



Fighting crime requires resources. This means not just money but also people's time, equipment, office space and so on. All of this could be used for other things. So how should we decide how to spend resources on crime fighting?

In a utopian world (or at least, a not-quite-utopian world where crime still existed), we would allocate our resources 'optimally', achieving the greatest impact on crime possible. In the real world, this is something to strive towards, but it requires measuring exactly how resources are used and the achievement attained, not to mention defining what 'the greatest impact on crime' actually is.

Economic analysis attempts to measure the impact of resource use. It is growing in popularity and government bodies such as the UK Treasury¹ recommend conducting cost-benefit analysis (CBA) for any appraisal of public spending. While CBA can tell you future monetary savings from present investment, it also goes beyond the financial. Indirect costs such as productivity loss as a result of the crime and intangible costs such as the physical and emotional impact on victims, are also included in the analysis. By quantifying these impacts we can understand what represents value for money, and compare different kinds of interventions more directly. This all helps decision makers understand more clearly what they are spending money on.

¹ HM Treasury. (2003). The green book: Appraisal and evaluation in central government. http://www.hm-treasury.gov.uk/d/green_book_complete.pdf.

There are government-sponsored projects (in countries such as the US,² Australia³ and the UK⁴) to quantify the costs of crime (including intangibles), but unfortunately, there is not a significant bank of research on whether particular types of criminal justice interventions represent value for money. Hence, good quality economic studies available for review are still comparatively rare – a study in 2010⁵ found only 61 published studies published between 2000 and 2006 reported a real world evaluation of an intervention, contained some economic analysis and targeted a reduction in criminal behaviour as an outcome. In comparison, the UK National Health Service Economic Evaluation Database (NHS EED) contains almost 17,000 equivalent studies in healthcare.⁶

Unsurprisingly in this context, those systematic reviews out there, while representing useful syntheses of the evidence on the value for money of criminal justice interventions, struggled to draw strong conclusions. This is compounded by wide variation in methodology coupled with few good quality experimental study designs. Until policymakers consistently fund cost-benefit analysis as an integral part of any evaluation of interventions or programmes then this will only continue. What's more, context matters – an intervention shown to work in a different time period, geographical location, or socio-economic backdrop may not necessarily work in your patch, particularly for a complex social issue such as crime.

It is at this point that economic 'decision models' come in. These are structured, mathematical models that relate inputs (the intervention) to results (a reduction in reoffending, for example, and the financial and social consequences of that reduction). A decision model's advantage lies in its capacity to incorporate data from multiple sources in a transparent, logical way. For example, local population and crime statistics can be combined with information from reviews on the *effectiveness* of a programme at reducing crime, and national estimates as to the *cost* of that crime.

While these models still rely on primary studies, they do not require full economic analyses to be conducted, and although modelling introduces complexity, methods for building and presenting models are improving with time. In healthcare, where economic analyses are far more numerous, organisations such as NICE (the UK's National Institute for Health and Care Excellence) still recommend providing decision models alongside systematic review in order to make a decision.

² Cost-Benefit Knowledge Bank for Criminal Justice. (2016). About CBKB. <http://cbkb.org/about/>

³ Dossetor, K. (2011). Cost-benefit analysis and its application to crime prevention and criminal justice research. AIC (Australian Institute of Criminology) Reports: Technical and Background Paper 42. <http://www.aic.gov.au/documents/A/4/F/%7bA4FA76DE-535E-48C1-9E60-4CF3F878FD8D%7dtbp042.pdf>

⁴ Home Office. (2011). Revisions made to the multipliers and unit costs of crime used in the integrated offender management value for money toolkit. <http://www.homeoffice.gov.uk/publications/crime/reducing-reoffending/IOM-phase2-costs-multipliers>.

⁵ Marsh, K. (2010b). Economic evaluation of criminal justice interventions: A methodological review of the recent literature. In J.K. Roman, T. Dunworth, & K. Marsh (Eds.), *Cost-benefit analysis and crime control*. Washington: The Urban Institute Press.

⁶ Centre for Reviews and Dissemination. (2016). About the CRD databases. <http://www.crd.york.ac.uk/crdweb/AboutPage.asp>.

In criminal justice, the use of decision modelling is still nascent. But pioneering work by the Washington State Institute for Public Policy⁷ (WSIPP) shows the usefulness of such an approach. Their analyses, which result in a 'menu' of interventions, classified by their benefit per dollar spent, net benefit, and benefit to the taxpayer. This has already been shown to have a demonstrable impact on that state's bottom line and crime statistics.⁸ It also helps take some of the political element out of decision making on crime.

Findings from WSIPP suggest, for example, that lowering the length of stay for prisoners by 3 months is cost-beneficial for lower and moderate risk offenders, but not high risk. Also, interventions that deploy additional police officers to crime hot spots can generate significant return on investment. The findings also shows that the vast majority of interventions to reduce juvenile re-offending are beneficial, while the so-called 'scared straight' approach actually has a negative impact – it encourages more crime. A similar UK based analysis conducted – 'The economic case for and against prison'⁹ – also showed that savings to society could be produced through programmes such as residential drug treatment as opposed to prison.

With the expansion of primary data collection, the potential for decision models to assist decision-makers continues to grow. Perhaps one day our knowledge of what works, within our own local context, can contribute to effective policymaking that both saves money and reduces crime, taking us a little bit closer to that almost-utopian world.

7 Washington State Institute for Public Policy. <http://wsipp.wa.gov/>

8 Urahn, S. K. (2012). The cost-benefit imperative. *Governing.com*. <http://www.governing.com/columns/mgmt-insights/col-cost-benefit-outcomes-states-results-first.html>.

Welsh, B. C., & Farrington, D. P. (2000). *Monetary*

9 Optimity Advisors (formerly Matrix Knowledge) (2007). The economic case for and against prison. <http://www.optimityadvisors.com/sites/default/files/research-papers/10-economic-case-for-and-against-prison.pdf>