

COMPARATIVE CASE COSTS

Action

1. At the CPS Board meeting in December the following action was recorded:

Action 3: The Board asked [REDACTED] to lead a piece of work on comparative case costs across the Service and present his findings to the February meeting of the Group Chairs and February Board.

S 40(2)

Issue

2. The issue of comparative case costs can be broken down into administration (internal/staff) costs and prosecution costs (external /mainly advocacy fees).

Administration Costs

3. Areas spend around £400 million each year on administration costs, including accommodation. Over 80%, £330 million, is spent on staff costs. In simple terms this expenditure represents the cost of case review and preparation, advocacy in the magistrates' courts and the Crown Court, witness care and the administration of the Area.
4. Staff costs are attributed to cost centres (Branch/CJU/TU etc) rather than to specific activity or function. Consequently at national and Area levels costs associated to magistrates' courts and Crown Court preparation cannot be easily disaggregated from the overall administration costs expenditure. Furthermore it is not possible to associate in-house preparation effort to Crown Court cases because CPS does not time-record preparation effort and associate it to individual cases.
5. BDD and FD are currently exploring ways of getting a better understanding and analysis of in-house administration costs but there is no quick or easy solution.

Prosecution Costs

6. Since internal and external advocacy costs in an Area can be associated to Crown Court caseload it is possible to analyse the unit cost of advocacy. For the reasons given above, and for the purposes of this exercise, this analysis of comparative case costs focuses solely on prosecution (advocacy) cost expenditure and assumes broadly consistent administration costs expenditure on Crown Court cases across 42 Areas.
7. The analysis of advocacy expenditure provides unit costs across Areas ranging from about £600 to £1,500 per defendant case finalised. Analysis shows a number of factors for the variation in unit cost including:
 - Ratio of summary, either-way and indictable only cases;
 - Proportion of (early) guilty pleas -v- cracked trials -v- effective trials;
 - Prevalence of 'expensive' offence types in an Area e.g. complex fraud, gangs, guns, homicide;
 - Tendency to instruct two (or more) counsel;
 - Trial length of effective trials;
 - Mix of GFS and VHCC cases, and
 - Weight of cases in terms of volume of statements, exhibits, witnesses etc.

8. Historically, other factors have also had an impact such as inaccurate recording of caseload and expenditure not relating to case finalisations because of backlogs in fee payments but these issues have now been largely resolved. Caseload is accurately measured using CMS and all Areas are reporting up to date counsel fee payments.
9. No one factor is responsible for the differential in unit cost alone, but two appear to influence unit cost more than others, namely
 - the early guilty plea / late guilty plea / contest rate and
 - the disproportionate impact of payments for advocacy in very high cost cases, particularly for smaller Areas.
10. As a general rule, the longer cases remain live in the system the more expensive they become. It follows that Areas with a relatively high rate of early disposals achieve a lower unit cost and Areas with a high contest rate record a higher unit cost.
11. The table at annex A shows the advocacy unit cost (advocacy expenditure + HCA counsel fee savings) for the 12 month period to December 2008 and the relative contested trial and guilty plea rates. The data in respect of unit cost, contested trial rate and guilty plea rate has been ranked in a quartile analysis with better performers in each category shown in green or amber/green and worst performers in red or amber/red. It can be seen from the table that Areas with a high unit cost tend generally have a high contest rate and low guilty plea rate.
12. The contest rate / guilty plea rate is a reasonably constant factor when analysing unit cost and has varied little over time. The disproportionate effect of substantial advocacy costs in longer cases is more variable factor for Areas and depends on the occurrence of lengthy Crown Court trials. For instance, a low unit cost Area can suddenly have a high unit cost in one year because of single substantial case and this is the situation in 2008 with Northamptonshire.
13. Areas with a high unit cost tend to be in the South East where there is a relatively high contest rate and delays in achieving Crown Court disposal and the CPS Areas of Kent, Surrey, London, Bedfordshire, Hertfordshire and Hampshire all appear in the top half of any unit cost analysis. Conversely, Areas in the Midlands, Northern and North Eastern Circuits such as Nottinghamshire, Derbyshire, North Wales, Cheshire, Northumbria and Durham regularly have a low unit cost.
14. The reason for higher contested trial rate in the South East is not clear but it could be that:
 - the SE Circuit courts carry greater backlogs of trials which encourage defence solicitors to play a longer game, hoping that witness issues or other problems will eventually stall the prosecution
 - the higher cost of living in the South East drives defence fee earners to maximise their fee earning income by prolonging cases
 - the over provision of advocates in the South Eastern Circuit Bar incentivises practitioners to keep cases live in the system

- there is a perception that jurors in the South East are more likely to acquit (although data does not bear this out and London is about mid table in terms of jury acquittals).

15. There is no evidence to link poor case management or poor management of CPS Areas to higher unit costs; otherwise the relative position of Areas in the unit cost 'league table' would have changed over time with changes to management structures.

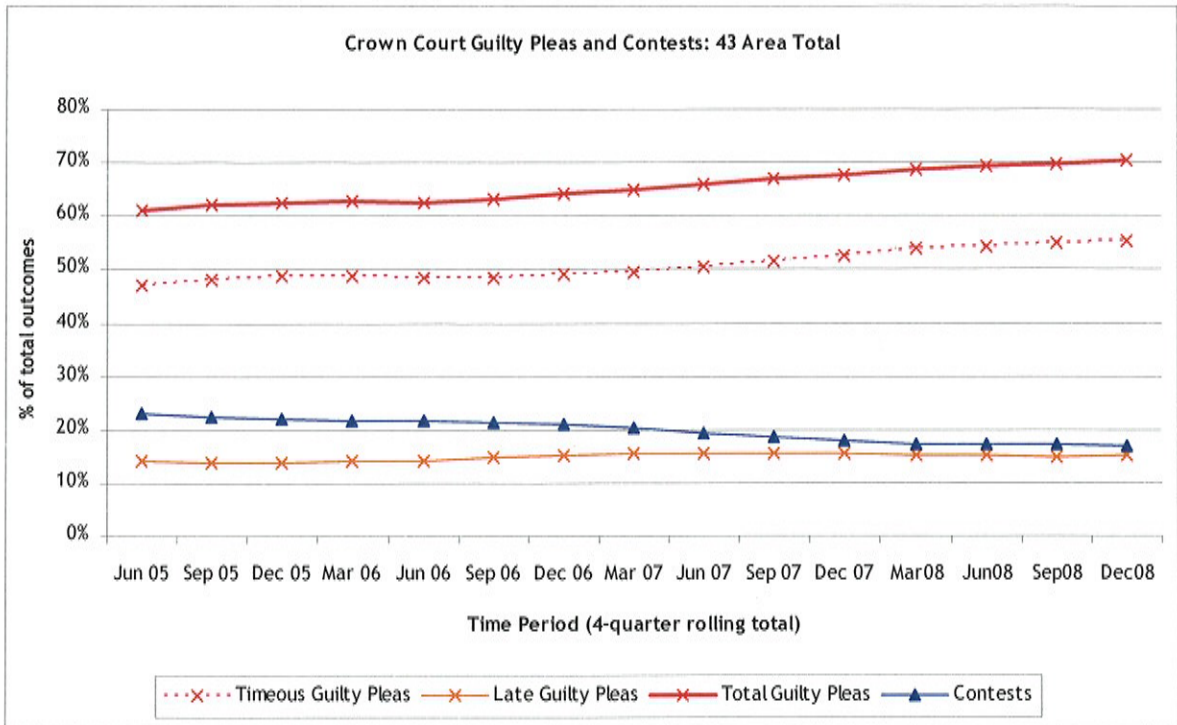
National Position

16. Expenditure on external advocacy fees has fallen since 2004-05 and the unit cost of advocacy, taking into account HCA advocacy, is now at its lowest value for the last five years.
17. The reduction in expenditure on external advocacy has been achieved despite a significant increase in Crown Court finalisations since 2004-05, now at its highest recorded level.

CPS EXPENDITURE ON ADVOCACY COSTS - 42 AREAS - SUMMARY					
[Data from CIS / HCA Flexible Funding Notifications]					
	2004-05	2005-06	2006-07	2007-08	12 months to Dec '08*
External Advocacy spend from CIS	134,558,998	130,405,471	134,053,863	127,114,523	115,482,343
Change on previous year		-4,153,527	3,648,391	-6,939,339	-11,632,180
% Change on previous year		-3.1%	2.8%	-5.2%	-9.2%
HCA Generated Advocacy Fees Saved	2,008,540	5,456,116	11,301,090	20,213,359	25,594,132
Change on previous year		3,447,576	5,844,974	8,912,268	5,380,773
% Change on previous year		171.6%	107.1%	78.9%	26.6%
Advocacy Expenditure + HCA Savings	136,567,538	135,861,587	145,354,953	147,327,882	141,076,475
Change on previous year		-705,951	9,493,365	1,972,929	-6,251,407
% Change on previous year		-0.5%	7.0%	1.4%	-4.2%
CC Finalisations	122,522	124,640	123,476	131,478	138,192
Change on previous year		2,118	-1,164	8,002	6,714
% Change on previous year		1.7%	-0.9%	6.5%	5.1%
Advocacy Unit Cost	1,115	1,090	1,177	1,121	1,021

*NB: Latest 12 months data to December 2008 subject to end of year validation and approvals

18. The reduction in unit costs has been achieved through better management of counsel fees, deployment of HCAs but also through a positive upward shift in the guilty plea rate and a decline in the contest rate.



19. The Board is asked to note the position and indicate whether any further analysis is required.

Business Development Directorate / Finance Directorate
February 2009

 **Note**

ADVOCACY UNIT COST - SUMMARY - 12 MONTHS TO DECEMBER 2008

	TOTAL ADVOCACY SPEND + HCA SAVINGS (INC VAT)	% Contested Trials	% Guilty Pleas
P08 - Derbyshire	588	11.6%	75.8%
P29 - North Wales	593	13.7%	79.9%
P04 - Cheshire	626	14.2%	74.3%
P11 - Durham	633	7.3%	83.0%
P28 - Northumbria	676	6.9%	79.0%
P19 - Humberside	720	10.5%	81.9%
P07 - Cumbria	725	14.8%	74.0%
P31 - Nottinghamshire	765	9.5%	79.1%
P30 - North Yorkshire	775	14.6%	72.9%
P41 - West Midlands	786	14.7%	72.3%
P33 - South Yorkshire	791	9.1%	81.5%
P01 - Avon & Somerset	797	17.2%	71.3%
P14 - Gloucestershire	807	12.2%	74.2%
P39 - Warwickshire	807	13.2%	78.7%
P06 - Cleveland	822	11.6%	74.3%
P34 - Staffordshire	840	12.4%	76.8%
P22 - Leicestershire	842	13.3%	72.2%
P43 - Wiltshire	849	17.2%	68.4%
P26 - Norfolk	876	8.0%	82.4%
P15 - Greater Manchester	898	11.7%	76.5%
P09 - Devon & Cornwall	916	18.1%	67.9%
P03 - Cambridgeshire	922	18.0%	70.9%
P13 - Essex	926	16.8%	69.6%
P38 - Thames Valley	929	24.6%	62.2%
P21 - Lancashire	937	10.6%	76.6%
P12 - Dyfed Powys	937	23.3%	67.7%
P18 - Hertfordshire	945	21.8%	68.3%
P37 - Sussex	948	18.2%	70.6%
P32 - South Wales	962	15.2%	74.4%
P24 - Merseyside	1,017	15.1%	72.0%
43 AREAS	1,021	16.5%	70.6%
P42 - West Yorkshire	1,031	13.4%	75.6%
P40 - West Mercia	1,038	12.4%	79.4%
P27 - Northamptonshire	1,048	11.0%	80.4%
P23 - Lincolnshire	1,073	14.4%	77.4%
P10 - Dorset	1,108	21.7%	69.1%
P17 - Hampshire	1,212	18.5%	66.6%
P16 - Gwent	1,265	15.6%	68.7%
P35 - Suffolk	1,296	18.9%	72.4%
P02 - Bedfordshire	1,345	22.8%	68.3%
P25 - Metropolitan & City	1,452	24.5%	58.1%
P20 - Kent	1,515	20.3%	70.9%
P36 - Surrey	1,553	23.6%	63.3%
RANGE			
	Unit Cost (£'s)	Contest Rate	Guilty Plea Rate
TOP 10	588 - 786	6.9% - 11.6%	78.7% - 83%
2nd 11	791 - 916	11.7% - 14.6%	74% - 77.4%
3rd 11	922 - 1,038	14.7% - 18.2%	69.1% - 72.9%
BOTTOM 10	1,048 - 1,553	18.5% - 24.6%	58.1% - 68.7%