Economic Note	HO EN 1049
Title of regulatory proposal	Repealing Section 176 of Anti-Social Behaviour, Crime and Policing Act 2014.
Lead Department/Agency	Ministry of Justice (economic note completed by the Home Office).
Expected date of implementation	Autumn 2026
Origin	Domestic
Date	27 January 2026
Lead Departmental Contact	CrimeandPolicingBillTeam@homeoffice.gov.uk
Departmental Assessment	GREEN

Rationale for intervention, objectives and intended effects

This intervention will repeal ineffective legislation originally intended to simplify dealing with shop theft but has led to a perception the police do not take it seriously. The overall objectives of this policy are to deter offending and to increase reporting of all shop theft offences by changing the perception that shop theft of under £200 won't be addressed.

Policy options (including alternatives to regulation)

Option 0: 'Do nothing'

Option 1: Repeal section 176 of the Anti-Social Behaviour, Crime and Policing Act 2014. **This is the government's preferred option.**

Costs and benefit summary

The reclassification of theft from shops, at or under £200, as an either-way offence may lead to increased court costs and potentially longer prison sentences. Objectives related to public perception and behavioural changes lack empirical support, so potential deterrence was not monetised in the NPSV. There are also the unmonetised benefits of increased business confidence and limited incapacitation effects for prolific offenders so despite the monetised costs, the measure has varying postive impacts and is considered to represent value for money overall.

Risks

A change in public perception could lead to more cases and justice system costs, as well as a strain on police resources. Although this legislation is not currently used, the repeal removes a secondary route by which theft from shops could have been prosecuted and so removes a potential deterrent.

Total Cost (£m PV)	Transition Cost (£m Constant)	Cost to Business (£m PV)	
34.95	**0.00**	**0.00**	
Total Benefit (£m PV)	**NPSV (£m PV)**	**BNPV (£m PV)**	**EANDCB (£m PV)**
0.00	-34.95	0.00	0.00
Price Base Year	**PV Base Year**	**Appraisal period (Years)**	**Transition period (Years)**
2026/27	**2026/27**	**2026/27-2035/36**	**2026/27**

Departmental sign-off (*SCS*):	Katharine Wilson	Date: 27/01/26
Chief Economist sign-off:	Tim Laken	Date: 11/05/26
Better Regulation Unit sign-off:	Emma Kirk	Date: 11/05/26

Evidence Base

A. Policy objectives and intended effects

1. Retail crime, including shop theft, has continued to increase over the years. Police Recorded Crime (PRC) figures show the number of shoplifting offences was 529,994 in the year ending (YE) June 2025[1], which was an increase of 13 per cent from the previous year and a record high, in terms of total offences, looking at data since 2003. The year-on-year percentage increase in shoplifting offences for the previous year (YE June 2024) was even higher at 29 per cent.

2. The objective of repealing section 176 of the Anti-Social Behaviour, Crime and Policing Act 2014 will be to remove barriers to effectively addressing shop theft numbers.

3. The introduction of this legislation in the Anti-Social Behaviour, Crime and Policing Act 2014, may have created a perception that shop theft of goods of and under £200 will not be investigated and prosecuted, resulting in some offenders thinking that there are no consequences for committing this crime. Research by Professor Emmeline Taylor (2019[2], 2023[3]), who is a leading academic for retail crime, found that both offenders and retailers perceive this 'downgrading' of store theft as a 'licence to steal' so long as offenders stay below the £200 threshold.

4. The aim of repealing this legislation is also to show offenders and would-be offenders that this crime will not be accepted and will be punished. This should also act as a deterrent for others who plan to commit these crimes, and Prof. Taylor (2023) notes that it may increase confidence amongst retailers and shop staff to report incidents to the police.

5. This course of action is expected to help reduce crime, supporting the government's wider Safer Streets Mission[4], making people feel safe when out and about, and restoring public confidence in policing.

B. Policy options considered, including alternatives to regulation

Option 0 – 'Do nothing'

6. The 'do nothing' option would be to not repeal this existing legislation. This would go against government commitments in the Neighbourhood Policing Guarantee [5] as a part of the Safer Streets Mission, where the aim is to reduce shop theft. Section 176 of the Anti-Social Behaviour, Crime and Policing Act 2014 was introduced to try to make prosecution of shop theft more efficient, but this has created perceptions around a lack of police action and a lack of meaningful consequences for offenders. To do nothing would be to continue with inefficient policy, without introducing any deterrent effect for offenders and would-be offenders.

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[1] https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/datasets/crimeinenglandandwalesappendixtables

[2] Taylor, E. (2019). It's not part of the job. Available: https://assets.ctfassets.net/5ywmq66472jr/22QfMejeWYbimJ9ykX9W9h/0e99f15c0ed24c16ab74d38b42d5129a/It_s_not_part_of_the_job_report.pdf

[3] Taylor, E. (2023). Stealing with impunity. Available: https://d2td6mzj4f4e1e.cloudfront.net/wp-content/uploads/sites/9/2024/02/REPORT-_-STEALING-WITH-IMPUNITY.pdf

[4] Safer Streets - GOV.UK: https://www.gov.uk/missions/safer-streets

[5] Safer Streets - GOV.UK: https://www.gov.uk/missions/safer-streets

Option 1 - Repeal Section 176 of the Anti-social Behaviour, Crime and Policing Act 2014

7. Repeal Section 176 of the Anti-social Behaviour, Police and Crime and Policing Act 2014 to change perceptions around police action and ensure that there are meaningful consequences for offenders and would-be offenders**. This is the government's preferred option.**

Non-regulatory options

8. The government could support a communications campaign to try and change offenders' and would-be offenders' perception, as well as seeking to restore public confidence in policing but the scale of shop theft requires a more consistent and sustainable intervention, beyond a likely time-bound communications campaign. This approach is very unlikely to create a deterrent effect and is unlikely to have any impact on changing the attitude of prolific and repeat offenders in this space, where behaviour changes are needed. The government hasn't implemented a standalone communications campaign to change the perception around low value shop theft but has had some non-legislative initiatives such as the Police Crime Prevention Initiatives (PCPI). The government previously provided funding to the PCPI to develop training and raise awareness of how police officers can work with retailers to prevent and respond to retail crime although the government no longer funds this.

C. Past evaluations and rationale for government intervention

9. Where a summary offence is committed, the case can be handled as a police-led prosecution. Police-led prosecutions were introduced to improve the efficiency of the Criminal Justice System (CJS) by allowing for a simpler, more proportionate police-led process in high-volume, low-level, uncontested cases. Such police-led prosecutions only take place when there are no aggravating factors - for example, violence - and the suspect not having any previous convictions for a similar offence.

10. The police do not take forward police-led prosecutions in this space, and offenders and would-be offenders perceive they can steal goods of or under £200 without any meaningful consequences occurring. Furthermore, retailers often tend not to report crime if the value of the goods stolen is under the current £200 threshold. Research by Prof. Taylor (2023)[6] highlights that retailers believe the police won't take any action if 'low value' thefts are reported, and they don't want to take up valuable police resource. The British Retail Consortium (BRC) Crime Survey (2025)[7] also finds a similar sentiment among retailers that police don't treat shop theft under £200 as a 'real crime', which makes it an issue since the value of the average theft was £106.

11. As shop theft continues to rise to record high-levels, intervention is necessary to not only ensure the crime is reported, but so offenders realise all shop theft is illegal, and they will be punished whatever value of goods they steal.

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6 Taylor, E. (2023). Stealing with impunity. Available: https://d2td6mzj4f4e1e.cloudfront.net/wp-content/uploads/sites/9/2024/02/REPORT-_-STEALING-WITH-IMPUNITY.pdf

7 Crime Report Survey 2025: https://brc.org.uk/media/hmkpy3nl/crime-survey_2025_final.pdf

D. Appraisal

General assumptions and data

12. The following assumptions apply to the measure within this note:

- The appraisal period for measuring impacts of the proposed legislation is between 10 years, 2026/27 to 2035/36.
- Annual costs and breakeven analysis are in 2026/27 prices using HM Treasury GDP Deflators.
- The present value base year is 2026.
- A 3.5 per cent annual social discount rate is implemented in line with the HM Treasury Green Book (2026)[8]
- All costs and benefits are relative to the baseline presented in Option 0: 'Do nothing'.
- No optimism bias has been applied to the CJS costs as they are based on historical costs and provided by Ministry of Justice (MoJ).
- Estimates for how volumes of proceedings will change as a result of these measures are based on the CJS statistics quarterly (June 2025)[9] including the Outcomes by Offence data tool[10], Crown Court data tool[11] and the Magistrates Court data tool[12].
- The annual cost for the year 2026/27 is adjusted to account for the fact that the implementation date is in Autumn 2026. It is assumed that the date of implementation for this measure is October 2026, which is six months into the year 2026/27 and so the monetised cost for this year is 50 per cent of the total annual cost.

Costs and Benefits

13. The Anti-Social Behaviour, Crime and Policing Act 2014 allowed the police to prosecute theft from a shop, of goods worth £200 or less, without the involvement of the Crown Prosecution Service (CPS). The Anti-Social Behaviour, Crime and Policing Act 2014 also made theft from a shop, of goods worth £200 or less, a summary-only offence. This meant they would "no longer be sent to the Crown Court for trial (unless the defendant elects) or sent for sentence"[13].

14. Currently, there is no centralised database tracking police prosecutions. To assess the potential impact of repealing the legislation on police prosecutions, the Home Office requested that the NPCC survey forces about their current practices regarding low-value shoplifting prosecutions. Of the 40 forces that responded, none indicated they were actively prosecuting shop theft cases of or under £200 without the involvement of the

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8 https://assets.publishing.service.gov.uk/media/698dbcd17da91680ad7f4308/The_Green_Book_2026.pdf
9 https://www.gov.uk/government/statistics/criminal-justice-system-statistics-quarterly-june-2025
10 https://assets.publishing.service.gov.uk/media/68f93024ec6267c615ed8fe9/outcomes-by-offence-data-tool-June-2025.xlsx
11 https://assets.publishing.service.gov.uk/media/68f9303c190c6607448bb7ab/crown-court-data-tool-June-2025.xlsx
12 https://assets.publishing.service.gov.uk/media/68f92f9d0794bb80118bb7b9/magistrates-court-data-tool-june-2025.xlsx
13 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/317719/low_value_shop_theft_guidance.pdf

CPS. As the police prosecution route is not being used for shoplifting offences of or under £200, there will not be an increased burden on the CPS once this legislation on police prosecutions is repealed.

15. Repealing this legislation would reclassify theft from a shop, of goods worth £200 or less, as an either-way offence. This means such cases could be tried in the Crown Court, where the maximum sentence is seven years' imprisonment, compared with the six-month limit in the Magistrates' Court. While the likelihood of seven-year sentences for low-value shop thefts is low, the potential for increased sentencing powers and the possibility of cases now progressing to the Crown Court will have cost implications for the CJS. The CJS costs monetised in this analysis are court costs, legal aid costs, probation costs and prison place costs

16. The primary aim of the repeal is to counter the perception that shop theft below £200 is not taken seriously by the police and ensure offenders and would-be offenders understand the seriousness of any value shop theft. As Prof. Taylor (2019)[14] evidence suggests, the former could lead to increased reporting by affected businesses or members of the public, potentially resulting in additional costs for the justice system.

17. These effects, however, remain uncertain in both scale and materialisation. Firstly, there is no definitive evidence that repealing this legislation will definitely lead to a substantial increase in reporting. Secondly, the extent to which businesses will pursue private prosecutions following the repeal is highly uncertain. Nevertheless, acknowledging the potential and objective for increased reporting driven by heightened awareness from shop owners, this note incorporates scenario modelling to explore potential cost implications of increased reporting.

18. There are no monetised benefits within this note, but a deterrent effect is one of the objectives of this policy, which is also uncertain in both scale and materialisation.

Monetised costs

19. The central scenario assumes the number of charges remains consistent with 2024/25 levels, approximately 48,000. The low scenario assumes a reduction in shoplifting charges to the average level observed over the past three years, approximately 37,000. The high scenario assumes an increase in charges to 58,000, reflecting a continuation of the current upward trend seen in the last three years. These assumptions are generated using the Magistrates Outcome Tool (YE June 2025).

20. The low scenario assumes that 78 per cent of shoplifting cases involve goods that are valued at £200 or less. This assumption is taken from the 2018 Commercial Victimisation Survey[15] but actually uses data for cases that were £150 or less as the proportion for cases £200 or less is very close to the high estimate and would not provide an appropriate amount of sensitivity. The high scenario increases this estimate to 84 per cent based on compensation data from the Magistrates Court data tool. The central scenario takes the midpoint at 81 per cent.

21. While theft from a shop of goods worth £200 or less, would now be an either-way offence, it is unlikely that such cases will proceed to the Crown Court by the same

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[14] Taylor, E. (2019). It's not part of the job. Available: https://assets.ctfassets.net/5ywmq66472jr/22QfMejeWYbimJ9ykX9W9h/0e99f15c0ed24c16ab74d38b42d5129a/It_s_not_part_of_the_job_report.pdf

[15] Crime against businesses: findings from the 2018 Commercial Victimisation Survey: data tables - GOV.UK: https://www.gov.uk/government/statistics/crime-against-businesses-findings-from-the-2018-commercial-victimisation-survey-data-tables

proportions as shop theft over £200. In the low scenario, it is assumed that one per cent of charges under £200 will proceed to the Crown Court. In the high scenario, it is assumed that approximately three per cent of charges under £200 will proceed to the Crown Court. The central scenario assumes an intermediate rate of two per cent. These assumptions reflect the varying likelihood of low value shop theft now proceeding to the Crown Court as the exact proportions can't be determined. Some evidence that indicates that the change in the number of cases under £200 that go to the Crown Court will be minimal is the change in the proportion of shoplifting cases that went to the Crown court after 2014. This was when section 176 of the Anti-social Behaviour, Police and Crime Act 2014 was introduced. The Magistrates Court data tool shows that there was little change as the proportion of cases going to the Crown court only increased by 0.82 per cent. The higher the proportion of cases that are referred to the Crown Court, the more thefts under £200 will begin to mirror treatment in the CJS of thefts over £200, and the higher the potential cost implications in terms of court costs, legal aid and prison places.

Ongoing Cost 1: Court Costs

22. Based on the above assumptions, the analysis assumes that there would be between 300 and 1,500 additional cases referred to the Crown Court instead of the Magistrates' Court, with a central estimate of 800.

23. Based on assumptions provided by the MoJ (internal correspondence, 2025), the unit cost of £3,563 for a Crown Court case of £3,563 and the unit cost of £389 for a Magistrates' Court case, in 2026/27 prices. The increased cost of processing these additional cases in the Crown Court is estimated to range from £0.92 million to £4.63 million, with a central estimate of £2.44 million.

Ongoing Cost 2: Legal Aid

24. Under MoJ assumptions (internal correspondence, 2025), there is 100 per cent take-up of legal aid for Crown Court cases. Also, the legal aid unit costs are assumed to be £650 in the Magistrates' Court and £2,359 in the Crown Court (2026/27 prices) in accordance with assumptions provided by the MoJ. It is assumed that all offenders who would now proceed to the Crown Court would have otherwise received legal aid in the Magistrates Court. The additional cost of legal aid is estimated to range from £0.45 million to £2.76 million (±10% sensitivity to the range has been added to account for uncertainty in whether defence advocacy is included in the legal aid costs), with a central estimate of £1.31 million.

Ongoing Cost 3: Prison Place Running Costs

25. Prison release rates may change, and it should be considered that the offenders will likely be released in several tranches in Year 1, whereby the release rate approaches 33 per cent over the year rather than remain at 40 per cent for the whole year. In this case, the prison place costs are likely to be lower although the difference with the current costs would be minimal. The Outcomes by Offences data tool[16] from 2022/23 to 2024/25 reveals an average immediate custody rate of 25 per cent. The average sentence length in the Magistrates' Court, according to the Magistrate's Court data tool, in these 3 years was 1.9 months. This compares to 5.0 months in Crown Court, according to the Crown Court Data tool.

[16] https://assets.publishing.service.gov.uk/media/68f93024ec6267c615ed8fe9/outcomes-by-offence-data-tool-June-2025.xlsx

26. It is likely not a fair assessment to assume all cases that now attend the Crown Court would have the full increased sentence length. In the low scenario, it is assumed that cases now entering the Crown Court will not have increased average prison sentence length. In the high scenario it is assumed that those cases will now attain the average prison sentence length in the Crown Court and therefore an increase of 3.0 months per conviction. The central scenario is between both extremes at 1.5 months, based on the assumption that cases under £200 are unlikely to attain the same prison sentences as those over £200.

27. The low scenario requires no additional prison places due to no change in average sentence length in Year 1 to 10. The high scenario requires an additional 37 prison places and the central scenario an additional 10 prison places, assuming offenders serve 40 per cent of their sentence in the first year (Year 1). In the remaining years of the 10-year appraisal period (Year 2 to 10), it is assumed offenders serve 33 per cent of their sentence. This leads to an annual number of prison places of 8, in the central scenario, and 31, in the high scenario.

28. Based on MoJ guidance it is assumed that the marginal cost of a prison place is £56,700 (2026/27) in Year 1, the total running cost of these additional places is estimated to be: £0 in the low scenario (due to no change in prison sentence length), £2.12 million in the high scenario, and £0.56 million in the central scenario. In Year 2 to 10, the total running cost of these additional places is estimated to be: £0 in the low scenario (due to no change in prison sentence length), £1.75 million in the high scenario, and £0.46 million in the central scenario.

Ongoing Costs 4: Probation Costs

29. This analysis also assumes negligible changes in sentencing for community sentences and suspended sentences by making the offence triable either way. This is as the monetised cost in licence probation stems from a change in prison sentence lengths (and so licence length) due to cases now being sentenced in the Crown Court whereas for community and suspended sentences, they are unaffected by changes in sentence lengths. Based on assumptions provided by MoJ, the Licence Probation unit cost is £5,181 (2026/27) and that 60 per cent of custodial sentences are served on probation, in Year 1, the probation costs for these additional places are assumed to be £0.in the low scenario (due to no change in probation places), £0.08 million in the central scenario and £0.29 million in the high scenario.

30. In Year 2 to 10, assuming 67 per cent of probation costs are served on probation, the probation costs for these additional places are assumed to be £0 in the low scenario (due to no change in probation places), £0.85 million in the central scenario and £0.32 million in the high scenario.

Transition Cost 1: Prison Place Set-up Costs

31. Under MoJ assumptions, the cost of building more prison places is not included.

Table 1: Costs by Type, 2026/27 prices (£) (Year 1)

	Legal Aid Costs	Other Court Costs	Prison Place Running Costs	Probation Costs	Total Running Costs (yearly)	Total Running Costs (yearly) - (implementation date)
Low	445,000	919,000	0	0	1,413,000	682,000
Central	1,316,000	2,445,000	557,000	76,000	4,394,000	2,197,000
High	2,762,000	4,664,000	2,124,000	291,000	9,589,000	4,920,000

Source: Home Office, own estimates, 2026; numbers may not sum due to rounding. Rounded to the nearest £1,000

Table 2: Costs by Type, 2026/27 prices (£) (Year 2 to 10)

	Legal Aid Costs	Other Court Costs	Prison Place Running Costs	Probation Costs	Total Running Costs (yearly)
Low	445,000	919,000	0	0	1,364,000
Central	1,316,000	2,445,000	459,000	85,000	4,305,000
High	2,762,000	4,664,000	1,752,000	325,000	9,503,000

Source: Home Office, own estimates, 2026; numbers may not sum due to rounding. Rounded to the nearest £1,000

Scenario Modelling

32. As outlined above, reporting effects remain both uncertain in scale and materialisation. Scenario modelling has been used to ascertain their potential impacts. Note, these figures are not indicative costs or volumes and simply illustrative for the purpose of sensitivity, on the conditionality of increased reporting.

33. To estimate potential impact in effecting reporting, it is required to estimate the number of future cases in the absence of the repeal. Given the uncertainty of surrounding factors that impact shoplifting, like the cost of living, multiple scenarios have been adopted. For the central scenario, it is assumed that 530,000 reported cases in YE June 2025 continue and in the low scenario, it is assumed that cases will fall to the average of the last two years to 500,000. The high scenario assumes that shoplifting increases to 598,000, based on the previous increase from YE June 2024 to YE June 2025. These assumptions are generated using Police Recorded Crime data[17].

34. It is then necessary to separate these cases that reflect thefts of and under £200 and could be impacted by the repeal of section 176 of the Anti-Social Behaviour, Crime and Policing Act 2014 and lead to an increase in shop theft reporting. Exact estimates are not possible with current data constraints. As mentioned in the monetised costs section, it is assumed that the central estimate for the proportion of thefts under £200 as 81 per cent (low scenario: 78% and high scenario:84%).

[17] Crime in England and Wales: Appendix tables - Office for National Statistics: https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/datasets/crimeinenglandandwalesappendixtables

Ongoing Cost 1: Court Costs

35. Together with the above future trajectories, this creates a central number of future thefts from a shop, of goods worth £200 or less, in the absence of this repeal of 429,000 (low: 390,000 and high: 501,000). For sensitivity analysis, it is assumed that reporting increases by 1 per cent for the low scenario, 5 per cent for the central scenario and 10 per cent for the high scenario. This creates an increase in the number of shop theft reports between 3,900 and 50,000. The central scenario would be 21,000.

36. Assuming a continuation of the prosecution rate of 8.3 per cent - the average in the last 3 years – this leads to 326 additional court cases in the low scenario, 1,790 in the central scenario and 4,183 in the high scenario. The 8.3 per cent assumption is developed using a combination of the Police Recorded Crime and Outcomes by Offences data tool.

37. It is assumed that all cases are designated in line with the scenarios outlined in the main Cost Analysis above. For example, in the central scenario 2 per cent of cases attend the Crown Court and 98 per cent attend the Magistrates Court.

38. The extra cost for courts to review these cases, including the relevant optimism bias, was therefore calculated to be £0.81 million (£0.14 million to £2.03 million).

Ongoing Cost 2: Legal Aid

39. Under MoJ assumptions, there is 60 per cent take-up for police legal aid; 55 per cent take-up for legal aid at Magistrates' Court cases and 100 per cent take-up for legal aid at Crown Court cases. Legal aid costs for Magistrates' and Crown Court proceedings are allocated across the scenarios based on the proportion of cases expected to proceed to each court outlined in the main Cost Analysis above. For example, in the low scenario 1 per cent of cases attend the Crown Court and 99 per cent attend the Magistrates Court. The total cost of legal aid from the increase in reported offences would be between £0.20 million in the low scenario, £2.74 million in the high and £1.13 million in the central scenario.

Ongoing Cost 3: Prison Place Running Costs

40. The Outcomes by Offences data tool[18] from 2022/23 to 2024/25 reveals an immediate custody rate of 25 per cent. This leads to approximately 82 offenders in the low scenario, 451 offenders in the central scenario and 1,054 offenders in the high scenario, facing prison.

41. The Outcomes by Offences data tool[19] from 2022/23 to 2024/25 shows that the average sentence for shoplifting offences was 2.3 months. This would lead to an additional 2 prison places in the low scenario, 9 prison places in the central scenario and 20 prison places in the high scenario. The marginal cost of each place is around £56,700 and therefore the total running cost of these prison places would be between £0.09 million in the low scenario, £1.16 million in the high scenario and £0.49 million in the central scenario.

Ongoing Cost 4: Probation costs

42. It is assumed offenders only serve 40 per cent of their custodial sentence in prison and so they would serve the remainder of the sentence on licence (60 per cent). The marginal cost of a person on licence probation with Electronic Monitoring (EM) is £5,181

[18] https://assets.publishing.service.gov.uk/media/68f93024ec6267c615ed8fe9/outcomes-by-offence-data-tool-June-2025.xlsx

[19] https://assets.publishing.service.gov.uk/media/68f93024ec6267c615ed8fe9/outcomes-by-offence-data-tool-June-2025.xlsx

(2026/27). The estimated number of individuals on licence is the same as the number of people receiving custodial sentences, being 451 (82 to 1054).

43. Using the Outcomes by Offences data tool, the estimated proportion of cases leading to a community sentence is 21 per cent. This gives the central number of community sentences as 381 (69 to 891) and the average length of a community sentence [20] 13.8 months. The assumed cost of community probation with EM is £3,801 (2026/27), which is used for both community sentence and suspended sentence costs.

44. The estimate proportion of cases leading to a suspended sentence is 11 per cent. This means the central number of suspended sentences is 201 (36 to 469) and the average suspended sentence length is 18.1 months[21]. Thus, the estimated total probation cost including both community and licence probation costs is £3.09 million (£0.56 million to £7.21 million).

Transition Cost 1: Prison Place Set-up Costs

45. Under MoJ Assumptions, the cost of building more prison places is not included

Table 3: Costs by Type, Scenario Modelling, 2026/27 prices (£)

	Legal Aid Costs	Other Court Costs	Prison Place Running Costs	Prison Set Up Costs	Probation costs	Total Set Up Costs (initial year)	Total Running Costs (yearly)
Low	200,000	137,000	90,000	0	562,000	0	989,000
Central	1,134,000	810,000	494,000	0	3,087,000	0	5,526,000
High	2,735,000	2,026,000	1,115,000	0	7,214,000	0	13,130,000

Source: Home Office, own estimates, 2026; numbers may not sum due to rounding. Rounded to the nearest £1,000

Unmonetised costs

46. The potential increase in reporting may lead to a diversion of police resources, in the form of time and would lead to additional costs on the CJS as illustrated by the scenario modelling. These costs are not monetised within this cost-benefit analysis as there is no definitive evidence on an increase on reporting as a result of this repeal. Additionally, it is not known if police resources would be transferred to solve additional cases, how much and from where.

47. With this repeal, theft from a shop also becomes an either-way offence and courts may subsequently see a possible increase in the volume of private prosecutions. As either-way offences are eligible for a prosecution costs order made by the court at the end of the proceedings, there could be an increase in claims for costs to be paid from central funds (administered by the Legal Aid Agency). There is a very limited risk that this will lead to any significant increase in claims. According to MoJ data on private prosecutions[22], fewer than ten private prosecutions for theft or shoplifting were recorded between January 2024 and August 2025. This suggests that making shoplifting offences

[20] https://assets.publishing.service.gov.uk/media/680a2271532adcaaab3a273e/OMSQ_Q4_2024.pdf
[21] https://assets.publishing.service.gov.uk/media/680a2271532adcaaab3a273e/OMSQ_Q4_2024.pdf
[22] Information provided by MoJ from internal data.

under £200 an either-way offence is likely to have minimal impact on the overall number of private prosecutions.

Unmonetised benefits

48. As stated above, this measure previously created the public perception that shop theft of goods of and under £200 will not be investigated and prosecuted. Government action could improve this perception, which would enhance public safety and security, boosting public and business confidence in justice and town centres.

49. Secondly, through the change in perceptions, it may also dispel the notion that there are no consequences for committing this crime. The change in perception could deter potential shoplifters, leading to a reduction in crime. Less shoplifting would reduce losses for retailers and benefit the wider policing and CJS through less cases and prosecutions.

50. The literature on whether longer prison sentences decrease reoffending is inconclusive and does not provide a clear relationship between sentence length and recidivism. Uhrig and Atherton (2020)[23] found an inverse relationship between reoffending risk and custodial sentence length. Among individuals receiving sentences of six months or less, 84.5 per cent reoffended, compared with 63.7 per cent for those sentenced to between six months and 2.5 years. These findings could suggest that sentences longer than six months have a deterrent effect on reoffending, however shoplifting offences under £200 that are now sentenced in the Crown Court would still typically receive an average custodial term of five months.

51. Using the Economic and Social Costs of Crime (ESCC) report and replacing the standard value of theft to the average value of shop theft (using Commercial Victimisation Survey (CVS) data[24]), commercial theft is estimated to have a cost of approximately £686 in 2026/27 prices[25]. This cost includes anticipation, consequence, and response costs. To break even on the yearly costs, the required shop theft deterrence ranges from 1,999 incidents in the low scenario to 13,089 incidents in the high scenario. The central deterrence needed is calculated to be 6,091 offences. In addition, for the central scenario, when taking into account the central estimate for annual cost in the sensitivity analysis, the combined annual cost becomes £9.83 million. This combined cost would require a deterrence of 13,909 incidents to break even.

52. For sensitivity purposes, the average value of theft from the BRC Crime Survey of £106[26] was also used alongside the ESCC report to produce an estimate for commercial theft, which was calculated as £763. In this case, the number of shop thefts that need to be deterred to break even on the yearly costs is slightly lower. The required shop theft deterrence ranges from 1,853 incidents to 12,132 and the central deterrence is 5,646.

53. Another unmonetised benefit is the incapacitation effect of the longer sentences for shoplifting offences under £200. “Low harm” offences such as theft are disproportionately committed by prolific offenders and so if an offender was not

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23 https://assets.publishing.service.gov.uk/media/5f688b18e90e072b9bd0a79c/reoffending-custodial-sentences-community-orders-research-report.pdf

24 Crime against businesses: findings from the 2018 Commercial Victimisation Survey: data tables - GOV.UK: https://www.gov.uk/government/statistics/crime-against-businesses-findings-from-the-2018-commercial-victimisation-survey-data-tables

25 The economic and social costs of crime: https://assets.publishing.service.gov.uk/media/5b684f22e5274a14f45342c9/the-economic-and-social-costs-of-crime-horr99.pdf

26 Crime Report Survey 2025: https://brc.org.uk/media/hmkpy3nl/crime-survey_2025_final.pdf#page=11

incapacitated by the longer sentence, they may commit another shoplifting offence in that same time period (Uhrig and Atherton ,2020)[27].

NPSV, BNPV and EANDCB

54. BNPV and EANDCB are £0 as there is no direct impact on business.

Table 4: Summary CBA, NPSV, BNPVC and EANDCB, £ million (PV) over 10 years, 2026/27 prices:

Summary	Low	Central	High
Costs			
Total Transition Costs	0	0	0
Total Ongoing Costs (Year 1) – accounting for implementation date	0.68	2.20	4.92
Total Ongoing Costs (Year 2-10)	1.36	4.31	9.50
Total Costs	**11.06**	**34.95**	**77.21**
Benefits			
Ongoing Benefits	0	0	0
Total Benefits	0	0	0
NPSV	**-11.06**	**-34.95**	**-77.21**
BNPV	0	0	0
EANDCB	0	0	0

Source: Home Office, own estimates, 2026, numbers may not sum due to rounding. Note: NPSV = Net Present Social Value, BNPV = Business Net Present Value and EANDCB = Equivalent Annual Net Direct Cost to Business, CBA = Cost-Benefit Analysis

E. Wider impact

55. The repeal is not anticipated to have any negative impacts on the environment, social equity, or regional income and wealth distribution.

56. If the repeal acts as a deterrent, it could benefit businesses, particularly small and medium-sized enterprises (SMEs) who have fewer financial resources to deal with shoplifting. By enhancing the perception of police responsiveness, it may increase businesses' sense of security and potentially reduce the financial burden of shoplifting. However, a small and micro business assessment (SaMBA) is not required because this measure doesn't have any direct impacts on business. Also, this deterrent effect is uncertain with some literature suggesting that with short sentences the deterrent effect

[27] https://assets.publishing.service.gov.uk/media/5f688b18e90e072b9bd0a79c/reoffending-custodial-sentences-community-orders-research-report.pdf

is not applicable (Uhrig and Atherton, 2020)[28], so it may be that the costs to small and micro businesses remain the same.

57. The Commercial Victimisation Survey[29] (2021) reveals that while 34 per cent of all retailer's experience theft, this figure is lower for small independent retailers (23 per cent). It also estimates that 77 per cent of supermarkets experience theft. This suggests that a potential deterrent effect from the policy change may have a more significant financial implications for larger retailers.

58. Additionally, if there is any impact in reporting, Crown Court cases and/or charge rates, it can be expected that different regions will be impacted differently. Using the Police Recorded Crime YE March 2025[30], shoplifting charge rates vary widely across England and Wales from 6.3 per cent to 32.7 per cent. Those forces with higher charge rates may expect more pressure on the CJS as a result of increased reporting but may conversely benefit greater from any deterrent effects.

59. One potential impact is that this measure may disproportionately affect women since theft from shops was the most common indictable offence for female defendants in 2023, whereby theft from shops accounted for 27 per cent of all female prosecutions (taken from CJS statistics)[31]. The repeal will mean that a larger proportion of women may be convicted for shoplifting offences in the Crown Court where they are likely to receive longer sentences than before this repeal.

60. According to the BRC Retail Crime Survey[32], shop theft cost retailers £4.2 billion, including crime prevention, and so if this measure can deter shoplifters and lower shoplifting incidents then retailers may be able to increase their expenditure on areas other than crime prevention as well as increase investment in more staff. The creation of jobs means more incomes and consumption, which will positively impact economic growth – one of the main missions of the government[33].

F. Sensitivity

61. This measure does not require a full impact assessment as there are no direct impacts to businesses or households expected to result from the proposed changes. This Economic Note has been produced instead and contains proportionate analysis outlining the key costs, benefits, and NPSV calculations.

62. Sensitivity analysis is not conducted as the assumptions in the CBA have a low to high range to account for uncertainty or have a strong level of confidence due to a sufficient amount of data or internal correspondence with the MoJ.

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[28] https://assets.publishing.service.gov.uk/media/5f688b18e90e072b9bd0a79c/reoffending-custodial-sentences-community-orders-research-report.pdf

[29] Crime against businesses: findings from the 2023 Commercial Victimisation Survey - GOV.UK: https://www.gov.uk/government/statistics/crime-against-businesses-findings-from-the-2023-commercial-victimisation-survey/crime-against-businesses-findings-from-the-2023-commercial-victimisation-survey

[30] Crime Outcomes in England and Wales Open Data, April 2024 to March 2025: https://assets.publishing.service.gov.uk/media/68f1ec061c9076042263efb2/prc-outcomes-open-data-mar2025-tables-231025.xlsx

[31] Statistics on Women and the Criminal Justice System 2023 (HTML) - GOV.UK: https://www.gov.uk/government/statistics/women-and-the-criminal-justice-system-2023/statistics-on-women-and-the-criminal-justice-system-2023-html

[32] BRC Retail Crime Survey: https://brc.org.uk/news-and-events/news/operations/2025/ungated/brc-retail-crime-survey-2025/

[33] Kickstarting Economic Growth: https://www.gov.uk/missions/economic-growth

G. Risks

63. This repeal reclassifies theft from a shop, of goods worth £200 or less, as an either-way offence. This means such cases could be tried in the Crown Court, where the maximum sentence is seven years' imprisonment, compared to the six-month limit in the Magistrates' Court. While the likelihood of seven-year sentences for low-value shop thefts is low, the potential for increased sentencing powers and the possibility of cases now progressing to the Crown Court will have cost implications for the CJS. This may add additional pressure to prison places and the Crown Courts.

64. As highlighted in the scenario modelling, a possible significant cost risk associated with this measure is the potential for increased reporting driven by a change in public perception. This would likely lead to more cases and further strain on the justice system.

65. Further reporting could also strain police resources. The repeal of section 176 of the Anti-Social Behaviour, Crime and Policing Act 2014 does not mean the police are receiving extra resource to deal with the potential additional reports and cases. To act on such cases, police resources would need to be diverted from elsewhere. Without this, prosecuted cases may not necessarily increase despite an increase in reporting, and this may even prevent any positive impact in perceptions, as police would be unable to act on the reports.

66. Perceptions are likely to be determined by a myriad of factors. For example, one measure alone may not be adequate to change reporting or create a potential deterrence.

67. Another risk is that there may now be a lesser deterrent effect for theft from shops offences as this repeal means that police are no longer able to prosecute theft from shops, without CPS involvement. Hence, there are less routes to prosecute theft from shops so potential offenders may perceive that they are less likely to be prosecuted.

H. Annex

Mandatory specific impact test - Statutory Equalities Duties	Complete
MoJ's assessment is that these changes are not directly discriminatory within the meaning of the Equality Act 2010, as they apply in the same way to all individuals regardless of their protected characteristics. No defendant will be treated less favourably in relation to any protected characteristic. In general, non-white ethnic groups appear to be over-represented at most stages throughout the CJS, compared with the white ethnic group, and among non-white ethnic groups, black and mixed individuals are often the most over-represented. This trend is not reflected in the statistics for theft from shop defendants proceeded against in the Magistrates' Court in 2023. Home Office believes any risk is mitigated as this policy change does not alter a defendant's right to elect for a jury trial in the Crown Court nor should it affect where a case is heard. **The SRO has agreed these summary findings.**	**Yes**