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| Title: Counter-Terrorism and Security Bill - Prevent IA No: HO0141 Lead department or agency: Home Office Other departments or agencies: | Impact Assessment (IA) | | |
| | Date: 25/11/2014 | | |
| | Stage: Final | | |
| | Source of intervention: Domestic | | |
| | Type of measure: Primary legislation | | |
| Contact for enquiries: CTSBill@homeoffice.x.gsi.gov.uk | | | |
| Summary: Intervention and Options | | | RPC Opinion: N/A |

| Cost of Preferred (or more likely) Option | | | | |
|--|----------------------------|--|------------------------------|----------------------|
| Total Net Present Value | Business Net Present Value | Net cost to business per year (EANCB on 2009 prices) | In scope of One-In, Two-Out? | Measure qualifies as |
| £-119.1m | £-9.9m | £0.9m | N/A | N/A |
| What is the problem under consideration? Why is government intervention necessary? <p>On 29 August the Joint Terrorism Analysis Centre raised the UK threat level from SUBSTANTIAL to SEVERE meaning that a terrorist attack is 'highly likely'. There is a need to legislate to deal with the increased terrorist threat.</p> <p><i>Prevent</i> activity in local areas relies on the co-operation of many organisations to be effective. Currently, such co-operation is not consistent across the country. In legislating, the government's policy intention is to make delivery of such activity a legal requirement for specified authorities and improve the standard of work on the <i>Prevent</i> programme across the country. This is particularly important in areas of the country where terrorism is of the most concern but it is clear that all areas need, at the minimum, to ensure that they understand the local threat, and come to a judgement as to whether activities currently underway are sufficient to meet it.</p> | | | | |

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| What are the policy objectives and the intended effects? <ul style="list-style-type: none"> To reduce the risk of terrorism to the UK; To respond to the ideological challenge of terrorism and the threat from those who promote it; To prevent people from being drawn into terrorism and to ensure they are given appropriate advice and support; and Ensure specified authorities work together where there are risks of radicalisation. |
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| What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) <u>Option 1:</u> No change <u>Option 2:</u> legislate to put <i>Prevent</i> on a statutory footing. This would include creating a duty on certain specified authorities to have due regard to the need to prevent people from being drawn into terrorism; a power to issue statutory guidance, which specified authorities would be required to have regard to in fulfilling the duty above; a power to direct a specified authority to take certain action when the body refused to take steps which were regarded by the Secretary of State as being necessary and proportionate to reduce the risk in their local area. <u>Option 2</u> is the preferred option as it will ensure consistent and/or continued co-operation with <i>Prevent</i> activities. <i>Prevent</i> is a fundamental part of the UK's counter-terrorism strategy. |
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|--|--|--------------------|-----------------------|---------------------|---------------------------|---------------------|
| Will the policy be reviewed? It will be reviewed. If applicable, set review date: January 2016 | | | | | | |
| Does implementation go beyond minimum EU requirements? | | | N/A | | | |
| Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base. | | Micro No | < 20 No | Small Yes | Medium Yes | Large Yes |
| What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent) | | | Traded: N/A | | Non-traded: N/A | |

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Date:

Summary: Analysis & Evidence

Policy Option 1

Description: Do not put Prevent on a statutory footing

FULL ECONOMIC ASSESSMENT

| | | | | | |
|------------------------|---------------------|-------------------------|---|---------|------------------|
| Price Base Year N/A | PV Base Year N/A | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) N/A | | |
| | | | Low: 0 | High: 0 | Best Estimate: 0 |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--|---|-------------------------------|
| Low | N/A | N/A | N/A |
| High | N/A | N/A | N/A |
| Best Estimate | | | |

Description and scale of key monetised costs by 'main affected groups'

This option is the baseline, so there are no additional costs.

Other key non-monetised costs by 'main affected groups'

N/A

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|--|---|----------------------------------|
| Low | N/A | N/A | N/A |
| High | N/A | N/A | N/A |
| Best Estimate | | | |

Description and scale of key monetised benefits by 'main affected groups'

This option is the baseline, so there are no additional benefits.

Other key non-monetised benefits by 'main affected groups'

N/A

Key assumptions/sensitivities/risks

Discount rate (%)

N/A

There is a risk that those specified authorities who are not currently prioritising *Prevent* activity will continue not do so, if it is not a statutory duty. This could result in missed opportunities to identify and prevent radicalisation and consequently put the UK at a higher risk of terrorism.

BUSINESS ASSESSMENT (Option 1)

| | | |
|---|-------------------|----------------------|
| Direct impact on business (Equivalent Annual) £m: | In scope of OITO? | Measure qualifies as |
| Costs: 0 | N/A | N/A |
| Benefits: 0 | | |
| Net: 0 | | |

Summary: Analysis & Evidence

Policy Option 2

Description: Put Prevent on a statutory footing

FULL ECONOMIC ASSESSMENT

| Price Base Year 2014 | PV Base Year 2014 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|-------------------------|----------------------|-------------------------|---------------------------------------|-------|----------------------|
| | | | Low: | High: | Best Estimate:-119.1 |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--|---|-------------------------------|
| Low | N/A | N/A | N/A |
| High | N/A | N/A | N/A |
| Best Estimate | 0.15 | 12.7 | 119.1 |

Description and scale of key monetised costs by 'main affected groups'

These costs are illustrative and subject to change. The cost will vary with the level of risk.

Additional threat and response activity in non priority local areas £5.3m p.a., additional prevent coordinators £1.6m p.a., additional regional coordinators £0.8m p.a., additional health regional coordinators £0.45m p.a., additional Home Office staff £0.5m.p.a., increasing the regional safeguarding teams £1.2m p.a., Prevent Champions in up to 70 prisons £1.9m p.a, secondees to prisons from the new Community Rehabilitation Centre £0.6m p.a., Further education institutions and universities coordinating a response £1.1m p.a., providing additional Prevent Awareness training to specified authorities £0.3m p.a., develop Governor training £0.15m.

Other key non-monetised costs by 'main affected groups'

There are additional costs for individuals attending training and coordinating activities which we have not monetised. Some of these costs may fall on business.

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|--|---|----------------------------------|
| Low | N/K | N/K | N/K |
| High | N/K | N/K | N/K |
| Best Estimate | N/K | N/K | N/K |

Description and scale of key monetised benefits by 'main affected groups'

N/A

Other key non-monetised benefits by 'main affected groups'

The policy will ensure specified authorities subject to the new duty are aware of and understand the threat from terrorism in their local area/organisation and take action where required. There will also be accumulated benefits to these specified authorities and society generally from greater co-operation with each other. The intended benefit is to reduce the risk of individuals being drawn into terrorism and consequently reduce the risk of these individuals carrying out terrorist attacks. It is not possible to monetise this benefit.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

The statutory guidance is not yet complete as consultations have not been carried out with relevant parties. These cost estimates are therefore initial and subject to change. It is not possible to quantify the benefits of this policy because it is not possible to estimate the reduction in risk of individuals carrying out attacks as a direct result of the policy. We do not have complete data on all of the specified authorities who will be affected; therefore there will be some impacts which are not captured here. There is a risk that parts of the policy may be perceived to restrict the freedom of speech. The prevent awareness training will be mainly be provided through Government funded posts.

BUSINESS ASSESSMENT (Option 2)

| | | | | |
|---|---------------|-----------|-------------------|----------------------|
| Direct impact on business (Equivalent Annual) £m: | | | In scope of OITO? | Measure qualifies as |
| Costs: 0.9 | Benefits: n/a | Net: -0.9 | N/A | N/A |

A. Define the problem

On 29 August the Independent Joint Terrorism Analysis Centre raised the UK national terrorist threat level from SUBSTANTIAL to SEVERE meaning that a terrorist attack is 'highly likely'. Approximately 500 individuals of interest to the police and security services have travelled from the UK to Syria and Iraq since the start of the conflicts; a number of these individuals have joined terrorist organisations including the Islamic State of Iraq and the Levant (ISIL). On 1 September the Prime Minister announced that legislation would be brought forward in a number of areas to stop people travelling overseas to fight for terrorist organisations, or conduct terrorist related activity, and subsequently returning to the UK, and to deal with individuals already in the UK who pose a risk to the public.

The *Prevent* strand of the UK's counter-terrorism strategy (CONTEST) aims to stop individuals becoming terrorists or supporting terrorism.

Prevent is delivered locally in a number of priority areas considered to be at greatest risk. We currently have 30 *Prevent* priority areas, identified through a prioritisation process which assesses information from police, local authorities and others. Each priority area receives funding for a *Prevent* co-ordinator, and is supported by the Home Office to develop delivery plans relating to *Prevent* objectives. Funding is available for project work in these areas on a grant basis to address specific local risks. An additional 14 areas currently receive support from Home Office to undertake *Prevent* initiatives, but do not receive the same level of support as priority areas.

Prevent activity in local areas relies on the co-operation of many organisations to be effective. Currently, such co-operation is not consistent across the country. In legislating, the government's policy intention is to make delivery of such activity a legal requirement for specified authorities and improve the standard of work on the *Prevent* programme across the country. This is particularly important in areas of the country where terrorism is of the most concern but it is clear that all areas need, at the minimum, to ensure that they understand the local threat, and come to a judgement as to whether activities currently underway are sufficient to meet it.

In some areas, where delivery of *Prevent* is excellent, this will require no additional activity. Similarly, there are other areas where the threat is very low and we would not expect areas/institutions to be doing much more than they are currently. We are aiming to target those areas where there is a risk of radicalisation and extremism and sufficient work is not being done to understand and manage this risk.

The impacts of incomplete or inconsistent participation in *Prevent* could include but are not limited to: attacks being carried out, radicalisation of additional individuals (in turn potentially leading to more attacks being carried out), segregation within communities (between radicalised and non-radicalised), increased public anxiety, and increased marginalisation of minorities.

B. Rationale

Protecting the UK against terrorism is a fundamental role of Government. Counter-terrorism measures require judgments on the need to balance protecting the public with safeguarding civil liberties and dealing with sensitive issues of national security. Such judgments should not be left to the private sector. The private sector does not have the access to intelligence to understand the scale/nature of the threat.

It is the Government that manages sensitive information and intelligence on individuals that pose a terrorist threat and is responsible for the safety and security of UK citizens. Given the necessity of counter-terrorism measures, and the role of the Government to protect the public, the Government is uniquely placed to fulfil this role.

C. Objectives

- To reduce the risk of terrorism to the UK
- To respond to the ideological challenge of terrorism and the threat from those who promote it.
- To prevent people from being drawn into terrorism and to ensure they are given appropriate advice and support
- Ensure specified authorities work together where there are risks of radicalisation.

D. Options

Option 1 is to make no changes.

Option 2 is to legislate. This would create:

- A new statutory duty on specified authorities (including local government, the police, prisons, providers of probation services, schools colleges and universities – including in the private sector) to have due regard to the need to prevent people from being drawn into terrorism;
- A duty to have regard to guidance issued by the Secretary of State in fulfilling the duty above; and
- A power to direct a body to take certain action, which would be used to enforce compliance where the Secretary of State is satisfied that the body has failed to discharge the duty. These directions would be enforceable by court order.

Groups Affected

- Local government;
- The police;
- Prisons, young offender institutions;
- Providers of probation services;
- Universities and other higher education providers;
- Childcare providers, schools, colleges and other further education providers; and
- Certain parts of the NHS.

The statutory guidance, which will follow the legislation, will set out advice for the specified authorities subject to this duty. In complying with the duty all specified authorities will be required to demonstrate an awareness and understanding of the risks from radicalisation in their area or body. The risks will vary between geographic areas and sectors. The government has committed to consulting prior to bringing the legislation into force. It is therefore possible that the costs outlined in this document will change following these consultations. This is particularly

important where the threat from terrorism evolves and specified authorities may need to be more ambitious in their *Prevent* activity to manage the threat.

Not all specified authorities will need to take the same action to demonstrate compliance with the new duty. The guidance will set out separate advice to the different sectors. In some areas and sectors, where co-operation with and delivery of *Prevent* is excellent, this will require no additional activity. Similarly, there are other areas and sectors where the threat is very low and we would not expect them to take on significant extra activity. We are aiming to target those areas where there is a risk of radicalisation and sufficient work is not being done to understand and manage this risk.

COSTS

Central Government

Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.

Some of the costs of this policy will be met by central government, such as providing additional *Prevent* awareness training; these are outlined below under the relevant sections.

Local authorities

Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.

There are currently 353 principal authorities in England and Wales (30 *Prevent* Priority areas, 14 supported areas and 309 non-priority areas). We do not expect that the priority areas will be significantly affected as there is currently high engagement in *Prevent* activity.

It is not possible to predict how much support the remaining areas may require until they have carried out their assessments, therefore illustrative estimates have been provided regarding how many areas would require funding for additional activities, and how much this would cost.

All local authorities will be expected to assess the threat of radicalisation within their areas and take action as appropriate. This will include senior management time, the implementation of action plans, locally funded projects, for example with faith institutions, chairing Channel panels and staff training. The financial implications will vary with the level of the threat. DCLG have estimated costs for 303 non-Priority areas as ranging from £4,000-£40,000 per authority. If 2/3 are at the lower end of the cost spectrum with a very low threat level and the remaining at the upper end of the cost spectrum then costs would be **£5.3m per annum¹**.

We expect the costs of supporting additional *Prevent* activities locally to be:

- Increase in *Prevent* co-ordinators from 30 to 50 (**£1.6m per annum**),
- Nine additional regional co-ordinators (**£0.8m per annum**),
- Additional OSCT staff (**£0.5m per annum**).

Schools

¹ Figure from DCGL internal modelling

Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.

There are around 20,000 publicly funded and 2,500 fee-paying independent schools in England. In respect of publicly funded schools, the new duty will make the activities that many schools will already be carrying out, or will soon be carrying out, more secure. The duty will be a vehicle to encourage them to consider what more they could be doing. We expect schools to be increasingly looking to local authorities (and possibly the police) to provide training and advice. It is therefore reasonable to assume that this duty will require additional training. Prevent awareness training costs £62 per twenty people. We would expect staff in any given school to receive training once every two years; therefore only 50% of institutions will receive training in any given year.

Delivering the training to five people in publicly funded and independent schools once every two years would cost **£174,375 per annum**.

In addition, we are exploring options for producing a new Prevent awareness training product for school governors and others in management positions, similar to the current product for front line staff. This would be a **one off cost of £150,000** to produce. This would be delivered to one Governor in each school, assuming the cost of delivery is the same as the current Prevent Awareness training this would cost **£34,875 per annum**.

We estimate that there are 22,679 non-school providers of childcare in England if one manager from each provider received training every 2 years this would cost **£35,152 per annum**

The training will be mainly be provided through Government funded posts. Additionally, there will be opportunity costs of staff time to attend training.

Universities and Colleges

Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.

We estimate that there are 2000 higher and further education institutions in the UK that receive public funding (and that will be subject to the duty).

We assume each institution will need resource to coordinate a response to the duties detailed in the legislation. For illustrative purposes, we assume each institution requires one week of a junior officer's time (costing £573). Therefore the cost to 2000 institutions of coordinating a response would be **£1.146m per annum**. This is an opportunity cost, not a new financial cost, as the member of staff is assumed to already be employed.

If fifteen people in every higher and further education institution receive Prevent awareness training once every two years this will cost **£46,500 per annum**.

The training will be mainly be provided through Government funded posts. Additionally, there will be opportunity costs of staff time to attend training.

Health

Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.

There are currently 6.6 FTE health regional Prevent co-ordinators. Total cost for a regional Prevent co-ordinator is £68,200 per annum. Increasing the number of these posts would help to ensure even greater emphasis can be given to *Prevent* within the safeguarding duties of the NHS.

Doubling the number of regional Prevent co-ordinators would improve the effectiveness of the health *Prevent* programme, and increase our interaction with the private and voluntary sectors. Funding would need to increase by **£450,120 per annum**.

The Head of Safeguarding is supported by 4 Regional Safeguarding Leads, one based in each region, who manage and maintain an overview of *Prevent* delivery and Safeguarding. The regional Prevent co-ordinators are directly supported professionally by their appropriate Regional Safeguarding Lead. The Regional Safeguarding Leads are supported by 27 Safeguarding Leads, one within each Area Team, who are responsible for Safeguarding and *Prevent* delivery across their locality. *Prevent* admin support is also provided by a Band 4/5 administrator. This structure could be further enhanced by the provision of 14 area team staff working full time on *Prevent* and would cost in the region of **£1.2m per annum**.

There are existing schemes already established or being established to engage the NHS with *Prevent*, such as delivering *Prevent* awareness training to frontline staff. These are already part of the NHS contract. Additional funding may be required to ensure that these schemes meet the Statutory Duty; however we do not have the data to monetise this.

There are just over 2000 children's homes, if one manager from each home received *Prevent* awareness training every 2 years this would cost **£3100 per annum**. The training will mainly be provided through Government funded posts. Additionally, there will be opportunity costs of staff time to attend training.

Prisons

Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.

There are approximately 120 prisons including young offender institutions in England and Wales. There is already a well-established programme for preventing radicalisation in these institutions, which includes training for staff and interventions with offenders.

There is more to do to combat the problem of radicalisation in prisons. An additional **£1.9m per annum** would pay for *Prevent* Champions in up to 70 prisons to strengthen the Pathfinder process for assessing intelligence to determine vulnerability to radicalisation and developing suitable management plans. A further **£600k per annum** would provide 12-15 secondees from the new Community Rehabilitation Centre to work alongside the National Prison Service's divisional counter-terrorism leads to help co-ordinate *Prevent* activity under the new statutory requirement and help with the delivery of WRAP training.

Probation

Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.

The National Probation Service has seven geographical areas covering England and Wales. In addition there are 21 Community Rehabilitation Companies. These are currently retained in public ownership but in the near future will be managed by private and third sector organisations.

Like other sectors, it is reasonable to expect some *Prevent* awareness training will be required. We assess this costs £62 per twenty people.

Cost estimate: £7053 per annum if five hundred people per geographical area and fifty per Community Rehabilitation Company receive *Prevent* awareness training every other year.

The training will mainly be provided through Government funded posts. Additionally, there will be opportunity costs of staff time to attend training.

NET PRESENT COST

Discounted at 3.5% per year

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Cost to Government (millions) | £12.9 | £12.2 | £11.8 | £11.4 | £11.0 | £10.7 | £10.3 | £10.0 | £9.6 | £9.3 |
| Cost to business (millions) | £1.1 | £1.1 | £1.1 | £1.0 | £1.0 | £1.0 | £0.9 | £0.9 | £0.9 | £0.8 |
| Total Cost (millions) | £14.0 | £13.3 | £12.9 | £12.5 | £12.0 | £11.6 | £11.2 | £10.9 | £10.5 | £10.1 |

Best Estimate 10 year Net Present Cost = £119.1 million

BENEFITS

- The risk from radicalisation at a local level will be assessed, and *Prevent* activities carried out with an aim of reducing the risk. This should consequently reduce the risk of these individuals carrying out attacks.

GENERAL ASSUMPTIONS & DATA

- **Please note that all the figures in this impact assessment are presented for illustrative purposes and will be subject to change. They should not be taken as firm estimates.**
- The guidance which will be issued following the legislation is not yet complete, as consultations have not been carried out with relevant parties. Therefore the cost estimates are initial and subject to change, and may increase if the guidance stipulates a higher level of involvement than is currently predicted.
- As there are some areas where the risk has not yet been assessed for *Prevent* requirements, it is not possible to accurately estimate how many will require additional *Prevent* activities.
- There is an assumption that the relevant specified authorities would adhere to statutory requirements.
- The costs do not include the costs to Scotland, therefore the costs may increase.

- It is not possible to quantify the benefits associated with this policy, because it is not possible to estimate the reduction in risk of individuals carrying out attacks as a direct result of *Prevent* being on a statutory footing. It is also not possible to predict the type or scale of attack that may be prevented.
- In addition to all the costs provided we expect there to be opportunity costs arising from senior staff in an area/institution (Chief Executives, head teachers, vice-chancellors, governors etc) engaging more with *Prevent* activity.
- There may be additional institutions, particularly higher and further education institutions which are not publically funded, which are within the scope of the duty which are not currently represented in the figures.

E. Risks

Option 1:

- There is a risk that those specified authorities or organisations who are not currently prioritising *Prevent* activity will continue to not do so, if it is not a statutory requirement.

This could potentially be mitigated by continuing to emphasise the importance/effectiveness of *Prevent* through non-statutory measures. In light of the threat this is not considered sufficiently effective.

Option 2:

- There is a risk that specified authorities may feel over-regulated if there is an increase in *Prevent* activity.
- There is a risk of legal action if people feel the duty is not being implemented appropriately.
- There is a risk that parts of the policy may be perceived to restrict the freedom of speech.

This risk could be mitigated by ensuring that *Prevent* activity remains relevant and targeted.

F. Implementation

The Government plans to implement these changes once the statutory guidance has been completed. This will not be before February 2015.

G. Monitoring and Evaluation

There are currently procedures in place to monitor and evaluate the effectiveness of *Prevent*, which will continue to be used when it is placed on a statutory footing. Any concerns from affected parties will be monitored.

H. Feedback

The Home Office will use evaluation results to identify areas for improvement in *Prevent* policy.