

<b>Title: Transforming Youth Custody</b>  <b>IA No:</b>  <b>Lead department or agency: Ministry of Justice</b>  <b>Other departments or agencies: N/A</b>	<b>Impact Assessment (IA)</b>
	<b>Date:</b> 17 January 2014
	<b>Stage:</b> Consultation Response
	<b>Source of intervention:</b> Domestic
	<b>Type of measure:</b> Policy reforms and primary legislation
<b>Contact for enquiries:</b> <a href="mailto:TransformingYouthCustody@justice.gsi.gov.uk">TransformingYouthCustody@justice.gsi.gov.uk</a>	
<b>Summary: Intervention and Options</b>	<b>RPC Opinion:</b> RPC Opinion Status

**Cost of Preferred (or more likely) Option**

Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as
Not quantified	Not quantified	Not quantified	No	N/A

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

Only a relatively small number of young offenders are persistent enough, or commit offences which are serious enough, to result in a custodial sentence, but this group of young offenders has a significant social and economic cost across England and Wales. Estimates, from the National Audit Office, suggest that just 5% of young offenders are responsible for nearly a third of all proven offences committed by under-18s. Yet when these offences result in a custodial sentence, 71% of young people released from detention go on to break the law again within 12 months.

In addition, the educational engagement and attainment of the young offenders who end up in custody is often poor. 86% of young men in Young Offender Institutions (YOIs) have been excluded from school at some point, and over half of 15-17 year olds in YOIs have the literacy or numeracy level expected of a 7-11 year old. All young people deserve access to a good quality education that will enable them to fulfil their potential. Yet too often education provision is not a primary focus of youth custody, with those in YOIs receiving an average of only 12 hours contracted education provision a week. If young people are to leave custody with the skills, qualifications and self-discipline they need to enter education, training or employment, high quality education provision must become the core focus of youth custody.

These poor reoffending and education outcomes are compounded by the high costs of youth custody. The average cost of a place in youth custody is around £100,000 per annum, but in some cases we pay more than £200,000 per annum. We need to reduce the cost of youth custody and secure better value for money.

Without government intervention the current high levels of re-offending, inconsistent education provision and high cost of youth custody are likely to continue.

**What are the policy objectives and the intended effects?**

The Transforming Youth Custody Programme aims to:

- Improve educational engagement and attainment in youth custody by allowing greater innovation in delivery;
- Contribute, including through this increased focus on education, to reduced reoffending by young people leaving custody; and
- Reduce the overall cost of youth custody, focusing in particular on driving down cost of the most expensive provision.

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

This impact assessment considers the following options:

Option 0: do nothing / minimum – continuing with the current model of youth custodial provision;

Option 1: make the following reforms to the youth custodial estate:

- *Secure Colleges* – replace existing inefficient and ineffective custodial provision with a new purpose-built pathfinder Secure College in the East Midlands;
- *Improving existing youth custodial provision* – increasing the quantity and quality of education delivered in YOIs, alongside other reforms to the leadership, staffing and regime in YOIs and clarifying responsibilities for the commissioning of education in youth custody; and
- *Resettlement* – improving the policies and processes in place to manage young offenders' transition from custody back into the community.

**Will the policy be reviewed?** The Ministry of Justice will monitor the impact of the reforms outlined in this consultation response.

Does implementation go beyond minimum EU requirements?			Yes / No / N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro</b> Yes/No	<b>&lt; 20</b> Yes/No	<b>Small</b> Yes/No	<b>Medium</b> Yes/No	<b>Large</b> Yes/No
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded:</b>		<b>Non-traded:</b>

***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 SELECT SIGNATORY:  Date: 17/01/2014

# Summary: Analysis & Evidence

# Policy Option 1

## Description:

### FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Not Quantified	Not Quantified	Not Quantified
High	Not Quantified	Not Quantified	Not Quantified
Best Estimate	Not Quantified	Not Quantified	Not Quantified

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

We have not provided monetised estimates of costs and benefits where doing so would prejudice the effectiveness of a competition for the delivery of services.

The associated costs of the resettlement consortia are estimated at £250,000 per consortium per year (£1m per year in total).

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

A Secure College is likely to generate up front costs related to its construction and development, ongoing costs of operating a Secure College, and some transition costs associated with any movement of young people from old establishments to new. There will be ongoing costs associated with enhanced education provision in YOIs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Not Quantified	Not Quantified	Not Quantified
High	Not Quantified	Not Quantified	Not Quantified
Best Estimate	Not Quantified	Not Quantified	Not Quantified

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

We have not provided monetised estimates of costs and benefits where doing so would prejudice the effectiveness of a competition for the delivery of services.

We expect a pathfinder Secure College to deliver net savings by facilitating withdrawal from some dated and expensive youth custodial provision. If the pathfinder proves successful, the subsequent development of a network of Secure Colleges would lead to significant net savings. In addition, the Secure College and the improvements to existing youth custodial provision and resettlement aim to contribute to reductions in re-offending; through improvements in the educational engagement and attainment of young people in custody, the holistic multi-disciplinary delivery of services to tackle offending behaviour, and the more effective resettlement of young people on release.

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

Reductions in re-offending among those young people held in custody have the potential to reduce the costs to YOTs and probation services, to reduce court waiting times and to allow for savings to legal aid provision. In addition, the resultant reduction in crimes committed would lead to reduction in the harm caused to society from offending. There is also some evidence that improved education in custody is associated with increased earnings in the future for certain groups, and increased employability. Any improvements in employability of those released from custody would lead to significant wider economic benefits.

#### Key assumptions/sensitivities/risks

Discount rate (%)

- It has been assumed that the custodial population will not increase significantly above current levels.
- The Secure College model will be able to accommodate 12-17 year olds, including younger and more vulnerable children in custody as well as those aged 15-17 and currently accommodated in YOIs. Should this not be the case, the savings from the consolidation of the youth custodial estate would be reduced.
- The Secure College model has never previously been tested. There is, therefore, some uncertainty over the level of operating costs we would expect to achieve through a competition.

### BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:	In scope of OITO? Measure qualifies as
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**Costs: N/A**

**Benefits: N/A**

**Net: N/A**

Yes/No

IN/OUT/Zero net cost

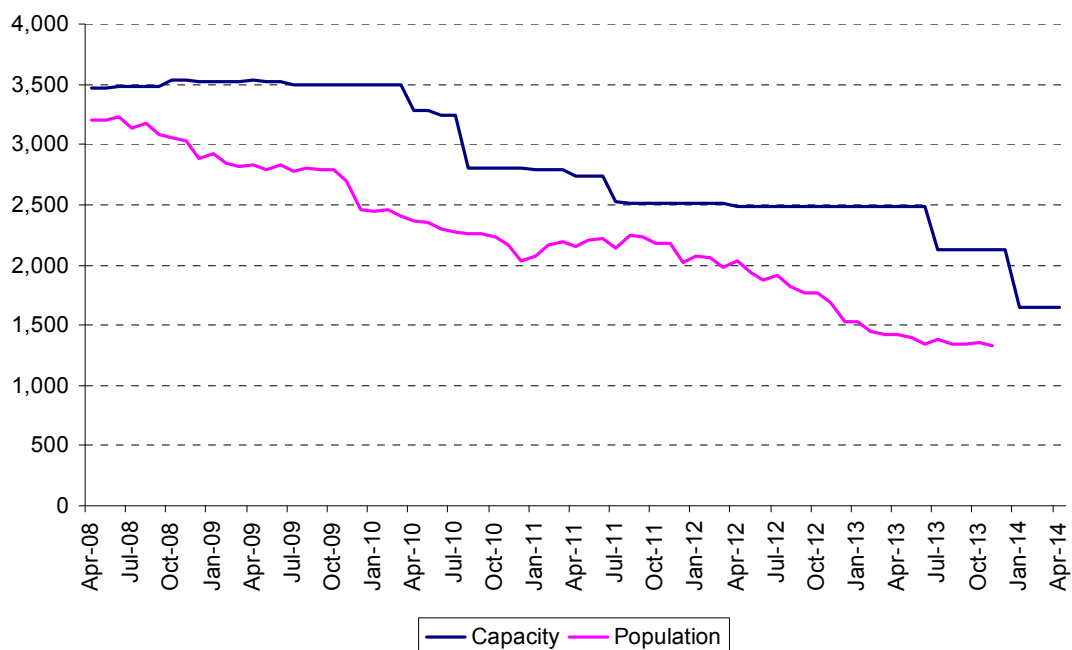
## Evidence Base

1. This Impact Assessment (IA) accompanies the Government's response to the consultation *Transforming Youth Custody: Putting education at the heart of detention*.

## Background

2. The current youth custodial estate in which young offenders are detained has developed in a piecemeal fashion over many years. In recent years there has been a sustained and significant fall in the youth custodial population as shown in Figure 1 below.

**Figure 1. Capacity and population levels in the Youth Secure Estate**



3. As a result of this fall in the youth custodial population, the YJB has reduced capacity by 979 places between April 2008 and April 2013. By April 2014 a further 905 places are expected to be decommissioned, leaving a capacity of around 1,650 beds.
4. In 2012/13 the MoJ / YJB spent £247m on the youth custodial estate. This compares to a total spend of £327m in 2008/09.

## Regional demand for youth custody

5. As of November 2013, there were 1,323 young people held in the youth custodial estate across England and Wales. Figure 2 shows the breakdown of this population by region of origin and compares this population to the capacity available in those regions.

**Figure 2. Regional breakdown of custodial population and capacity.**

Region	Population Nov 2013 <sup>1</sup>	Population including headroom <sup>2</sup>	Expected Capacity April 2014	Difference
East Midlands	88	95	111	16
East of England	69	74	0	-74
London	426	458	240	-218
North East	66	71	82	11
North West	170	183	287	104
South East	104	112	364	252
South West	57	61	21	-40
Wales	57	61	81	20
West Midlands	129	139	160	21
Yorkshire and the Humber	157	169	305	136
Total	1,323	1,423	1651	228

6. The greatest need for capacity is shown to be in London where there is a shortage of over 200 places. However it is possible to accommodate young people from London in establishments in the South East where there is an excess capacity of over 250 places. This data therefore suggests that the region with the greatest need for increased capacity is the East of England; there is a shortage of over 70 places which cannot be fully alleviated by placing young people in East Midlands because there is not currently enough spare capacity available. The region with the greatest excess of capacity is Yorkshire & Humberside, where capacity outstrips demand by over 80%.

<sup>1</sup> Regional breakdown is based on the number of under 18 year olds in custody by origin as published in the Monthly Youth Custody Report [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/270240/youth-custody-report-november-2013.xls](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270240/youth-custody-report-november-2013.xls). The population figures have been scaled up to include the 18 year olds accommodated within the Secure Estate for young people. We have assumed that the population of 18 year olds is distributed across the country in the same way as for those under 18.

<sup>2</sup> The "population including headroom" figure adjusts population to take account of the YJB aim for 93% occupancy across the Estate. This is intended to give an indication as to the overall demand for beds within a region.

## Current youth custodial estate

7. The current youth custodial estate broadly consists of three types of establishment which differ considerably in terms of size, regime, type of cohort and cost:
  - *Young Offender Institutions (YOIs)* – YOIs accommodate boys aged 15-17 (and some aged 18). They are contracted to deliver 15 hours of education a week (plus a further 10 hours of purposeful activity) and have a re-offending rate of around 73%<sup>3</sup>. A place in a YOI costs an average of around £65,000 per annum<sup>4</sup>. On 1 January 2014, YJB commissioned 1,311 beds in YOIs.
  - *Secure Training Centres (STCs)* – STCs accommodate young boys and girls aged 12-17. They are contracted to deliver 25-30 hours of education a week and have a re-offending rate of around 70%. A place in an STC costs an average of around £178,000 per annum. On 1 January 2014, YJB commissioned 301 beds in STCs.
  - *Secure Children's Homes (SCHs)* – SCHs accommodate boys and girls aged 10-17. They are contracted to deliver 30 hours of education a week and have a re-offending rate of around 76%. A place in an SCH costs an average of around £212,000 per annum. On 1 January 2014, YJB commissioned 166 beds in SCHs.

## Young people in custody

8. In November 2013 there were 1,323 young people in custody, including around a fifth on remand, a fifth sentenced to a period in custody of more than two years and the remainder subject to a Detention and Training Order (with an average length of time in custody of about 110 days).
9. The custodial population is made up of young people ranging from 10-17 years old, with some 18-year-olds also remaining within the youth custodial estate. In November; 4% of the population were aged 10-14, 89% were aged 15-17 and 7% of the young people in custody were 18 year-olds<sup>5</sup>. Of the 1,323 young people, 5% were female and 39% were from a black or minority ethnic background<sup>6</sup>.
10. Young people in custody comprise some of the most troubled and disengaged in our communities. For those sentenced to custody for indictable offences in 2012, just over half (52%) had already experienced a period of custody<sup>7</sup>. Also, half (51%) of the young people released from a custodial sentence in 2011 had 11 or more previous offences<sup>8</sup>.

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<sup>3</sup> The re-offending rates by sector give proven re-offending for young offenders released from custody between April 2010 to March 2011. Youth Justice Statistics 2012, MoJ: January 2013.

<sup>4</sup> Cost per place figures are based on 2012/13. Changes to the estate since then (such as decommissioning of parts of the youth secure estate) are likely to have had an impact on the average cost per place.

<sup>5</sup> Youth Justice Board (2013) Monthly Youth Custody Report, November 2013, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/270240/youth-custody-report-november-2013.xls](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270240/youth-custody-report-november-2013.xls). Data are provisional from April 2012 and for the year 2013/14 the figures are calculated using an 8 month average.

<sup>6</sup> Youth Justice Board (2013) Monthly Youth Custody Report, November 2013, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/270240/youth-custody-report-november-2013.xls](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270240/youth-custody-report-november-2013.xls) Figures are based on young people aged under 18. Data are provisional from April 2012 and for the year 2013/14 the figures are calculated using an 8 month average.

<sup>7</sup> Table A7.6 in the supplementary tables to Ministry of Justice (2013) *Criminal Justice Statistics Quarterly Update to December 2012, England and Wales*. London: Ministry of Justice.

<sup>8</sup> Unpublished internal analysis of Ministry of Justice (2013) *Proven Re-offending Statistics Quarterly Bulletin January 2011 to December 2011, England and Wales*. London: Ministry of Justice. Please note; the cohort upon which this

11. Young people in custody generally have very complex backgrounds, including histories of local authority care, absent parents, disrupted education and in some cases self-harm. A 2012/13 survey of 15-17 year-olds in young offender institutions (YOIs), found that a third of young men and 61% of young women reported being in local authority care at some point<sup>9</sup>. A study<sup>10</sup> in 2010 into the background and circumstances of sentenced young people within the secure estate found:
- 39% had been on the child protection register or had experienced abuse or neglect;
  - 51% of young people in custody come from deprived or unsuitable accommodation; and
  - 76% of young people have an absent father and 33% an absent mother.
12. Many young people sentenced to custody have poor records of educational engagement and attainment, and low levels of basic skills<sup>11</sup>. A significant proportion of young people in custody have special educational needs<sup>12</sup> and behavioural and emotional difficulties<sup>13</sup> that mean they can find it difficult to engage in mainstream learning. They have far more unmet health needs than other children of their age, and studies have shown that around a third of young offenders have mental health issues<sup>14</sup>.
13. A 2012/13 survey of 15-17 year-olds in young offender institutions (YOIs), found that 16% of young men and 17% of young women considered themselves to have a disability<sup>15</sup>. This proportion was broadly the same in a survey of 12-18 year-olds accommodated in secure training centres (STCs), which found that 19% of young men and 17% of young women considered themselves to have a disability<sup>16</sup>.

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figure is based does not represent all young offenders released from custody as some are lost when they are matched to the PNC.

<sup>9</sup> Kennedy, E. (2013). *Children and Young People in Custody 2012/13: An analysis of the experiences of 15-18-year-olds in prison*. London: HM Inspectorate of Prisons/Youth Justice Board. Caution needs to be applied when interpreting these survey findings as the number of young women included in the sample was very small i.e. 16. The sample does, however, represent 88% of young women held in YOIs at the time the survey was conducted.

<sup>10</sup> Jacobson, J., Bhardwa, B., Gyateng, T., Hunter, G., & Hough, M. (2010) *Punishing Disadvantage: a profile of children in custody*. London: Prison Reform Trust.

<sup>11</sup> Education Funding Agency (2012) Internal analysis of admin data, unpublished analysis; Kennedy, E. (2013). *Children and Young People in Custody 2012/13: An analysis of the experiences of 15-18-year-olds in prison*. London: HM Inspectorate of Prisons/Youth Justice Board.

<sup>12</sup> Gyateng, T., Alessandra, M., May, T and Turnbull P (2013) *Young people and secure estate: needs and interventions*. Institute for Criminal Policy Research. Youth Justice Board.

<sup>13</sup> Jacobson, J., Bhardwa, B., Gyateng, T., Hunter, G., & Hough, M. (2010) *Punishing Disadvantage: a profile of children in custody*. London: Prison Reform Trust.

<sup>14</sup> Youth Justice Board for England and Wales (2005) *Mental Health Needs and Effectiveness of Provision for Young Offenders in Custody and in the Community*. London: YJB.

<sup>15</sup> Kennedy, E. (2013). *Children and Young People in Custody 2012/13: An analysis of the experiences of 15-18-year-olds in prison*. London: HM Inspectorate of Prisons/Youth Justice Board. Caution needs to be applied when interpreting these survey findings as the number of young women included in the sample was very small i.e. 16. The sample does, however, represent 88% of young women held in YOIs at the time the survey was conducted.

<sup>16</sup> Elwood, C. (2013). *Children and Young People in Custody 2012/13: An analysis of the experiences of 12-18-year-olds' perceptions of their experience in secure training centres*. London: HM Inspectorate of Prisons/Youth Justice Board. Caution needs to be applied when interpreting figures for young girls and women as they are based on a very small number i.e. 26. However, the study included all people resident in establishments at the time of fieldwork in the sample.



## **Problem under consideration**

### Cost

14. The average cost of a place in youth custody is approximately £100,000 per annum. However, this average cost of £100,000 per place masks a very wide variation between the costs of different sectors of youth custody: in 2012/13 YOIs cost around £65,000 a place per annum, STCs cost £178,000 a place per annum and SCHs £212,000 a place per annum.
15. These costs reflect the complex needs, vulnerabilities and challenging behaviour of the young people in these different custodial establishments. All require close safeguarding and supervision, and many need specialist support. In addition the size of the youth custodial estate limits opportunities to achieve economies of scale.

### Re-offending

16. The re-offending rate of young people leaving custody has remained in excess of 70% since 2000, with little variation between sectors<sup>17</sup>.
17. There are many factors which can influence a young person's likelihood of reoffending, including the supervision and support they receive in the community after release from custody. Among those factors that youth custody can have an impact upon are a young person's educational engagement and attainment when in custody, and the effectiveness with which they are resettled in the community after release from custody.
18. One factor which can contribute to the current high reoffending rate of those who have been in custody is the inconsistent education provision currently in place across the youth custodial estate. The result is that young people in YOIs are receiving an average of only 12 hours education a week. We believe more needs to be done to engage young people in education in custody in order that they raise their attainment and are equipped to enter and remain in education, training or employment on release.
19. The successful resettlement of young offenders requires close cooperation between multiple agencies - primarily Youth Offending Teams, custody providers and local authorities – to ensure that the support young people need is in place on their release. However, too many young people still leave custody without somewhere appropriate to stay, or without a place in college, a job or a training opportunity to go onto. This can contribute to the high levels of re-offending on release from custody.
20. The Transforming Youth Custody programme therefore includes a strong focus on improving current practice in both of these areas.

### Education

21. In addition to being a risk factor that can be associated with offending, education is a service to which all young people are entitled. Indeed, those below participation age (rising to 18 in 2015) are required by law to be involved in education or training.

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<sup>17</sup> Ministry of Justice (2013) *Proven re-offending tables January to December 2011*, Tables 19b and 23, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/254188/proven-reoffending-jan11-dec11-tables.xls](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/254188/proven-reoffending-jan11-dec11-tables.xls).

22. The amount and quality of education delivered in youth custody varies considerably between YOIs, STCs and SCHs. Three sectors of youth custody have led to different education services being delivered across the estate. SCHs and STCs provide 25-30 hours education a week for each young person, with provision slanted towards traditional classroom-based teaching to reflect the younger cohort that these establishments accommodate. YOIs, which accommodate around 70% of the young people in custody, deliver an average of only 12 hours education provision a week to each young person (when contracted to deliver 15 hours per week).
23. This inconsistency is compounded by different inspection regimes across the youth custodial estate. Although both Ofsted and HM Inspectorate of Prisons (HMIP) are involved in the inspection of YOIs and STCs, Ofsted leads the inspection of SCHs and STCs, while HMIP leads the inspection of YOIs.
24. We believe there needs to be a much greater focus on education and training in youth custody in order that young people can gain the skills and qualifications which will help them to pursue education, training or employment on release. Custody can provide a period of stability and the opportunity to tackle offending behavior while raising levels of educational ambition and attainment in young people. To achieve this, education needs to be put at the heart of custodial provision.

## **Evidence on the benefits of improved education and resettlement**

### The benefits of education in custody

25. We envisage there are two key routes through which improvements in education in custody can deliver benefits to society: through contributing to reduced re-offending and through improvements in employability. The following section summarises some of the evidence on the links in these areas.

#### *Education and re-offending*

26. Empirical studies have demonstrated that increasing the provision of mandatory education to young people in the general population can reduce crime, in particular property-related offences<sup>18</sup>. Evidence also suggests that individuals who leave school at the age of 16 have a higher probability than those who do not of being involved in several crime categories at the age of 25<sup>19</sup>.
27. A meta-analysis produced by RAND<sup>20</sup> examined the evidence available from correctional education programmes conducted in US adult prisons. Based on the seven most rigorous studies, a reduction in risk of proven re-offending of 13

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<sup>18</sup> In England and Wales, Machin, Stephen, Olivier Marie, and Sunčica Vujčić (2011) *The Crime Reducing Effect of Education*. Economic Journal 121, 463-484. This study assessed the impact of legal changes to the compulsory school leaving age in the early 1970s. Results showed that 1 year of extra education significantly reduced property crime (i.e. burglary, theft and handling of stolen goods). In the US, Lochner, L and Moretti, E. (2004), in *The effects of education on crime: evidence from prison inmates, arrests and self-reports*. American Economic Review, Vol 94 pp155-89, also showed that increasing high school education provision by 1 year reduced property-related offences. In Sweden, compulsory education provision was extended by 2 years and a study found that this was associated with a decrease in crime. See, Hjalmarsson, Randi, Helena Holmlund and Matthew J. Lindquist (2011). *The Effect of Education on Criminal Convictions and Incarceration: Causal Evidence from Micro-data*. CEPR Discussion Paper 8646, November.

<sup>19</sup> Hansen, K., (2003) 'Education and the Crime-Age Profile', British Journal of Criminology.

<sup>20</sup> Davis, Lois M. et al (2013) *Evaluating the Effectiveness of Correctional Education*, RAND Corporation. The studies reviewed dated from 1980 to 2011. The studies were assessed using the Maryland Scientific Methods Scale and the most robust studies met the Level 4 and 5 criteria.

percentage points was found for those who participated in education in prison versus those who did not.

28. These findings suggest that education programmes in custody – and particularly if they increase the chances of continuing education after release – could lead to reduced re-offending and possibly prevent the young people involved from becoming adult offenders.
29. Responses to the consultation demonstrated strong support for the principal of improving education provision for young people in custody, arguing that this would provide young offenders with the best chance of increasing their educational engagement and attainment, recognising that low levels of engagement and attainment are linked to an increased risk of offending.

### *Education and employment*

30. Extensive literature exists on the relationship between education and employment for the general population<sup>21</sup>. A study commissioned by the UK Department for Education and Employment<sup>22</sup> found that increased literacy and numeracy was associated with increased earnings in the range 5-10% as well as higher probability of being in employment up to 5%. Dearden et al. (2000)<sup>23</sup> found that the wage returns to O level qualifications were around 20% for both genders using data from the Labour Force Survey. Research on vocational training showed those individuals who achieved vocational qualifications of NVQ level 2 are 13% more likely to find employment than individuals with a lower qualification level<sup>24</sup>.
31. Though not specific to young offenders, the literature on adult offenders also provides useful insights, suggesting that increasing education for young people in custody could have beneficial impacts on their adult life.
32. Findings from a RAND meta-analysis of US studies indicate that, on average, the odds of obtaining post release employment for adult inmates who received correctional education whilst in prison were 13 percent higher than for those who had not received correctional education<sup>25</sup>.

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<sup>21</sup> See for example:

BIS (2013) *Youth unemployment: review of training for young people with lower qualifications*, BIS Research Paper Number 101;

DfE (2011) *Youth cohort study of young people in England: the activities and experiences of 19 year olds: England 2010*, DfE Statistical Bulletin;

Bynner, J., Dolton P., Feinstein L., Makepeace G., Malmberg L. and Woods L., (2003) *Revisiting the benefits of higher education* Bedford Group for Lifecourse and Statistical Studies, Institute of Education;

BIS (2011) *Returns to Intermediate and Low Level Vocational Qualifications*, BIS Research Paper Number 53;

DfEE (2001) *Improving Adult Basic Skills, benefits to the Individual and Society*, DfEE Research Report No 251;

Parsons, S. & Bynner, J. (1999) *Literacy, Leaving School and Jobs. The effect of poor basic skills on employment in different age groups*, London, Institute of Education;

Bukodi, E. & Goldthorpe, J.H. (2009) *Class Origins, Education and Occupational Attainment: Cross-cohort Changes among Men in Britain*. London: Centre for Longitudinal Studies.

<sup>22</sup> DfEE Research Report No 251, (2001) *Improving Adult Basic Skills, benefits to the Individual and Society*. The results quoted are from Part 3 - Dearden, L., Reed H., Reened, J., *Estimates of the Impact of Improvements in Basic Skills on Aggregate Wages, Employment, Taxes and Benefits*.

<sup>23</sup> Dearden L., McIntosh S., Mick M., Vognoles A., (2000) *The returns to vocational and academic qualifications in Britain*, Centre for the Economics of Education, London School of Economics.

<sup>24</sup> BIS Research Paper Number 53, (2011) *Returns to Intermediate and Low Level Vocational Qualifications*,. For lists of qualifications details see <http://ofqual.gov.uk/qualifications-and-assessments/qualification-frameworks/levels-of-qualifications/>

<sup>25</sup> Davis, Lois M. et al (2013) *Evaluating the Effectiveness of Correctional Education*, RAND Corporation

As none of the studies reached the required methodological standard (i.e. Level 5 on the Maryland Scientific Methods Scale) and only one study was rated at Level 4, selection bias cannot be ruled out as a potential explanation.

33. A US study by Kling and Tyler (2006)<sup>26</sup> looks specifically at the relationship between prison-based education and re-entry into the mainstream labour market. The study found an increase in post-release quarterly earnings of around 15% for program participants relative to observationally similar non-participants. These earnings gains were concentrated amongst racial/ethnic minority offenders.
34. Other studies on US offenders' population estimate the impact of incarceration on employment opportunities. Visher et al. (2010)<sup>27</sup> find that, among others, working before prison, working while in prison, and arranging a job after release are among the best predictors of employment after custody. A further study by the Washington State Department for Corrections<sup>28</sup> found that 25.5% of offenders who participate in an education programme were employed one year after release, compared to 15.7% of all offenders who were not in the program.
35. These findings suggest increased education in custody could allow former offenders to gain higher earnings and have a higher chance of finding employment after release from custody.

#### The link between resettlement and re-offending

36. A high proportion of responses to the Transforming Youth Custody Green Paper (February 2013) highlighted the importance of resettlement in ensuring sustainable outcomes for young people leaving custody and supporting them to stop offending. This was also raised by the Justice Committee in their recent report on youth justice.
37. Responsibilities for resettlement planning and implementation are shared between Youth Offending Teams (YOTs), local authorities and custody providers. The main risk factors for re-offending relating to resettlement include suitable accommodation and living arrangements, lifestyle, substance use, motivation to change, supportive and stable family and personal relationships, and access to appropriate education, training and employment.
38. A number of initiatives and pilots have been launched by the YJB in an attempt to improve resettlement and therefore have a positive impact upon re-offending. The Resettlement and Aftercare Provision (RAP) initiative was targeted at young people in custody with substance misuse and mental health needs. An evaluation<sup>29</sup> indicated that young people on RAP are more likely to reduce the severity of their substance misuse over time, compared with those not on RAP (based on the smaller follow-up sample). They also tend not to drop out of contact with this voluntary scheme, and have fewer unmet needs than those not on RAP. The evaluation found RAP participants were slightly less likely to re-

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<sup>26</sup> Kling R. J. and Tyler J. H. (2006) *Prison Based Education and Re-entry into the Mainstream Labour Market* NBER working paper. The study uses data on adult offenders aged 18 and above in Florida and their acquisition of General Educational Development while in custody. GED is a test that provides high school equivalent credentials to adult learners who did not complete high school in the United States.

<sup>27</sup> Visher C., debus-Sherill S., Yahner J. (2010) *Employment after prison: a longitudinal study of former prisoners*, Justice Quarterly.

<sup>28</sup> Washington State Department for Corrections, (2011) *Tracking Washington State Offenders Pilot Study: Do Education Programs Affect Employment Outcomes?*.

<sup>29</sup> The Resettlement and Aftercare Provision (RAP) – evaluation findings can be found online: <http://yjbpublications.justice.gov.uk/en-gb/Scripts/prodView.asp?idproduct=474&eP>

offend than a non-RAP sample of young offenders – though the difference between the two groups was small and not statistically significant.

39. Another initiative, the resettlement consortia<sup>30</sup>, was adopted between 2009 and 2012; whereby the YJB started to grant-fund a series of regional-level pilot projects around the country, in which local authority areas worked together on resettlement issues. These projects tried to execute some of the existing learning around resettlement, including greater collaboration between youth justice and other agencies. The three evaluations found that closer working between community agencies and custodial establishments improved information flow around work concerning education, training and employment.
40. A third initiative, Project Daedalus<sup>31</sup>, was launched on 29 September 2009. It focuses on placement of young people closer to home and aims to support young offenders by providing them with access to education, training and employment (ETE). The enhanced 'resettlement' unit within Feltham YOI was developed for young offenders ready to make positive changes during their sentences, and each young offender was given a key worker (a resettlement broker), who tailored a programme of structured activities and training to help prepare them for effective release and reintegration into the community. The final evaluation, showed that the stakeholders and brokers considered that the Programme helped to instill positive attitudes in young people which in turn may have improved their life chances, engagement with ETE and helped reduce their likelihood of re-offending. As the young people involved in Daedalus were motivated to change their behaviour, and in the absence of a comparison group it is not possible to directly attribute change to the programme.
41. The Resettlement, Education, Support, Employment and Training (RESET)<sup>32</sup> initiative showed encouraging results. The scheme ran in three pilot areas, and recidivism varied considerably between the three pilot sites. Overall indicative findings showed that young people benefiting from RESET intervention re-offended at levels below the national average, but further research is required to fully explore the relationship between the nature of the intervention and outcomes.

#### **Organisations in scope of these proposals:**

- MoJ;
- Youth Justice Board (YJB);
- Providers of youth custodial services, including National Offender Management Service (NOMS), Local Authorities (LAs) and private sector providers;
- Young people in custody; and
- Members of the public

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<sup>30</sup> The 'resettlement consortia' – evaluation findings can be found online: <http://www.justice.gov.uk/youth-justice/effective-practice-library/resettlement-consortia-evaluations>

<sup>31</sup> Project Daedalus at the Heron Unit at Feltham Young Offenders Institution – evaluation findings can be found online: <http://www.london.gov.uk/priorities/policing-crime/mission-priorities/project-daedalus>

<sup>32</sup> The Resettlement, Education, Support, Employment and Training (RESET) initiative – evaluation findings can be found online: [http://usir.salford.ac.uk/11318/1/Hazel\\_et\\_al\\_2010\\_-\\_Resettlement.pdf](http://usir.salford.ac.uk/11318/1/Hazel_et_al_2010_-_Resettlement.pdf)

**Option 0 – do nothing/minimum: continuing with the current model of youth custodial provision**

42. Under this option the current high levels of costs would be expected to remain, with limited savings being driven out through the recompetition of existing contracts soon to expire. In addition, we would envisage the current high levels of reoffending continuing and there being no change in the educational engagement and attainment of young people in custody. This would mean that the wider costs to society from youth reoffending would be likely to remain unchanged.

**Option 1**

43. We propose to implement the following improvements to youth custodial provision:

- a. Secure Colleges* – replace existing inefficient and ineffective custodial provision with a new purpose-built pathfinder Secure College in the East Midlands;
- b. Improving existing youth custodial provision* – increasing the quantity and quality of education delivered in YOIs, alongside other reforms to the leadership, staffing and regime in YOIs and clarifying the responsibilities for the commissioning of education in youth custody;
- c. Resettlement* – improving the policies and processes in place to manage each young offender’s transition from custody into stable accommodation and education, training or employment, in the community.

**a. Secure Colleges**

**Aims and outcomes**

44. As outlined in the consultation response, the Government’s long-term vision is for Secure Colleges to accommodate the vast majority of young people in custody. This will ensure greater consistency, efficiency and breadth of service delivery in youth custody than can be achieved by three distinct sectors of youth custody offering differing services and significantly divergent costs.
45. The first step towards this ambition is the development of a purpose-built pathfinder Secure College in the East Midlands. The aim is that this Secure College will achieve significant operating cost savings, improve the level of educational engagement and attainment and contribute to reduced reoffending of those placed in the Secure College through a multi-disciplinary approach to tackling offending behaviour and more effective resettlement in the community on release.
46. The YJB believes that a Secure College could hold around 300 young people. This is based on feedback from market engagement, as well as reflecting that the youth estate has only rarely seen YOIs operating at a capacity of 360 or above. Given the fall in demand for youth custody and that this will be the first Secure College, it is considered reasonable to plan for a capacity of 300 to 350 places in a Secure College. Capital investment will be required to construct a Secure College of this capacity. It is intended that the Secure College will take up to around 320 young people who would otherwise be placed in the YOI, STC and SCH sectors, enabling the closure of some capacity in these sectors.
47. At present the YJB aims for an occupancy rate of around 93% across the estate in order to manage the changing population. On this basis, it is reasonable to

expect that around 300 people will be accommodated within the planned Secure College at Glen Parva at any one time.

## **Costs**

48. We have undertaken detailed modelling of the additional costs that would be expected to be generated as a result of the development of a pathfinder Secure Colleges. However, it would be inappropriate to release these costs, as they will be dependent upon the outcome of competitions for the construction and the operation of a Secure College. If we were to publish figures for the expected future costs, this would give organisations bidding for contracts a target and would therefore prejudice the effectiveness of the competition. For that reason, this impact assessment outlines in a qualitative sense the costs related to the provision of a Secure College.
49. The development and operation of a Secure College is likely to generate costs in the following areas:
- Up-front costs of developing a Secure College: the design, procurement and construction of a Secure College will involve capital investment;
  - Ongoing costs of operating a Secure College: the costs of running a Secure College would involve the staff to operate the site, maintenance, utilities etc; and
  - Transition costs: costs involving the transition from existing to new accommodation, such as the dual running of establishments for a short period after the opening of a new Secure College.
50. By accommodating 12-17 year olds on a site of around 320 beds, we expect to be able to achieve economies of scale which will enable the operating cost per place to be significantly lower than the operating cost per place for the places that would be decommissioned following the opening of the Secure College.

## **Benefits**

51. As outlined above, our analysis of potential Secure College costs and the potential savings from withdrawing from existing capacity indicates that we would expect a Secure College to deliver significant net savings to the Ministry of Justice through reductions in operating costs and the removal of the need to maintain an ageing part of the estate. Decisions on withdrawal from existing youth custodial provision will be taken closer to the opening of the pathfinder Secure College, and in the light of changes in the youth custodial population and a full assessment of the potential impacts.
52. In addition, the Secure College aims to contribute to reductions in re-offending through improvements in the educational engagement and attainment of young people it accommodates, the holistic multi-disciplinary delivery of services to tackle offending behaviour, and the more effective resettlement of these young people into the community on release.
53. As outlined in the evidence section, a meta-analysis of education programmes in adult prisons in the US indicates the potential for prison based education to reduce the likelihood of re-offending upon release from custody.
54. Any reduction in re-offending would lead to significant benefits in terms of reduced societal costs associated with the physical, emotional and financial impact that

crimes committed by re-offenders can have on victims. We also want to see offenders desist completely from crime, to reduce the number of offenders who return to the system. This has the potential to cut the costs of custodial provision, YOTs and probation services, to reduce court backlogs and to allow for savings to legal aid provision.

55. There is also some evidence that improved education in custody can lead to increased earnings in the future for certain groups, and increased employability. While this evidence is not directly related to young people in custody in England and Wales, this does suggest there is the potential for improved custodial education to improve employment opportunities.
56. It has not, however, been possible to quantify the magnitude of any likely reductions in re-offending or improvements in post release employment opportunities. The pathfinder Secure College will allow us to strengthen our evidence base and monitor the effectiveness of this new model of youth custody in these regards.

## **Risks**

57. The key risks around the costs and benefits are outlined below:
  - An unforeseen significant increase in the population could impact the potential to achieve savings from withdrawing from existing capacity;
  - We believe that the Secure College model will be suitable to accommodate younger and more vulnerable children, as well as those aged 15-17 currently accommodated in YOIs. Should the Secure College not be able to accommodate all those envisaged, the savings to be generated from the consolidation of the youth custodial estate would be reduced;
  - As the Secure College model is new, there is an element of uncertainty around the future operating costs;
  - Any delay in the construction and opening of a pathfinder Secure College would delay the savings and improved outcomes that it will achieve.

## **b. Improving existing youth custodial provision**

### **Aims and outcomes**

58. The Government's vision for the transformation of youth custody centres on placing education at the heart of detention. While the introduction of the secure college model aims to achieve this in the longer term, the reform of education provision in public-sector Young Offender Institutions (YOIs) will deliver an immediate improvement to both the quality and quantity of teaching received by the majority of young people in the youth secure estate.
59. Currently education providers in public sector YOIs are contracted to deliver 15 hours a week of education, though on average each young person receives only 12 hours a week. This is supplemented by an additional 10 hours of constructive activity delivered by the National Offender Management Service (NOMS). When existing contracts expire in 2014 we will take the opportunity to secure an enhanced teaching offer based on providers delivering a substantially increased number of hours of education each week; a more holistic and integrated approach, with education providers delivering a wide range of academic, vocational and developmental activity; and a new approach to the arrangement of



the 'core day' in YOIs, minimising the number of interruptions to young people's time in education.

60. There will be further structural changes to public sector YOIs in order to support the aim to increase the quantity and quality of education, outlined above. These include ensuring a headteacher oversees all education provision and has a strong voice in the establishment's senior leadership team; education provision being commissioned by the Ministry of Justice working with the YJB; and targeted recruitment and training of custodial staff in public sector YOIs.

### **Costs**

61. The primary costs of the policy will be contracting providers to deliver an increased number of hours education each week. However, it is anticipated that this will not result in a proportionate increase in costs as there will be some savings due to economies of scale. As with the cost estimates for Secure Colleges above, this impact assessment does not provide a figure for the expected cost of future education contracts as this would risk prejudicing the effectiveness of a competition.
62. There may also be some additional training and recruitment costs, associated with the training and professional development of NOMS custodial staff.

### **Benefits**

63. By increasing both the quantity and quality of the education provided in public sector YOIs these reforms aim to improve the learning outcomes of young people, increasing the likelihood of them entering further education, training or employment on their release.
64. As discussed an improvement in educational attainment and engagement could lead to reductions in re-offending (and the significant associated social costs that re-offending causes), and the improvement in future employment opportunities (both in terms of improved salaries and employability). It has not been possible to quantify the magnitude of any likely reductions in re-offending or improvements in post release employment opportunities.
65. It is likely that headteachers would help to deliver the desired improvements in education, and targeted training would improve the skills of the custodial staff. These changes support the aim to increase both the quantity and quality of the education provided in public sector YOIs. As outlined above, this is aimed at improving the learning outcomes of young people, increasing the likelihood of them entering further education, training or employment on their release. In turn it is hoped that this will contribute to a reduction in re-offending levels, and the social benefits that this can achieve as previously outlined.
66. Transferring responsibility for managing the delivery of education in public sector YOIs from the Education Funding Agency (EFA) to the YJB will ensure that education is better integrated with the delivery of other services in youth custody, providing a more holistic regime for detained young people.

### **Risks**

67. The key risk to costs and benefits is outlined below:

- Effecting significant business change in NOMs and YOIs, including with education and other providers working in YOIs, takes time to achieve.

### **c. Resettlement**

#### **Aims and outcomes**

68. The objective of the resettlement project within the Transforming Youth Custody programme is to support a reduction in re-offending by improving the policies and processes in place to manage young offenders' transitions from custody back into stable accommodation and education, training or employment in the community.
69. The project will focus on improving the work undertaken with young offenders during their time in custody as well as the arrangements in place to support them on release. The key areas of reform are: (1) the establishment of strategic resettlement consortia in four high custody areas; (2) the creation of two regional employer forums; (3) changes to the sentence planning and case work processes in public sector young offenders institutions; (4) a review of release on temporary licence arrangements to ensure that these are being used as effectively as possible to support resettlement; (5) work to explore a role for magistrates in the resettlement process.

#### **Costs**

70. The key anticipated costs associated with the proposed reforms to resettlement, are the costs of the resettlement consortia. We intend initially to extend the consortia approach to a further four areas with a higher demand for youth custody. The YJB estimates that the existing resettlement consortium costs around £250,000 per consortium per year, suggesting an additional cost in the region of £1m per annum for the four further consortia.

#### **Benefits**

71. Evidence of a positive link between resettlement and re-offending outcomes as provided above suggest that increasing planning for resettlement and supporting greater collaboration between relevant agencies – specifically youth offending teams, custody providers and local authorities – can help to secure better resettlement outcomes (more young people in stable accommodation and education, training or employment on release).
72. Any reduction in re-offending as a result of improvements in resettlement would generate significant social benefits as outlined above. It has not been possible to quantify the potential benefits as it is not known by how much improved resettlement outcomes contribute to reductions in re-offending.

#### **Risks**

73. The key risks to costs and benefits is outlined below:
- Employers do not commit to a forum and providing sufficient employment opportunities for young people leaving custody.