics Quarterly main tables B2 (and should be sourced as such) which can be found at the following: <https://www.gov.uk/government/organisations/ministry-of-justice/series/courts-and-sentencing-statistics> For Q3 2011 this was 55% after 18 months. It should be noted that this is the percentage by value paid by after 18 months and that additional payment may be received beyond the 18 months period. It should also be noted that the published payment rate covers all financial impositions.