

The Clink Charity An Economic Impact Analysis

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Thank you to Alastair Carr,
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Photo by Jade Nina Sarkhel

The Clink: Key Statistics

- Delivered 250,000 training hours
- Trained 304, contributing to a total of 1,800 since 2009
- Had 95 qualified graduates released & supported in the community
- Links with over 280 employers willing to work with Clink graduates
- Had all 4 restaurants rated 1st on TripAdvisor



Note: Data based on 2017 numbers. Given the necessary lag between an offender being released from prison and the calculation of reoffending rates, we have used 2017 as our base year for calculation. In line with this approach, these statistics refer to data for 2017.

Key Messages

Our results find that The Clink delivers at least a four-fold return on investment.

This report summarises the cost-benefit analysis of The Clink, a charity that reduces reoffending rates among prisoners / ex-offenders. The Clink operates training restaurants and gardens in prisons in England and Wales, giving men and women in prison the opportunity to obtain skills/qualifications before release and also links to employers willing to employ them upon release.

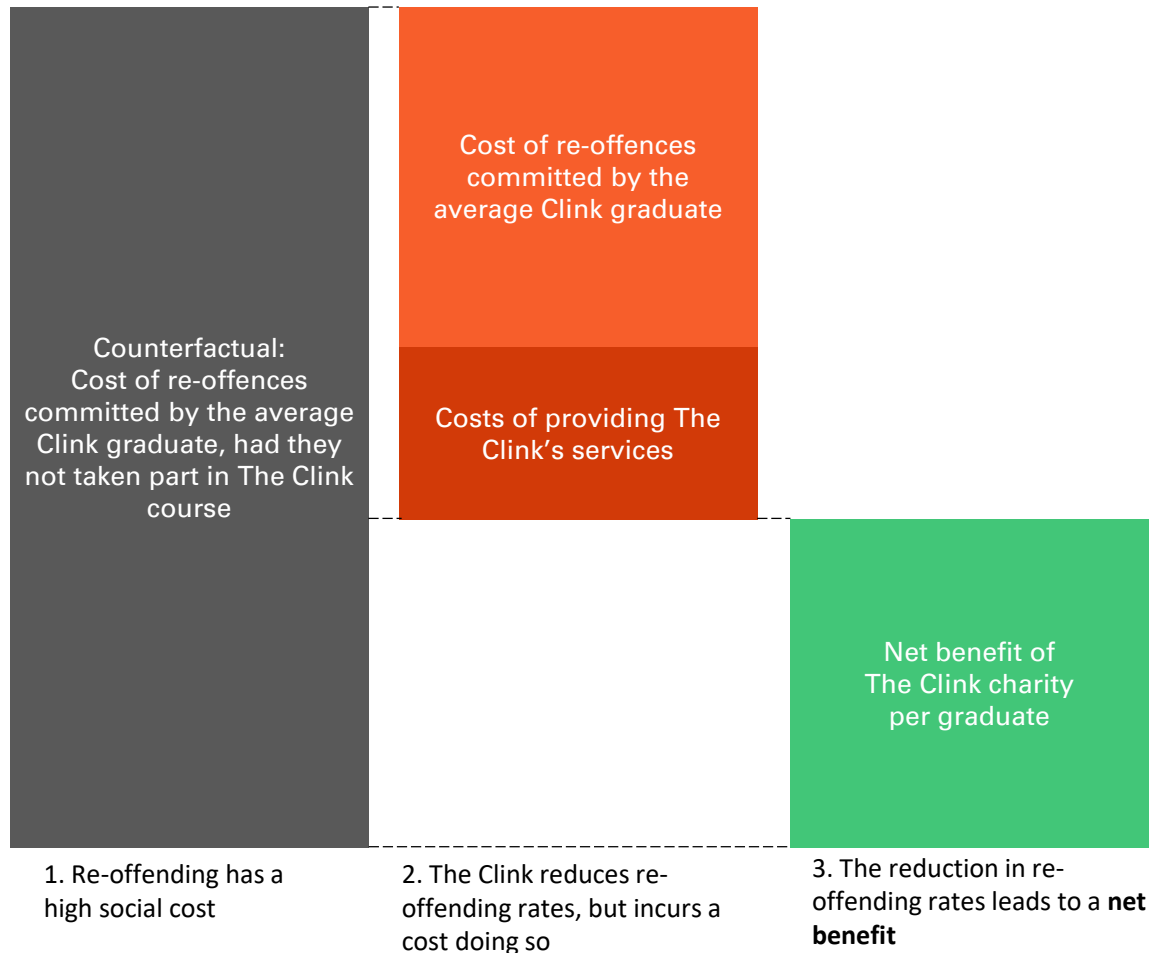
- **Impact**: according to the Justice Data Lab report, the rate of proven reoffending among Clink Graduates is lower than a comparable control group, at 0.46 reoffences per individual vs. 0.63 in the comparison group, for the period 2010-16 (the full period for which data are available).
- **Societal benefit**: the reduction in reoffending can be converted to estimates of economic and social benefit. Using Home Office figures on the costs of crime, we derive the saving from reduction of reoffending, estimated as at least £111,000 per reoffence. When combined with the reoffending reduction impact from the Clink, this converts to an estimate of “per individual benefit” of at least £18,900.
- **Costs of running the scheme**: using management accounts from The Clink, we estimate the costs of running the scheme to work out at £3,900 per individual.

Overall this means that The Clink is likely to generate at least £4.80 in benefits for every £1 spent. As The Clink works exclusively with prisoners rather than offenders with non-custodial sentences, it can be expected that the savings could be higher than this.¹

¹These figures are based on a calculation of the costs of crime excluding outlier crimes. The costs of crime, and therefore the benefits of reoffending reductions, are higher still if outlier crimes are included in the analysis.

Assessment of benefits (1): Reduction in reoffending

The value provided depends on the benefits of the intervention, set against its costs



Benefits

- The Clink delivers benefits by reducing reoffending, and the associated social costs of reoffending
- An analysis of the benefits therefore considers the savings that can be achieved on (quantifiable) costs associated with reoffending
- The benefits associated with The Clink depend on the reoffending rate observed for The Clink graduates, relative to the reoffending rate that would have prevailed in the absence of the intervention offered by The Clink (the “*counterfactual*” rate of reoffending)

Costs

- The Clink’s programme includes a number of costs that would not be incurred but for the programme
- These include capital investment in kitchens/restaurants, and operating expenditure on training and support

Assessment of benefits (1): Reduction in reoffending

Use of Ministry of Justice (MOJ) “Justice Data Lab” data on reoffending rates

A critical step in the analysis of The Clink’s benefits is the determination of the rate of reoffending relative to the “counterfactual”: the rate of offending that would have occurred without The Clink’s intervention.

- A straightforward approach to the analysis of The Clink’s ability to reduce reoffending rates would be to compare the rates of reoffending for Clink graduates to the prison population as a whole. However, such an approach does not take into account the fact that The Clink trainees may not be as equally likely to reoffend as the prison population as a whole.
- In particular, it is important to control for a range of characteristics (such as gender, age at offence, ethnicity, criminal history etc.). Comparing The Clink graduates’ reoffending rates against a comparable Cohort of prisoners, based on these characteristics, allows to minimise selection effects: i.e. to ensure that we do not bias the results by pre-selecting a particular cohort of trainees that have a systematically lower propensity to reoffend.¹

Justice Lab Data provide The Clink graduates’ reoffending rate relative to a matched control Cohort

- The MOJ’s Justice Data Lab (JDL) provides a service to organisations working to reduce reoffending, by conducting an analysis which assesses the impact of that programme against various reoffending measures.
- It does so relative to a matched control group, consisting of similar offenders to those in the treatment group. More details on the JDL methodology are available [here](#).
- We have relied on JDL’s report for The Clink for the period 2010-2016, completed in July 2019 and available [here](#).

¹ We note that The Clink might further attract offenders with the motivation to train and work in the hospitality industry; it could be the case that this population is less likely to reoffend than the general prisoner population, in a way that is not accounted for by the Justice Data Lab analysis. However, this aspect of selection bias is likely to be present for all programmes and charities seeking to aid offenders in prison, and would not be specific to The Clink.

Assessment of benefits (1): Reduction in reoffending

Justice Data Lab results for The Clink – key findings

For The Clink, JDL provide two potential measures for the reoffending rate:

- (i) **The rate of reoffending**– i.e. the proportion of people who committed a proven reoffence within a one year period following their release (**Table 1**)
- (ii) **Frequency of reoffending**: the number of proven reoffences (per released prisoner), within a one-year period following their release (**Table 2**)

For our analysis we compare the **frequency of reoffending**. This is because data on the number of proven reoffences committed allow a more direct comparison with our data on the costs associated with a reoffence (see page 9).

This analysis indicates a change of reoffence frequency of:

17 percentage points (0.46 The Clink vs. 0.63 Cohort) for the period 2010-2016 as a whole

24 percentage points (0.30 The Clink vs. 0.54 Cohort) for prisoners released in 2016

Table 1: Proportion of people who committed a proven reoffence in a one-year period after support from The Clink, compared with matched comparison groups

Analysis	Number in treatment group	Number in comparison group	One-year proven reoffending rate				
			Treatment group rate (%)	Comparison group rate (%)	Estimated difference (% points)	Significant difference?	p-value
National	209	94,106	15	22	-12 to -2	Yes	0.01
2016 cohort	56	13,505	14	19	-14 to 5	No	0.33
HMP Brixton	38	14,468	11	32	-32 to -11	Yes	<0.01

Table 2: Number of proven reoffences committed in a one-year period by people who received support from The Clink, compared with matched comparison groups

Analysis	Number in treatment group	Number in comparison group	One-year proven reoffending frequency (offences per person)				
			Treatment group frequency	Comparison group frequency	Estimated difference	Significant difference?	p-value
National	209	94,106	0.46	0.63	-0.38 to 0.06	No	0.14
2016 cohort	56	13,505	0.30	0.54	-0.47 to -0.01	Yes	0.04
HMP Brixton	38	14,468	0.29	0.94	-0.94 to -0.36	Yes	<0.01

Source: Justice Data Lab, 2019:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/816030/JDL_The_Clink_report.pdf

¹ In terms of statistical significance, the results are mixed. In the JDL results, the rate of reoffending is calculated to a smaller margin of error than the number of proven reoffences for the whole period of 2010-2016; however for 2016, the result on the number of proven reoffences is statistically significant, whereas the results on the rate of reoffending are not.

Assessment of benefits (2): The cost of reoffending

Home Office data on the costs of crime

Having determined the reduction in reoffending rates offered by The Clink, to obtain the total benefits (i.e. cost savings) arising, we also need information on the costs of reoffending.

- We have relied on the report produced by the Home Office on **The economic and social costs of crime (2018)**. The average costs included in our analysis are shown in the box (right).
- Note that the Home Office report only details costs of crimes against the person. It excludes crimes against society (e.g. drug related crimes). Further, the Home Office report details the cost per crime, rather than the cost per *proven reoffence*. We have therefore adopted a methodology using a number of data sources to convert costs of crime into the cost per proven reoffence. (See Annex 1 for details.)
- Data availability constraints have meant that we have needed to assume that:
 - (i) The costs of a crime within a particular category are invariant to whether the crime is committed by a first-time offender or a reoffender;
 - (ii) The detection and enforcement rate (i.e. the ratio of offences to proven offences) is the same for reoffenders as for all offenders, and is the same for The Clink graduate reoffenders as for all reoffenders;
 - (iii) The cost of a typical crime can be adequately captured as a weighted average of costs of crimes against the individual, excluding crimes against society.
- We also assume that reoffences by Clink graduates follow a similar distribution to reoffences committed in general. We take two approaches to the analysis:
 - (i) a conservative approach, which estimates the cost of crime as a weighted average across all reoffences committed;
 - (ii) an alternative approach, which aims to capture the fact that, since the Clink supports only incarcerated offenders, the types of crimes committed may be more serious: here, we weight the reoffences on the basis of the distribution of reoffences for reoffenders whose first offence was for a serious crime.

We estimate a weighted average cost of a proven reoffence of **£117,826 (conservative)** and **£468,987 (alternative)**. Excluding outlier crimes, the cost is estimated at **£111,224 (conservative)** and **£432,820 (alternative)**.²

² Home Office report is based on costs in 2015/16; these have been rebased for 2017 in line with the data on The Clink's costs; Outlier crime categories are high cost low frequency and high frequency low cost crimes.

Assessment of The Clink charity's costs

Approach to determining the costs of operating The Clink

The Clink provides training and support in working restaurants within prisons. This implies that some care is needed in assessing the true cost of The Clink's work.

- Some of the costs in The Clink's accounts will cover basic operating expenditure of the restaurant (e.g. food costs), which are recouped by restaurant sales. These costs are best viewed as transfers rather than true costs of operating the programme.
- We have focused our analysis of the costs of The Clink by an assessment of (i) funding received by The Clink from the government (in the form of training income and government funding) plus the expenditure (funded from charitable donations) on (i) capital investments into facilities (restaurants); and (ii) support and mentoring costs associated with the "Beyond the Gate" programme. These are the two elements of The Clink which The Clink uses donations to support.
- This approach is conceptually similar and quantitatively close to defining the costs of The Clink as its net losses (i.e. income minus expenditure) of The Clink restaurants, where income does not include donations or government funding. However since capital spend is lumpy in nature, focusing on the level of the depreciation charge and the uses of donations allows us to consider a smoother profile of income and costs over time.
- We then calculate the unit costs on the basis of the number of people who receive the benefit from The Clink programme, whether or not they complete it. For 2017, this comprised 304 individuals (across 200 full-time equivalent places). This "participation" approach is the same basis on which data was submitted to the Justice Data Lab.
- Based on this approach, we estimate that the costs of operating The Clink were £3,920 per individual in 2017.
- The alternative approach, where we treat the Clink costs as simply the shortfall between restaurant income and total expenses, provides an estimated cost per person of £4,220.
- Detailed calculations of cost-benefit ratios on this basis are set out in Annex 3.

Overall cost benefit assessment (1)

Conservative approach to the cost of crime

We calculate a **cost benefit ratio**, which shows the benefit of the programme, relative to the costs of the programme. It is therefore a measure of the return on investment of The Clink, i.e. how much benefit does The Clink provide, for each £1 of costs spent.

On a conservative basis, for the purposes of this analysis, we calculate the average cost of crime using the distribution of offences for all reoffenders.

We present our main results:

- Using the reduction in the reoffending rate by The Clink for both 2010-2016 (full time period of the programme) and for 2016 (the last year for which JDL results are available)

Our results find that The Clink delivers at least a **four-fold return on investment**.

Results of the cost benefit analysis (including outlier crimes)

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£117,826	£117,826
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£20,030	£28,278
Per individual cost (D)	£3,920	£3,920
Cost/Benefit Ratio (E = C / D)	5.11	7.21

Results of the cost benefit analysis (excluding outlier crimes)

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£111,224	£111,224
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£18,908	£26,694
Per individual cost (D)	£3,920	£3,920
Cost/Benefit Ratio (E = C / D)	4.82	6.81

Overall cost benefit assessment (2)

Alternative approach to the cost per reoffence

Under this approach, the distribution of crime categories among reoffences committed by Clink graduates – who are all by definition incarcerated – is assumed to correspond to those whose first offence was in a serious crime category (violence against the person, sexual offences or robbery), rather than reoffenders more generally.

Reoffenders whose first-time offence was in a serious crime category are much more likely to commit more serious and costly crimes when reoffending. This means that if the crimes committed by Clink graduates when reoffending are assumed to follow the same distribution as these serious offenders, the estimated benefit of The Clink programme becomes much higher.

The cost benefit ratio for the Clink could be as high as **28:1**.

Results of the cost benefit analysis (including outlier crimes)

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£468,987	£468,987
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£79,728	£112,557
Per individual cost (D)	£3,920	£3,920
Cost/Benefit Ratio (E = C / D)	20.34	28.71

Results of the cost benefit analysis (excluding outlier crimes)

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£432,820	£432,820
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£73,579	£103,877
Per individual cost (D)	£3,920	£3,920
Cost/Benefit Ratio (E = C / D)	18.77	26.50

Annex 1: Using Home Office data on the costs of crime

(1) Converting costs per crime into costs per proven reoffence

Home Office data is provided on a per crime basis, rather than the cost per proven offence. Using the Home Office data directly would introduce two kinds of bias.

First, the Home Office data would understate the criminal justice costs associated with a proven offence, since many crimes (such as those which are not recorded) carry no criminal justice system cost, whereas a proven offence is guaranteed to involve the criminal justice system.

Second, data provided on a per-crime basis would require an assumption that the only reduction in reoffences committed by Clink graduates is the reduction in reoffences which are proven, whereas it would be more reasonable to assume that the programme reduces all reoffending (in proportion to the reduction in proven reoffending).

Therefore, we've used data from (i) the Ministry of Justice on the number of proven offences (i.e. convictions and cautions) per criminal offence category, as well as (ii) the Home Office data on the total number of crimes in each category, to produce "multipliers" which scale unit costs per crime to unit costs per proven offence.

For example, using the available data, we calculate there are 35 times as many crimes in the "theft" category as there are proven offences. Hence we assume that a typical proven offence for theft is associated with 35 theft crimes, and the cost per proven offence for theft is 35 times the cost per theft crime.

Since these multipliers are calculated using data on all crimes and all proven offences, we have needed to make the assumption that:

- (i) the ratio of reoffences to proven reoffences is the same as the ratio of offences to proven offences; and
- (ii) the ratio of reoffences to proven reoffences by Clink graduates is the same as for those who did not graduate from The Clink.

Annex 1: Using Home Office data on the costs of crime

(1) Converting costs per crime into costs per proven reoffence

Home Office crime category	MoJ crime category	Cost per crime (A)	Total number of crimes (B)	Total number of proven offences (C)	Cost per proven offence (D = A × B ÷ C)
Homicide	Violence against person	£3,217,740	572	14	£130,290,262
Violence with injury		£14,050	1,104,929	27,288	£568,902
Violence without injury		£5,930	852,898	21,064	£240,113
Rape	Sexual offences	£39,360	121,746	2,676	£1,790,406
Other sexual offences		£6,520	1,137,315	25,003	£296,581
Robbery	Robbery	£11,320	193,469	3,509	£624,056
Commercial robbery		£15,000	136,145	2,470	£826,929
Domestic burglary	Theft offences	£5,930	695,000	19,808	£208,060
Theft of vehicle		£10,290	68,000	1,938	£361,035
Theft from vehicle		£870	574,106	16,363	£30,525
Theft from person		£1,380	459,241	13,089	£48,419
Commercial burglary		£15,460	102,569	2,923	£542,429
Commercial theft		£970	4,312,973	122,926	£34,033
Theft of commercial vehicle		£35,180	8,397	239	£1,234,325
Theft from commercial vehicle		£1,870	59,894	1,707	£65,611
Criminal damage – arson	Criminal damage	£8,420	22,620	83	£2,299,205
Criminal damage – other		£1,350	1,007,158	3,688	£368,637
Commercial criminal damage – arson		£10,930	6,909	25	£2,984,598
Commercial criminal damage – other		£1,420	303,788	1,113	£387,752
Fraud	Fraud offences	£1,290	3,616,460	18,647	£250,181
Cyber crime		£550	2,021,334	10,423	£106,666

Values in columns A and B come from 2016 Home Office data.

Values in column C come from 2016 Ministry of Justice data. The crime categories used by the Ministry of Justice are slightly broader than the categories used by the Home Office.

We have assumed that the number of offences within each Ministry of Justice category has the same distribution as the number of crimes within that category.

For example, the 48,366 proven offences in the “violence against the person” category are assumed to break down as 14 in “homicide”, 27,288 in “violence with injury” and 21,064 in “violence without injury”, giving the same distribution as the number of crimes in that category.

In other words, the ratio of crimes to offences is assumed to be constant within each Ministry of Justice crime category.

We assume that the cost of an offence in a given category is the same (e.g. £568,902 for violence with injury), regardless of whether it is a first-time offence or a reoffence and regardless of whether or not the crime is by a Clink graduate.

Annex 1: Using Home Office data on the costs of crime

(2) Weighting the costs by crime category

The methodology using Home Office and MOJ data results in a cost per proven reoffence in a given crime category. Due to sample size limitations, the Justice Data Lab report does not provide a reduction in reoffences broken down by category, only a reduction across all categories.

To allow a comparison between the cost of crime data and the Justice Data Lab results, we calculate a **weighted average cost per reoffence**, in order to determine the average cost of a typical reoffence.

We note that reoffenders have a different profile in terms of crimes committed than first time offenders. When weighting the costs of crime by different categories provided in the Home Office data, we therefore use MoJ data on the number of reconvictions per crime category in 2016 to weight the average. This weighted average excludes crimes against society, since these crimes lack associated cost data.

Our model incorporates the following costs from re-offending included in the Home Office data:¹

- Costs in anticipation of crime
- Value of property stolen or damaged
- Victim costs (Direct harm, Lost output, Health costs)
- Police costs
- Criminal justice service costs
- Prison costs

As a sensitivity, we also provide an estimate of the cost of crime where the most costly crime category (homicide) and the highest-frequency crime categories (fraud and cyber crime) are excluded from the weighted average.

¹ Two cost categories in the Home Office report have not been included: lost output due to prison time and the cost of caring for dependants during prison time. The net impact of these changes is less clear cut, since these costs may be associated with compensating benefits (e.g. gained employment by third parties) which have not been modelled by the Home Office. To be conservative we exclude these – if they were included, the net benefit associated with The Clink would be greater.

Annex 1: Using Home Office data on the costs of crime

(2) Weighting the costs by crime category

Home Office crime category	Cost per offence (D)	Number of proven reoffences (E)	Weighting	Number of proven reoffences where first offence is serious (F)	Weighting
Homicide	£130,290,262	8	0.003%	2	0.03%
Violence with injury	£568,902	14,618	6.3%	3,154	52.1%
Violence without injury	£240,113	11,284	4.8%	2,435	40.2%
Rape	£1,790,406	165	0.1%	32	0.5%
Other sexual offences	£296,581	1,538	0.7%	297	4.9%
Robbery	£624,056	1,507	0.6%	1	0.02%
Commercial robbery	£826,929	1,060	0.5%	1	0.01%
Domestic burglary	£208,060	21,575	9.3%	15	0.2%
Theft of vehicle	£361,035	2,111	0.9%	1	0.02%
Theft from vehicle	£30,525	17,822	7.7%	12	0.2%
Theft from person	£48,419	14,256	6.1%	10	0.2%
Commercial burglary	£542,429	3,184	1.4%	2	0.04%
Commercial theft	£34,033	133,890	57.5%	92	1.5%
Theft of commercial vehicle	£1,234,325	261	0.1%	0	n/a
Theft from commercial vehicle	£65,611	1,859	0.8%	1	0.02%
Criminal damage – arson	£2,299,205	32	0.01%	0	n/a
Criminal damage – other	£368,637	1,441	0.6%	0	n/a
Commercial criminal damage – arson	£2,984,598	10	0.004%	0	n/a
Commercial criminal damage – other	£387,752	435	0.2%	0	n/a
Fraud	£250,181	3,617	1.6%	0	n/a
Cyber crime	£106,666	2,021	0.9%	0	n/a

Columns E and F come from Ministry of Justice data on reoffence numbers in 2016. Column F counts only the reoffences committed by those whose first offence was in a ‘serious’ crime category (violence against the person, sexual offences or robbery). Again, the broad Ministry of Justice categories have been split into Home Office categories using Home Office “number of crimes” numbers as a guide.

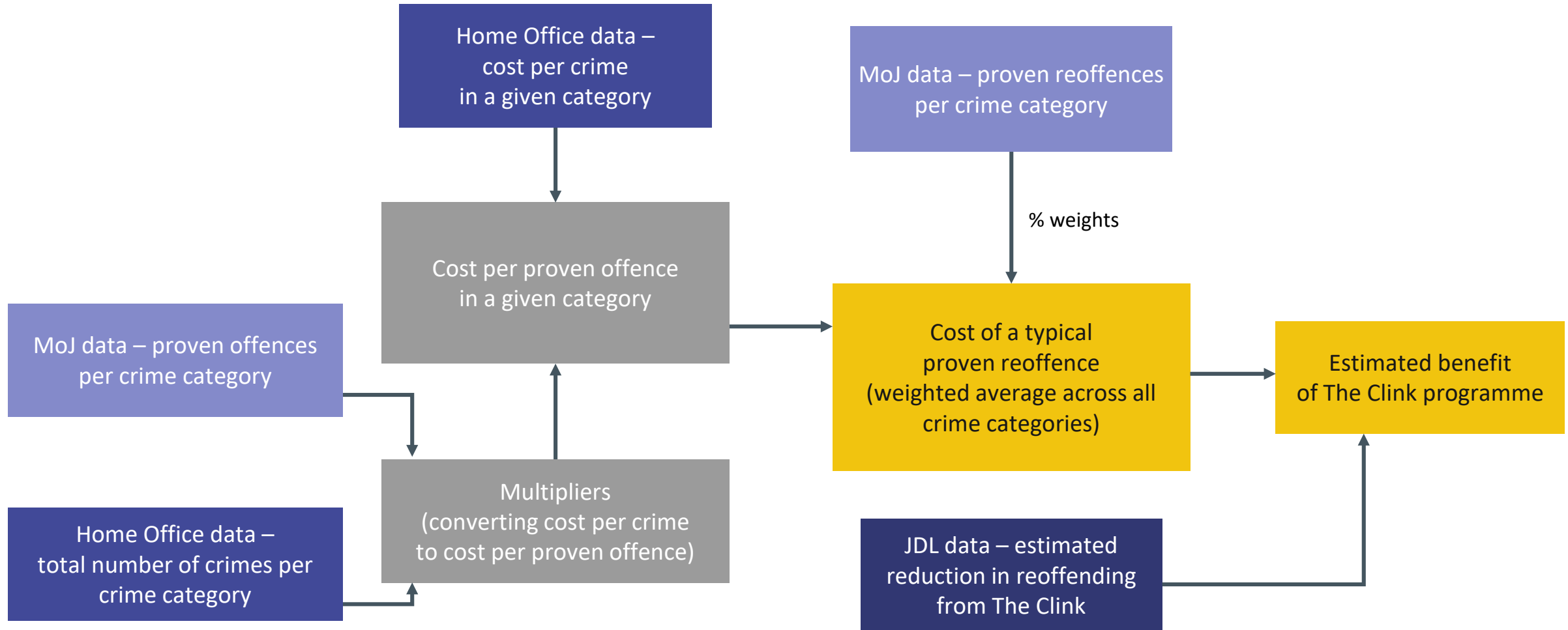
These figures provide a weighted average cost of a reoffence, either by a typical reoffender (if column E is used) or by a typical offender serving a custodial sentence (if column F is used).

Using column E produces a weighted average cost of a reoffence of £114,064 in 2015/16 prices, corresponding to £117,826 in 2017 prices. This becomes £111,224 in 2017 prices if outlier crime categories (homicide, fraud and cyber crime) are excluded from the weighted average.

Using column F produces a weighted average cost of £468,987 (including outlier crimes) or £432,820 (excluding outlier crimes). These costs are much higher because reoffenders whose first-time offence was in a more serious crime category have a higher proportion of reoffences in costlier categories.

Annex 1: Using Home Office data on the costs of crime

(3) Summary of approach



Annex 2: Data on the costs of The Clink

Calculation of the Clink costs

Accounting item	Cost/ revenue data (£, 2017)	Source
Grant income	863,695	The Clink, 2017 Management Accounts
Depreciation	148,646	The Clink, 2017 Statutory Accounts
Support and mentoring costs	179,472	The Clink
Total cost	1,191,813	Calculated
Cost per trainee (bottom up approach)	3,920	Calculated, based on 304 trainees in 2017
Restaurant income	1,024,698	The Clink, 2017 Management Accounts
Restaurant expenses	2,307,509	The Clink, 2017 Management Accounts
Deficit	(1,282,811)	The Clink, 2017 Management Accounts
Cost per trainee (deficit approach)	4,220	Calculated, based on 304 trainees in 2017

Annex 3: Cost benefit assessment using the sensitivity of deficit approach to costs

Distribution across all reoffences, including outlier crimes

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£117,826	£117,826
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£20,030	£28,278
Per individual cost (D)	£4,220	£4,220
Cost/Benefit Ratio (E = C / D)	4.75	6.70

Distribution across all reoffences, including outlier crimes

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£111,224	£111,224
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£18,908	£26,694
Per individual cost (D)	£4,220	£4,220
Cost/Benefit Ratio (E = C / D)	4.48	6.33

Distribution across reoffences for reoffenders whose first crime was a serious crime, including outlier crimes

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£468,987	£468,987
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£79,728	£112,557
Per individual cost (D)	£4,220	£4,220
Cost/Benefit Ratio (E = C / D)	18.89	26.67

Distribution across reoffences for reoffenders whose first crime was a serious crime, excluding outlier crimes

Per individual costs and benefits	2010-2016	2016
Average cost of a reoffence (A)	£432,820	£432,820
Reduction in reoffences per individual (B)	0.17	0.24
Per individual benefit (C = A * B)	£73,579	£103,877
Per individual cost (D)	£4,220	£4,220
Cost/Benefit Ratio (E = C / D)	17.44	24.62

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