

Reducing Youth Reoffending in South Auckland

Findings from New Zealand's first Social Impact Bond

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Today

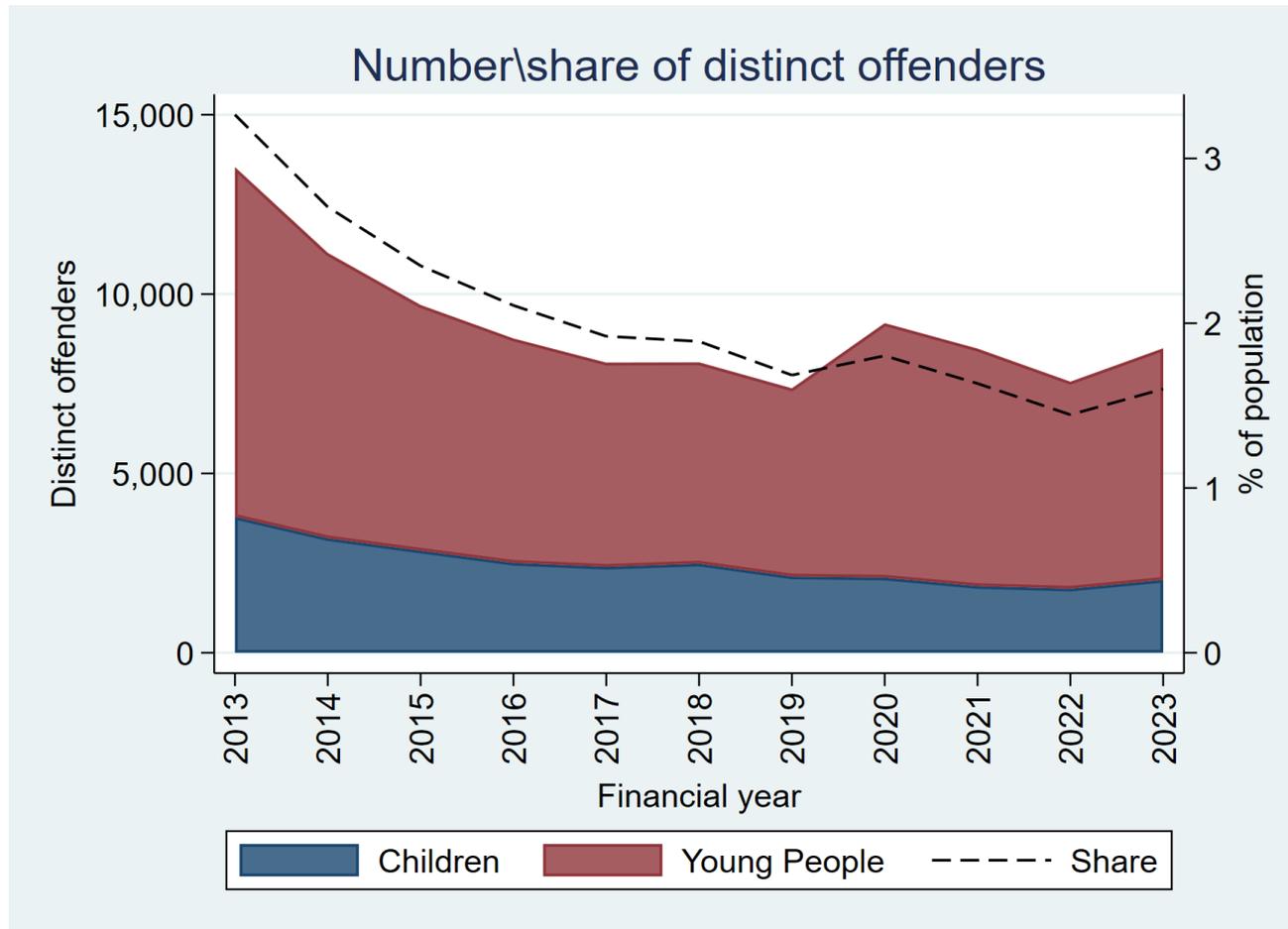
- Youth Justice in New Zealand
- Social Impact Bonds 101
- Reducing Youth Reoffending in South Auckland Social Bond pilot
 - Background
 - Previous evaluations
 - Impact evaluation

NZ's Youth Justice system

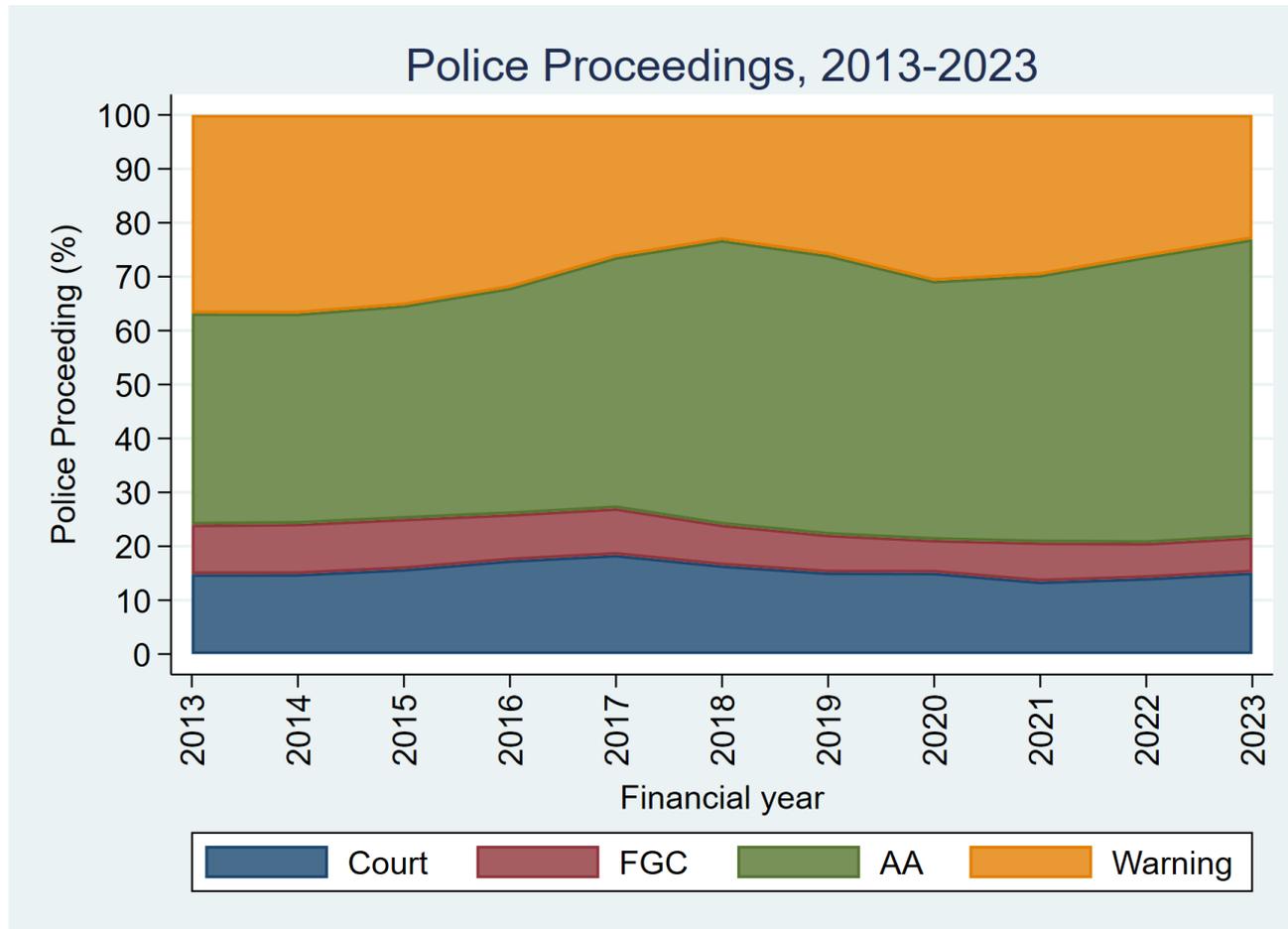
- When children or young people (yp) offend, or are suspected of offending, they will generally go through the Youth Justice System (YJ).
- Police legal response, or proceeding, include (2023 shares):
 1. Warning (23%)
 2. Alternative Action diversion (55%)
 3. Family Group Conference (7%)
 4. Prosecution (15%)

} Oranga Tamariki involved
- **July 2019:** 17-year-olds to be included in the YJ system (some exceptions)
- YJ interventions largely operate by non-government bodies (e.g., NGOs).
Volume-based contracting is the normal

Despite recent increases, offending has fallen



Use of AA diversions increased



Social Impact Bonds (Social Bonds)

- **Public-private** partnership to fund social services via **performance-based** contracts
 - Service provider (e.g., NGO) 'runs' an intervention that is funded by private investors
 - Government pays investors back (plus a return) **only** if predetermined outcomes are met (outcomes **not** met = **no payment** to investors)
- **BAU** – Government contracts provider directly; volume/process focused; large number of goal short term.
- **June 2024** – 294 Social Impact Bond initiatives recorded over 38 countries, combined worth of over US\$764m

International examples (youth recidivism)

- **One Service** – Peterborough prison (2010–2015)
 - 10 investors (£5m); 4 service providers
 - Support (e.g., mentoring, education, job training) up to 1,000 18-year-old males with a short prison sentence (<12m) to address recidivism
 - **Target** – reduce reoffending rate in the 12-month post-release period by at least 7.5%
 - Two separate evaluations found that the reoffending rate of participants fell by over 9% (compared with their matched control group)
- **Adolescent Behavioural Learning Experience (ABLE)** – Rikers Island (2012–2015)
 - One investor (\$7.2m); two service providers
 - CBT programme for up to 2,000 16–18-year-olds sentenced to more than 4 days in Rikers Island prison
 - **Target** – reduce reoffending rate by at least 10% in the 12-month post-release period
 - Target was not met in first year; investors were not paid; and bond discontinued

Reducing Youth Reoffending in South Auckland



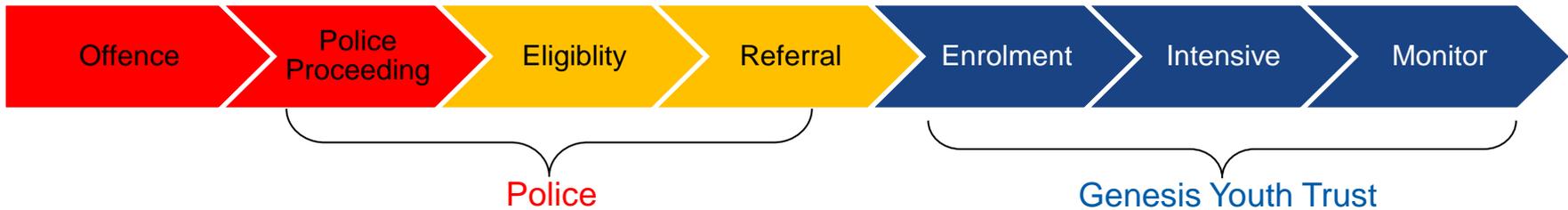
genesis
youth trust



The Reducing Youth Reoffending in South Auckland Social Bond pilot (SB pilot)

- **Sep 2017** – Six-year agreement between Oranga Tamariki and Genesis Youth Trust (GYT)
- **Goal** – reduce rangatahi reoffending **severity** and **frequency**
- **Target group** – *South Auckland* rangatahi who offended, and had a medium to high risk of reoffending (estimated via YORST tool)
- **Investors** – New Zealand Superannuation Fund, Mint Asset Management and the Wilberforce Foundation (\$6m)
- Six-monthly payments if reoffending targets are met. Capped at \$24 million over the pilot's period, and up to 1,000 participants

Referral process and contract outcomes



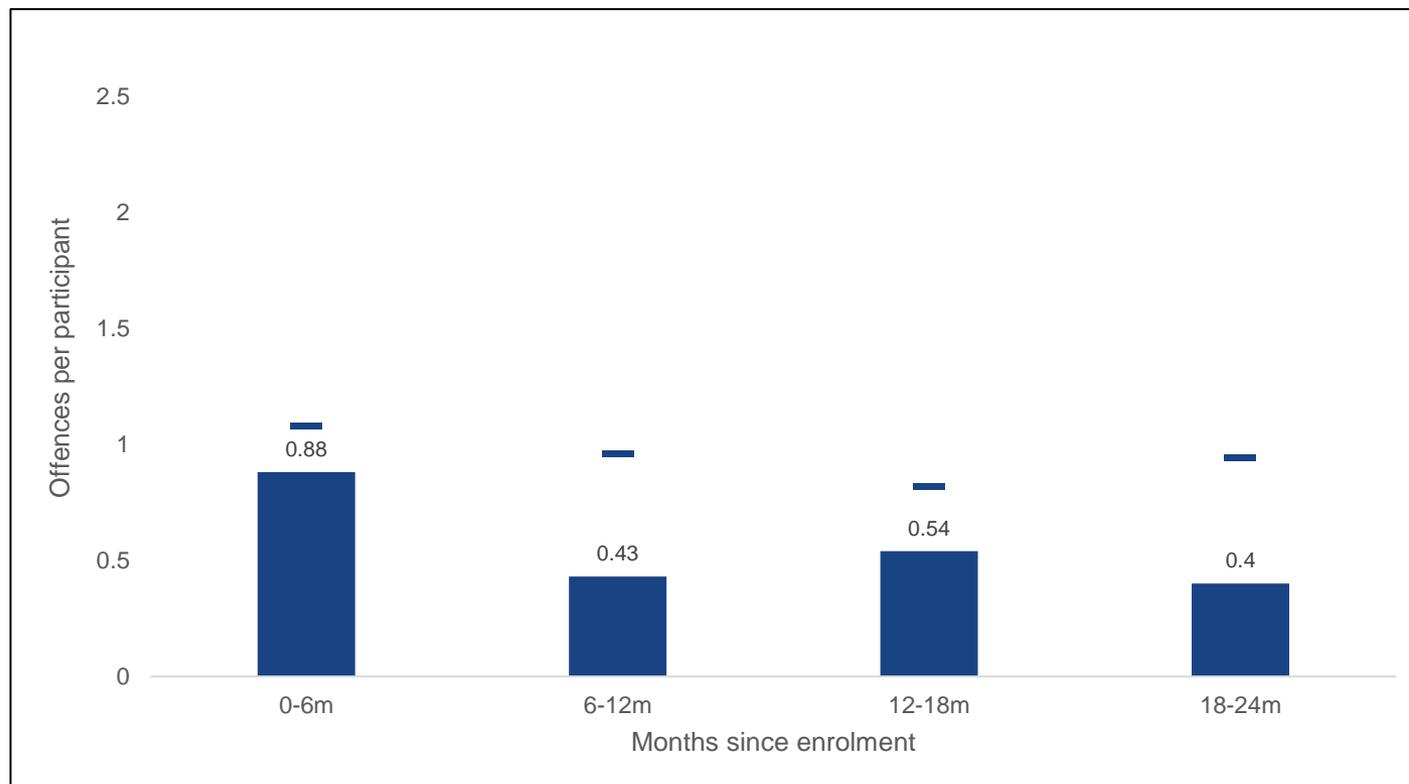
- Police to ensure offender meets eligibility criteria (e.g., YORST)
- Refer to GYT, who contact person and make initial assessment (33/52 days pre/post 2020q1)
- GYT can decline referral if when not meeting criteria; risk to staff, not maintain contact, or reoffended during process where escalated intervention is required (e.g., FGC, prosecution)
- **Outcomes:**
 - Reduction in risk of reoffending tool (YLS-CMI)
 - Reduction in offence severity and frequency (Police)
 - Outcome targets based past reoffending trends

Participant characteristics

- 607 participants (of 802 referred)
- 70% male, 70% Māori, 20% Pacific People, average at referral – 14
- 140 of enrolled (23%) left prematurely (lack of contact, escalated reoffending)
- Those leaving prematurely were more likely to be male, identify as Pacific Peoples, and record a risk of reoffending (YORST \geq 60)

Participants reoffend less over time

Figure 2. Reoffending rates for enrolled rangatahi, Medium YORST group and time since enrolment (N = 274)



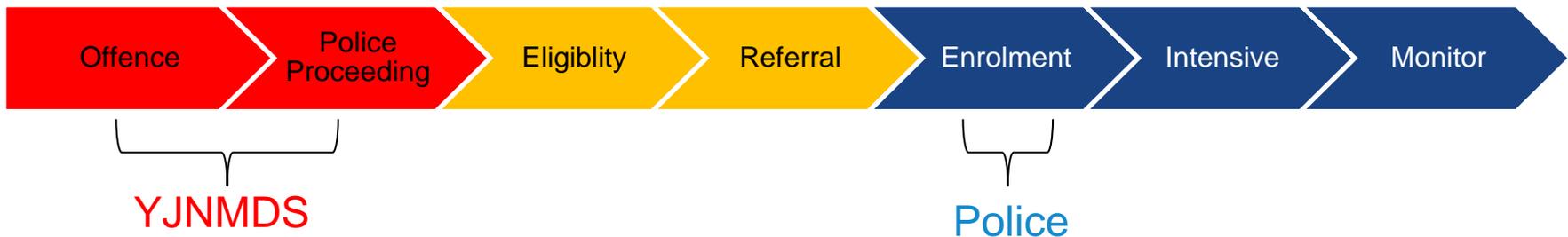
Note. Analysis limited to enrolled rangatahi who had complete monitoring data for at least 24 months post-enrolment. This included rangatahi who exited the Service early, but for whom reoffending data were still captured

Past SB pilot evaluations

- **Malatest International** (2021)
 - Qualitative & process focused
 - Challenges: complex/time-consuming procurement/contracting process, lack of a formal referrals process led to fewer enrolments, inflexible targets
 - Benefits: greater accountability, incentive to innovate/meet targets, multi-year financing → longer-term investment/planning, use of structured/evidence-based model (YLS-CMI)
- **Allen & Clarke** (2023)
 - Qualitative & outcomes focused
 - Participants felt supported by staff, helped meet positive outcomes
 - Staff reporting similar benefits as in Malatest International (2021)
 - Challenges due to Covid outbreak/lockdowns, other national level events
- **Synergia** (2023)
 - Quantitative & outcome focused
 - Compare participant outcomes with a matched control group of non-participants
 - Estimated positive impact on employment, justice, and health related outcomes
 - Follow up study estimated a CBA ratio of 2:1 within 6 years, and 12:1 over participants' lifetime

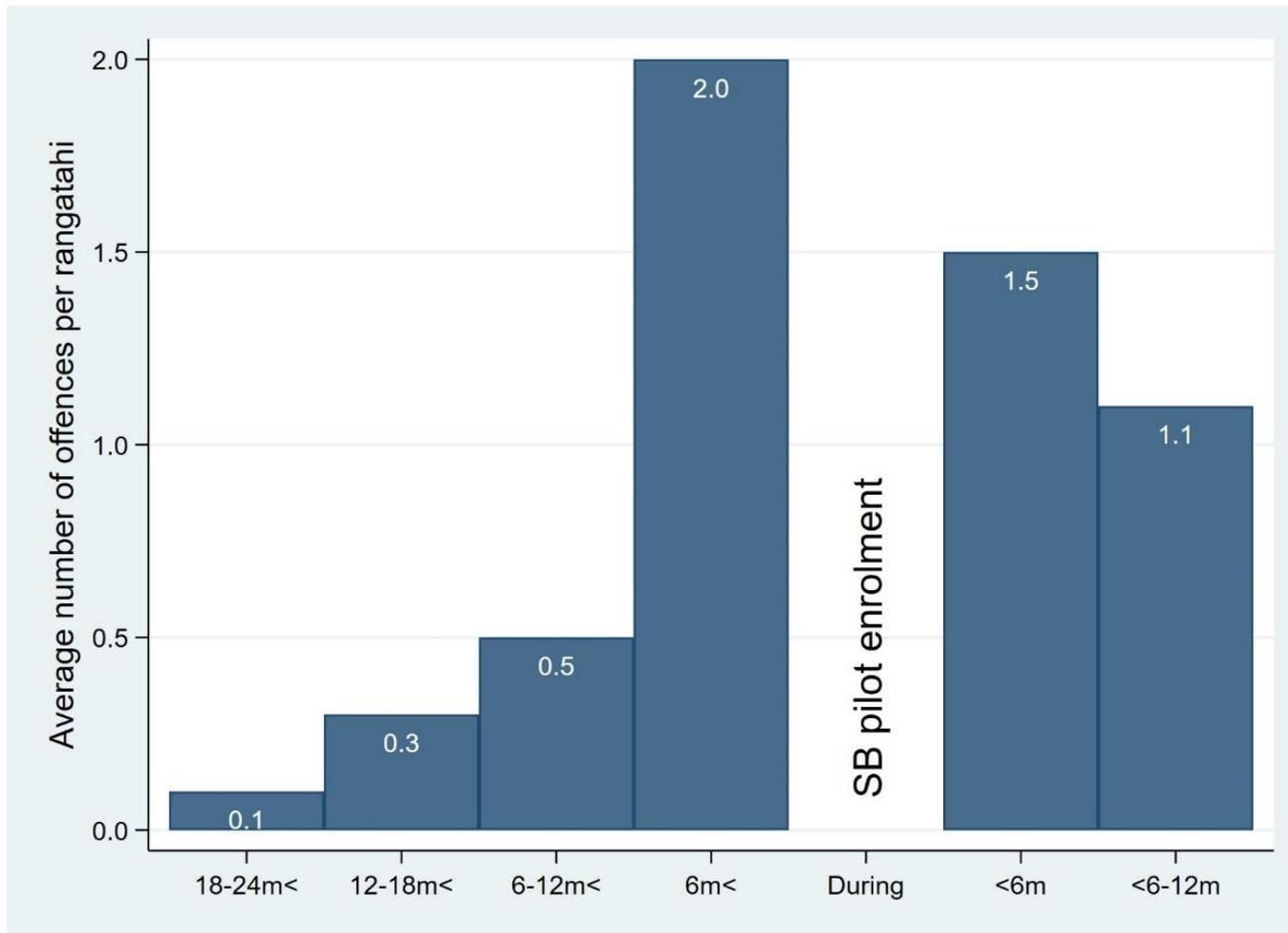
This Evaluation

- Estimated the impacts of the SB pilot had on participants' **reoffending** outcomes.
- Focused on outcomes one- and two-year outcomes (post enrolment)



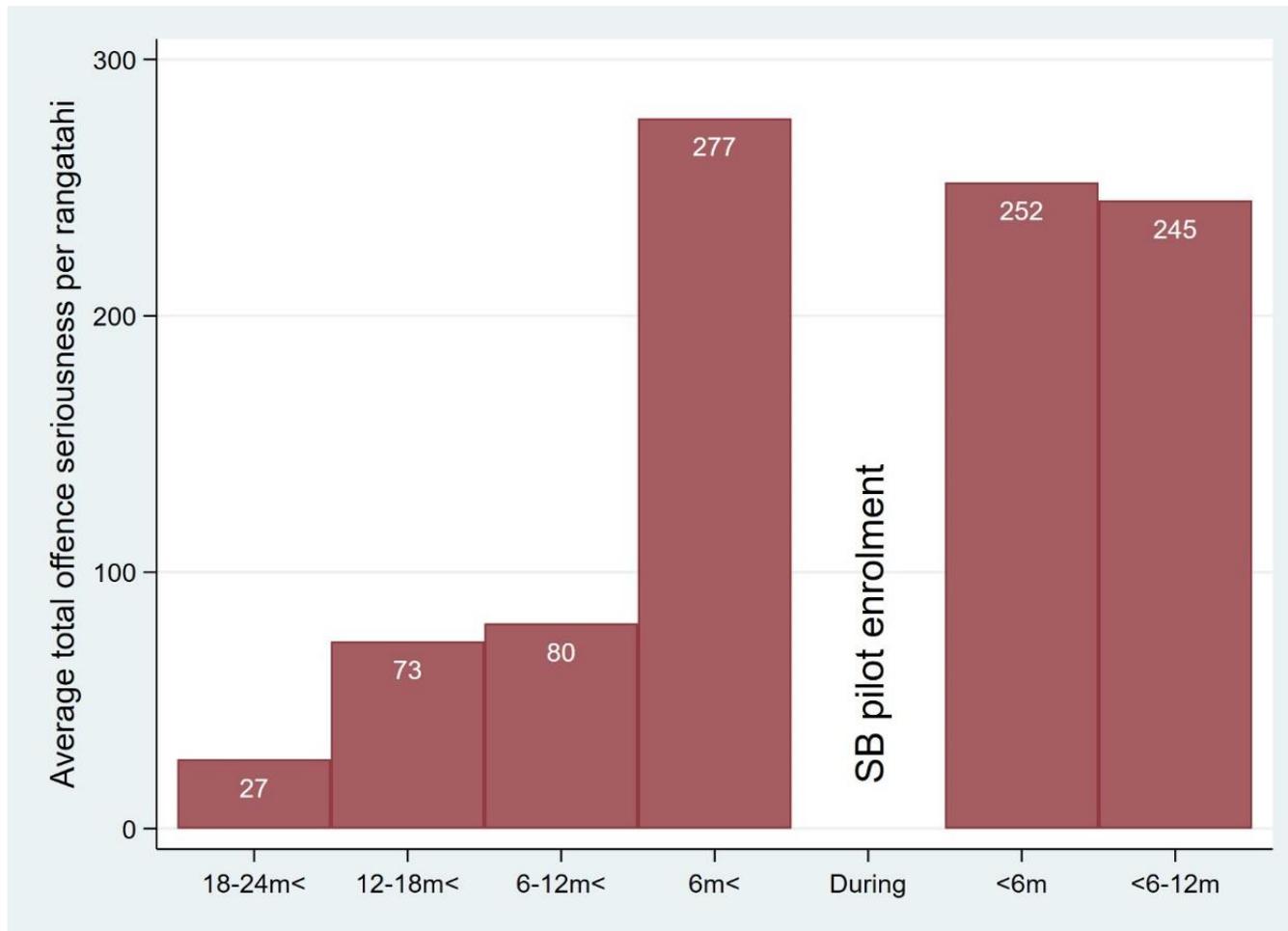
- **Offending** history and **reoffending** – Youth Justice Minimum National Dataset (**YJNMDS**)
- **Police** – participant flag and enrolment date; other data sources used to generate additional matching variables

Participants' offences pre/post enrolment



Source: MoJ (2024), Police (2023).

Participants' seriousness pre/post enrolment



Source: MoJ (2024), Police (2023).

Sample and matching

Treatment group:

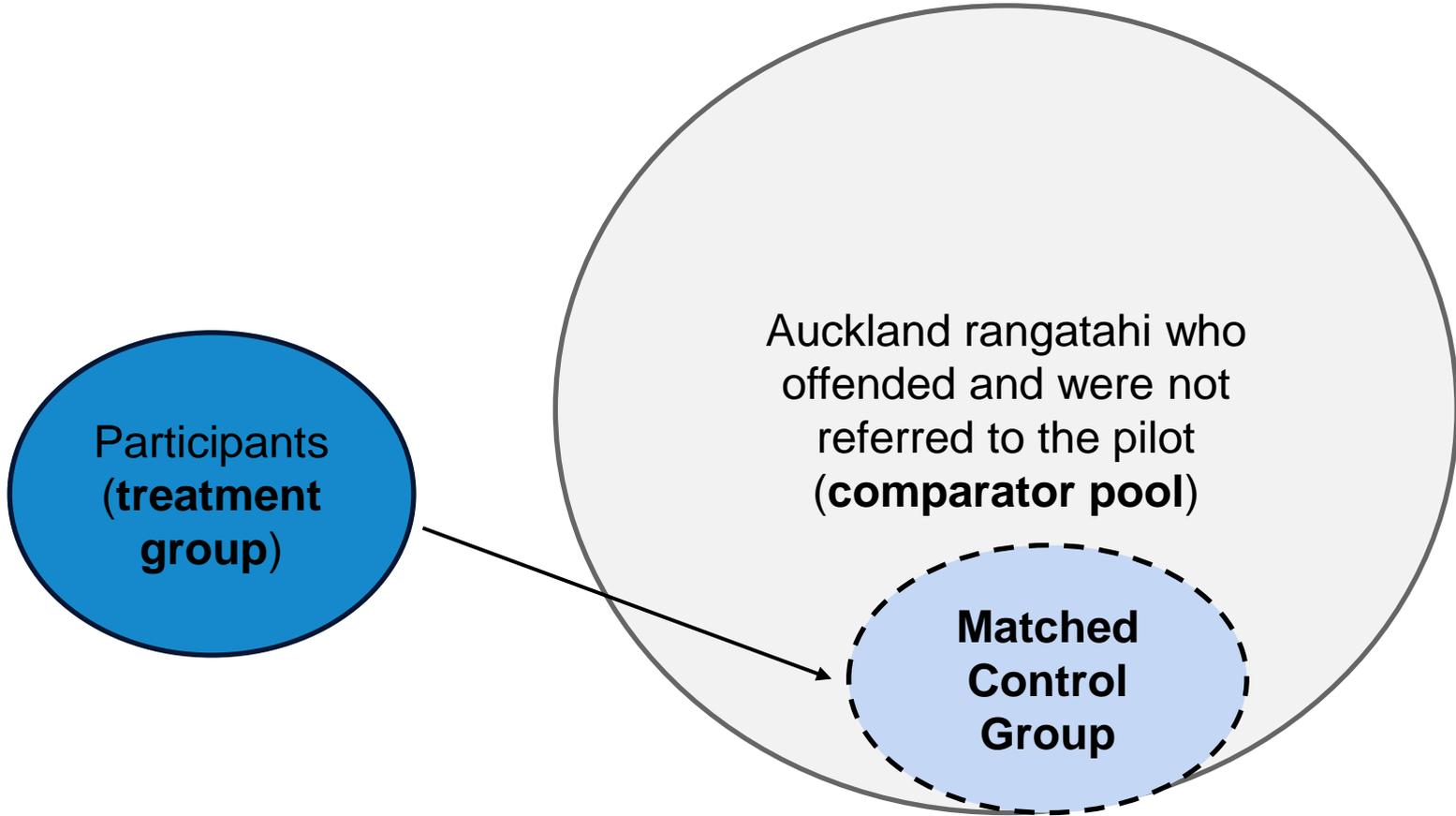
- 471 participants who:
 - (1) had a valid Police ID (NIA),
 - (2) linked to YJNMDS,
 - (3) recorded a proceeding up to 6-month pre-enrolment,
 - (4) proceeded in Auckland in the proceeding closet to enrolment, and
 - (5) had at least one year of outcomes.

Comparator pool:

- 2,394 rangatahi (6,794 proceedings) who: did not participate in / were not referred to the pilot, recorded AA at some point during pilot lifetime, proceeded in Auckland, met various offending-histories/timing/age-related restrictions

Nearest Neighbour Matching (NNM):

- Compared participants' outcomes with their (non-participant) nearest neighbour/s from the comparator pool (min. 1 with replacement).



Outcome and matching variables

Outcome (24m post enrolment)	Participant share (raw)
Did <i>not</i> reoffend	46%
Recorded fewer number of offences (than in 24m prior)	64%
Most severe offence was 10%< lower (than in 24m prior)	66%

Group	Matching variables
Time invariant	Female gender, Māori ethnicity, Pacific Peoples ethnicity, grouped age at first recorded offence
By reference date	Maximum and total severity in the prior 12 and 24 months, highest ever prior offence severity, grouped total number of offences in the prior 12 and 24 months, grouped total prior Police Incidents/Tasks, most severe prior Police intervention, most serious prior C&P involvement with Oranga Tamariki
At reference date	Reference year/quarter, age at reference date, Proceeding outcome (most severe if more than one proceeding at reference date)

Participant characteristics and balance

Participant characteristics:

- Largely male and Māori (~>70%). Enrolled when aged 14 (on average)
- Relatively few historical offences (~2) with relatively low severity (~200s)
- More than two-thirds of participants were unknown to Oranga Tamariki

Balance between the participant and matched control group:

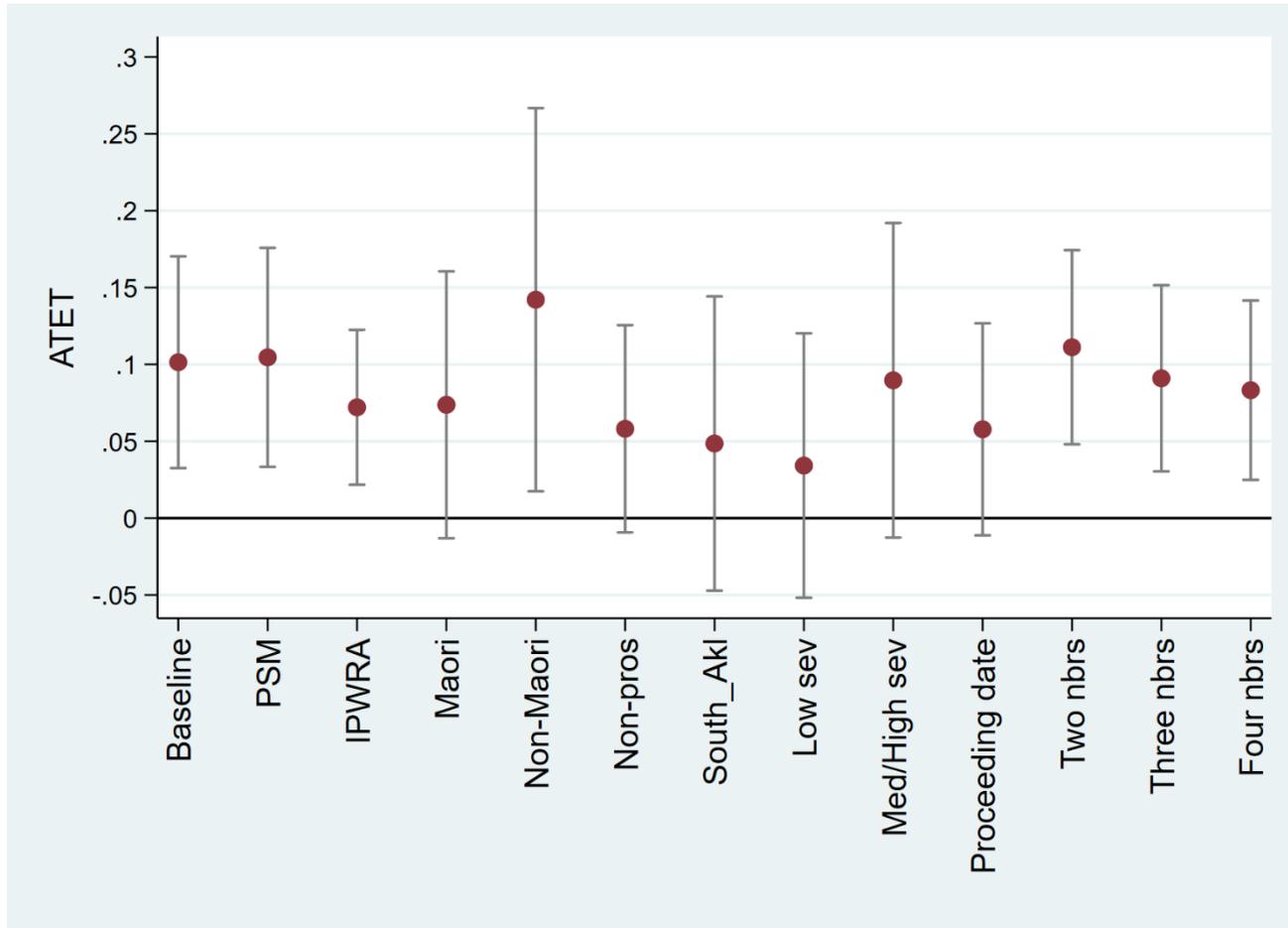
- None of the matching variables were unbalanced, but
 - Participants tended to offend more times, and offences were more severe
 - Participants were less likely to be prosecuted (e.g., 1% vs 4%)

Matching specifications

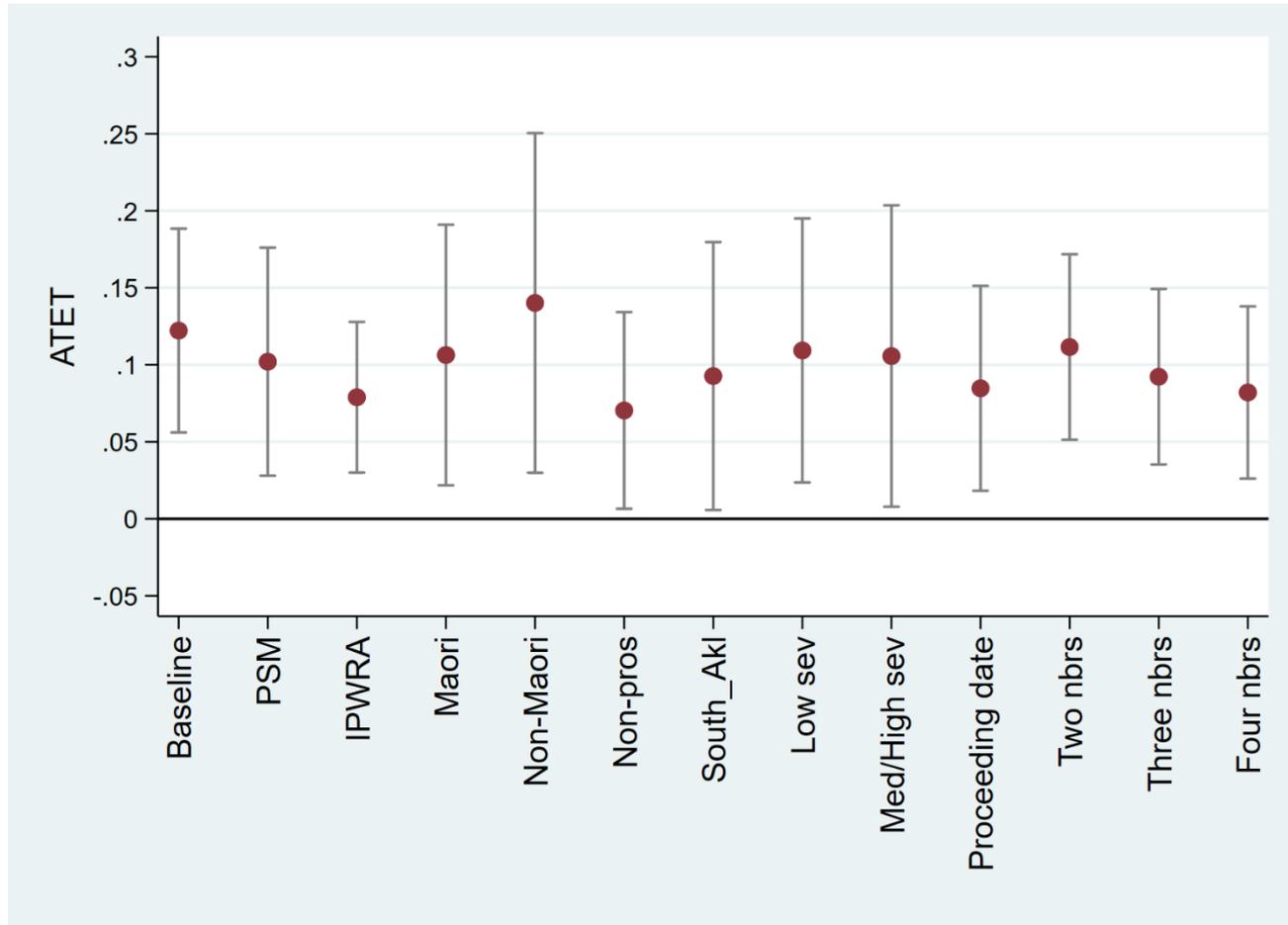
1. Baseline (Nearest Neighbour Matching, all)
2. Propensity Score Matching (PSM)
3. Inverse Probability Weighted Regression Adjustment (IPWRA)
4. Māori and non-Māori
5. Not prosecuted in *reference proceeding* only
6. South Auckland proceeding *only* (Counties Manukau Police District)
7. Below/above median participant lifetime maximum offence severity
8. Baseline period to measure reoffending is set to the proceeding nearest enrolment
9. Two, three, and four nearest neighbours

Likelihood to **not** reoffend

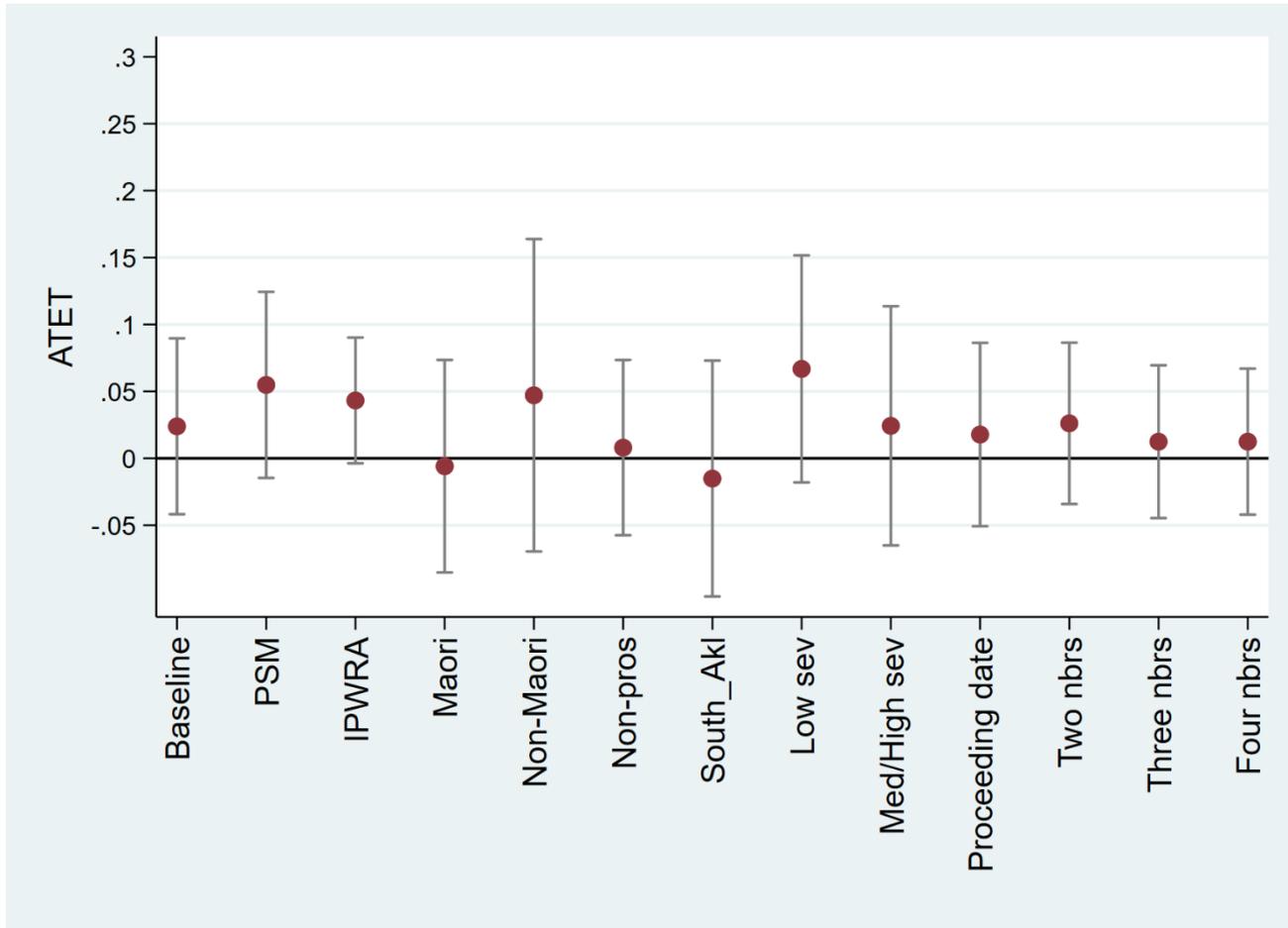
(participants vs matched control, 24m)



Likelihood to reduce reoffending frequency (participants vs matched control, 24m)



Likelihood to reduce reoffending severity (participants vs matched control, 24m)



Recap/possible next steps

1. Estimates suggest that the pilot significantly reduced reoffending **frequency** (but not severity)
2. Relatively to matched control, participants were **~10pp** more likely to record this outcome (**~60** additional participants).
3. On average, participant recorded nearly **2** fewer offences than under BAU, and **1,200** offences in total ($\sim 2 \times 607$)
4. $\sim 1,200 \times 15.5k = \sim \$18.5mNZD$
5. Was it 'worth it'?

Thank you (Q&A)

- [Social-bonds-Quantitative-Impact-Evaluation.pdf \(orangatamariki.govt.nz\)](#)
- [Reducing Youth Reoffending: Qualitative outcomes evaluation | Oranga Tamariki — Ministry for Children](#)
- [Reducing Youth Offending Social Bond Pilot: Evaluation report | Oranga Tamariki — Ministry for Children](#)
- [Joint Treasury and Ministry of Health Report T2016/1602: Social Bonds Pilot Procurement: Lessons Learned Review – 23 September 2016 – Social Bonds Information Release](#)
- [Social Bonds – New Zealand Pilot | Ministry of Health NZ](#)
- [Outcomes of the Genesis Social Bond Programme \(synergia.consulting\)](#)
- [Acuo-Report-November-2023-Final-1.pdf \(synergia.consulting\)](#)





EVIDENCE CENTRE

TE POKAPŪ TAUNAKITANGA

READ OUR RESEARCH:

Check out the Research web page at www.orangatamariki.govt.nz/about-us/research/our-research

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