

Cost-Benefit Analysis of Policies Impacting Crime

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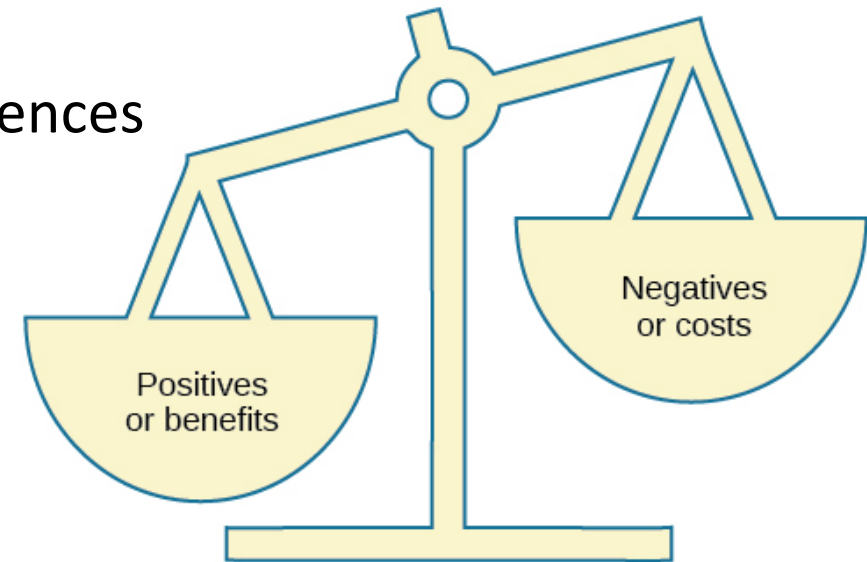
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Policy Choices

- At any moment we have a range of policy choices available
 - rarely is the choice between Policy A vs doing nothing
 - but rather the choice is between Policy A vs Policy B
- economists evaluate the relative value of policies through cost benefit analysis (CBA)
 - policy costs: implementation
 - policy benefits: intended and unintended consequences
 - costs and benefits both accrue over time:
 - short vs long run



CBA in Action

- two examples of CBA analysis of policies impacting crime
 - police station closures
 - youth club closures



Police Station Closures

- Met Police had its real-term budget reduced by a quarter between 2010-6
- resulted in the closure of 75% of London police stations over 2012-8
- doubled the average distance to the nearest station: 1.4 to 3.1 km

Figure 1 Total number of police stations operating in Greater London between 2008 and 2018

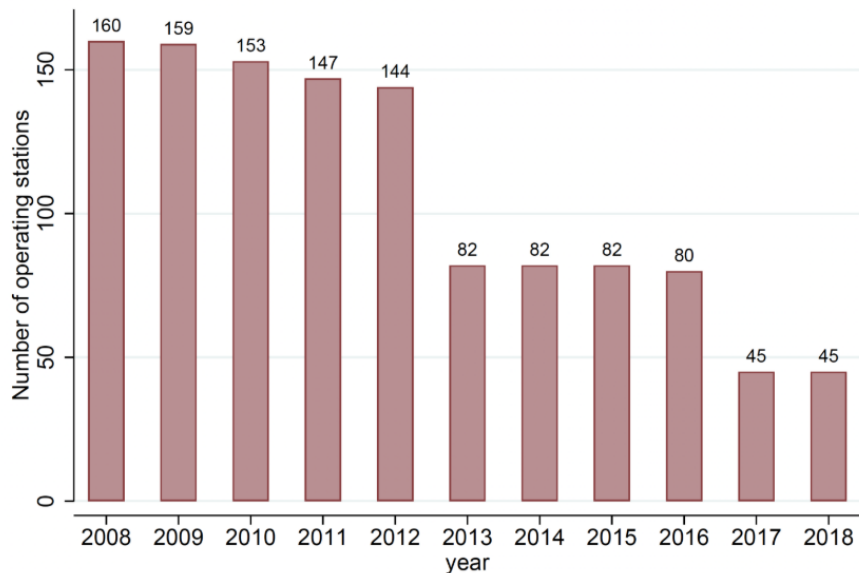
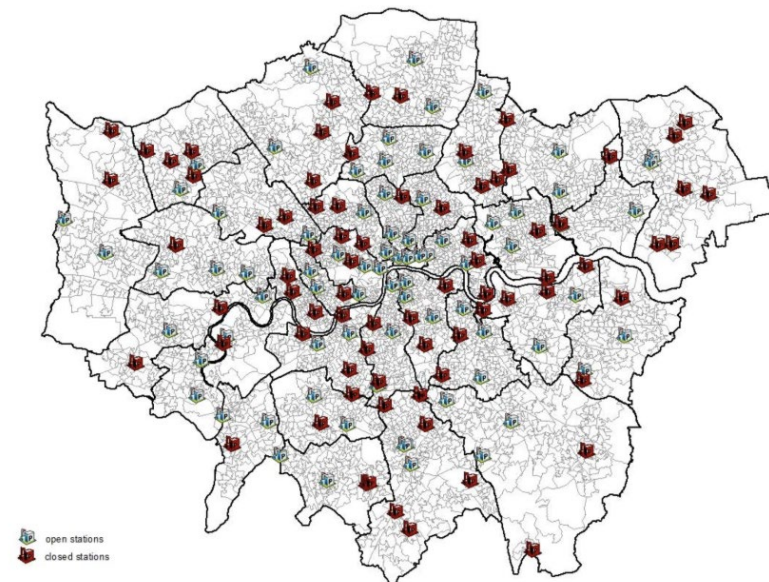


Figure 2 Distribution of open and closed police stations in Greater London



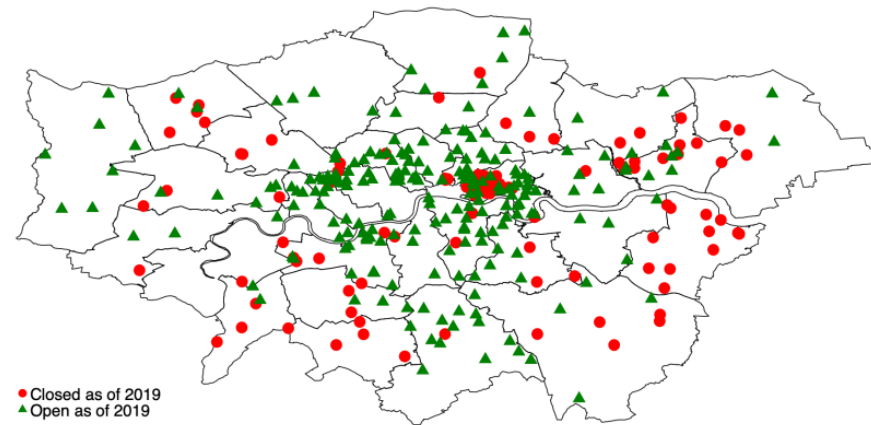
Impacts of Police Station Closures

- persistent increase in violent crimes: **11%**
- increased distance to stations increased response times, led to a **3%** decline in clearance rates
- implications for citizen welfare:
 - decreased citizens' reporting of low-severity offences
 - local house prices decrease by **5%** per year
 - effects concentrated in crime hot spots and deprived blocks, exacerbating inequalities
- CBA: decreased spending in policing generates roughly **£1.75** in social losses for every saved pound

Youth Club Closures

- in 2009, 40% of Londoners aged between 11 and 16 reported attending these spaces at least weekly
- typically funded by local councils, which experienced large funding cuts during the 2010s
- in London, around 30% of youth clubs closed between 2010-9

Figure 1: Youth clubs in London and their opening status as of 2019



Notes: The red circles show youth clubs that closed between 2010 and 2019 and the green triangles show clubs that were operative throughout the decade. The youth club locations come from FOI data, and the map represents borough boundaries from Ordnance Survey.

Impacts of Youth Club Closures

- **teenagers whose nearest youth club was closed did worse in school:**
- London youths who lost access to a nearby youth club had a decline in GCSE results equivalent to **a decline of half a grade in each subject**
- effects more severe for pupils from lower socio-economic backgrounds (decline of one grade)
- **closures led to an increase in offending:**
- young people who lost access to a youth club were **14%** more likely to engage in criminal activity in the six years following closure
- fraction of residents aged 10 to 17 who commit a crime each year went from 14 per 1,000 to 16 per 1,000
- particularly large increases in theft, robbery/shoplifting, drug offences and violent crimes.
- estimate that for every £1 saved from closing youth clubs, there are societal costs of nearly **£3**

Transforming justice: the interplay of social change and policy reforms

A well-functioning justice system is fundamental to social wellbeing

A well-functioning justice system is fundamental to social well-being, supporting an inclusive and secure society and underpinning wider trust in the state. The justice system in England and Wales has been changed dramatically over the last decade through large-scale reductions in funding and a sequence of major procedural reforms intended to modernise the system. Despite the scale of change, and the central importance of justice to everyday social and economic life, to date there has been limited systematic economic and quantitative analyses of the impacts of these changes on access to justice, people’s pathways through the justice system, and wider effects on well-being for those experiencing the justice system. This project will address these knowledge gaps using research drawn primarily from the administrative datasets curated through the Ministry of Justice’s ‘Data First’ programme, funded by ADR-UK. The project will range across many of the system’s jurisdictions including administrative, civil, family, and criminal.



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Thank You!
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