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|--|---|--|--|--|
| Title: Extension of Home Detention Curfew period IA No MoJ031/2019: RPC Reference No: N/A Lead department or agency: Ministry of Justice Other departments or agencies: N/A | Impact Assessment (IA) | | | |
| | Date: 11/03/2020 | | | |
| | Stage: Final | | | |
| | Source of intervention: Domestic | | | |
| | Type of measure: Secondary legislation | | | |
| | Contact for enquiries: Miranda Wilkinson (Miranda.wilkinson1@justice.gov.uk) | | | |
| Summary: Intervention and Options | | | | |
| RPC Opinion: N/A | | | | |

| Cost of Preferred (or more likely) Option | | | | |
|---|----------------------------|-------------------------------|-------------------|-------------------------------|
| Total Net Present Value | Business Net Present Value | Net cost to business per year | One-In, Three-Out | Business Impact Target Status |
| £10.7m | N/A | N/A | N/A | Not a regulatory provision |

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

The Home Detention Curfew (HDC) scheme was introduced following the passage of the Crime and Disorder Act 1998. The purpose of the scheme is to effectively manage the transition of offenders from custody back into the community. The scheme enables prisoners to be released from prison early, while remaining subject to significant restrictions on their liberty. The current maximum period that an offender may spend in the community on HDC is 135 days. Extending this period to a maximum of 180 days (6 months) will provide further opportunities for offenders to prepare for the transition from custody to supervision under licence in the community, while subject to strict monitoring conditions. Government intervention is required as extending the maximum period on HDC requires secondary legislation.

What are the policy objectives and the intended effects?

The policy objective is to extend the resettlement benefits of HDC to those already eligible for the scheme by increasing the maximum period to 6 months, enabling them to better manage the release from custody and prepare for supervision on licence in the community. It will also reduce the prison population by allowing suitable offenders to be managed in the community rather than in custody for up to 6 weeks (45 days) longer. In reducing prison population pressures, this may contribute to making prisons safer places for both staff and offenders.

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

- Option 0: do nothing.
- Option 1: legislate to increase the maximum HDC curfew period from 135 days to 180 days

The government's preferred option is option 1 as this best meets the policy objectives. Increasing the period of HDC to 180 days will increase the benefits associated with opportunities to prepare for resettlement, while being consistent with previous increases and maintaining public confidence in the administration of justice. Under the preferred option all those released on HDC will be required, as now, to serve at least half the custodial element of their sentence but some offenders will be released a maximum of 45 days earlier than currently, subject to a corresponding additional period of electronically monitored curfew.

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

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: _____ Lucy Frazer _____ Date: _____ 16/03/2020 _____

Summary: Analysis & Evidence

Policy Option 1

Description: Legislate to increase the maximum HDC curfew period from 135 days to 180 days

FULL ECONOMIC ASSESSMENT

| Price Base Year 19/20 | PV Base Year 19/20 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|-----------------------|--------------------|----------------------|---------------------------------------|--------------|-----------------------|
| | | | Low: £10.0m | High: £11.3m | Best Estimate: £10.7m |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|---|--|----------------------------|
| Low | Optional | £1.9m | £20.5m |
| High | Optional | £2.1m | £23.1m |
| Best Estimate | n/a | £2.0m | £22.0m |

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

This option is not estimated to increase the number of offenders released under HDC but may lead to offenders being released up to 45 days earlier. As offenders will be on HDC for a longer duration of time, our best estimate suggests the policy will increase the HDC population by up to 750 when it reaches steady state, with an initial impact post-implementation of a population increase of between 500 and 650. Our central estimate of the key monetised costs of this increased HDC population would be as follows (rounded to nearest £100k):

- Probation Services: Additional costs for supervision of around £1.4m per annum
- Electronic Monitoring Services (EMS): Additional costs for electronic monitoring of around £0.6m per annum.

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

Any increase in the HDC population may lead to an increase in the demand for beds from Bail and Accommodation Support Services (BASS). Existing and planned BASS capacity is expected to absorb some of the additional demand from this policy change.

Increasing the duration of HDC could lead to more offenders breaching their licence conditions leading to more recalls to custody, creating additional costs to police (for arrest and return to custody) and HMPPS (for processing the recalls).

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|---|--|-------------------------------|
| Low | N/A | £1.0m | £10.5m |
| High | N/A | £1.1m | £11.8m |
| Best Estimate | N/A | £1.0m | £11.4m |

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

HMPPS is expected to benefit from prison population reduction which are assumed to be equivalent to the increased HDC population. This option is estimated to provide annual steady state savings as between £1.0m and £1.1m.

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

Earlier resettlement could limit the harmful effects of custody and have a positive impact for offenders and their families; for example, earlier re-employment will allow them to support themselves and their families earlier in their sentence. Reducing the prison population will contribute to reducing crowding and improving the prison conditions for both offenders and staff, and subsequently enable prisoners to feel safer, calmer and readier to engage in their rehabilitation.

Key assumptions/sensitivities/risks

Discount rate

3.5%

- Release rates, average delays from eligibility to release, recall rates and average time of recall are assumed to remain as currently observed for this group. There is a risk that these may not remain constant.
- While impact estimates show an initial spike in demand for BASS accommodation suggesting delayed release for some offenders, the central scenario assumes that BASS will be able to meet any additional demand long-term, arising from this change, by utilising currently unoccupied bed space and increasing the total number of beds available.
- Insufficient staff resources to manage the additional population poses a risk that offenders may not be released as early as this option allows.
- A 20% 'optimism bias' has been built into all estimated impacts (costs and benefits), as is standard practice in IAs.

BUSINESS ASSESSMENT (Option 1)

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

EVIDENCE BASE

A. Background

1. Current release provisions, set out in part 2 of the Criminal Justice Act 2003, require that offenders serving standard determinate sentences must be released at the halfway point of their sentence (the 'conditional release date'). The Home Detention Curfew (HDC) scheme, which became available in 1999 following the passing of Crime and Disorder Act 1998, enables certain offenders to be released ahead of this halfway point.
2. The policy objective of the HDC is to enable suitable and eligible offenders to be released early from prison, in order to have a transition period between leaving custody and beginning supervision in the community on licence. During this transition period, they are subject to restrictions that limit their movements and activity but are able to begin reintegrating into the community sooner. In particular, offenders must be subject to an electronically monitored curfew at their home address and, since April 2019, may also be subject to electronic monitoring of their location beyond the home address where this is considered necessary and proportionate.
3. Certain categories of prisoner are statutorily excluded from HDC, principally¹:
 - those sentenced to 4 years or more;
 - those sentenced to less than 12 weeks;
 - terrorist offenders;
 - those liable to deportation;
 - those who have previously breached the curfew condition of HDC; and
 - registered sex offenders.
4. Other offenders are, as a matter of policy, presumed to be unsuitable for the scheme in the absence of exceptional circumstances. Offenders presumed to be unsuitable for release on HDC include those serving a sentence for cruelty to children and homicide.²
5. When the HDC provisions were commenced in 1999 the maximum HDC period was 60 days. This was increased to 90 days in 2002 and to 135 days in 2003. The offender must serve at least a quarter of the sentence (or a minimum of 28 days, whichever is greater) in custody before release on HDC. These limits combine to give a tapering effect depending on sentence length, as seen in Table 1 below.

Table 1: Current minimum custodial terms and maximum curfews by sentence length

| Sentence length | Minimum custodial term | Range of curfew lengths |
|------------------------------------|-----------------------------------|-------------------------|
| 12 weeks to 16 weeks | 28 days | 2 weeks to 4 weeks |
| 16 weeks to 18 months ³ | One quarter of sentence | 4 weeks to 135 days |
| 18 months to less than 4 years | 135 days before sentence midpoint | 135 days |

6. In January 2018, the HDC process was amended to make it more streamlined and straightforward to administer, reflecting the original policy intention that most offenders eligible for the scheme should be released. This has resulted in a 36% rise in the number of offenders on HDC in the community at any one time (the HDC population) from around 2,200 at the end of 2016/17 to around 3,000 at the end of the 2018/19.⁴

¹ This list is not exhaustive, for full details of HDC eligibility see Criminal Justice Act 2003 s.246

² For full details of those presumed unsuitable see Home Detention Curfew Policy Framework <https://www.gov.uk/government/publications/home-detention-curfew>

³ Note that we regard a month as comprising a fixed 30 days

⁴ *Offender management statistics quarterly publication*

7. The objective of the options assessed in this Impact Assessment (IA) is to further extend the resettlement and rehabilitative benefits of HDC to those offenders eligible for the scheme, i.e. those offenders not statutorily excluded or presumed to be unsuitable, by increasing the maximum period from 135 days to 180 days (6 months).

B. Policy Rationale and Objectives

8. The conventional economic approach to government intervention is based on efficiency and equity arguments. The government may consider intervening if there are failures in the way markets operate (e.g. monopolies overcharging consumers) or there are failures with existing government interventions (e.g. waste generated by misdirected rules). The proposed new interventions should avoid creating a further set of disproportionate costs and distortions. The government may also intervene for equity (fairness) and re-distributional reasons (e.g. to reallocate goods and services to groups in society in more need).
9. The primary rationale and policy objective for the options assessed in this IA is efficiency. Extending the maximum HDC period from 135 days to 180 days will further limit some of the harmful effects of custody which will have a positive impact for offenders and their families: for example, earlier re-employment will allow them to support themselves and their families earlier in the sentence.
10. Evidence suggests that the monitoring may help with rehabilitation. Research published in 2018 into the experience of being electronically monitored indicates that, for some, the period of electronic monitoring can be an opportunity to break habits and limit opportunities to commit crime, enhance chances for employment and training, and help to develop or maintain positive relationships. Each of these can be important in helping offenders desist from crime in the longer-term⁵.
11. Research published in 2011 found that HDC is an effective way of managing offenders suitable for release under the scheme. A like-for-like comparison based on offenders' characteristics and sentence length showed that those released on HDC were no more likely to engage in criminal behaviour during the first two years after release from custody. This analysis included the additional time that offenders on HDC spend in the community in the two-year reoffending period⁶.
12. Extending the maximum HDC period will also reduce the prison population by allowing suitable offenders to be managed in the community rather than in custody for up to 45 days longer. This will contribute to improving prison conditions and enable prisoners to feel safer, calmer and readier to engage in their rehabilitation. A reduction in prison population may also contribute to making them safer places for staff and other offenders.

C. Affected Stakeholder Groups, Organisations and Sectors

13. The following groups will be most affected by the options considered in this IA:
 - HM Prison and Probation Services (HMPPS)
 - Electronic Monitoring Services (EMS)
 - Police service
 - Bail and Accommodation Support Services (BASS)
 - Offenders eligible for the HDC scheme (and their families)
14. HMPPS includes prisons, the National Probation Service (NPS), and Community Rehabilitation Companies (CRCs) providing probation services on behalf of the Ministry of Justice. Existing CRC contracts will require an amendment to accommodate any change of service, while they remain in

⁵ <https://www.gov.uk/government/publications/the-experience-of-electronic-monitoring-and-implications-for-practice-a-qualitative-research-synthesis>

⁶ <https://www.gov.uk/government/publications/the-effect-of-home-detention-curfew-on-recidivism>.

place. Following their termination, the NPS will take over all supervision of offenders on licence, under probation reforms announced in May 2019. BASS provides accommodation to offenders on bail and after release from prison if they lack their own housing.

D. Description of Options Considered

15. To meet the policy objectives, the following options are assessed in this IA:

- **Option 0: Do nothing:** Make no changes to the maximum periods of HDC eligibility;
- **Option 1: Legislate to increase the maximum HDC curfew period from 135 days to 180 days**

16. The preferred option is Option 1 as it best supports the policy objectives.

Option 0: Do nothing

17. Under option 0, it is assumed that the HDC population would follow existing trends and remain stable against the figures that have been observed since the changes to the process from January 2018.

Option 1: Legislate to increase the maximum HDC curfew period from 135 days to 180 days

18. This option would involve introducing a Statutory Instrument (SI) to increase the current maximum time on HDC from 135 days to 180 days (six months).

19. Existing constraints on the minimum custodial terms – that an offender must serve at least a quarter of their sentence or 28 days in prison (whichever is greater) to be eligible for HDC – will continue, meaning this option will only affect offenders with sentences over 18 months. The effect of this option on how long offenders serving different sentence lengths could spend on a curfew with an electronic tag (in addition to supervision on the community) may be seen by comparing Table 2 to Table 1.

Table 2: Minimum custodial terms and maximum curfew lengths under Option 1

| Sentence length | Minimum custodial term | Range of curfew lengths |
|------------------------------|-----------------------------------|-------------------------|
| 12 weeks to 16 weeks | 28 days | 2 weeks to 4 weeks |
| 16 weeks to 18 months | One quarter of sentence | 4 weeks to 135 days |
| 18 months to 2 years | One quarter of the sentence | 135 days to 180 days |
| 2 years to less than 4 years | 180 days before sentence midpoint | 180 days |

20. Our assumed implementation date for this option is 4 August 2020.

E. Cost and Benefit Analysis

21. This IA follows the procedures and criteria set out in the IA Guidance and is consistent with the HM Treasury Green Book.

22. Where possible, IAs identify both monetised and non-monetised impacts on individuals, groups and businesses in England and Wales with the aim of understanding what the overall impact on society might be from the proposals under consideration. IAs place a strong focus on monetisation of costs and benefits. There are often, however, important impacts which cannot sensibly be monetised. These might be impacts on certain groups of society or data privacy impacts, both positive and negative. Impacts in this IA are therefore interpreted broadly, to include both monetisable and non-monetisable costs and benefits, with due weight given to those that are not monetised.

23. The costs and benefits of each proposal are compared to option 0, the counterfactual or “do nothing” scenario. As the counterfactual is compared to itself, the costs and benefits are necessarily zero, as is its net present value (NPV).
24. There is some uncertainty around the future volume of HDC caseload, with the most likely driver of future demand being the recruitment of 20,000 police officers. It is unknown how police will prioritise their workload and emphasis, so the impacts of Option 1 are presented under 3 scenarios:
- **Low:** Police take a “Serious Focus”, that is concentrating on lower volume but higher harm crimes. It is likely that those convicted of such crimes would be less likely to qualify for HDC under the current regime and its exclusions.
 - **Central:** Police continue to pursue their current prioritisation for types of crime investigated and brought to justice. It is likely that this approach would not alter the mix of cases eligible for HDC, so volumes reflect only the extended period of time the current caseload might spend on HDC.
 - **High:** Police take a “Visible Policing” approach, that is concentrating on high volume crime. It is likely that those convicted of such crimes would be more likely to qualify for HDC as they may be more likely to receive shorter sentences which are eligible for the scheme.
25. Estimates under each scenario assume all necessary preparations and resources are in place to facilitate the additional releases, so that assessments and referrals are undertaken in advance, and that the majority would be released on their implementation date. If all preparations are not in place, these figures will be over-estimates.
26. The annual costs and benefits are presented in steady state throughout this IA. All estimates, unless stated otherwise, are annualised figures in 2019-20 prices rounded to nearest £100k.
27. Unless otherwise stated, at 20% optimism bias has been applied to all impacts (costs and benefits).

Option 1: legislate to increase the maximum HDC curfew period from 135 days to 180 days

28. Before detailing the costs and benefits of option 1, we set out the estimated impacts of the change in terms of changes to the population of HDC cases and the prison population itself.
29. We consider every addition to the HDC population to be a saving from the prison population.
30. The impacts are based on prison population projections and custodial sentences given within an historic period that would be affected by the policy, i.e., between the beginning of 2018 and 2030⁷.
31. All impacts of this option relate to offenders serving sentences of more than 18 months and less than 4 years being released earlier in their sentence than at present and therefore remaining on HDC for longer (as detailed in Table 2 above). This option will not affect eligibility for HDC release or alter the process by which a decision is made regarding their release on HDC.
32. There will be an initial backlog of people on the date of implementation who will immediately become eligible due to that date falling between their eligibility dates under the new rules and Option 0, respectively. The effect of this is a spike of up to 650 in the estimated releases for the month in which the implementation date falls, August 2020, after which we would not expect any rise in demand as a result of this change. Capacity constraints in BASS accommodation may mean around 150 HDC eligible prisoners may experience a delay in their release, meaning this initial spike of releases could be as low as 500.
33. The impact of the policy change is felt immediately and the additional caseload is stable after the initial spike. Increasing the maximum number of days of HDC available does not increase the total

⁷ For more information around prison population projections, please consult <https://www.gov.uk/government/statistics/prison-population-projections-ns> (although this is not the particular instalment used here)

number of prisoners eligible for HDC release, so the size of the HDC cohort remains broadly constant over the forecast period. The recruitment of an additional 20,000 police officers means the total impact increases over the forecast period, from an initial HDC population increase of 500 to 650 reaching steady state of up to 750 in 2025-26 in the central estimate.

34. MoJ statistics show that there were 3,533 BASS referrals relating to HDC in 2018-19⁸ and 14,177 total releases onto HDC for the same period⁹. Therefore, 25% of offenders released on HDC were referred to BASS as they did not have suitable accommodation into which to be released.
35. BASS accommodation has a limited capacity. We have assumed 80% of BASS capacity is available for HDC releases which is in line with the allocation of BASS beds in 2018/19¹⁰. We have further assumed no change to the current position, in which approximately 20% of BASS referrals are rejected. Increases in HDC demand could lead to some eligible offenders not being released due to limited capacity, as offenders awaiting BASS accommodation would remain in custody. Some offenders eligible for very short HDC release will inevitably reach their automatic release point while waiting for BASS accommodation and hence not be released on HDC.
36. The initial spike in HDC demand means there will be a corresponding spike in demand for BASS beds around the policy implementation date. Separate analysis of BASS occupancy suggests that there may be around 150 prisoners queuing for BASS accommodation in the short-term, and those on the shortest sentences will reach their automatic release point while waiting. This means that the initial volume of releases could range between 500 and 650. Nevertheless, we estimate that after six months any additional delays for offenders awaiting release into BASS accommodation will be alleviated. For this reason, we assume BASS capacity does not affect the overall estimates in the long-term.
37. For each scenario we assume the impact on recall would be negligible and that the rate of recall remains constant with the 16% observed for the affected cohort of offenders released in Q4 2018¹¹.
38. The issues and risks associated with these – and other – assumptions are detailed in section F.

Costs of Option 1

Monetised costs

39. Increased costs to both probation and EMS costs from the additional HDC caseload. Under the central scenario, an estimated 750 additional offenders will be managed by probation and electronically monitored and is estimated to cost **£2.0m** per annum. The population is estimated to vary between 700 and 800, with associated costs between **£1.9m** and **£2.1m** (rounded to nearest £100k).

Probation Services

40. Under the steady state, assuming all necessary preparations and resources are in place, the model estimates an additional HDC population of up to 750 offenders, as the central estimate, who will therefore be under supervision in the community rather than in custody.
41. For the purposes of this IA we cost impacts based on the tiering of the HDC-eligible cohort of offenders (as of 31 August 2018). This tiering informs the staff allocations per offender between probation B3 and B4 staff as well as the number of hours dedicated to each offender over the course of their time under supervision. Additionally, unit costs for probation also cover administrative support, staff management, and cost of living increases in pay.

⁸ <https://data.justice.gov.uk/contracts/bass>

⁹ <https://www.gov.uk/government/statistics/offender-management-statistics-quarterly-april-to-june-2019>

¹⁰ <https://data.justice.gov.uk/contracts/bass>

¹¹ *Offender management statistics quarterly publication*; rates are based on the proportion of those released in the given quarter who are recalled from HDC within the same, or ensuing, two quarters, given that offenders may currently spend at most 135 days on tag.

42. Based on this we arrive at an estimated annual steady state cost (in 19-20 prices) of **£1.3m to £1.5m**. These are the estimated additional staff costs for supervision of offenders under licence only.
43. These estimates assume that eligible offenders continue to be released on HDC at the same rate as now. However, there is a risk that offenders are not released as early as this option allows for, if there are insufficient staff resources to manage the additional population.

EMS

44. The additional HDC population will require electronic monitoring. Based on internal analysis we expect no additional monitoring costs as the population increase is not large enough to trigger additional cost requirements. We do expect an increase in equipment costs of around **£0.6m** under all three scenarios. This includes an assumption that 10% of the HDC cases will have a satellite-enabled location monitoring tag fitted that can monitor location based conditions, for example, an exclusion zone, as well as a curfew rather than a Radio Frequency-enabled device that can only monitor a curfew.

Non-monetised costs

Police service

45. As some offenders will spend up to an additional 45 days on HDC under this option, it is possible that there could be an increased incidence of recall arising from the increased risk of offenders breaching their licences during this extra period. This could lead to more work for the police service (for arrest and return to custody) and HMPPS staff involved in the administration of the recall process.
46. Such impacts are expected to be marginal given that there will be the same number of releases under Option 1 and Option 0. However, it is unclear how being released at an earlier point in a sentence of 18 months to 4 years may impact on the likelihood of recall.

Benefits of Option 1

Monetised benefits

HMPPS

47. Any impacts on the prison population will have a significant interdependency with other wider systemic policies occurring at the time. This means that a reduced prison population would not necessarily translate into the closure of prison cells, wings or entire prisons.
48. It is deemed to be unlikely that the impacts forecasted by this change – around 700-800 fewer prisoners in the steady state – will be sufficient to result in closure of prison capacity though it could facilitate a reduction in crowding.
49. As such, when considering the monetisable costs avoided from reductions of the prison population it is not necessarily appropriate to use the cost per prisoner figure in the HMPPS Annual Report and Accounts of £26,133¹² which is derived from the expenditure recorded directly in all prisoners divided by the average prison population over the year.
50. Therefore, we use a marginal cost per prisoner of £1,500¹³, which translates to the additional cost per year of housing an offender where their addition to the prison estate simply leads to an increase in the prison population with no effect on fixed overheads.
51. This leads to estimated annual costs avoided of **£1.0m to £1.1m**.

¹² <https://www.gov.uk/government/statistics/prison-performance-statistics-2017-to-2018>

¹³ Sourced from HMPPS internal analysis

Non-monetised benefits

HMPPS

52. The change may contribute to making prisons safer places for both prisoners and staff, by delivering a modest reduction in prison population thereby enabling staff to be better placed to work with prisoners.

Offenders eligible for HDC, and their families

53. Offenders eligible for HDC would benefit from longer periods of time to settle into their post-release phase, bridging the gap between incarceration and standard licence. Earlier resettlement into the community will also mean they will be able to support themselves and their families earlier in the sentence.

F. Assumptions, Risks and Sensitivity Analysis

54. The impacts estimated in this IA are based on certain assumptions. These assumptions, and the associated risks, are described in Table 3 below.

Table 3: Risks and Assumptions

| Assumptions | Risks / uncertainties |
|---|---|
| HDC eligible case volumes are estimated from current departmental prison population demand projections. | Actual prison volumes may vary from departmental projections. |
| Rates of release to HDC will remain constant at current levels | Actual release rates may vary from those previously observed. |
| Delays between date an offender becomes eligible for release on HDC and their actual release will not be affected by the preferred option. | Earlier releases could be delayed due to insufficient staff availability, given the current staffing and recruitment pressures observed in probation services. Offender Managers must carry out pre-release planning with prisoners who are approaching their conditional release date. Bringing forward the HDC eligibility date for offenders serving sentences over 18 months may mean there is insufficient time to prepare for their release at this date, reducing the realisable impacts of the policy change. Increased delays could have a negative impact on the realisable impacts of this option. |
| Rates of recall will not be affected by the preferred option. | Some offenders will be released on HDC up to 45 days longer than under the current policy meaning there is more time for them to breach their licence conditions. Therefore, it is possible that recall rates will increase which would reduce the prison place savings and result in additional costs to HMPPS and the police service. |
| HDC will lead to avoidance of prison costs. Since we will not decommission wings or whole prisons, we have used the marginal cost per prisoner of £1,500 to cover housing costs only. | |

| | |
|--|--|
| <p>Probation cost impacts based on the tiering of the HDC-eligible cohort of offenders (as of 31 August 2018). This tiering informs the staff allocations per offender between probation B3 and B4 staff as well as the number of hours dedicated to each offender over the course of their time under supervision. Additionally, unit costs for probation also cover administrative support, staff management, and cost of living increases in pay.</p> | <p>Should the mix of risk levels of offenders on HDC change, the hours of supervision required would shift resulting in variation on overall probation costs.</p> |
| <p>All impacts assume all necessary preparations and resources are in place to facilitate the additional releases, vis., in probation and EMS.</p> | <p>It may be the case that probation services may not be sufficiently prepared to release the initial spike in cases causing additional unanticipated delays.</p> |
| <p>80% of BASS capacity is available for HDC prisoners and 20% of HDC referrals to BASS are rejected.</p> | <p>Because of the sudden increase in HDC demand, the rate of BASS referral rejection could increase due to lack of administrative capacity which would mean fewer people actually get released into BASS and limiting the initial spike further.</p> |
| <p>The modelling assumes that the capacity limits on BASS do not impact the estimated increase in the HDC population</p> | <p>BASS capacity may cause a small number of offenders eligible for release to queue for BASS accommodation, some may reach their automatic release point while waiting. There is a risk, therefore, that the immediate impact of the policy may be less than estimated in the short-term.</p> <p>Any queues for BASS accommodation around the implementation date caused by the immediate increase in demand are estimated to be alleviated after around six months, meaning that there is expected to be no long-term effect of BASS capacity constraints.</p> |
| <p>The mix between satellite-enabled tag (10%) and Radio Frequency-enabled tag (90%) does not change.</p> | <p>As satellite-enabled tags are a recent additional tool to support offender management in the community, it may become a more popular option for decision-makers meaning that the mix of approach to monitoring could change triggering additional purchase of monitoring equipment.</p> |
| <p>An optimism bias of 20% is applied to all impacts.</p> | <p>This standard practice to account for unforeseen costs or over-estimated benefits. Therefore, it may be the case that monetised costs and benefits are lower than forecast.</p> |

G. Wider Impacts

Equalities

55. The preferred option will simply amend the maximum period on HDC without changing the criteria for eligibility or the process by which HDC is granted to eligible offenders. Consequently, we do not foresee any change in the treatment of affected groups to that observed under Option 0. Our assessment is that this policy is not directly discriminatory within the meaning of the Equality Act 2010, as the changes from the preferred option apply in the same way to all prisoners eligible for HDC, regardless of their protected characteristics. Whether or not the extension applies is not a matter of discretion, it is automatically added to the HDC eligibility period for those sentenced to 18 months or more. An equality impact assessment has been undertaken in preparation for this change.

Better Regulation

56. These proposals do not meet the definition of regulation under the Small Business Enterprise and Employment Act 2015. Any costs which arise will not score against the department's business impact target and will met by MoJ and HMPPS.

H. Monitoring and Enforcement

57. The impact of the changes will be monitored closely by MOJ and HMPPS jointly. Prison population and HDC release data is monitored weekly and an HMPPS HDC Working Group will oversee the implementation period to assess the impacts are as assessed here.