

**Beyond**  
YOUTH CUSTODY

**RESETTLEMENT WORK  
WITH YOUNG PEOPLE:  
USING INDIVIDUAL  
CASE STUDIES TO  
ASSESS COSTS AND  
BENEFITS**



LOTTERY FUNDED

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## 1. The costs and benefits of resettlement work

Members of the Beyond Youth Custody (BYC) team have been gathering information about the costs and benefits of resettlement work with young people for many years. We are now consolidating some of that evidence, as well as broadening out new strands of economic evaluation research as part of our work programme.

Effective resettlement obviously has a wide range of positive benefits, both to individual young people and to wider society, but the evidence in the wider literature and in our own research also suggests very strongly that ‘getting it wrong’ can be enormously expensive to a range of stakeholders. Pioneering research, such as that undertaken by the Audit Commission (1996), highlighted some of these costs at an aggregate level, and other research has focused on how lost opportunities for intervention and support can generate significant costs over time in the lives of individual young offenders (e.g. see Liddle, 1998).

Issues concerning costs and benefits are therefore of key importance to the field, not least because budgets continue to be under considerable pressure in the current economic climate. There is a pressing need for evidence concerning the costs and benefits of different approaches to inform decision-making at several different levels.

This briefing focuses on how individual case studies can be used to help us understand and demonstrate the costs and benefits of resettlement work with young custody-leavers. The BYC team will be publishing further work in this area in the coming months.

The following section explores specific areas that should be considered as part of a cost-benefit assessment; we then make some reference to key concepts. The main section provides some examples of costed individual case studies, and uses presentations from those studies to illustrate a range of different ways in which the cost-benefit dimensions of resettlement work with individual young people can be highlighted.

The briefing ends with some comments on cost-benefit trajectories, and on the scope for using costed case studies to draw conclusions about wider groups of young offenders.

## 2. What should be costed?

Decisions about which areas to focus on when assessing the costs and benefits of resettlement work need to be informed first of all by a listing of key areas of change or impact that are associated with a particular resettlement project or programme and, for most resettlement work with young people, those areas will range more widely than impacts on reoffending.

There are, however, various ways in which key areas of change might be identified and prioritised. In some cases the funders of resettlement work will focus on particular outcomes and not others, and service providers in receipt of such funding will therefore feel a need to focus on (and measure impact on) those areas. A programme of resettlement work might have a strong employment focus, for example, and providers might be required to measure impact in terms of jobs secured or training programmes accessed. In other cases there might also be issues concerning an apparent lack of available measures or methods for assessing change. Service providers often highlight the key importance of emotional or other ‘soft’ intermediate outcomes<sup>1</sup> but might be unsure about whether (or how) these could be measured reliably.

In spite of the constraints on the ways in which resettlement outcomes might be prioritised, our own research suggests very strongly not only that resettlement is a process (rather than an event), but that it will often involve focusing on a variety of vulnerabilities and areas of need. Impacts on offending are of great importance, but positive changes in other areas focused on in resettlement

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<sup>1</sup> Sometimes referred to as ‘distance travelled’ or ‘intermediate outcomes’ in the literature (see Maguire et al. (forthcoming), and Liddle et al. (forthcoming)).

work can have significant cost-benefit dimensions on their own, and can also be strongly related to reoffending (and other) impacts themselves.

Feedback from our consultation work with service providers across the resettlement field also suggests that, although impacts on reoffending are an important goal for most who work with young custody-leavers, they also aim to bring about positive change in relation to key areas of need such as accommodation, education, health, and so on.<sup>2</sup> In addition, most providers assess their own effectiveness in terms of the extent to which they help to facilitate positive outcomes in these areas.

For all these reasons it is important for economic evaluation research to examine a broad range of resettlement outcomes, but also to be aware of limits to the range of impacts which can actually be monetised. Both provider consultation feedback and our own research suggests that increases in self-confidence, motivation and resilience can be of crucial importance to wider outcome areas such as employment or substance misuse for example and, more widely, to desistance itself. But as noted above, soft outcomes of the former sort cannot be monetised easily, although further research is being undertaken to establish clearer linkage between those outcomes and others that are more easily costed.

In terms of broad outcome categories which can be readily costed to some extent using existing tools, we focus on a wide range of areas in our own work including:

- Health (mental and physical)
- Education, training and employment
- Benefits and debt
- Accommodation
- Offending and antisocial behaviour
- Substance misuse
- Domestic violence
- Families, child care, and safeguarding issues

Some of these categories include a wide range of more specific, costable items within them, sometimes also at different levels of aggregation – e.g. ‘health’ can include costs relating both to specific events or incidents (such as a range of different types of visit to A&E), and to particular periods of treatment or intervention (e.g. the annual cost to a range of relevant agencies, of a client with particular mental health difficulties).

The ‘offending and antisocial behaviour’ category also includes a wide range of estimates by offence type, as well as the costs of particular kinds of criminal justice events such as an arrest, for example.

In addition to variations within some of the above categories, it is also possible to estimate costs within each category by type – with many estimates focusing only on fiscal costs, for example, and others focusing on wider social and/or economic costs.

There are a very wide range of estimates available for assessing costs and benefits relating to each of these broad areas. One particularly good source is the New Economy toolkit<sup>3</sup>, widely used by economic evaluators, which also has the advantage of allowing costs and benefits to be assessed in terms of a range of key agencies or stakeholders who accrue such costs and benefits.

In our own case study work we have drawn from the New Economy and other toolkits but we have also supplemented some of these cost estimates with bespoke measures of our own, where either the costs of particular kinds of event or incident have not been estimated in the literature, or where we have made more precise and/or up-to-date estimates.

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<sup>2</sup> Feedback of this kind also resonates with a focus in the literature on the ‘seven resettlement pathways’ model for example, to which a further two areas were added specifically in relation to women offenders – the resulting ‘nine pathways’ are Attitudes, Thinking and Behaviour, Accommodation, Drugs and Alcohol, Children and Families, Health, Education, Training and Employment, Finance, Benefit and Debt, Abuse, and Prostitution.

<sup>3</sup> The New Economy toolkit has several components. There is a useful set of guidance notes – Supporting Public Service Transformation: Cost benefit analysis for local partnerships; HM Treasury, Public Service Transformation Network; New Economy, April 2014 – and a unit cost database, the most current version of which is Unit Cost Data Base v1.4; Supporting Public Service Transformation: Cost benefit analysis for local partnerships; HM Treasury, Public Service Transformation Network; New Economy, March 2015. The latter is in EXCEL format, as is the main tool itself – Greater Manchester Cost Benefit Analysis Tool, version 4.2, March 2015.

## 3. Key concepts

Before providing some examples of costing work applied to individual case studies, it is worth highlighting some key distinctions/concepts that are utilised in the presentations given in following sections.

### 3.1 Reactive and proactive/investment costs

In presenting costs and benefits relating to individual case studies, we have used a distinction also found in the economic evaluation literature, concerning reactive vs proactive costs.

Costs that we have termed reactive are those that are essentially about dealing with or processing negative events or incidents. Costs associated with responding to a suicide or a road accident, for example, are essentially reactive in this sense – they are costs involved in dealing with an incident and its immediate aftermath, and they cannot be said to have any lasting purpose beyond that.

Similarly, costs associated with an appearance in A&E, or with an individual spending a night in a police cell for drunkenness, are essentially reactive. These costs are about containment, reducing immediate danger to the public, and ensuring health and safety in the immediate term.

Proactive costs are those costs which are, in a sense, more future-oriented than reactive costs – they can be thought of as investment costs. In this case, investments in activities which themselves have some scope for reducing the occurrence of problematic or negative incidents in the future.

A drugs worker who intervenes with custody-leavers to try and link them up with harm reduction services, for example, does generate direct costs to the public purse – but these costs are incurred at least partly to reduce the scope for problematic behaviour in the future. To the extent that an offender with a drugs problem engages successfully with substance misuse services, the scope for generating benefits (in terms of negative incidents avoided in the future) is broadened.

The distinction is similar to ones used in research designed to estimate public expenditure on substance misuse for example (Moore, 2008; Vander Laenen et al., 2008) and, more broadly, the distinction is very close to that used by organisations such as the Early Intervention Foundation – where they draw a distinction between early and late intervention costs (Chowdry and Oppenheim, 2015).

As with many such distinctions there are of course cases where it is less clear how a particular cost should be categorised, but we have used the distinction in some of the following presentations.

### 3.2 Changes in cost mix, over time

Using the above distinction, it is possible to illustrate shifts in the mix of reactive and proactive costs relating to a specific individual over time. Increases in the proportion of proactive costs are usually also associated with the generation of benefits over time which can be monetised, but even on their own such shifts arguably illustrate a move toward expenditure that is more managed and strategic in nature. It is therefore worth measuring and presenting such shifts when we are costing individual case studies.

It is worth noting that, where overall expenditure on an individual is low or very low, shifts in cost mix are generally of less interest because relative percentages are calculated on small numbers.

### 3.3 Net value over time, break-even points

When the approach outlined in the following section is taken, it is possible for cumulative totals for all costs and benefits over time to be compared, so that a cost-benefit trajectory can be calculated and presented for individual clients.

That trajectory can be represented in such a way that ‘break-even points’ can be identified on a timeline for an individual. Break-even points are points in time where a client’s overall level of ‘expensiveness’ shifts, so that they are in effect generating net benefits beyond that point in time (i.e. benefits over and above all of the various reactive and proactive costs associated with them).

## 4. Costing individual case studies

As used in programme or project evaluation research in particular, individual case studies are in effect ‘stories’ about:

- A particular individual and their background
- Their level and type of need, both prior to involvement in a particular programme or project, and during their involvement
- The form, intensity and duration of their involvement with the programme and with other agencies (again, both prior to joining the project, and during their involvement)
- Their progress over time in relation to key areas of need

Although case studies covering the above areas can be very useful for illustrating complex causal connections, they are often not easy to cost without the addition of more specific information.

Being based largely on case file information, information from project databases, and general feedback from staff and clients, written up case studies will typically use phrases such as “X dramatically reduced her use of substances over a 6 month period”] or “X was frequently involved in antisocial behaviour prior to joining the project”. Claims of this kind are still highly useful for a wider evaluation, but a defensible cost-benefit story does require a higher level of countable events to work with. Therefore, a key initial step is to ensure that the evidence concerning key incidents/behaviours and responses to these within an individual case study are carefully detailed, using ‘official data’ wherever possible.

Our approach to assessing the cost-benefit dimensions of specific interventions with a young custody-leaver involve several key steps:

- Supplementing case study information where necessary, to include specific details concerning incidents/behaviours and responses to these over time
- Calculating appropriate unit costs for the particular service or intervention (using calculated figures for different client groups, according to the intensity and duration of their involvement)
- Plotting such costs over time for that individual (using either monthly averages or more precise figures if they are available)
- Plotting costs related to other services that the individual uses both before and during the intervention of interest
- Identifying which areas of need were relevant to that individual, and selecting the most robust cost estimates available for those areas of need, to use in plotting costs (both reactive and proactive) and benefits over time for that individual

When augmented and costed in this way, individual case studies can allow us to:

- Illustrate how levels of expenditure and investment change over time in relation to particular clients
- Identify shifts in key types of cost – in particular, shifts in weighting between reactive and proactive costs
- Identify break-even points on a time line
- ‘Extrapolate up’ to wider sub-groups, where possible

## 5. Some examples

In this section we provide examples of costed individual case studies and include several presentations for the same individual in each case.

The case studies are all young custody-leavers, and have been developed using information from participant data-sets for specific resettlement projects funded as part of the Youth in Focus programme.\*

It is also important to note that these case studies are taken from research which involved at least some evaluative focus, so that the research team was able to form evidence-based judgments about whether it was the resettlement interventions which brought about the positive changes in question, or whether these came about for some other reason.

The following presentations do not outline that evidence or address directly any key questions concerning 'counterfactuals', but it is important to note that cost-benefit assessments should ideally be undertaken alongside careful evaluation research within which issues concerning causality are clearly and directly addressed.

What the following presentations are intended to illustrate is what the costs and benefits associated with measured changes look like over time in individual cases.

It is important to note that in terms of the timelines themselves, the presentations used below cover ranges of months for which actual data were available. Although in those case studies it was possible to show that negative events of one kind or another had been reduced, we have not assumed that those patterns would have continued beyond the periods for which we had actual data. (We return to this point in the section on "cost benefit trajectories", below).

### 5.1 Case Study 1

Case Study 1 is a 22-year-old white British male, who was involved with a particular resettlement project for six months (although some contact with the project was continued beyond that point – see below). He spent three months in custody for robbery just prior to joining the project, and was still on license at that time.

The client is referred to as homeless in the referral data and it is also clear that he suffered from a number of mental health issues including paranoid schizophrenia. He had particular difficulties with previous trauma and had serious substance misuse problems (involving both cocaine use and alcohol).

He had a history of non-engagement with existing services, and was not accessing any provision for his substance misuse or mental health difficulties.

The individual was engaged by a key worker at the project. An individually-tailored action plan was developed which was then implemented and monitored during the period of involvement. The client was also involved in some group work, and was supported by the worker in accessing a range of outside services as part of the action plan.

The client remained in contact with the project for a further eight months after his initial period of involvement; project staff say that the client would 'pop in' to the project now and again just to keep in touch.

\*Youth in Focus (YIF) is a Big Lottery Funded programme, which aims to support vulnerable young people through changes in their lives. Alongside BYC, YIF funded 15 service delivery projects across the country to work with young people leaving custody.

### 5.1.1 Reactive costs

The following sections provide details concerning costs that are reactive, where members of the research team were able to access relevant information.

#### 5.1.1.1 Mental health

This client was clearly struggling with serious mental health issues prior to joining the project, and these difficulties were compounded by his substance misuse.

In the absence of many specific details for this client about some of the costs usually associated with mental health difficulties of this kind, we have inferred some of these costs and used available figures to estimate them.<sup>4</sup>

#### 5.1.1.2 Substance misuse

All of the available information concerning this case suggests that problems with substance misuse were particularly serious. There is a lack of detail concerning the impact of this prior to joining the project – such as visits to A&E, offending or anti-social behaviour related to the substance misuse, and so on.

We have therefore inferred some of these costs and used available figures to estimate them. In particular, we have used figures derived from National Treatment Agency research, and converted these into monthly figures.<sup>5</sup> The authors of that research provide a headline annual figure of £3,631 to represent total savings to health and social care services and to the criminal justice system, where an individual's substance misuse is being effectively managed. It is worth noting that the measure is 'amber-flagged' in the New Economy toolkit because of the relative age of the data on which it is based, but we have also not included additional components that would be on top of the above figure (e.g. for further crime reductive benefits to individuals and businesses, and for some wider social benefits measured in QALYs).<sup>6</sup>

#### 5.1.1.3 Homelessness

We did not have enough detail to estimate previous costs relating to this issue, although we have included the 'stable accommodation' outcome as a benefit on the timeline.

#### 5.1.1.4 Offending

The team was not able to access official data concerning offending for this individual, or concerning specific previous sentences and the timing of these. Therefore, we have not included offending costs on the timeline for this case study.

### 5.1.2 Proactive/investment costs

#### 5.1.2.1 Project costs

The records suggested that project staff worked with this client quite intensively for the period of his involvement, so we have used the 'high intensity' unit cost, averaged by month on the timeline.<sup>7</sup> We have also included an estimate for monthly 'passive monitoring' of this client for the period beyond the recorded end date with the project.

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4 In this case we have used a figure for the average fiscal cost for people suffering from mental health disorders, per person per year (all ages, including children, adolescents and adults) – total fiscal cost of £2,148; See McCrone et al, 2008, p.118, 25, 40, 59, 74, 96, 104-109 and 114. The source also has estimates for economic costs (in terms of lost productivity and earnings, but also for costs associated with informal carers), and we have added a component for these but at a reduced rate given the individual's life circumstances. There is no component for quality life in these measures, and so a full costing should probably add measures calculated in QALYs or similar (see footnote 3). The King's Fund measures are also 'amber-flagged' in the New Economy toolkit because of the relative age of the data on which they are based.

5 National Treatment Agency for Substance Misuse, 2012, p.11

6 QALYs are Quality Adjusted Life Years and are used to estimate impacts in the health field in particular.

7 This estimate was produced using a separate tool which was designed to estimate unit costs. That tool was developed for the Ministry of Justice as part of a wider project to design intermediate outcome measures (see Maguire et al, forthcoming, and Liddle et al, forthcoming).



### 5.1.2.2 Use of outside services

The available information suggested that this client engaged successfully with a range of outside services during their time with the project including, in particular, mental health and drug and alcohol services.

Monthly estimates have been entered onto the timeline, but we have also assumed (on the basis of staff feedback) that it took three months for uptake of outside appointments to take effect (ie, the amount entered for this strand of proactive costs was incremental for the first three months of project involvement).<sup>8</sup>

### 5.1.3 Calculating benefits

We have included costed benefits for this client in terms of:

- Stabilised accommodation (the available information suggests that client has secured stable accommodation)<sup>9</sup>
- Cessation of substance misuse, and an increased engagement with relevant services
- Reduced mental health difficulties (see footnote 4)

### 5.1.4 Other costs, benefits

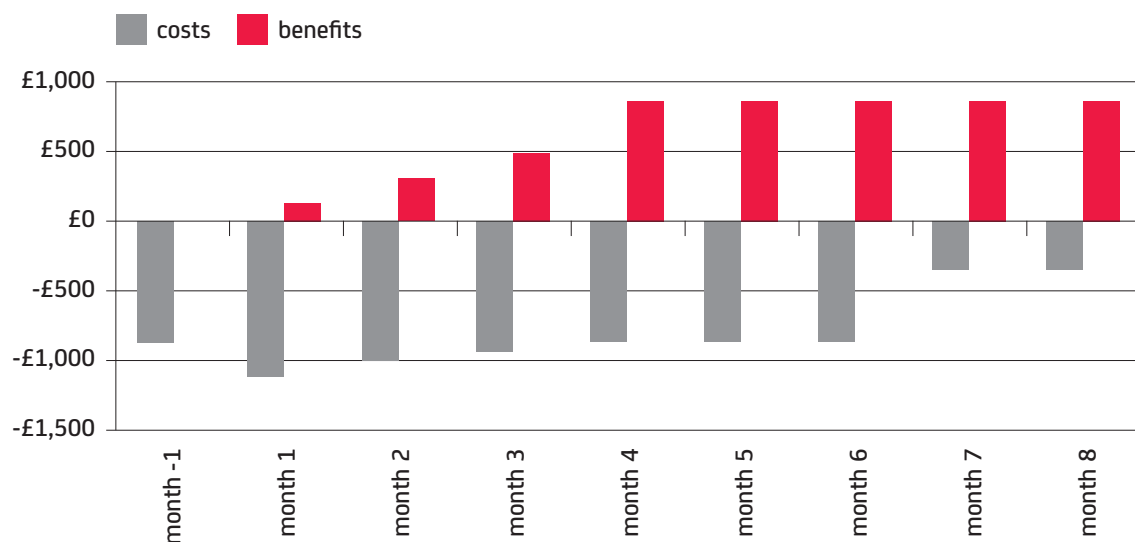
There are several other cost-benefit categories which the team did not include in the model, due to a lack of clear information.

These areas include state benefits, and EET (employment, education and training).

### 5.1.5 Changes in cost mix, over time

Comparing total monthly costs and benefits over time, Figure 1 summarises figures for this client over a nine-month period (negative numbers are those months prior to the client's start date with the project).

**Figure 1 – Total costs and benefits by month (Case Study 1)**

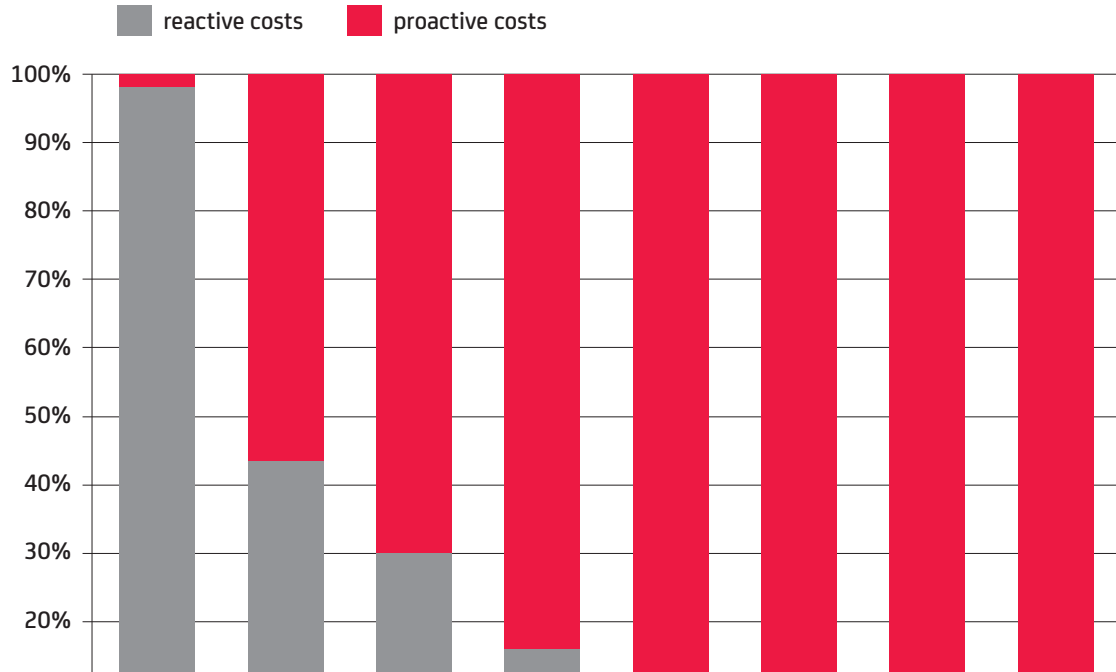


<sup>8</sup> We have used figures provided in the New Economy toolkit for a Specialist Worker for those calculations, and have assumed that each appointment had a duration of half an hour; we have also assumed that appointments with each worker were scheduled weekly.

<sup>9</sup> For this estimate we have used an uplifted annual figure (£2,724) based on figures from Shelter, 2012, p.7. The measure is 'amber-flagged' because of the relative age of the data on which it is based.

In terms of cost type, a shift in the proportion of reactive and proactive costs took place over a fairly short period of time for this client, as indicated on the following graph.

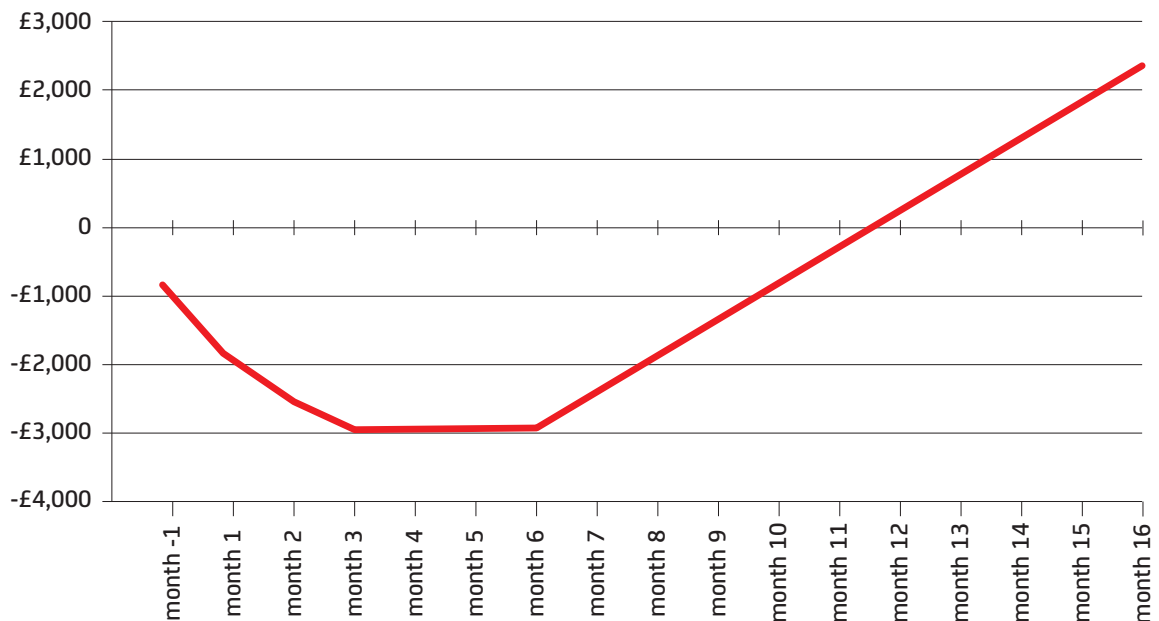
Figure 2 – Change in cost mix over time (Case Study 1)



5.1.6 Net value over time/break-even point

Overall, figures are fairly low for this client, and the break-even point also does not occur until just under one year after starting with the project, as indicated on the following figure.

Figure 3 – Net value over time (Case Study 1)



## 5.2 Case Study 2

Case Study 2 is a 19-year-old white British male, who was engaged with a particular project for four months. He served a custodial sentence for a sexual offence, and is recorded as not having reoffended since starting with the project.

Case Study 2 suffered substantial childhood trauma, and at the time of joining the project he was struggling with particular mental health issues including psychosis.

He had severe substance misuse problems, involving cannabis use in particular, which had apparently gone unaddressed for a long period of time.

The client had a key worker during his time with the project, whose role included supporting him in the identification and prioritisation of key issues to be addressed after release from custody. A volunteer mentor also supported the client throughout the period of their involvement.

It is reported that the client successfully accessed relevant services since being involved with the project, and has now stopped his use of cannabis. He also received employability training.

### 5.2.1 Reactive costs

#### 5.2.1.1 Mental health

We have used similar monthly figures for costs associated with mental health difficulties as for Case Study 1.

#### 5.2.1.2 Substance misuse

Figures representing the estimated costs of this individual's substance misuse problems are similar to those that we have used for other dual diagnosis case studies.

#### 5.2.1.3 Offending

Figures for the costs of previous offending were derived from figures in the New Economy toolkit, but converted into monthly figures for insertion on the timeline. The research team is aware that there were other previous offences not detailed in the database; we have not costed for these, and have also not built in the cost of previous sentences, as it is unclear from the records when these ended.

### 5.2.2 Proactive/investment costs

#### 5.2.2.1 Project costs

We have used a unit cost for 'high involvement' for the period of participation referred to above, but have also included an estimate for monthly 'passive monitoring' of this client for the period beyond the recorded end date with the project (as for Case Study 1).

#### 5.2.2.2 Use of outside services

We have used the same figures for this client as for Case Study 1, in terms of appointments with professionals from outside services over time.

### 5.2.3 Calculating benefits

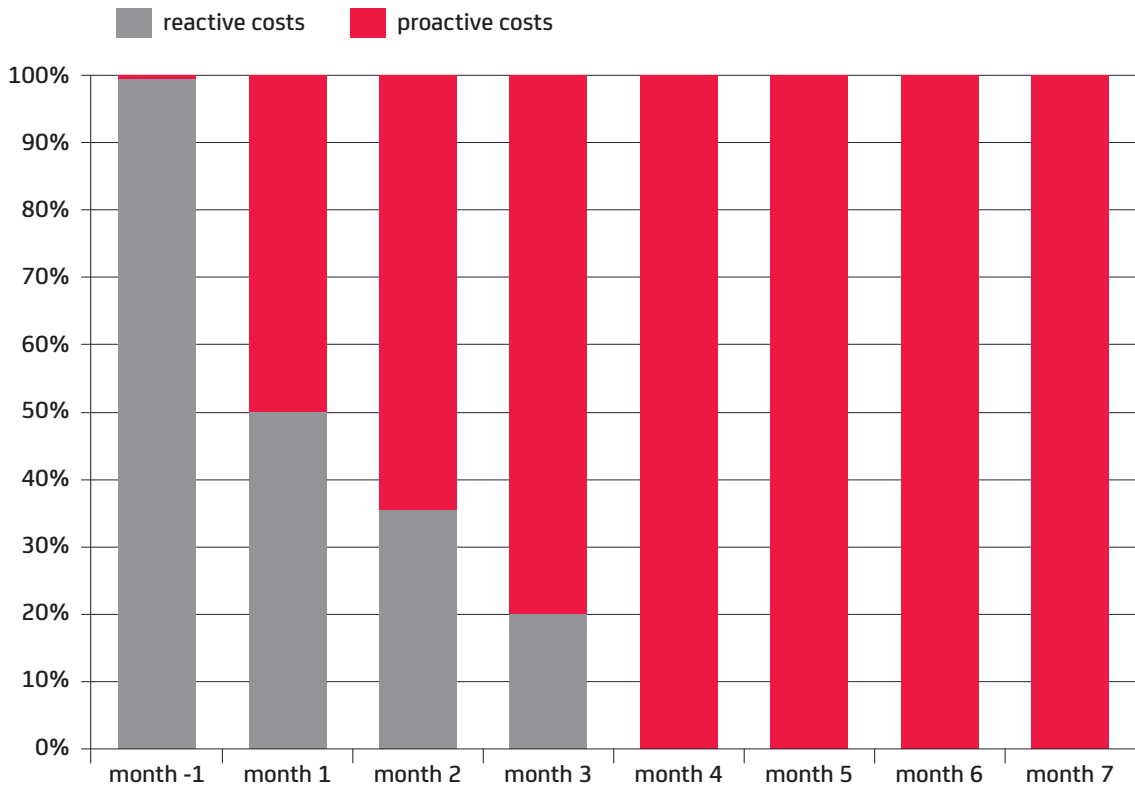
We have included costed benefits for this client in terms of:

- Offending avoided
- The successful addressing and management of mental health issues
- Success in addressing substance misuse issues

### 5.2.4 Changes in costs/benefits, over time

Changes in cost mix for this client also materialised fairly quickly after the client's start date with the project, and in this case that shift is of particular significance given the size of the overall figures.

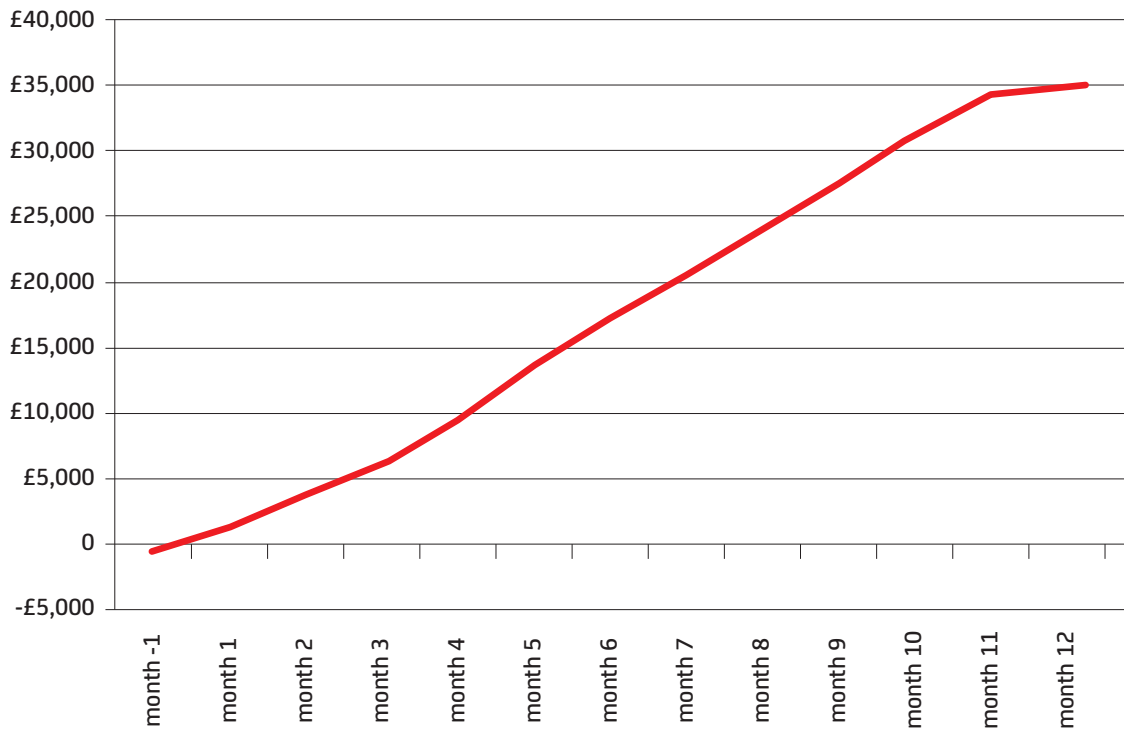
Figure 4 – Change in cost mix over time (Case study 2)



5.2.5 Net value over time/break-even point

This case study is interesting because there is a combination of fairly high cost and benefit figures, and a very early break-even point, as indicated in the following figure.

Figure 5 – Net value over time (Case Study 2)



### 5.3 Case Study 3

Case Study 3 is a White British female who was 22 at the time of being referred to a particular resettlement project. She had served a short period in custody for a serious assault in the one-year period prior to joining the project. She worked with that project for a period of six months and ceased direct involvement after finding settled accommodation. The client did keep in contact with the project for a further six months after that time, however, and project staff claim to have 'kept tabs' on progress during that period.

At the point of joining the project she had particular mental health difficulties, problems with alcohol and anxiety, and was not accessing any services.

The project assigned a case worker to the client, who assisted in developing a tailored package of activities and support for the client.

The available evidence suggested that she successfully stopped drinking alcohol and began to access health and other services. It was claimed that she reduced her offending and was also helped to extricate herself from her abusive partner.

#### 5.3.1 Reactive costs

##### 5.3.1.1 Substance misuse

Figures representing the estimated costs of this individual's substance misuse problems are similar to those that we have used for other dual diagnosis case studies (see Case Study 1, above).

##### 5.3.1.2 Mental health

We have used similar monthly figures for costs associated with mental health difficulties, as used for Case Study 1.

##### 5.3.1.3 Offending

Claims concerning reduced offending were made about this client in the project database, but as no police data was provided concerning this, we have not included offending costs (or benefits).

##### 5.3.1.4 Costs relating to domestic violence

Project data and feedback from staff concerning this client made it clear that domestic violence was a serious issue, and that this issue was also related to the client's substance misuse and mental health issues. Costs relating to domestic violence were therefore included on the timeline for this case study.

From among the numerous available cost estimates for incidents of domestic violence the team used estimates produced by Sylvia Walby – in particular, her research on *The Cost of Domestic Violence* (update 2009). She uses an estimate of £2,836 per incident, which includes the fiscal cost per incident to the police, local authority, criminal justice system, and the National Health Service. We have also added the economic cost of £1,473 per incident.<sup>10</sup>

On the basis of feedback from project staff we have assumed that there was an average of one domestic violence incident every three weeks prior to project involvement, and that the level of incidents declined during the six month period after joining the project, eventually stopping altogether during the subsequent 18 months.

For the initial six month period, our model spreadsheet calculates a gradual reduction in incidents.

<sup>10</sup> We have not included estimates for 'social costs' in this case, however, given reservations expressed in the literature about the methods used to estimate them.

### 5.3.2 Proactive/investment costs

#### 5.3.2.1 Project/provider costs

The records for this client suggest that they worked with the provider for a period of six months and we have costed accordingly (using a 'high intensity' figure for project staff time – again calculated using the separate tool referred to at footnote 4). We have added a small monthly amount for 'passive monitoring' on the timeline as well, for the six month period following the latter period.

#### 5.3.2.2 Use of outside services

The evidence suggests that this client successfully engaged with a range of outside services during their time with the provider – health and alcohol services are referred to in the data, as are GP, dentist, opticians and other health services.

Monthly estimates were entered onto the timeline but we also assumed that it took six months for uptake of outside appointments to take effect (ie, the amount entered for this strand of proactive costs was incremental for the first six months of project involvement).

### 5.3.3 Calculating benefits

For this client we included costed benefits in terms of:

- Stabilised accommodation (client has secured own tenancy and successfully moved toward independent living)
- Cessation of incidents of domestic violence
- Reduced mental health difficulties
- Reduced alcohol misuse and increased engagement with alcohol service

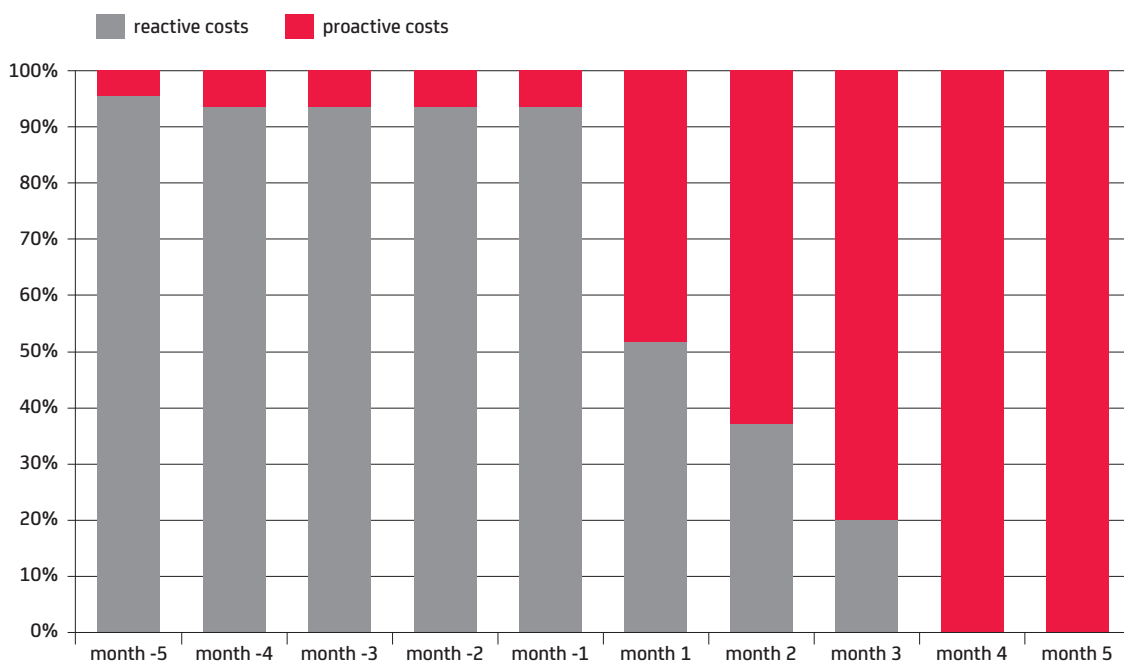
### 5.3.4 Other costs, benefits

There are several other cost-benefit categories which the team did not include in the model, due to a lack of clear information. Those areas include state benefits and EET.

### 5.3.5 Changes in cost mix, over time

Again, a shift in cost mix for this client was evident after few months of involvement with the project, as indicated on the following graph.

Figure 6 – Change in cost mix over time (Case Study 3)

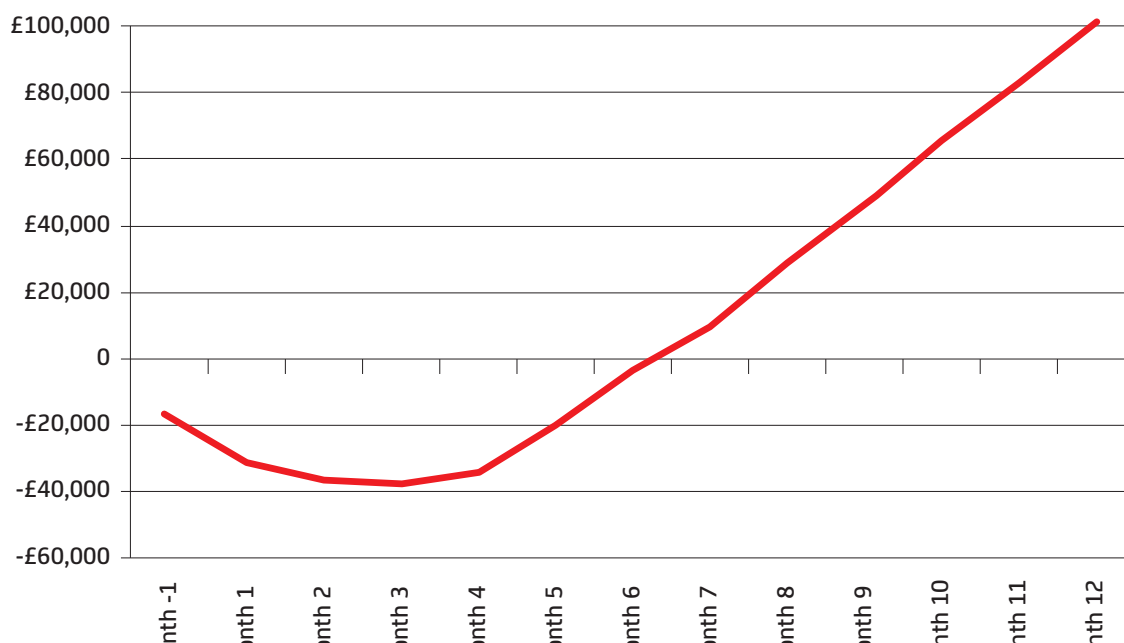


### 5.3.6 Net value over time/break-even point

In this case, investment costs after starting with the relevant project began to generate costable benefits fairly early on the timeline, but reactive costs for this client only reduced incrementally and were therefore still substantial during their early months of involvement with the project.

The client's net value nonetheless changed fairly quickly, with a break-even point being reached roughly six months after the project start date, as illustrated on the following line graph.

Figure 7 – Net value over time (Case Study 3)



## 6. Cost benefit trajectories

The examples provided above involve individual cases where there appear to have been (more or less) linear changes in costs and benefits over time.

In addition, most of the individuals attracted relatively high levels of reactive costs prior to joining a particular project or provider, but fewer proactive or investment costs – largely because the individuals would not engage with existing services.

Initial involvement with the provider usually then involved intensive investment costs, but these were accompanied by reductions in reactive costs over time on the one hand, and by costable benefits over time, on the other.

There are other cases that will involve different trajectories. Some stories appear to involve, for example, intermittent failures to engage or other forms of 'back-sliding' which could involve double or multiple spikes in reactive costs and associated reductions in benefits over time. Cases of this kind might therefore involve double or multiple break-even points, as well as renewed efforts to re-engage a difficult client involve extra investment over short periods of time, and then subsequent reductions in reactive cost and increases in accrued benefits.

Of course there will also be cases where the trajectory is purely downward – where a particular provider could not gain any traction with an individual reactive costs continued or even increased, and proactive costs did not facilitate any measurable benefits over time.

These differences in trajectory will be very familiar to staff who work with difficult/vulnerable clients, and they illustrate what has been referred to in the literature as ‘the zig zag of desistance’ (see Burnett, 2004).

## 7. ‘Extrapolating up’ from costed case studies to wider cohorts

The case study examples make it clear how different individual cases can be in terms of their costs and benefits, and it is therefore of particular importance that case study samples are selected in such a way that arguments can be made about more general applicability of case study findings to wider cohorts.

We will be providing more detailed comment separately on methods which can be used to ‘extrapolate up’ from costed individual case studies to wider cohorts, but it is important to note in this briefing that case study samples need to be chosen carefully in the first place, so that there are defensible ways in which generalisations can be made about costs and benefits associated with wider groups.

One robust way in which to draw a case study sample so that subsequent extrapolation up is possible is to categorise all clients in a particular cohort in terms of their levels of need and service use both prior to, during, and after their involvement with a particular project or intervention. Where that is carefully done, it is possible to organise clients into sub-groups, according to that mix of need and service use. Very detailed costings for individual case studies within each sub-group can then be used in wider generalisations about costs and benefits associated with that intervention.

## 8. Further comments and next steps

The case study examples provided above illustrate not only key variations in the pathways that individual custody-leavers can follow after release, but in the mix of vulnerabilities and difficulties that they present with when they engage with particular resettlement interventions. In turn, those variations can have very different cost-benefit dimensions.

The examples also make it clear that in some cases – in particular where there are high initial reactive costs – positive impacts with even a few similar individuals could generate benefits that far outstrip the proactive or investment costs associated with resettlement interventions.

It is worth making two final points in relation to cost-benefit research focusing on resettlement, and we will also be focusing on these issues in future publications.

Firstly, it is important to assess the extent to which identified benefits are cashable – that is, the extent to which a positive impact results in reductions in fiscal expenditure which can, in turn, be reallocated to other activities. Monetised benefits can vary widely in terms of their cashability and also in terms of the timescales required for cashable benefits to be realised. For example, reductions in the number of evictions for antisocial behaviour are highly cashable in the short-term, as are reductions in the number of people claiming state benefits, or reductions in the number of residential care places needed for Looked After Children.

If a young person is diverted from custody, however, although there will be some cashable savings to the criminal justice system, there are substantial fixed costs relating to the prison system for example, which will remain in place (until higher threshold changes are generated).<sup>11</sup>

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11. Fiscal benefits that are less cashable can still be of great significance to key partners however – if a young person becomes de-registered as a PPO (prolific and priority offender) for example, there will be direct benefits in terms of police resources which can be re-deployed in the short term. For a useful discussion of issues concerning fiscal benefits and cashability, see New Economy (2015).



Secondly, it is important to remember that the costs and benefits of effective resettlement can vary widely across key stakeholders. The example in the above paragraph highlights a benefit which accrues to the police, but there may not be particular savings to the National Health Service or other partners. Reductions in substance misuse, however, can have benefits both to the NHS and the police, and reductions in offending can have benefits for an even wider range of interests.

In some of our upcoming publications we will be presenting more specific agency-focused breakdowns of key costs and benefits relating to effective resettlement, and further details concerning the extent to which benefits for specific partners are cashable over time.

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