

Title: Prisons and Courts Bill: Online Case Management and Allocation and Sending

IA No: MoJ/001/2017
RPC Reference No: N/A
Lead department or agency:
Ministry of Justice
Other departments or agencies:
Her Majesty's Courts and Tribunals Service (HMCTS)
Legal Aid Agency (LAA)

Impact Assessment (IA)

Date: 22/02/2017

Stage: Final

Source of intervention: Domestic

Type of measure: Primary legislation

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Summary: Intervention and Options

RPC Opinion: Not Applicable

Cost of Preferred (or more likely) Option

Total Net Present Value	Business Net Present Value	Net cost to business per year (EANDCB in 2014 prices)	One-In, Three-Out	Business Impact Target Status
£40m	N/A	N/A	Not in scope	N/A

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

The government is taking forward a reform programme to improve court efficiency, provide a better user experience, and deliver better value for money for the taxpayer. Currently some court processes are more complex and bureaucratic than necessary: the current case allocation and case management process is inefficient which results in cases progressing slowly. Currently, all indictable-only cases are required to have a first hearing in the magistrates' court. This is often brief, as magistrates can only deal with the matter of bail before sending the case to the Crown Court. Currently, in triable either-way cases (TEW), both plea before venue and allocation stages must take place in the presence of the defendant, causing unnecessary delay in processing cases. Government intervention will streamline the allocation process and remove statutory requirements for hearings where the defendant must be present, improving the efficiency of case progression through the system.

What are the policy objectives and the intended effects?

The policy objective is to maximise the extent to which criminal cases can progress through the litigation process outside the physical court room by removing statutory requirements for hearings at which the defendant must be present and by establishing alternative online procedures.

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

Option 0: Do nothing – proceed with the non-legislative measures that are already planned in HMCTS Reform.
Option 1: Legislate to remove unnecessary case hearings in court by introducing alternative online procedures.

Will the policy be reviewed? There is no plan to review the policy.

Does implementation go beyond minimum EU requirements?	N/A			
Are any of these organisations in scope?	Micro N/A	Small N/A	Medium N/A	Large N/A
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, 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:

22/02/2017

Summary: Analysis & Evidence

Policy Option 1

Description: Legislate to remove unnecessary case hearings in court by introducing alternative online procedures.

FULL ECONOMIC ASSESSMENT

Price Base Year 2014/15	PV Base Year 2016/17	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £40m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A		
High			
Best Estimate		£5m	£34m

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

There is a cost to HMCTS in terms of staffing from online triage for Triable Either Way (TEW) cases of £2.7m per year in steady state. This is the process by which the court makes allocation and sending decision online. There is also a staffing cost of HMCTS of £100,000 per year in steady state for committal hearing for TEW cases sent to the Crown Court for sentence.

There is a cost to the police in terms of conducting virtual bail and remand hearings at the police station and installation and running costs. The annual average for these costs is £2.6m.

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

There is a non-monetised cost for case management work done for cases where the on-line plea indication is then changed from guilty to not-guilty

There may be a non-monetised cost to Legal Aid for providing Duty Solicitors at the police station

There may be a non-monetised cost to the police for custody estate modifications that may be required and police operational Impacts and required business change.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		
High			
Best Estimate		£17m	£74m

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

There is a saving to HMCTS in terms of court hearing time due to online plea and case management and allocation and sending of £12m in steady state.

There is a saving to MOJ of £4.6m per year in steady state in terms of Prisoner Escort and Custody Services (PECS) journeys saved from holding remand and bail hearings virtually from the police station

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

There is a non-monetised benefit due to reductions in travelling time for defendants and the legal profession

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
<p>We assume that in only 10% of cases will defendants who have indicated a guilty plea online fail to plead guilty when they appear for their intended sentencing hearing. This assumption is uncertain.</p> <p>We have assumed that 85% of defendants engage online and indicate a plea.</p> <p>Annual volume of cases are assumed to remain constant. There is a risk that volumes may change. Please see the sensitivity analysis section and risk and assumption section below for more details.</p>		

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m: N/A			Score for Business Impact Target (qualifying provisions only) £m: N/A
Costs: N/A	Benefits: N/A	Net: N/A	

EVIDENCE BASE

A. Background

1. The Government is investing close to £1 billion to transform the courts and tribunals system. We will deliver a service that is just, proportionate, accessible to all and works better for everyone, from judges and legal professionals, to witnesses, litigants and victims of crime. This measure is part of a wider legislative package that underpins the court reform programme and collectively contributes to benefits of £2522 million at steady state from 2023-24. While most of the measures in the Bill produce significant direct savings, some do not. However, the measures are interdependent and all contribute to wider, indirect savings by streamlining processes, enabling more flexibility in judicial deployment, digitalisation, reducing staff numbers and reducing the estate footprint. In short, each measure is vital for us to deliver the reform programme and associated savings as planned.
2. The reform of HM Courts and Tribunals Service (HMCTS) will simplify the criminal courts system by introducing new IT platforms and other measures that ensure criminal offences are dealt with in a proportionate and appropriate way. A number of these reforms require legislation and are included in the Bill, e.g. the use of case officers to progress case management decisions. These legislative changes will complement the development of the Criminal Justice System (CJS) Common Platform which aims to provide a single case management IT system for use throughout the Crown Court and magistrates' courts, meaning that there will be a more consistent national process across all courts for making allocation decisions. This system will support moving paper and court-based processes online, saving time and increasing efficiency.
3. The measures assessed in this Impact Assessment (IA) would build on these reforms by helping to create a more efficient case allocation and case management process for the criminal court. They aim to maximise the efficiencies possible through digitisation by enabling more case preparation, which would normally be done at a hearing, to be done online (for example indicate their plea online) where appropriate, with appropriate safeguards in place.

Current criminal allocation system

4. All criminal cases start off in the magistrates' court regardless of whether they are summary, triable either-way (TEW) or indictable-only offences.
5. At present, in summary-only cases, the magistrates' court asks the defendant how he or she wishes to plead and will give directions to prepare the case for a sentencing hearing (in the case of a guilty plea) or a trial (in the case of a not guilty plea).
6. Indictable-only offences must be sent by the magistrates' court to the Crown Court 'forthwith' (section 51 of the Crime and Disorder Act 1998). This means that the first appearance at the magistrates' court in these cases is often very brief as the court cannot do anything other than deal with the issue of bail before sending the case to the Crown Court.
7. In TEW cases, the following procedure takes place in the magistrates' court. The defendant is asked to indicate what his/her plea to the case *would be*. If the defendant indicates that this would be a guilty plea, the court moves straight to convict the defendant and to sentence if possible, or to commit the case to the Crown Court for sentence if the magistrates' court believe that their sentencing powers are not sufficient.
8. If the defendant indicates a plea of not guilty, the magistrates' court then proceeds to 'allocation', which is essentially a decision as to whether a magistrates' court would have jurisdiction over the case. The court hears details about the case and broadly considers whether their sentencing powers would be sufficient. If the magistrates' court decides that it would not have the power to try it, then the defendant is sent to the Crown Court for trial under section 51 of the Crime and Disorder Act 1998 and he or she will be asked to plead there. The defendant's consent is not required.
9. In cases involving youth defendants (aged 10-17 years inclusive) the process is different. There is a general rule of summary trial in the Youth Court, which is a part of the magistrates' courts modified to

deal with children and young people. Certain exceptions apply e.g. if the defendant is charged with murder or if the Youth Court thinks it ought to be possible, on conviction, to impose a custodial sentence of long-term detention. Therefore indictable-only youth cases can be tried summarily and sentenced in the Youth Court rather than the Crown Court. Where a case involves a youth and an adult co-defendant, where it is necessary in the interests of justice to deal with them together in the same trial proceedings, the case may be dealt with in the mainstream magistrates' courts or instead, if any one of the defendants should be tried there, in the Crown Court.

10. The allocation process in youth cases is different to that applying to adults. Cases that ought to be tried in the Crown Court are sent there for trial under section 51A of the Crime and Disorder Act 1998 and no plea needs to be indicated. Youths do not have a right to elect jury trial. In other cases the Youth Court will take an indication of plea. The Youth Court can proceed straight to conviction and sentence if the defendant indicates that this would be a guilty plea. This can include committing the case to the Crown Court for sentence where the Youth Court subsequently believes that their sentencing powers are not sufficient. If the defendant pleads not guilty, then the Youth Court will deal with the trial and, on conviction, sentencing but may also commit the case to the Crown Court for sentence where it subsequently believes that its powers are not sufficient.
11. If the magistrates' court decides that a summary trial is more suitable, the defendant may either consent to summary trial or elect for a jury trial in the Crown Court. Before doing so, the defendant may request an indication as to whether, if they were to plead guilty at this stage, the sentence would be custodial or non-custodial. If such an indication is given, the defendant has an opportunity to change the indication of plea from "not guilty" to "guilty". If the defendant consents to a summary trial, then he or she enters a plea immediately after and directions are given to prepare the case for summary trial. If the defendant elects for jury trial, he/she is sent to the Crown Court for trial under section 51 of the Crime and Disorder Act 1998 and plea will take place at the Crown Court.
12. Existing legislation requires the presence of the defendant in court on certain occasions, when defendants' failure to turn up in court prevents the case from proceeding. Sections 17A(2) and 18(2) and 24A of the Magistrates' Courts Act 1980 provide that the defendant must be present in court during the plea and allocation procedures, which therefore cannot proceed when the defendant fails to appear.
13. Although the allocation procedure does not apply to indictable-only offences, as they can be tried only in the Crown Court, current legislation requires that defendants charged with them should first appear in the magistrates' court. Both Sir Robin Auld (in his 2001 *Review of the Criminal Courts*) and Sir Brian Leveson, President of the Queen's Bench Division, in his 2015 *Review of Efficiency in Criminal Proceedings*, have commented on the inefficiency of this procedure.

B. Policy Rationale and Objectives

Economic rationale

14. The conventional economic approach to government intervention is based on efficiency and equity arguments. The government may consider intervening if there are failures in the way markets operate (e.g. monopolies overcharging consumers) or there are failures with existing government interventions (e.g. waste generated by misdirected rules). The proposed new interventions should avoid creating a further set of disproportionate costs and distortions. The government may also intervene for equity (fairness) and re-distributional reasons (e.g. to reallocate goods and services to the more needy groups in society).
15. The primary economic rationale for the policy options considered in this IA is to improve the efficiency of the case allocation and case management processes by: reducing the number of court hearings necessary and enabling the defendant to participate in these processes online and removing the need for cases involving indictable-only cases to have a first hearing in a magistrates'

court. As indicated by Sir Brian Leveson, a “system needs to be in place so that the right judicial and financial resources are matched to the right type of case”.¹

Policy objective

16. The associated high level policy objective is to ensure that court time is used proportionately by ensuring that the defendant and other parties are only required to attend a court hearing where necessary. Establishing online alternatives for making plea and allocation decisions has the potential to increase the speed, efficiency and effectiveness of the criminal justice process and improve value for money.

C. Affected Stakeholder Groups, Organisations and Sectors

17. The groups that would be most affected by the options in this IA are as follows:

- Her Majesty’s Courts and Tribunal Service (HMCTS), which administers the Crown Court and the magistrates’ courts;
- Criminal justice partners, including the Crown Prosecution Service, The National Probation Service, police, youth offending teams and HM Prison Service.
- The judiciary;
- Providers of legal services.

D. Description of Options Considered

18. In order to meet the policy objectives, the following options are assessed in this IA:

- **Option 0/Base Case: No legislative changes would be made to current case allocation procedures;**
- **Option1: Legislate to remove unnecessary case hearings in court by introducing alternative online procedures.**

Option 0 – Base case

19. Under this option the CJS Common Platform and HMCTS Reform programmes would be completed as planned but no changes would be made to legislation to allow more streamlined court procedures by removing the requirement for the defendant’s presence for certain case management hearings-

20. The reforms associated with the CJS Common Platform and the non-legislative reforms in the HMCTS Reform package include:

- Creating a single IT system for the Crown Court and magistrates’ courts;
- Creating a single case progression function for managing defendants’ cases through the court process as quickly and efficiently as possible; and
- Developing multi-jurisdictional centres.

Option 1 – Online Plea and Case Management, Allocation and Sending

21. Under this option, the government proposes to implement a number of legislative measures which would remove unnecessary appearances by the defendant in court and allow case management and other decisions to be made online or outside of the court process using IT. There are four main reforms associated with this option.

¹ Review of Efficiencies in Criminal Proceedings, paragraph 362, page 92

22. **Allowing defendants to indicate plea in writing (preferably online) in all summary imprisonable², triable either way (TEW) and indictable only cases.** Where the defendant engages by indicating a desire to plead in writing or online, the court would be able to triage the case depending on the indication of their plea and undertake any necessary case management before the matter is listed for a hearing. For example, if the defendant indicated a desire to plead guilty to a summary offence, the matter would be listed for a conviction and sentencing hearing in the magistrates' court and the court, where necessary, would direct for the preparation of any pre-sentence reports in advance without the need for a hearing solely for the purpose of ordering the pre-sentence report.
23. **Enabling allocation in TEW cases to be dealt with in writing (preferably online), without the need for a court hearing.** This would mean that the interactions between the court and the parties with regard to plea before venue and mode of trial could take place, along with other case preparation and case management activity, outside a physical court room. This will include: the prosecution and defence making written representations to the court as to jurisdiction; a defendant indicating a "not guilty" plea, the magistrates' court considering that the case is suitable for summary trial and the defendant consenting to summary trial or electing Crown Court trial; or a defendant indicating a plea of "guilty", the court considering whether sentence is likely to require the powers of a magistrates' court or the Crown Court and then either listing the matter for a sentence hearing if the case is within magistrates' sentencing powers, or otherwise for a committal for sentence hearing. It is anticipated that some of this case preparation and case management activity will be able to be undertaken by court staff who have been specifically authorised to do so, under the supervision of judges ("case officers"); the nature and extent of these powers will however be subject to a separate decision and scrutiny by the Criminal Procedure Rule Committee.
24. Similar changes are being made in youth cases in light of the separate law on allocation that applies to them. Therefore in all indictable cases allocation may be dealt with in writing (preferably online), without the need for a court hearing where it is in the interests of justice to do so. Safeguards will apply, including that when the young defendant makes their first appearance in court following, where they have engaged online, an indication of plea, the court will make sure that they have understood the charges and the implications of the plea before proceeding further.
25. In respect of either an adult or youth defendant, if he does not participate online, the case would proceed with plea before venue and mode of trial in the usual manner at a "backstop" hearing.
26. **Enabling magistrates' courts to deal with allocation of a TEW offence in the defendant's absence where he or she fails to engage online or to attend court.** Where a defendant has not engaged online and subsequently fails to attend the "backstop" hearing in a TEW case, the court would deem the defendant to have indicated a not guilty plea and either send the case for trial in the Crown Court or allocate it for summary trial, as appropriate. In the latter case the defendant would retain the right to elect trial by jury, which would be exercisable at any point before the summary trial. Where the defendant then fails to appear in court on the trial date, the court could proceed to try the case in the defendant's absence where it is satisfied that the defendant has been properly served and it is not contrary to the interests of justice to do so.
27. Defendants sometimes try to manipulate the system in order to cause delay or frustrate the proceedings. These measures, allowing allocation in absence for non-engagers, will mitigate this risk by enabling the court to proceed in a defendant's absence in circumstances where previously it could not. One situation in which this provision would apply is where a defendant is remanded in custody and refuses to leave his or her prison cell either to be taken to court or to attend via video link. There remains a risk of manipulation in relation to late engagement, but the courts will seek to minimise the impact of this by actively managing the case to reduce the likelihood and length of any delay.

² Defendants can already indicate a plea in writing in respect of non-imprisonable, summary offences under the Single Justice Procedure and in respect of summary offences commenced by summons or written charge under the section 12 MCA 1980 procedure.

28. **Removing the requirement for indictable-only offences to make a first appearance in the magistrates' court.** For indictable-only offences, the initial hearing at the magistrates' court would be removed. In addition, as any necessary case management would happen online, there would no longer be a requirement for an initial plea and case management hearing in the Crown Court. The first hearing in the Crown Court would now either be a trial or a sentencing hearing. Where a bail hearing is required, this would be done via video link (where there is a dispute as to the grant of bail) or by telephone (where there is a dispute as to the conditions of bail to be imposed).

E. Cost and Benefit Analysis

29. This IA identifies the key monetised and non-monetised impacts on the Ministry of Justice (MoJ), its agencies (primarily HMCTS) and other bodies following implementation of the legislative measures to create a more flexible and unified criminal court system in England and Wales.
30. These monetised and non-monetised impacts are compared to the 'base case' option (Option 0), i.e. where all non-legislative reforms in the HMCTS Reform programme have been implemented while those that require legislation have not. As this would involve comparing the base case option to itself, its costs and benefits are necessarily zero and will be its Net Present Value (NPV).
31. It is important to note that the impacts described in this IA are estimates which are based on a number of assumptions and should not be regarded as firm predictions. For more information relating specifically to these assumptions, please refer to the Assumptions and Risks section (section F).
32. Unless stated otherwise, all monetised costs and benefits are in 2014/15 prices and, where necessary, have been re-based using HM Treasury's published GDP deflator series.³ We have also applied a 15% Optimism Bias (OB) to all saving and costs.
33. Estimates of sentencing volume changes are based on 2015 outturns.
34. Estimates of the costs and benefits of the options considered are presented as a NPV over a 10 year period from 2016/17.

Option 1 Online Plea and Case Management, Allocation and Sending

Approach

35. The Impacts of Option 1 have been split into two sections. The first section includes those relating to as Summary Imprisonable and TEW cases. Also included in this section are impacts as a result of changes in the allocation and sending process. These changes would allow the sending and allocation decision for TEW cases to be made outside of the court room.
36. The second section includes savings relating to Crown Court Tier cases which are defined as Indictable Only (IO) cases. These savings stem from changes to the allocation and sending processes which would allow IO cases to be sent directly to the Crown Court without the need for a first hearing in the magistrates' court. This section also covers savings relating to the introduction of online plea and case management for IO cases, which would remove the need for a Plea and Case Management Hearing (PCMH) in the Crown Court.
37. It is assumed that the implementation of Option 1 would start from September 2018. Six months (September 2018- February 2019) is planned for development and nine months (March 19 – November 2019) for testing. A three month (December 2019 – February 2020) live test would then take place, we assume this would include 20% of the total annual caseload. After the pilot, national rollout is assumed to take six months from March 2020 and be completed by September 2020. National rollout would start from March 2020, with volumes increasing to 50% of total caseload. In

June 2020 this would increase to 80% and finally to 100% from August 2020. Annual volumes of cases are set out in Table 1 below.

Table 1: annual volumes of cases⁴

	2019/20	2020/21	2021/22	2022/2023	2023/24	2024/25
Volumes of cases for online plea and case management	40,000	390,000	450,000	450,000	450,000	450,000
Volumes of cases for allocation and sending	30,000	250,000	280,000	280,000	280,000	280,000

38. We have undertaken analysis for **adult offenders only** and made the following assumptions:

- (i) an engagement rate for online plea of 85%. We do not know what proportion of defendants would plea in writing and therefore;
- (ii) 15% of defendants either do not engage and therefore their case proceeds with plea before venue and mode of trial in the usual manner at a “backstop” hearing or they engage in writing.

39. Due to the small number of youth offenders they have not been included in this analysis. However, engagement rates for Youths are likely to be much lower compared to adult offenders. This is in light of their age and immaturity; risk factors often associated with offending behaviour, such as learning disabilities and poor education attainment, and the safeguards that would need to be in place to take account of such issues.

Section 1 - Benefits for Summary Imprisonable and TEW cases

Online plea and case management benefits

40. Under Option 1, defendants accused of a Summary Imprisonable and TEW cases⁵ offence would be able to give an indication of their plea in writing or online. For Summary Imprisonable and TEW cases, this online plea would enable the plea and case management section of the first hearing in the magistrates’ court to take place outside of the court room.

41. We have assumed 550,000 Summary Imprisonable and TEW cases per year in steady state, of which 85% (470,000 cases) would engage with the new process and indicate a plea online. We assume that 90% of those who engage online do not change their plea once they appear in court. The relevant stakeholder would assume this plea will not change and therefore undertake the required case progression steps on the basis of this indicative plea, for example, producing sentencing reports.

42. As a consequence, we are assuming that there would be a maximum of 10% of cases (47,000) where defendants who have indicated a guilty plea then enter a plea of not guilty when they appear in court for plea and sentence. In these circumstances the magistrates’ court will continue with the hearing as if it were a first hearing under the current process. Any benefit that would have arisen through replacing hearing time for these cases with online plea and case management has therefore been removed. The costs associated with a change in plea is discussed in sections below.

43. Currently the first hearing in the magistrates’ court for these cases takes 18 minutes on average. We have assumed that six minutes of this first hearing is taken up with plea and case management processes. This process is now assumed to happen automatically online. Therefore there would be a six minutes saving of court time per Summary Imprisonable and TEW case that indicates a plea online.

⁴ These are volume of cases that engage online

44. For Summary Imprisonable and TEW Tier cases, we assume that currently 86% are dealt with by on average 2.5⁶ Magistrates and one Legal Adviser, that is to say 360,000 cases. These cases will have a saving of six minutes through online plea and case management. This results in saving 90,000 hours of Magistrate time and 40,000 hours of Legal Adviser time in total per year. In 14/15 prices a Legal Adviser is assumed to cost £65 per hour and a Magistrate £8 per hour.
45. It is assumed 14% of these Summary Imprisonable and TEW cases are currently dealt with by a DJ. This results in a total saving of 6,000 hours of DJ time. It is assumed a DJ costs £210 per hour in 14/15 prices.
46. It is assumed a Court Usher is required for 22 minutes for all Summary Imprisonable and TEW cases first hearings in the magistrates' court. For those defendants that engage online, this hearing would no longer take place in a court room, therefore it is assumed that all of this time for the Court Usher would be saved per case. It is also assumed seven minutes of administration is required per first hearing and we assume that two minutes of this administrative time is allocated to plea and case management and therefore would be saved. We estimate that 20,000 hours of administrative time and 150,000 hours of Court Usher time saved. It is assumed that Court Ushers cost £14 per hour and administration costs £19 per hour in 14/15 prices.
47. Total saving from online plea and case management for summary Imprisonable and TEW cases are set out in Table 2 below.

Table 2: Steady state savings from online plea and case management for Summary Imprisonable and TEW cases

	Volumes/hours saved	Unit prices
Total annual volume of summary imprisonable and TEW case	550,000	
-Volumes of cases that plea online and do not change their plea	420,000	
-Volumes of cases dealt with by a bench of Magistrates	360,000	
-Volumes of cases that are dealt with by a DJ	60,000	
Total Magistrates hours saved	90,000	£8
Total Legal Adviser hours saved	40,000	£65
Total DJ hours saved	6,000	£207
Total administrative hours saved	20,000	£19
Total Court Usher hours saved	150,000	£14
Annual Saving with 15% optimism bias	£5,800,000	
Total Saving 10-Year NPV	£28,000,000	

Volumes based on 14/15 volumes of TEW and summary imprisonable cases and costs are in 14/15 prices. Rounded to the nearest 10,000. Including 15% Optimism Bias (OB)

48. In summary we estimate online plea and case management for Summary Imprisonable and TEW cases could save HMCTS £500,000 in 2019/20, £5m in 2020/21 and £6m per year⁷ in steady state. The estimated net present value of the savings to HMCTS from online plea and case management for Summary Imprisonable and TEW cases is approximately £28m over a 10-year period.

Improving allocation and sending benefits

49. Under Option 1, allocation and sending decision for TEW cases would be undertaken outside of the court room, implying a saving in court time. This saving in court time would result in a saving to HMCTS in terms of staffing costs for Magistrates, Legal advisers, DJs, Ushers and administration.
50. We assume there would be 330,000 TEW cases sent to the magistrates' court each year in steady state of which 85% (280,000 cases) would engage online and indicate a plea. We assume 90% (250,000 cases) will not change their plea on appearance in court. The average hearing length for a first hearing in the magistrates' court is 18 minutes. We assume that two minutes is spent on the defendant's plea and four minutes on case management matters, and that these process will now be carried out online. Three minutes is the amount of time assumed to be spent on bail/remand matters,

⁶ 2.5 is the average number of Magistrates that sit on a bench

⁷ 14/15 prices and including 15% Optimism Bias (OB)

this will now take place at the police station. The remaining nine minutes is spent on the allocation and sending decision. This nine minutes is the portion of court time saved due to moving the allocation and sending decision online

51. It is assumed that magistrates and Legal Advisers deal with 86% of the magistrates' court workload. Therefore 30,000 hours of Legal Advisers time could be saved by removal of this hearing. As on average 2.5 Magistrates sit at a time 80,000 hours of Magistrates' time could also be saved. We assume a Magistrate costs £8 per hour and a Legal Adviser £65 per hour in 14/15 prices.
52. DJs are assumed to deal with the remaining 14% of the magistrates' court workload. This means 5,000 hours of DJ time could be saved by moving the sending and allocation decision online for TEW cases. A DJ is assumed to cost £207 per hour in 14/15 prices.
53. It is assumed that every first hearing in the magistrates' court for a TEW offence requires 22 minutes of administration and a Court Usher is required for 22 minutes. As a result of both online plea and case management and improvements to allocation and sending this hearing would no longer take place in a court room, meaning all the Court Usher time would be saved. We have already counted this saving under online plea and cases management benefits for TEW cases (para 42). However, we also assume 10 minutes of the administration time would be saved by moving the allocation and sending decision online. Therefore, 50,000 hours of administration time would be saved. Administration cost per hour is assumed to be £19 in 2014/15 prices
54. Total saving from improving allocation and sending for TEW cases are set out in Table 3 below.

Table 3: Steady state savings from improving the allocation and sending process for TEW cases

Annual volume of TEW defendants	330,000
-Volume of TEW defendants that engage online and do not change their plea	250,000
-Volumes dealt with by Magistrates	220,000
-Volumes dealt with by DJ	40,000
Magistrates time saved	80,000
Legal adviser time saved	30,000
DJ time saved	5,000
Administration time saved	50,000
Annual Saving with 15% optimism bias	£ 4,000,000
Total Savings 10-Year NPV	£ 19,000,000

Volumes based on 14/15 volumes of TEW cases, savings in 14/15 real prices. Rounded to the nearest 10,000. Including 15% OB.

55. In summary we estimate improving the allocation and sending process for TEW cases could save HMCTS £400,000 in 2019/20, £3m in 2020/21 and £4m per year⁸ in steady states. The estimated net present value of the savings to HMCTS from improving the allocation and sending process for TEW cases is approximately £19m over a 10-year period

Section 2- Benefits for Indictable Only Cases

Online plea and case management benefit

56. Under Option 1, defendants accused of an Indictable Only (IO) offence would be able to give an indication of their plea in writing or online. For IO cases, this means the Plea and Trial Preparation Hearing (PTPH) would no longer be required to take place in a court room.
57. We have assumed 30,000 IO cases per year in steady state, of which 85% (26,000 cases) would engage and indicate a plea online. 90% (23,000 cases) are assumed to not change their plea. On average the PCMH in the Crown Court takes 16 minutes, 14 minutes of which is assumed to be used

⁸ 14/15 prices with 15% OB

for plea and case management processes. This represents a 14 minute saving of Crown Court time for IO cases as a result of online plea and case management.

58. This estimated 14 minute saving of Crown Court time from online plea and case management implies a saving to HMCTS in terms of staffing costs for Circuit Judges. It is assumed that in total 5,000 hours of Circuit Judge time would be saved. A Circuit Judge is assumed to cost £241 per hour in 14/15 prices.
59. It is assumed that the PTPH for an IO case in the Crown Court requires a Court Usher and Court Clerk for 23 minutes each on average. We assume that all of this 23 minutes would be saved. On average seven minutes of administration is required, we assume six minutes of this is saved under online plea. A Crown Court Clerk is assumed to cost £21 per hour, an Usher £18 per hour and one hour of administration is assumed to cost £18 per hour. All costs are in 14/15 prices.
60. The total saving from improving allocation and sending for IO cases are shown in Table 4 below.

Table 4: Steady state savings from online plea and case management for IO cases

	Volumes/Hours saved	Unit costs
Total annual volume of IO defendants	30,000	
-Those defendants that plea online or in writing and do not change their plea	23,000	
Total Circuit Judge time saved	5,000	£241
Total Court Usher hours saved in Crown court	9,000	£18
Total court clerk hours saved in Crown court	9,000	£21
Total court admin hours saved in Crown Court	2,000	£18
Annual Saving with 15% optimism bias	£1,400,000	
Total saving 10-Year NPV	£7,000,000	

Volumes based on 14/15 volumes of IO cases and costs are in 14/15 prices. Volumes and hours saved are rounded to the nearest 1,000. Savings rounded to the nearest 10,000. Including 15% OB.

61. In summary we estimate online plea and case management for IO cases could save HMCTS £100,000 in 2019/20, £1.3m in 2020/21 and £1.4m⁹ per year in steady state. The estimated net present value of the savings to HMCTS from online plea and case management for IO cases is approximately £7m over a 10-year period.

Improving allocation and sending benefits

62. Under Option 1, improvements to allocation and sending procedure mean Indictable Only (IO) cases would be automatically sent to the Crown Court. This would remove the requirement for the committal of an IO case to Crown Court at an initial hearing in the magistrates' court. This saving in magistrates' court time would result in a saving to HMCTS in terms of staffing costs for Magistrates, Legal advisers, DJs, Ushers and administration.
63. We have assumed 30,000 IO cases per year. All of these cases will be allocated straight to the Crown Court without the need for a magistrates' court hearing, regardless of whether defendants engage online or in writing. At present, on average, the first hearing in the magistrates' court for these cases takes 12 minutes. We assume that six minutes of this hearing is spent committing the case to the Crown Court for an initial PTPH. The rest of time is spent on remand and bail matters, which will now take place via virtual hearing. Therefore by removing this initial hearing in the magistrates' court, we estimate a saving of six minutes per IO case.
64. It is assumed 86% of these cases would be dealt with by on average 2.5 Magistrates and one Legal Adviser. Therefore we estimate 6,000 hours of Magistrates time and 3,000 hours of Legal Adviser time would be saved by improvements to allocation and sending for IO cases. We assume a Legal Adviser costs £65 per hour and a Magistrate £8 per hour in 14/15 prices.

⁹ 14/15 prices and including 15% OB

65. The remaining 14% of IO cases are assumed to be dealt with by a DJ. We therefore estimate a total saving of 400 hours of DJ time and a DJ is assumed to cost £210 per hour in 14/15 prices.
66. On average the first hearing in the magistrates' court for IO cases requires a Court Usher for 14 minutes. Under online plea, this hearing would no longer take place in a court room, therefore it is assumed that all of this time would be saved per case. On average for these hearings 19 minutes of administration is required, we assume 10 minutes of this administrative time is allocated to the committal process for the IO case to Crown Court and would be saved. We therefore estimate a saving in Court Usher time of 7,000 hours and 5,000 hours of administrative time. An hour of administration is assumed to cost £19 per hours and an Usher is assumed to cost £14 per hours. All costs are in 14/15 prices.

Table 5: Total steady state savings from improving the allocation and sending process for IO cases

	Volumes/Hours saved
Total annual volume of IO cases	30,129
-Volume of cases dealt with by a bench of Magistrates	26,000
-Volume of cases dealt with by a DJ	4,000
Total Magistrates hours saved	6,000
Total Legal Adviser hours saved	3,000
Total DJ hours saved	400
Total Court Usher hours saved	7,000
Total admin hours saved	5,000
Annual Saving with 15% optimism bias	£420,000
Total savings 10-Year NPV	£2,000,000

Volumes based on 14/15 volumes of IO cases and costs are in 14/15 prices. Volumes and hours saved are rounded to the nearest 1,000. DJ hours saved is rounded to the nearest 100. Costs are rounded to the nearest 100,000. Including 15% OB.

67. In summary we estimate improvements in the allocation and sending processes for IO cases could save HMCTS £40,000 in 2019/20, £400,000 in 2020/21 and £420,000¹⁰ per year in steady state. The steady state savings are shown in Table 5. The estimated net present value of the savings to HMCTS from improving the allocation and sending process for IO cases is approximately £2m over a 10-year period.

Reductions in Prisoner Escort and Custody Service (PECS) journeys

68. Depending on bail/remand outcomes, a defendant would typically require two Prisoner Escort Service (PECS) journeys to attend a first hearing at a magistrate's court¹¹. It is assumed that if the remand/bail hearing is conducted from a police station, and all other procedures in the first hearing are conducted online, defendants who are remanded to custody would require only one PECS journey¹².
69. It is assumed that approximately 165,000 bail remand hearings¹³ would be conducted from a police station, assuming each of these will have a single defendant that requires one journey instead of two¹⁴. For the reasons outlined above; there is an estimated PECS saving of £4.6m per year in steady state, with an assumed ramp-up based on the proportion of police forces that have adopted

¹⁰ 14/15 prices and including 15% OB.

¹¹ Police custody to court and court to a NOMS facility (if defendant is held in remand).

¹² Police custody to NOMS facility.

¹³ HMCTS assumption.

¹⁴ Further assumed that the distance between the police station and the remand prison is no longer than the magistrates' court to the prison.

the virtual hearing technology¹⁵. This results in an estimated NPV for the PECS saving, over a 10-year period, of approximately £18m¹⁶.

Summary of quantifiable benefits of option 1

70. In summary we estimate that the introduction of online plea and case management processes could result in a saving to HMCTS of £7m per year in steady state. In addition, we estimate a saving of £4m per year to HMCTS in steady state from improving the allocation and sending processes. In total there would be a potential saving to HMCTS from Option 1 of £12m per year in steady state. This has an estimated net present value of £56m over a 10-year period.

71. We also estimate PECS saving with an net present value of £18m over a 10-year period

Table 6: Summary of quantifiable benefits of option 1

10 year NPV for online plea and case management	£35,000,000
10 year NPV for allocation and sending	£21,000,000
10 year NPV for PECS savings	£18,000,000
Total 10 year NPV of quantifiable benefits	£74,000,000

Non-quantifiable benefits of option 1

Reduction in travelling time for defendants and the legal profession

72. Under Option 1 there is potential for a reduction in the amount of hearings defendants (including children and young people’s parent, guardians or carers) are expected to attend. There is therefore a potential benefit to defendants and legal professional in terms of reduced travel times to court. These effects, however, cannot be quantified

CPS Costs

73. There may be some benefits to the CPS from Option 1. These benefits have not been quantified

Quantifiable costs of option 1

74. The costs associated with cases where defendants do not change their online or in writing indication of plea are discussed first. Then the cost associated with cases where the plea is changed when the hearing starts are detailed.

Online plea and case management costs - Summary Imprisonable and TEW and IO cases - Those that do not change their plea

75. In the base case, a bench of Magistrates (or DJ), Legal Adviser, Court Usher, the defence and prosecution are all required in court for a defendant’s plea. The Magistrate (or DJ) then runs through a number of case management questions, which determine what case management processes need to be requested. Under Option 1, where a defendant engages and indicates an online plea, they would then provide their case management information on an online form. The online system would then use this information to request the appropriate case management processes. As this process would be fully automated under Option 1, there would be no additional staffing costs to HMCTS.

¹⁵ Further detail provided in Annex A.

¹⁶ Estimate based on average journey payment and straight-line distance from PECS payment matrix. The specific calculation has not been shown as the payment matrix is commercially sensitive.

Improving allocation and sending costs - Summary Imprisonable and TEW cases – Those that do not change their plea

76. Under option 1, allocation and sending decisions for TEW cases that have engaged and indicated a plea online would no longer happen in a court room. The time taken to make these decisions would represent a staffing cost to HMCTS.
77. We assume 280,000 TEW cases a year would require an online allocation and sending decision. We assume 90% (250,000 cases) would not change the plea they have indicated online. In this section we estimate the costs of allocation and sending for just these cases. The costs for those that do change their plea are detailed in paragraph 84. It is assumed that this allocation and sending decision would take seven minutes per case.
78. 99.5% of the allocation work will be done outside a courtroom by a magistrate sitting with a legal adviser. Therefore 249,000 of those TEW cases that engage online would require a magistrates' and legal adviser's time, we estimate this would require 29,000 hours of a magistrates' and legal adviser's time. The cost of a magistrate and legal adviser is assumed to be £8 and £65 per hour in 14/15 prices.
79. The final 0.5% of the TEW triage work on allocation and sending decisions would be undertaken by a DJ. Therefore 1,000 of those TEW cases that engage online would require a DJ's time, we estimate this would require 100 hours of DJ's time. A DJ is assumed to cost £207 per hour in 14/15 prices.

Table 7: Steady state costs for either way triage work

Annual volume of TEW cases	330,000
-Volume of TEW cases that engage online and do not change their plea	250,000
-Volumes dealt with by a Magistrate sitting with a Legal Advisor	250,000
-Volumes dealt with by a DJ	1,000
Magistrate and Legal Adviser hours required	29,000
DJ hours required	100
Annual costs with 15% optimism bias	£2,400,000
Total Costs 10-Year NPV	£12,000,000

Volumes based on 14/15 volumes of TEW cases and costs are in 14/15 prices. Volumes and costs have been rounded to the nearest 10,000. Hours saved to the nearest 1,000. DJ volumes have been rounded to the nearest 1,000 and hours to the nearest 100. Including 15% OB.

80. Table 7 summarises these impacts. We estimate staffing costs to HMCTS in terms of Magistrate, Legal Adviser and DJs would cost £200,000 in 2019/20, £2.1m in 2020/21 and £2.4m¹⁷ per year in steady state. The estimated net present value of the additional cost to HMCTS is approximately 12m over a 10-year period, excluding installation costs.

Improving allocation and sending costs - TEW- Guilty Pleas – Those who do not change their plea

81. Where a defendant indicates a plea of "guilty", the court will consider which court the case is likely to be sentenced in via the online triage process. The costs of which are shown in table 7. The defendant would then attend a hearing in the magistrates' court to confirm their indicated guilty plea. If this plea is confirmed and the case is able to be sentenced in the magistrates' court, it will be sentenced at that hearing. If not, it will be immediately committed for sentence at the Crown Court. The costs of this additional magistrates' court hearing for TEW cases committed for sentence in the Crown Court is summarised below.
82. We assume 280,000 TEW cases a year would require an online allocation and sending decision. We assume 90% (250,000 cases) would not change their plea online. In this section we estimate the costs of allocation and sending for just these cases. 62% of cases are assumed to enter a guilty plea

¹⁷ 14/15 prices and 15% OB

and 5% of this group are assumed to be committed for sentence in the Crown Court. We assume it takes five minutes of court time to confirm their guilty plea and commit to the Crown Court.

83. It is assumed that 86% of the cases will be committed for sentence by 2.5 Magistrates and one Legal Adviser and 14% by a DJ. Therefore 1,300 hours of Magistrates time is required, 500 hours for a Legal Adviser and 100 hours of DJ time is required. A Magistrate is assumed to cost £8 per hour, a Legal Adviser costs £65 and a DJ £207 per hour in 14/15 prices.
84. We assume six minutes of Court Usher time is required and eight minutes of administration is required per hearing. Therefore 700 hours of Court Usher time is required and 1,000 hours of administration time. An hour of administration is assumed to cost £19 per hours and an Usher is assumed to cost £14 per hours.

Table 8: Steady state hearing costs for committal for sentence – TEW- Guilty plea and do not change plea

Annual volume of TEW cases	330,000
-Volume of TEW cases that engage online and do not change their plea	250,000
-Volume of TEW cases that enter a guilty plea	150,000
-Volume of guilty pleas that are committed for sentence in Crown	7,000
-Volume of cases dealt with by a bench of Magistrates	6,000
-Volumes dealt with by a DJ	1,000
Magistrate hours	1,300
Legal adviser hours	500
DJ hours required	100
Court Usher hours	700
admin hours	1,000
Annual costs with 15% optimism bias	£90,000
Total Costs 10-Year NPV	£400,000

Volumes based on 14/15 volumes of TEW cases and costs are in 14/15 prices. Hours required have been rounded to the nearest 100. Costs include 15% OB.

85. Table 8 summarised the costs associated with this committal hearing. We estimate staffing costs to HMCTS in terms of Magistrate, Legal Adviser, DJs, admin and Court Ushers would cost £8,000 in 2019/20, £80,000 in 2020/21 and £90,000¹⁸ per year in steady state. The estimated net present value of the additional cost to HMCTS is approximately £400,000 over a 10-year period, excluding installation costs.

Improving allocation and sending - TEW- Those who change their plea

86. We assume that in 10% of cases, the defendant will change their indicated online plea when they get to court for their intended trial or sentencing hearing. In these circumstances, if a defendant has changed their indicative plea, then the hearing would then progress as if it were a first hearing in magistrate's court in a similar manner to what happens currently. Therefore there would be no impact in terms of court hearing time.
87. There would be a cost in terms of the aborted case management and allocation work done by the court and prosecution. The costs in terms of case management processes done by case officers is non-quantifiable and is discussed in paragraph 102. We have quantified the cost of the work done by the court to make allocation and sending decisions for TEW cases were the plea is then changed and this work is aborted.

¹⁸ 14/15 prices and 15% OB

Table 9: Steady state costs for TEW aborted triage work

Annual volume of TEW cases	330,000
-Volume of TEW cases that engage online and change their plea	30,000
-Volumes dealt with by a Magistrate sitting with a legal adviser	30,000
-Volumes dealt with by a DJ	100
Magistrate and Legal Adviser hours required	3,000
DJ hours required	20
Annual costs with 15% optimism bias	£270,000
Total Costs 10-Year NPV	£1,000,000

88. Table 9 summarises these impacts. We estimate staffing costs to HMCTS in terms of Magistrate, Legal Adviser and DJs would cost £30,000 in 2019/20, £240,000 in 2020/21 and £270,000 per year in steady state. The estimated net present value of the additional cost to HMCTS is approximately £1m over a 10-year period.

Improving allocation and sending costs – IO Cases

89. Under improving allocation and sending for the IO cases, the initial hearing in the magistrates' court for IO case would no longer take place as cases would be sent straight to the Crown Court. This is irrespective of whether the defendant has engaged online or not. This process would be fully automated therefore there would be no additional staffing cost.

Additional Cost to Police from conducting more Bail/Remand hearings virtually from a Police Station

90. The courts already have the power to conduct bail/remand hearings virtually, this legislation would therefore not permit the courts to do something which they cannot already. However, as a result of physically removing three of the four procedures¹⁹ typically conducted during a first hearing, it is expected that the number of bail/remand hearings conducted virtually, i.e. not physically, would increase relative to the base case²⁰.

91. This could increase costs to the police. These additional costs to the police are broadly two-fold:

- i. Installation of video-conferencing technology in police force custody suites.
- ii. Potential net cost associated with conducting more bail/remand hearings virtually.

(i) Installation of video-conferencing technology in police force custody suites

92. Three scenarios have been modelled to reflect various base-case assumptions on the number of virtual courts installed in police stations by the end of the installation programme and the year in which this steady-state is achieved²¹.

93. Under the central base-case scenario it is assumed that by 2028/29 police forces would have installed the necessary technology to conduct bail/remand hearings virtually²². Further, there would be 400 virtual links installed in police custody suites in the end state compared to the estimated 30 that are currently installed.

¹⁹ Plea, Case Management and Allocation & Sending decisions.

²⁰ Alternatively, in the absence of this legislation it is unlikely that there would be a material increase in the number of bail/remand hearings conducted virtually.

²¹ Annex A sets out the assumptions under each scenario.

²² As a result of existing Home Office and police led technology reform programs.

94. An expected impact of this legislation would be an increase in the rate at which police forces would be required to adopt this technology relative to the base case, resulting in an earlier steady-state year compared to the base case – under the central scenario this earlier steady-state year is 2024/25²³.
95. However, as police forces would have invested in this technology at some point in the future, the net cost to the police under the central scenario is equal to the 'bring-forward' in cost in NPV terms, not the entirety of the technology installation costs²⁴.
96. An estimated cost schedule for the installation of one virtual court in a police custody suite is provided in Annex A. The estimated installation cost of a single 'end-point' in a police custody suite is £30,000 and an additional £27,000 in annual running costs²⁵. In addition, it is assumed that the technology would require a refresh every 5 years at a cost of approximately 70% of the original installation cost.
97. Table 10 below presents the NPV of the estimated installation and running costs for the period of 2016/17 – 2026/27.

Table 10 - Police Installation and Running Costs, 2014/15 prices (including 15% optimism bias)

Additional net end-point installation compared to base case	100
Installation cost per end-point	£30,000
Total Additional Installation Cost (NPV)	£3,300,000
Additional net technology refreshes compared to base case	58
Technology refresh cost per end-point	£21,000
Total Technology Refresh Cost (NPV)	£1,100,000
Additional cumulative end-points running compared to base case	639
Annual running cost per end-point	£27,000
Total Additional Running Cost (NPV)	£16,000,000
Total Additional Cost (NPV)	£20,300,000

Figures may not sum due to rounding.

(ii) *Net cost associated with conducting more bail/remand hearings virtually*

98. Currently, on average, a defendant will remain in police custody for 14 hours and 20 minutes before attending a first hearing at a magistrate's court.
99. If this were to remain the same, the additional time associated with the bail/remand hearing would result in a longer average length in police custody and therefore represent a net cost to the police, excluding installation costs. However, if as a result of conducting these hearings virtually and more generally through the new HMCTS Service Model, defendants were able to have their bail/remand hearings earlier and therefore be bailed or remanded sooner than in the base case, then the reduction in the average custody length could represent a net benefit to the police, excluding installation costs.
100. There is inherent uncertainty on the net impact on the police from conducting more bail/remand hearings by video link. However it has been assumed that the average length in custody would remain the same and the additional cost to the police would be time the defendant would have spent on the PECS journey from the police station to the magistrates' court and the length of the bail/remand hearing itself.

^{23a, 23b}, HMCTS assumption.

²⁴ Purchasing equipment sooner means that equipment does not have to be purchased in the future, hence compared to the base case the 'cost' is necessarily zero. However when calculating the NPV, as money spent sooner is discounted less than money spent further into the future, the bring forward in cost will result in a cost in NPV terms.

²⁵ Based on internal MoJ and HO IT costing exercises.

101. Under this assumption the estimated impact would be a net increase in the length of time in custody of approximately 0.7 hours²⁶. Most of this would be as a result of the additional time spent in a police cell while a small fraction would be the time associated with the bail/remand hearing.
102. Assuming approximately 165,000 bail remand hearings per year^{22b}, the estimated NPV of the additional cost to the police would be approximately £700,000 over a 10-year period, excluding installation costs.

Summary of quantifiable costs of option 1 – Online plea and case management and allocation and sending

103. In summary the estimated costs of allocation and sending for TEW where plea is unchanged is £2.4m per year in steady state. The costs for cases where the plea is changed, assuming this happens in 10% of all cases is estimated to be £270,000 per year in steady state. The estimates NPV of these costs over a 10 year period is £13.4m. The estimated NPV of costs to the police from virtual bail/remand hearing is approximately £700,000 over a 10 year period, and finally police installation and running costs have a 10-year NPV of £20.3m. This means the total NPV of costs for option 1 is £34.4m over a 10-year period.

Table 11: Total quantifiable costs of option 1

10 year NPV of TEW triage work - where plea is not changed	£12,000,000
10 year NPV of TEW triage work - where plea is changed	£1,000,000
10 year NPV of TEW committal hearings	£400,000
10 year NPV for police installation and running costs	£20,300,000
10 year NPV for virtual bail/remand hearing	£700,000
Total quantifiable costs of option 1: 10 year NPV	£34,400,000

Non quantifiable costs of option 1 – Online plea and case management and allocation and sending

Online plea and case management costs - Summary Imprisonable, TEW and IO cases - Those who change their plea

104. We assume that in 10% of cases the defendant will change their indicated online plea when they get to court for either their assigned trial or sentencing hearing. In these circumstances, the case management work done in order to prepare these cases for their trial or sentencing hearing would be aborted work. In some cases this work will have been unnecessary, but in other cases it may have been 'frontloaded', for example the sentencing reports produced would be used if the defendant then goes on to be found guilty at trial. The costs of this work is counted as an unquantifiable cost.
105. If the proportion of defendants that change their plea increases the costs of this aborted work may become unmanageable. There is also a risk that stakeholders will no longer work on the basis of their indicative plea to prepare for their sentencing hearing or trials. We explore the potential reduction in benefits and increase in quantifiable costs if this proportion increase in the sensitivity analysis section below.

Costs for those that pleas in writing

106. For the analysis we have assumed 15% of defendants either do not engage or plea in writing. Defendants that do no plea online would proceed to a backstop hearing. These backstop hearings would follow the usual process of a plea before venue and mode of trial, therefore those that do not engage result in no costs or savings when compared with the base case. We do not know what the cost of a plea in writing would be. For the purpose of this analysis the costs is the same as under the process in the base case. Therefore we have assumed no cost or benefits for those that plea in writing.

²⁶ Average distance travelled by from police station to magistrates' court is 24 miles, assuming average speed of 35mph results in an assume journey time of approximately 0.7 hours.

Implementation and running costs of the Online Plea and Allocation Portals

107. The HMCTS Reform Business Case includes implementation costs for the provision technology in the Common Platform Programme Implementation and the running costs of the online plea and allocation portals. The overall assumed costs of delivering the Common Platform Programme is £208m (including capital and resource costs) and the costs of the Online Plea and allocation Portal are included within this amount. We are, however, unable to isolate the cost of online plea and allocation portal, this is therefore included as a non-quantifiable cost.

Legal Aid

108. There are potential cost implications for the Legal Aid Agency if the hearings are conducted virtually. The costs relate to the need for a duty solicitor to attend the police station and represent the client via a virtual link to the court. Currently, under the base case, many people use the court duty solicitor for their first appearance at court. Duty Solicitors are deployed on a rota system and are paid per session at court no matter how many or how few they represent. A virtual hearing done from the police station would attract a Duty Solicitor fee if the case is completed (and not adjourned to a later date at court - this fee would be an additional cost as the LAA would still be paying for duty provision at court for non-virtual hearings.

109. Mitigating policies could be implemented to reduce the risk and size of these costs. Introducing an Interests of Justice (IoJ) test which would test whether or not legal aid was required in the individual circumstances of each case could mitigate much of the impact. A second options could be to means test which would check to see if a defendant's financial position means they could afford to pay for a Solicitor. Another alternative could be for duty solicitor already at court (and being paid anyway) to represent the client, having taken instructions virtually by video link. In other words this would preserve the status quo but deliver it differently. Costs to LAA have not been quantified

Police IT Installation and Running Costs

110. Primarily, the installation costs described in the monetised cost section of this IA do not include any custody estate modifications that may be required, which could be extensive for some Police Forces. In addition, extra endpoints may be required for other Criminal Justice agents to properly facilitate the use of virtual hearings (e.g. defence solicitors). Also, some forces may need to purchase additional network bandwidth (i.e. capacity) to enable the streaming of live video from custody suites to a virtual hearing. Finally, forces with larger custody facilities may require additional staff (e.g. more than one detention officer) for each endpoint.

111. The above has not been monetised because they are highly dependent on the characteristics of individual Police Forces. Therefore, the costs are likely to vary significantly across forces.

Police Operational Impacts and Business Change

112. The efficient operation of virtual hearings has numerous dependencies. This includes, but is not limited to:

- I. A centralised scheduling application that manages scheduling information for court hearings, and pre-court and post court interactions in real time.
- II. A digital case file to ensure the timely sharing of information between Police and CJ partners (e.g. CPS and the Courts).

113. In the absence of the both, the Police may need to dedicate additional resources to organising the hearings, and procuring a local solution to digital case files. While both of these are expected to be operational in the long term, Police Forces that invest in virtual courts in the short to medium term may experience additional operational costs.

114. However, there is significant uncertainty about the number of forces that may be affected in the short to medium term, and the magnitude of these impacts. Furthermore, we would expect there to

be other transition costs resulting from the business change programme required to bring about the efficient operation of virtual courts across the Police. In summary, incorporating these elements into the analysis would add further uncertainty and complexity to an already uncertain base and intervention case. Therefore, these costs have not been monetised for simplicity.

115. Finally, because the Police will detain defendants when they would have otherwise been transported to court, the risks of detaining are transferred to the Police, particularly for defendants that are deemed high risk. In addition to this, some defendants may also be held in custody for significantly more time than already quantified depending on the timing of their hearing. However, both of these impacts are difficult to monetise due to the wide range of circumstances it includes. Therefore, these costs have not been monetised in the analysis.

CPS Costs

116. The proposals will have cost, process and working culture implications for the CPS (and other parties to proceedings) that have yet to be assessed in terms of their impact on Transforming Summary Justice and Better Case Management, or quantified specifically in respect of cost.

This publication was archived in June 2017.

Net Impact of option 1

117. The 10 year Net Present Value (NPV) estimate of this option is £40m 2014/15 prices.

Sensitivity Analysis

118. The analysis presented in the main body if this IA assumes a 10% plea change rate. Below we look at the effects on costs and savings if this was to change. If the proportion of those who change their plea is increase to 20% the estimated net annual savings reduce by £1.3m. If in 50% of cases the plea is changed the net annual saving reduces by £3.7m. This does not allow for the increased likelihood of stakeholders declining to act on indicative pleas that is likely to occur as plea change rates increase. This would be likely to further reduce benefits.

Table 12: Plea Change Sensitivity Analysis

Plea change rate	10%	20%	50%
Online plea and case management and allocation and sending (OPCM and A&S)			
Savings -			
Annual steady state saving for online plea and case management	£7,200,000	£6,400,000	£4,000,000
Annual steady state saving for allocation and sending	£4,400,000	£3,900,000	£2,600,000
Costs			
Annual steady state costs for allocation and sending no change in plea	-£2,500,000	-£2,200,000	-£1,400,000
Annual steady state costs for allocation and sending- changes in plea	-£300,000	-£500,000	-£1,400,000
Committal for sentence costs	-£100,000	-£100,000	-£100,000
Net annual saving	£8,800,000	£7,500,000	£3,800,000
10 year NPV for (OPCM and A&S)	£41,900,000	£36,000,000	£18,300,000
10 year NPV for police installation and running costs		(£20,000,000)	
10 year NPV for virtual bail/remand hearing costs		(£1,000,000)	
10 year NPV for PECS savings		£18,000,000	
Net 10 year NPV for Option 1	£40,000,000	£33,000,000	£17,000,000

Figures rounded as appropriate.

F. Risks and Assumptions

119. A description of key assumptions underpinning the analysis and a summary of the related risks are provided in the table below:

Assumption	Risk
<p>Offender Volumes. The analysis and figures presented are in 2014/15 prices using 2014/15 baseline volumes. This assumes that volumes will remain constant. We have assumed one defendant per case.</p>	<p>There is a risk that volumes may change. However, published statistics show that whilst receipts volumes may fluctuate from year to year, as an average over a longer period they have remain reasonably constant. The NPV figure presented uses a period of 10 years to mitigate this risk.</p>
<p>Plea change rate</p> <p>We assume that in only 10% of cases will defendants who have indicated a guilty plea online fail to plead guilty when they appear for their intended sentencing hearing.</p>	<p>This assumption is uncertain. We have no evidence as to how individuals are likely to behave when indicating a plea online.</p> <p>If the proportion of defendants that change their plea increases, there is a risk of increased costs though aborted work. There is also a risk that stakeholders will no longer work on the basis of their indicative plea to prepare for their sentencing hearing or trials. We explore the potential reduction in benefits and increase in quantifiable costs if this proportion increase in the sensitivity analysis section</p>
<p>Roll-out Date. The legislation will have been enacted by 2018/19. We have assumed rollout will start after development and testing with a pilot from Dec 2019. We assume 20% of total case load will be included in the pilot.</p> <p>National rollout will commence from March 2020, we have assumed volume will initially increase of 50% from March. In June 2020 they will increase to 80% of total caseload and 100% from August 2020.</p>	<p>This rollout plan is based on our current best estimate. There is a risk these volumes will change.</p>
<p>Defendant Engagement. We have assumed that 85% of defendants engage online and indicate a plea. We assume it takes three years to ramp up to 85%.</p> <p>For the purpose of this IA we have assumed 15% of defendants will either plead in writing or not engage. Those that do not engage will have a backstop hearing which follows the current process, therefore there is no change in costs for this group. We have assumed that the cost of a plea in writing will be similar to the costs of a backstop hearing for non-engagers.</p>	<p>This assumption is uncertain. If the proportion of those that engage online is less, savings will reduce. If the cost of processing cases where a defendant pleads in writing is more than the cost for those that do not engage, savings will reduce.</p>

Assumption	Risk
<p>Magistrate and Legal Adviser Workload. 86% of cases are assumed to be dealt with by on average 2.5 magistrates and 1 legal adviser. The remaining 14% is assumed to be dealt with by a District Judge</p>	
<p>Committal for sentence hearings</p> <p>It is assumed that 62% of TEW would enter a plea of “guilty” and 5% of these cases would be sent for sentence in the Crown Court.</p>	<p>These proportions have been based on management information and are therefore not subject to the same quality standards as routinely published statistics.</p>
<p>Hearing Procedures. Savings listed in this IA are based on judicial and staff time saved as a result of removing the requirement for a first hearing in the magistrates’ court and Crown Court for certain cases. HMCTS have provided average total hearing times. We have then applied a number of assumptions in order to split total hearing time into average time spent on plea, case management, allocation and sending and committal to Crown Court.</p>	<p>Although we hold data on total average hearing lengths, we do not hold data on how this time is split into various tasks. Therefore these assumptions are based on estimates made to the best of our knowledge. If in practice these timing are considerably different HMCTS savings would vary.</p>
<p>Automated Case Management and Plea Procedures. We have assumed that online case management and plea processes will be fully automated under the new process. Therefore the entire hearing time dedicated to these processes will be saved. In the majority of cases, the remaining processes that would happen in a first hearing will be conducted virtually. In doing so, HMCTS will be able to reduce the unit cost for these cases through released estate savings. The extent to which allocation and sending or virtual hearings enable these estate savings, in isolation from other legislative/operational reforms, is currently being modelled.</p>	
<p>Magistrates and DJ Workload. We assume that 99.5% of the allocation and sending decisions made online will be undertaken by a magistrate sitting with a legal advisor. The remaining 0.5%, is dealt with by DJ.</p>	<p>The allocation of cases between magistrates and district judges could differ. In reality, this could be higher or lower. However, even if this figure was much higher there is still likely to be a positive NPV.</p>
<p>Optimism Bias. There is a tendency in any estimation work to overstate benefits and understate costs. A 15% optimism bias has been applied to the total costs and benefits in this IA and included in the calculation of the Net Present Value figure to mitigate this risk.</p>	

Annex A – Additional cost to police from larger volumes of bail/remand hearings being conducted from police stations

120. The table below outlines the key assumptions and sensitivities under each of the base-case scenarios.

Variable	Cost Scenario			Comments
	Low	Central	High	
Current number of VC endpoints installed	30	30	30	Based on available data from the CPS and relevant business cases.
End state VC endpoint capacity	350 (320 new endpoints)	400 (370 new endpoints)	450 (420 new endpoints)	The number of custody suites in the central scenario is sourced from the Impact Assessment on the Policing and Crime Bill (footnote hyperlink and page 23 reference).
Baseline end state year	2028/29	2028/29	Zero change	There is uncertainty around the baseline, the central case adopts the same as the Low scenario, however the steady-state year could be later.
HMCTS end state year	2024/25 ¹	2024/25	2024/25	HMCTS assumption.
Additional time defendants are in Police custody	PECS transfer and B/R hearing	PECS transfer and B/R hearing	PECS transfer and B/R hearing	HMCTS assumption. This is the minimum additional time defendants are being expected to be in Police custody. Some defendants may be held for significantly more time than this depending on the timing of their hearing.

121. Table 1 below presents the estimated cost schedule for the installation and annual running cost of a single 'end-point' virtual court in a police custody suite:

Table 1 - Police Virtual Court Estimated Installation and Running Costs, 2014/15 prices

Equipment	Cost (£)
Cost of equipment per endpoint	£10,000
Cable installation and networking costs	£20,000
Total Installation Cost	£30,000
Total Refresh Cost²	£21,000

¹ 164,415 remand numbers.

² Technology refresh is assumed to be required every 5 years at a reduced cost of approximately 70% of the original installation cost.

Annual running cost per end point ³	£27,000
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This publication was archived in June 2017.

³ Includes £2,000 for general maintenance and £25,000 for the employment of a Civilian Detention Officer to operate the virtual court in the police custody suite.