



Ministry of Justice

Justice reinvestment pilots: second year results

The six Justice Reinvestment Pilots (Greater Manchester, Croydon, Hackney, Lambeth, Lewisham and Southwark) aim to incentivise local statutory partners to reduce demand on courts, legal aid, prisons and probation and, consequently, reduce the costs on the justice system.

This was based on the premise that there are significant potential reductions in crime and offending to be made by partners working more effectively together at the local level.

The pilots commenced on the 1st July 2011 and ran for two years.

The model differs from the Ministry of Justice's other payment by results pilots in that:

- The local area is rewarded if demand on the criminal justice system, rather than reoffending, falls; and
- The estimated savings that this demand reduction creates for the Ministry of Justice are shared between the local partners involved to reinvest in reducing reoffending and crime locally.

Demand was measured across the baseline year (July 2010 to June 2011), and then across two consecutive one year periods (July 2011 to June 2012 and July 2012 to June 2013).

Where demand fell beyond a certain threshold (5% for adults and 10% for youths, up to a maximum of 20%) in either of the two measurement years compared to the baseline, local partners receive a success payment. In the event that demand did not fall below the specified threshold in any of the measurement years, no payment is made to the local partners.

Outcomes for the Local Justice Reinvestment pilot are measured by using a range of data on demand on the criminal justice system in each of the six participating local areas together with a set of agreed prices for each metric.

The total cost of the demand from the areas involved is calculated by multiplying the agreed demand metrics by the agreed prices. Prices were set based on what Ministry of Justice agencies agreed were the potential cashable savings from a reduction in the metrics. (see appendix A)

- Adult metrics are volume of: under 12 month custodial convictions and custody months from those convictions, community orders, suspended sentence orders, other convictions in magistrate’s courts, and probation requirements.
- Youth metrics are volume of: under 24 month custodial convictions and custody months from those convictions, community orders, and other convictions in magistrate’s courts.

Table 1 shows the percentage change in adult and youth demand between the baseline year and year 2 for each local area, and the combined payments that are due as a result. The table also shows what the change in demand would be for Greater London and for England and Wales as a whole if it were measured on the same basis.

Table 1: Results for year 2 of Local Justice Reinvestment pilot, and equivalent figures for Greater London and England & Wales

Local area	Change in demand (adult) (%)	Change in demand (youth) (%)	Payment due (£000)
Greater Manchester*	-14.9	-42.1	£4,986
Southwark	-26.7	-50.0	£844
Lewisham	-18.1	-53.1	£792
Hackney	-20.1	n/a	£659
Croydon	-0.9	6.7	£0
Lambeth	-17.7	-45.9	£737
Total LJR payment			£8,019
England & Wales	-10.5	-36.8	-
Greater London	-13.4	-28.3	-

*Note that Greater Manchester is by far the largest of the local areas, which partly explains why it receives the largest payment

The statistics which are used to calculate these metrics are published alongside other Ministry of Justice statistics at the following link.

www.gov.uk/government/publications/local-justice-reinvestment-pilots-demand-on-the-criminal-justice-system-year-2

The results of the first year of these pilots can be found at the following link.

www.gov.uk/government/publications/justice-reinvestment-pilots-first-year-results

Any payments due will be paid to the Lead Member for each pilot partnership. The Memorandums of Understanding between the Ministry of Justice and the pilot areas make clear that the Lead Member must use the payments in accordance with the decisions of the local partnership and be reinvested into services aimed at reducing reoffending.

Researchers at the Hallam Centre for Community Justice, Sheffield Hallam University, are carrying out an independent process evaluation of the Justice Re-investment Pilots to explore how and why the pilots achieved the outcomes that they did, and identify any lessons from the pilots for the wider rehabilitation agenda. The first report from this work, which looks at the development and early implementation of the pilots, can be found at the following link.

www.gov.uk/government/publications/the-development-and-year-one-implementation-of-the-local-justice-reinvestment-pilot

A further report, which will cover the remainder of the pilot, will be published in 2014.

Appendix A - Prices for the demand metrics used in the Local Justice Reinvestment pilots

Background

The agreed prices for each metric set were based on a cautious estimate of the potential achievable savings to the MoJ budget of a fall in the unit cost of that metric. These estimates were specific to the Local Justice Reinvestment pilot and were agreed with the local agencies involved. The costs were agreed before the pilot began in 2010 and will be held constant for the 2 years of the pilot.

As such they do not represent estimates of how much it costs to deliver these services. Different prices were reduced by different factors based on an assessment at the time of the likely realisable savings associated with different disposals and this means it is not possible to use these prices to estimate the relative costs of one disposal against another.

[More information on the Ministry of Justice's current estimates of unit costs of different disposals.](#)

The prices are set out in Table A1.

Table A1: Prices for the demand metrics used in the Local Justice Reinvestment pilots

Metric - Adult	Price
Custody convictions	£440
Court order convictions	£440
Other convictions	£300
Custody months for sentences <1yr	£360
Total requirements sentenced by requirement type for Community Orders and Suspended Sentence Orders:	
Accredited Program	£430
Unpaid Work	£290
Drug treatment	£270
Supervision	£270
Specified Activity	£230
Mental Health	£220
Alcohol treatment	£170
Residential	£150
Exclusion	£150
Prohibited Activity	£150
Attendance Centre	£190
Curfew (electronic monitoring)	£550
Metric - Youth	Price
Custody convictions	£540
Court order convictions	£540
Other convictions	£480
Custody months for sentences <2yrs	£650