

Sentencing Council

Sentencing Council meeting: 18 December 2015
Paper number: SC(15)NOV03 – Guilty Pleas
Lead Council members: Alison Saunders, Michael Caplan, Julian Roberts and Tim Holroyde
Lead official(s): Ruth Pope
0207 071 5781

1 ISSUE

1.1 The Council has a statutory duty to publish a resource assessment when it consults on draft guidelines and when it issues definitive guidelines. The statute requires an assessment by the Council of the likely effect of the guidelines on the resources required for the provision of prison places, probation services and youth justice services.

1.2 At the meeting in November 2015, the Council considered a draft consultation resource assessment for the guilty plea guideline. The collective view of the Council was that the resource assessment did not give a balanced explanation of the potential resource implications of the guideline in the context of a changing criminal justice system.

1.3 As agreed, Julian Roberts and Paul Wiles have liaised with officials regarding a revised resource assessment. As a result of this work two options are provided.

1.4 This is the final opportunity for the Council to discuss and decide the approach to and content of the resource assessment before the consultation launch on 9 February 2016.

1.5 A short presentation will be made to the Council at the meeting to ensure that all members are fully aware of the issues surrounding the resource impact of this guideline.

2 RECOMMENDATION

2.1 The Council is asked to choose between the two alternative resource assessments at Annexes A and B.

2.2 The recommended version is Annex B (the no change or 'null hypothesis' scenario).

2.3 Any drafting suggestions on the preferred option should be made by email to Ruth Pope by 8 January 2016.

3 CONSIDERATION

The two alternative approaches

3.1 At previous meetings the Council has considered different approaches to quantifying and presenting the potential resource implications of this guideline.

3.2 The first approach, considered in September, was based on an attempt to predict behavioural change by offenders. Alison Saunders, Tim Holroyde and Michael Caplan worked with officials to develop an 'optimistic' and a 'pessimistic' scenario of how the draft guideline might affect offender behaviour. The starting point for these scenarios was the latest data that we have for timings of pleas and levels of reduction, from 2014. The scenarios estimated how behaviour might change under the new guideline, from the 2014 baseline.

3.3 The second approach, considered in November, was not to attempt to predict how offender behaviour might change, but to illustrate the potential resource impact of the guideline with reference only to the 2014 baseline figures: the 'null hypothesis'.

Achieving the right balance

3.4 At previous Council meetings members expressed misgivings about both approaches and were concerned that the resource assessment was underselling the positive effects of the guideline. In so far as there was any consensus at the November meeting it was also felt that the tables of

numbers in the version under consideration were difficult to interpret and gave too much prominence to figures that could be taken out of context.

3.5 There was some suggestion from Council members that as it is not possible to produce a fully evidence based resource assessment we should avoid giving any figures as to do so gives a spurious indication of accuracy. However, the clear steer from the November meeting was that the resource assessment must make plain the likelihood of there being significant costs associated with the guideline, given that we know that is likely to be the case in practice.

3.6 As a result of the discussions at previous Council meetings and the helpful input from Julian Roberts and Paul Wiles, two alternative resource assessments have been produced.

3.7 In both versions a largely narrative approach has been taken, to aid clarity and to ensure that undue prominence is not given to particular figures taken out of context. However no attempt has been made to conceal the conclusion that the guideline is likely to result in some increase in the prison population and consequently significant costs, which will not be entirely mitigated by savings elsewhere in the wider system.

3.8 Council members will recall that in spite of intensive work over the summer, it was ultimately decided that it was not possible to quantify the benefits accrued in terms of potential savings to the police and CPS, so reference to any system-wide savings also takes a largely narrative approach in both versions.

The optimistic and pessimistic scenarios

3.9 The resource assessment at Annex A is based on the approach outlined at paragraph 3.2 above. The optimistic and pessimistic scenarios used represent our best attempt to forecast the likely reaction from offenders to the guideline but are nevertheless only estimates. The attraction of this version is that it shows how the guideline could operate to incentivise earlier pleas and bring about the positive benefits (both financial and non-financial) that the guideline aims to achieve. The disadvantage of this version is that it is based on assumptions about offender behaviour. This behaviour is very

difficult to predict given the limited research in this area, and therefore the resource assessment may give 'spurious accuracy' to figures which are based on conjecture.

The 'null hypothesis' or no change scenario

3.10 The resource assessment at Annex B is based on the approach at paragraph 3.3 above. This recognises that it is impossible accurately to predict offender behaviour and therefore bases the analysis on 2014 figures. The attraction of this version is that the figures are based on reliable data whilst the narrative makes it clear that they are provided only as a reference point. The disadvantage of this version is that it gives no predicted improvement in plea timings to illustrate potential wider system savings. It has not been possible to estimate the full costs across the wider system, and therefore the savings and costs have not been presented in monetary terms, to avoid giving a biased picture.

Recommendation

3.11 On balance the recommended version is Annex B as it uses robust data without introducing any inherently unreliable predictions of behavioural change. This will make it less susceptible to criticism that any predictions are unrealistic or biased, whilst clearly conveying the conclusion that the resource implications of the guideline are likely to be significant.

Question 1: Which version of the resource assessment does the Council wish to publish?

Evaluation of the guideline

3.12 In both versions of the resource assessment there is a recognition that evaluation of the guideline will be important in order to assess its impact. The final paragraph of each version sets out the approach to evaluating the impact of the guideline. This work will not be straightforward and will require the assistance of other agencies in planning the approach and helping to access available data. Council members will be asked to assist in facilitating this.

Question 2: Does the Council agree with the proposed approach to evaluating the guideline?

4 IMPACT

4.1 The resource impact of the guideline is considered at paragraphs 3.1 to 3.11 above.

4.2 The Council is also required to consider the potential equality impact of the guideline. There is evidence from CCSS data and other academic sources that rates of pleas vary across ethnic groups. However, as this guideline is specifically designed to affect the **timing** of pleas but not the **rate** of pleas we do not anticipate that there are any equality issues associated with this guideline. This is, however, one area that could be explored as part of evaluation work.

Question 3: Is the Council content that there are no equality issues that require further investigation and that the evaluation process discussed at 3.12 above can be used to assess this aspect of the impact of the guideline?

5 RISKS

5.1 The Council will be aware that the guilty plea guideline is likely to be controversial and may attract criticism, not only in relation to potential costs but also in relation to the principles and the effect of the proposed rules on sentence lengths. To mitigate the risk of criticism of the principles, stakeholder engagement work has already commenced. This should also go some way to mitigate the risk of criticism of the potential costs, although as is explained above, it is not possible to mitigate completely the risks associated with the impact of the guideline.

Blank page

Consultation Stage resource assessment

Reduction in sentence for a guilty plea

1 Introduction

1.1 This document accompanies the consultation on the draft *reduction in sentence for a guilty plea* guideline and should be read alongside that document. It fulfils the Council’s statutory duty, under section 127 of the Coroners and Justice Act 2009, to publish a resource assessment which considers the likely effect of its guidelines on the resources required for the provision of prison places, probation and youth justice services. The main focus of this assessment is on estimating the impact of the proposed guideline on prison places.

2 Rationale and objectives for the new guideline

2.1 The Sentencing Council has a statutory duty under section 120(3) of the Coroners and Justice Act 2009 to prepare “*sentencing guidelines about the discharge of a court’s duty under section 144 of the Criminal Justice Act 2003 (c. 44) (reduction in sentence for guilty pleas)*”. In producing this guideline the Council wishes to promote a clear, fair and consistent approach to the way guilty plea reductions are applied in all courts in England and Wales.

2.2 The guideline aims to incentivise offenders who are guilty to plead guilty as early in the court process as possible by restricting the maximum reduction in sentence to those who do so. The goal is to influence the timing of guilty pleas, but not to influence the rate of guilty pleas entered. If the guideline is successful, the proportion of pleas entered at the earliest stage of the court process will increase; the percentage of guilty pleas entered late in the process will decline. However, the overall proportion of cases resolved through a guilty plea should remain largely unchanged.

2.3 The draft guideline is more prescriptive than the existing guideline. In particular, under the draft guideline to receive the maximum one-third reduction for an either-way offence, a guilty plea must be entered in the magistrates’ court, whereas currently a plea at the Crown Court will often receive the maximum reduction. This means that if offenders do not bring forward the timing of their pleas in response to the draft guideline, many will receive a lower reduction, resulting in longer prison terms being served and consequently greater costs in terms of providing prison places. However, if the draft guideline achieves its aim of encouraging earlier pleas, then some offenders will receive the same reduction and others will receive a higher reduction thus reducing any additional costs.

2.4 Encouraging more offenders to plead guilty at an earlier stage of the process will have many benefits, to victims and witnesses, and across the 85

whole criminal justice system. Some of these benefits will be monetary and others will be non-financial. For a detailed discussion of the benefits, see the Consultation document.

3. Sentencing practice and guilty pleas

3.1 In 2014, 1,215,695 offenders were sentenced in all criminal courts in England and Wales. Of these, 86,297 were in the Crown Court and 1,129,398 in magistrates' courts. Of those offenders sentenced in the Crown Court, 90 per cent entered a guilty plea at some point in the proceedings.

3.2 The Council has been able to use detailed data from the Crown Court Sentencing Survey¹ to establish when pleas were entered in the Crown Court and the level of reduction made in 2014. It should be noted that the timings of pleas and levels of reductions are already likely to have changed since 2014, as a result of initiatives such as Better Case Management, to bring current plea behaviour more in line with that prescribed by the new guideline. However, 2014 is the latest data available on which to make an assessment.

3.3 To estimate the resource effect of a guilty plea guideline, an assessment is required of how it will affect the levels of reductions applied and therefore the length of custodial sentences imposed. This guideline presents a particular challenge for the Council: in contrast to offence specific guidelines, which are intended solely to influence sentencers' behaviour, it is also intended to affect the behaviour of offenders and their legal representatives. This behaviour is very difficult to predict given the limited research in this area.

3.4 It should be noted that the assessment takes no account of any exceptions to the normal application of the guideline – it is assumed that the appropriate reduction for the stage of plea would be applied in all cases and that none of the exceptions would apply.² In addition, as with any Council resource assessment, the assessment is based on sentencers following the draft guideline at all times.

3.5 The assessment also does not take into account any potential changes to sentence levels prior to the application of the guilty plea reduction (such as treating co-operation with police as mitigation) again, because it is impossible to make any meaningful assessment.

3.6 Any changes in sentencing practice which may have occurred whether or not a new guideline was introduced (such as those arising through the implementation of the Better Case Management initiative) are also not included.

¹ From 1st October 2010 to 31st March 2015 the Council conducted the Crown Court Sentencing Survey (CCSS) which collected data on sentencing practice in the Crown Court.

² The draft guideline does provide for a number of exceptions to the levels awarded, the impact of which have not been estimated as part of this assessment.

4 Resource impact

4.1 Due to the uncertainty about how offenders might respond to the new guideline, the Council decided to explore two different scenarios based on assumptions about offenders' behaviour, in order to give a range within which the actual estimate may fall.

- **Scenario one:** the optimistic scenario - assumes that more offenders will plead at the first stage of the proceedings than in 2014. The rationale is that this will now be the only stage they will receive the maximum reduction and so they will be incentivised to enter an earlier plea.
- **Scenario two:** the pessimistic scenario - assumes that some offenders, having missed the full discount will now be more likely to go to trial and therefore receive no discount and a longer sentence. These scenarios are provided for reference at Annex A.

4.2 In every case in which a plea is entered and an offender is sentenced to immediate custody, the guilty plea reduction has an impact on the sentence length, and so any small change to average sentence lengths may have a very significant cumulative effect on the overall system.³

4.3 Using the scenarios, it is estimated that the draft guideline would increase the number of prison places required by approximately 500 under the optimistic scenario and by 2,000 under the pessimistic scenario, by 2017/18. This equates to a cost of between £15 million to £45 million in 2017/18, across both magistrates' and Crown Court sentences. The increase in prison places under the optimistic scenario results primarily from the reduction in discount from 25 to 20 per cent for pleas entered after the opportunity at the first stage of proceedings.

4.4 In time, the guideline could result in the requirement for between 1,000 (optimistic) and 4,000 (pessimistic) extra prison places each year, at a cost of between £30 to £105 million.

4.5 However, these costs reflect the increase in prison places only. Table 1 presents the resource impact under the two scenarios, and includes the savings and costs to prison, probation and the courts. Under the optimistic scenario savings would be generated in the short term, as offenders would plead earlier (reducing court hearing times) and fewer offenders would be released on licence.

³ In 2014 there were just under 90,000 prison sentences of immediate custody with an average custodial length of 15.6 months:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/428932/criminal-justice-statistics-december-2014.pdf

4.6 However, in the long term and by steady state, under both scenarios a cost is incurred. This is because, overall, offenders will spend longer on licence than they did in 2014, combined with the costs associated with the increase in prison places.

Table 1: Estimated nominal total resource costs excluding capital (savings are shown as negative) by financial year for the optimistic and pessimistic scenarios, £millions

	15/16	16/17	17/18	steady state
Optimistic	£0	-£20	-£10	£10
Pessimistic	£0	£20	£50	£120

4.7 The costs quoted exclude capital build costs and overheads. On this basis, a year in custody is assumed to cost an average of around £25,000⁴ in resource terms, including local maintenance, but excluding any capital build expenditure and overheads that may be necessary⁵.

4.8 As well as savings to the prison, probation and court service, where an offender pleads earlier then there would be some savings to the Crown Prosecution Service, Police and Legal Aid.

4.9 It is not possible to summarise accurately these wider system savings, as not all of the costs and savings are available to give a total picture. However, it is possible to provide an indication of where savings would be accrued. For example, the amount of work required to be undertaken by both the police and the Crown Prosecution Service to prepare the case file would reduce. The levels of remuneration paid by the Legal Aid Agency would reduce. However, under the pessimistic scenario where a defendant entered a plea much later in the process than at present, this would increase costs when compared to current levels.

4.10 A positive change in offender behaviour would also have a significant non-monetary benefit, in terms of the relief and reassurance felt by victims and witnesses.

4.11 If there were no positive change in offender behaviour, not only would the wider system savings not be realised, but also the significant investment by the police and the Crown Prosecution Service (CPS) in developing programmes to ensure provision of relevant material in a timely manner to enable a guilty plea to be entered at the first occasion⁶ would be undermined.

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/367551/cost-per-place-and-prisoner-2013-14-summary.pdf

⁵ It should be noted that this is a lower figure than previously used in Sentencing Council resource assessments (£30,000) but this aligns with the new estimates used across the Ministry of Justice (MoJ).

⁶ For example, the development of the Transforming Summary Justice programme, Early Guilty Plea and Better Case Management Initiatives and recommendations in the President of the Queen’s Bench Division’s Review of Efficiency in Criminal Proceedings - which are now being built into the Criminal

As the purpose of the guideline is to change offender behaviour, failure to introduce the guideline may risk undermining these initiatives. Although it is too early to have firm evidence, early indications are that these initiatives, alongside related judicial initiatives, are having some positive impact on the stage at which pleas are being entered.⁷

5 Conclusion

5.1 The aim of calculating the impact of the guideline under both an optimistic and pessimistic scenario is to show both the potential savings and costs which may be incurred as a result of the guideline.

5.2 While there is considerable uncertainty around the exact resource implications, even where some offenders are incentivised to plead earlier, it is still likely that the guideline will result in a requirement for additional prison places.

5.3 In practice, the implications may be mitigated by the fact that the timings of guilty pleas will already have changed since 2014 by the time the guideline takes effect (which would not be before 2017), with practice more in line with the draft guideline than was the case in 2014. The cost of the prison places will also be partly offset by savings in the wider system, but they will not negate this cost completely.

6 Risks

6.1 Since the application of a sentence reduction for a guilty plea has the potential to apply to all sentences passed in the courts, small changes to offenders' behaviour and to practice by sentencers in applying the *reduction for a guilty plea* guideline have the potential to have substantial resource implications, depending on how these behavioural changes manifest themselves.

6.2 It is not possible accurately to predict how offenders' behaviour or sentencing behaviour will change as a result of the guideline, and hence there is considerable uncertainty surrounding the resource implications of the proposed guideline.

6.3 In light of this, it will be important for the Council to conduct early work to assess any consequences of the guideline once it is in force. Prior to the guideline coming into force, the Council will put in place a group comprising representatives of the Sentencing Council, the police, CPS, Her Majesty's Courts and Tribunal Service and the Ministry of Justice, to help steer work to collect a range of information that will feed into an assessment of the

Procedure Rules - place a requirement on all parties to engage early, make the right decisions, identify the issues for the court to resolve and provide sufficient material to facilitate that process. In many cases, the expectation is that the provision of relevant material in a timely manner will enable a just guilty plea to be entered at the first occasion.

⁷ From Crown Prosecution Service data, based on Crown Court data.

implementation and impact of the guideline in 2017. This may include, for example, interviews with sentencers and other criminal justice professionals, analysis of transcripts of sentencing remarks, case file analysis, and analysis of data from other criminal justice agencies. The group will review the findings from this data collection and advise the Council if it suggests the need for a review of the guideline.

Guilty plea Annex A – Resource assessment with optimistic and pessimistic scenarios

ANNEX A: GUILTY PLEA ASSUMPTIONS

Indictable only offences

Future Assumptions	Scenario	Existing Assumptions															
		1. Early Guilty Plea Hearing			2. PrePCMH			3. PCMH			4. PostPCMH			5. day of Trial			6. No plea
		10%	25%	33%	10%	25%	33%	10%	25%	33%	10%	25%	33%	10%	25%	33%	
1. 1st hearing at Crown Court - one third reduction	OPT	100%	100%	100%	80%	80%	75%	60%	60%	50%	40%	40%	40%	20%	20%	20%	
	PES	100%	100%	100%	65%	65%	65%		30%	30%		20%	20%		10%	10%	
2. Until time expires for service of defence statement - one fifth	OPT				20%	20%	25%	40%	40%	40%	30%	30%	30%	30%	30%	30%	
	PES				30%	30%	30%	100%	40%	40%		20%	20%		10%	10%	
3. Thereafter up to day of trial - 10-20% reduction	OPT									10%	30%	10%	10%				
	PES								20%	20%	100%	20%	20%		30%	30%	
4. day of trial 10%	OPT											10%	10%	50%	50%	50%	
	PES											20%	20%	100%	30%	30%	
5. No plea	OPT											10%	10%				100%
	PES				5%	5%	5%		10%	10%		20%	20%		20%	20%	100%

Yellow = greater than or equal to 10% of offenders

Guilty plea Annex A – Resource assessment with optimistic and pessimistic scenarios

Future Assumptions	Scenario	Existing Assumptions																		
		1. Magistrates Court			2. Early Guilty Plea Hearing			3. PrePCMH			4. PCMH			5. PostPCMH			6. Day of Trial			7. No plea
		10%	25%	33%	10%	25%	33%	10%	25%	33%	10%	25%	33%	10%	25%	33%	10%	25%	33%	
1. Magistrates Court One third reduction	OPT	99%	99%	100%	60%	50%	50%	55%	50%	50%	50%	50%	50%	50%	50%	50%				
	PES	95%	95%		50%	20%	20%	35%	20%	20%	20%	20%	20%	20%	20%	20%				
2. 1st hearing at Crown Court - one fifth reduction	OPT	1%	1%		40%	50%	50%	40%	45%	45%	40%	40%	40%	40%	40%	40%	40%	40%	40%	
	PES	5%	5%		50%	80%	50%	50%	65%	50%	50%	50%	50%	50%	50%	50%	0%	0%	0%	
3. After first hearing and up to day of trial - 20-10% reduction	OPT																40%	40%	40%	
	PES																10%	10%	10%	
4. Day of trial - 10% reduction	OPT							5%	5%	5%	5%	5%	5%	5%	5%	5%	20%	20%	20%	
	PES						10%	15%	15%	15%	15%	15%	15%	15%	15%	15%	90%	90%	90%	
5. No plea	OPT										5%	5%	5%	5%	5%	5%				100%
	PES						20%			15%	15%	15%	15%	15%	15%	15%				100%

Consultation Stage resource assessment

Reduction in sentence for a guilty plea

1 Introduction

1.1 This document accompanies the consultation on the draft *reduction in sentence for a guilty plea* guideline and should be read alongside that document. It fulfils the Council's statutory duty, under section 127 of the Coroners and Justice Act 2009 to publish a resource assessment which considers the likely effect of its guidelines on the resources required for the provision of prison places, probation and youth justice services. The main focus of this assessment is on estimating the impact of the proposed guideline on prison places

2 Rationale and objectives for the draft guideline

2.1 The Sentencing Council has a statutory duty under section 120(3) of the Coroners and Justice Act 2009 to prepare "sentencing guidelines about the discharge of a court's duty under section 144 of the Criminal Justice Act 2003 (c. 44) (reduction in sentence for guilty pleas)". In producing this guideline the Council wishes to promote a clear, fair and consistent approach to the way guilty plea reductions are applied in all courts in England and Wales.

2.2 The guideline aims to incentivise offenders who are guilty to plead guilty as early in the court process as possible by restricting the maximum reduction in sentence to those who do so. The goal is to influence the timing of guilty pleas, but not to influence the rate of guilty pleas entered. If the guideline is successful, the proportion of pleas entered at the earliest stage of the court process will increase; the percentage of guilty pleas entered late in the process will decline. However, the overall proportion of cases resolved through a guilty plea should remain largely unchanged.

2.3 The draft guideline is more prescriptive than the existing guideline. In particular, under the draft guideline to receive the maximum one-third reduction for an either-way offence, a guilty plea must be entered in the magistrates' court, whereas currently a plea at the Crown Court will often receive the maximum reduction. This means that if offenders do not bring forward the timing of their pleas in response to the draft guideline, many will receive a lower reduction, resulting in longer prison terms being served and consequently greater costs in terms of providing prison places. However, if the draft guideline achieves its aim of encouraging earlier pleas, then some offenders will receive the same reduction and others will receive a higher reduction thus reducing any additional costs.

2.4 Encouraging more offenders to plead guilty at an earlier stage of the process will also have benefits, to victims and witnesses, and across the whole criminal justice system. Some of these benefits will be monetary and others will be non-financial. For a detailed discussion of the benefits, see the consultation document pXX.

3 Sentencing practice and guilty pleas

3.1 In 2014, 1,215,695 offenders were sentenced in all criminal courts in England and Wales. Of these, 86,297 were in the Crown Court and 1,129,398 in magistrates' courts. Of those offenders sentenced in the Crown Court, 90 per cent entered a guilty plea at some point in the proceedings.

3.2 The Council has the benefit of detailed data from the Crown Court Sentencing Survey¹ as to when pleas were being entered in the Crown Court and the level of reduction being made in 2014. This data shows that a substantial proportion (22 per cent) of offenders sentenced to custody for either-way offences in 2014, benefited from a reduction of one-third for guilty pleas entered in the Crown Court. In addition 17 per cent of offenders pleading to either-way offences at the Crown Court in 2014 had their sentences reduced by one-quarter. Under the draft guideline, the maximum that offenders in either of these categories would receive is a reduction of one-fifth.

3.3 There are other examples of offenders in the Crown Court who would receive a lower reduction under the draft guideline than they do under current practice. **Without a change in behaviour** there are only a very small number who may benefit from a greater reduction, namely those who currently receive a lower reduction because they are deemed to have pleaded in the face of overwhelming evidence. In all other cases offenders would receive either the same or a lower reduction than in 2014, unless they bring forward the point at which they plead.

4 Assessing the resource implications of the draft guideline

4.1 To estimate the resource effect of a guilty plea guideline, an assessment is required of how it will affect the levels of reductions awarded and therefore the length of custodial sentences imposed. This guideline presents a particular challenge for the Council - in contrast to offence-specific guidelines, which are intended solely to influence sentencer behaviour, it is also intended to affect the behaviour of offenders and their legal representatives. This behaviour change is something that it is not possible to predict with any confidence, given the limited research in this area.

4.2 The Council considered the possibility of estimating the costs of the draft guideline based on assumptions about offender behaviour, but rejected

¹ From 1 October 2010 to 31 March 2015 the Council conducted the Crown Court Sentencing Survey (CCSS) which collected data on sentencing practice in the Crown Court.

this because of the highly speculative and subjective nature of any such estimate. Therefore this assessment of the resource implications of the guideline starts from the concept of the “null hypothesis”, which in this context means that offenders will continue to plead at the same stage in the court process as was the case in 2014 (the latest figures that are available).

4.3 The following assessment is in no way a prediction of what is expected to happen following implementation of the guideline, but it provides a baseline against which to consider the costs. The fact that timings of pleas and levels of reductions are already likely to have changed since 2014, and that it is likely that there will be *some* change in defendant behaviour means that that the “null hypothesis” is very much a starting premise.

4.4 It should also be noted that the assessment takes no account of any exceptions to the normal application of the draft guideline – it is assumed that the appropriate reduction for the stage of plea would be applied in all cases and that none of the exceptions would apply.²

4.5 In addition, as with all Council resource assessments, the assessment is based on sentencers following the draft guideline at all times.

4.6 The assessment also does not take into account any potential changes to sentence levels prior to the application of the guilty plea reduction (such as treating co-operation with police as mitigation) again, because it is impossible to make any meaningful assessment.

4.7 Any changes in sentencing practice which may have occurred whether or not a new guideline was introduced (such as those arising through the implementation of the Better Case Management initiative) are also not included.

5 Resource impact

5.1 In every case in which a plea is entered and an offender is sentenced to immediate custody, the guilty plea reduction has an impact on the sentence length, and so any small change to average sentence lengths may have a very significant cumulative effect on the overall system.³

5.2 Applying the “null hypothesis”, it is estimated that the effect of the draft guideline would be an increase of approximately 600 prison places in 2016/17 and 2,000 prison places in 2017/18. The increase in prison places results from longer custodial sentences because smaller reductions would be given. This increase equates to a cost of £15 million and £50 million

² The draft guideline does provide for a number of exceptions to the levels of reduction awarded, the impact of which have not been estimated as part of this assessment.

³ In 2014 there were just under 90,000 prison sentences of immediate custody with an average custodial length of 15.6 months:

respectively,⁴ across both magistrates' court and Crown Court sentences; it also includes costs incurred in the probation service. If brought into force and without a change in behaviour compared to 2014, the guideline could, over time, result in the need for 4,500 additional prison places each year at a cost of £115 million per year.

5.3 The increase in the prison population would cause a temporary reduction in the expected licence population as offenders would be released later. However, this would not generate a significant saving to the public purse as Community Rehabilitation Companies are paid per licence start (i.e. by how many offenders start a licence period) rather than by caseload (the total number of offenders handled in any given period). The caseload for the National Probation Service would initially decrease, producing a saving, but this would then change to a net cost as a result of offenders spending longer on licence (due to longer overall sentences).

5.4 It should, however, be noted that whilst it is likely that the resource implications of the draft guideline will be substantial, it is unlikely that the costs will reach these levels. As already indicated, the timings of pleas and levels of reductions are already likely to have changed since 2014, and it is likely that overall offenders *will* plead at an earlier stage in the court process (for example, some offenders, when faced with only a one-fifth reduction at the Crown Court will enter their plea in the magistrates' court to obtain a one-third reduction).

6 The Wider System

6.1 If the guideline did not bring about any change in offender behaviour, then no wider system savings would be realised. However, as explained above, and in more detail in the consultation document, the purpose of the guideline is to bring about such behavioural change and incentivise early pleas. Where offenders plead earlier there would be some savings to the administration of justice.

6.2 It is not possible to summarise accurately these wider system savings, as not all of the costs and savings are available to give a total picture. However, it is possible to provide an indication of where savings would be accrued.

6.3 There would be a reduction in the average sitting days per case in the Crown Court, leading to those cases that do go to trial being listed more quickly. The amount of work required to be undertaken by both the police and the Crown Prosecution Service to prepare the case file would reduce.

⁴ The costs quoted exclude capital build costs and overheads. On this basis, a year in custody is assumed to cost an average of £25,000, including local maintenance, but excluding any capital build expenditure and overheads that may be necessary. This is a lower figure than previously used in Sentencing Council resource assessments (£30,000) but this aligns with the new estimates used across the Ministry of Justice (MoJ). For more details see: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/367551/cost-per-place-and-prisoner-2013-14-summary.pdf.

Conversely, if contrary to the aim of the guideline a defendant entered a plea much later in the process than at present, this would increase costs when compared to current levels.

6.4 A positive change in offender behaviour would also have a significant non-monetary benefit, in terms of the relief and reassurance felt by victims and witnesses.

6.5 If there were no positive change in offender behaviour, not only would the wider system savings not be realised, but also the significant investment by the police and the Crown Prosecution Service (CPS) in developing programmes to ensure provision of relevant material in a timely manner to enable a guilty plea to be entered at the first occasion⁵ would be undermined. As the purpose of the guideline is to change offender behaviour, a failure to introduce the guideline may risk undermining these initiatives. Although it is too early to have firm evidence, early indications are that these initiatives, alongside related judicial initiatives, are having some impact on the stage at which pleas are being entered.⁶

7 Conclusion

7.1 The aim of calculating the impact of the guideline under the “null hypothesis” (of no change in offender behaviour) is to provide a starting premise for any assessment of potential resource implications of the proposed guideline. Under the no change scenario there is a substantial increase in prison places. Even where there is behaviour change and some offenders are incentivised to plead earlier, it is still highly likely that the guideline will result in a requirement for additional prison places.

7.2 In practice, the actual implications may be mitigated both by a change in offender behaviour and by the fact that the timings of guilty pleas will already have changed by the time the guideline takes effect (which will not be before 2017) as practice moves more in line with the draft guideline than was the case in 2014. The cost of the prison places will also be partly offset by savings in the wider system, but they will not negate this cost completely.

8 Risks

8.1 Since the application of a sentence reduction for a guilty plea has the potential to apply to all sentences passed in the courts, small changes to offenders’ behaviour and to practice by sentencers in applying the *reduction for a guilty plea* guideline have the potential to have substantial resource

⁵ For example, the development of the Transforming Summary Justice programme, Early Guilty Plea and Better Case Management Initiatives and recommendations in the President of the Queen’s Bench Division’s Review of Efficiency in Criminal Proceedings - which are now being built into the Criminal Procedure Rules - place a requirement on all parties to engage early, make the right decisions, identify the issues for the court to resolve and provide sufficient material to facilitate that process. In many cases, the expectation is that the provision of relevant material in a timely manner will enable a just guilty plea to be entered at the first occasion.

⁶ From Crown Prosecution Service data, based on Crown Court data.

implications, depending on how these behavioural changes manifest themselves.

8.2 It is not possible accurately to predict how offenders' behaviour or sentencing behaviour will change as a result of the guideline, and hence there is considerable uncertainty surrounding the resource implications of the proposed guideline.

8.3 In light of this, it will be important for the Council to conduct early work to assess any consequences of the guideline once it is in force. Prior to the guideline coming into force, the Council will put in place a group comprising representatives of the Sentencing Council, the police, CPS, Her Majesty's Courts and Tribunal Service and the Ministry of Justice, to help steer work to collect a range of information that will feed into an assessment of the implementation and impact of the guideline in 2017. This may include, for example, interviews with sentencers and other criminal justice professionals, analysis of transcripts of sentencing remarks, case file analysis, and analysis of data from other criminal justice agencies. The group will review the findings from this data collection and advise the Council if it suggests the need for a review of the guideline.