

Title: Introduction of Careless Driving as a Fixed Penalty Notice Offence IA No: DfT00145 Lead department or agency: Department for Transport Other departments or agencies: Ministry of Justice and Home Office	Impact Assessment (IA)		
	Date: 22 April 2013		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
Contact for enquiries: motoringfpnsconsultation@dft.gsi.gov.uk			
Summary: Intervention and Options			RPC Opinion: NA

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, Measure qualifies as One-Out?
£18m	£0	£0	No
			NA

What is the problem under consideration? Why is government intervention necessary?
 Government legislation already exists to enforce the careless driving offence because some motorists fail to account for all the effects on others of their actions. The current process of enforcing careless driving is overly bureaucratic and resource intensive for the police and court services. This heavy resource implication is preventing effective enforcement of the offence. Furthermore, evidence suggests that careless driving remains a major road safety concern for the general public and is associated with many road deaths and injuries. As a result of existing legislation, Government intervention is required to improve the enforcement regime.

What are the policy objectives and the intended effects?
 The policy objectives are to improve the efficiency of the enforcement regime and allow remedial training to be provided for low level offenders. The intended effects of this policy are that the police will be able to improve the level of enforcement without substantial extra costs and in combination with remedial training reduce the prevalence of careless driving.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
Option 0: Doing nothing.
Option 1: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training. This would improve enforcement of the offence, reduce the administrative burden on the police and workload of the courts, and provide remedial training for offenders (paid for by the offenders). The offence would carry three penalty points and would be set at £90
Option 2: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training with the penalty level set at £100 This is consistent with options being considered in the impact assessment for increasing most motoring FPN amounts.
 The preferred option is Option 2.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: July 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 No	Medium No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded: £0		Non-traded: £0	

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: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training with the penalty level set at £90

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £17.9m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate	£0	£0.5m	£4.4m

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

The Exchequer is estimated to realise a reduction in revenue of £4.4m, as a result of fewer careless driving offenders proceeding to court and subsequently paying court fines.

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

There may be some costs arising from administering the new FPNs for careless driving.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate	£0	£2.7m	£22.2m

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

The Police, Criminal Justice System and the Crown Prosecution System are estimated to realise cost reductions of £12.2m, £4.6m and £5.4m respectively, as a result of fewer careless driving offenders proceeding to court.

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

The benefits to society associated with remedial training have not been estimated. There is currently no quantitative evidence to forecast the extent to which driver training will reduce future road casualties.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

Key assumptions include: the number of careless drivers over the appraisal period, the proportion eligible for remedial training or an FPN, the distribution of court cases among the enforcement mechanisms, the police time required per careless driving case, the court time per court case and the proportion of offenders who pay a court fine in the baseline. Key risks include the proportion of careless drivers attending remedial training – the lowest unit cost enforcement mechanism – and the number of careless driving cases which will be eligible for either remedial training or an FPN.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £0	Benefits: £0	Net: £0	No	NA

Summary: Analysis & Evidence

Policy Option 2

Description: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training with the penalty level set at £100

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £18m

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Cost (Present Value)
Low					
High					
Best Estimate		£0		£0.5m	£4.3m

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

The Exchequer is estimated to realise a reduction in revenue of £4.3m, as a result of fewer careless driving offenders proceeding to court and subsequently paying court fines.

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

There may be some costs arising from administering the new FPNs for careless driving.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Benefit (Present Value)
Low		£0		£0	£0
High		£0		£0	£0
Best Estimate		£0		£2.7m	£22.2m

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

The Police, Criminal Justice System and the Crown Prosecution System are estimated to realise cost reductions of £12m, £4.6m and £5.4m respectively, as a result of fewer careless driving offenders proceeding to court.

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

The benefits to society associated with remedial training have not been estimated. There is currently no quantitative evidence to forecast the extent to which driver training will reduce future road casualties.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

Key assumptions include: the number of careless drivers over the appraisal period, the proportion eligible for remedial training or an FPN, the distribution of court cases among the enforcement mechanisms, the police time required per careless driving case, the court time per court case and the proportion of offenders who pay a court fine in the baseline. Key risks include the proportion of careless drivers attending remedial training – the lowest unit cost enforcement mechanism – and the number of careless driving cases which will be eligible for either remedial training or an FPN.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £0	Benefits: £0	Net: £0	No	NA

Evidence Base (for summary sheets)

Introduction

1. This Impact Assessment (IA) focuses on the proposal to make careless driving a fixed penalty notice (FPN) offence and open to the offer of remedial training. Options under consideration in this IA are as follows:
 - Option 0: Do nothing
 - Option 1: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training. The offence would carry three penalty points and would be set at £90
 - Option 2: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training with the penalty level set at £100

Consultation

2. The Government in its Strategic Framework for Road Safety¹, which aims to reduce death and injuries on our roads, announced plans to introduce a fixed penalty notice for the careless driving offence to address low level offending and improve the efficiency of the enforcement process, and enable more people to be offered remedial education as an alternative to the FPN.
3. The Department conducted a 12 week consultation on the proposal to make careless driving a fixed penalty offence among other proposals to increase the penalty levels for most motoring fixed penalty offences. This ran from 14 June 2012 until 5 September 2012. A total of 383 responses were received and a summary of responses from the consultation, including the Government response, is available on GOV.uk website.
4. Views were invited on whether the careless driving offence should be made into a fixed penalty offence, the associated penalty levels for the FPN and the operational guidance criteria surrounding its use. A majority (63%) of respondents were in favour of the making careless driving a fixed penalty offence and open to the offer of remedial training, providing it was used for low level offending. They also welcomed the use of educational courses to address such as low level driving behaviours. 57% of respondents disagreed with the proposed penalty of £90 and 3 penalty points for the careless driving FPN. These were mainly from members of the public, many of whom felt the proposed penalty level was as a revenue-raising exercising and unfair when the cost of motoring was already expensive. A majority (53%) of respondents supported the proposed operational guidance criteria for the use of the fixed penalty.
5. Following consultation responses, we have offered another proposal, Option 2, which is effectively Option 1 but with the penalty amount set at £100. This is consistent with options currently being considered to increase the penalty levels for most motoring fixed penalties offences

Problem under consideration and rationale for intervention

6. The problem under consideration is that the current process of charging motorists for a careless driving offence is overly bureaucratic. It involves a heavy burden of paperwork,

¹ Strategic Framework for Road Safety published by the Department for Transport 11th May 2011

which is resource intensive for the police and court services particularly for low level offences. The Association of Police Chief Officers (ACPO) have said that currently every careless driving offence requires an approved summons file if proceedings are to be instigated and a prosecution taken forward. This almost requires the same amount of paperwork for a criminal offence such as theft. ACPO acknowledge that police officers may be deterred from dealing with low level careless driving offences due to the significant work commitment required.

7. This indicates that the enforcement of careless driving leads to considerable financial costs, which are, in many instances, not proportionate to the crime. In addition, there is research to indicate that over 70% of offenders plead guilty which further calls into question the high resource costs for cases involving low-level offences².
8. Consequently, the Government through its Strategic Framework for Road Safety (published May 2011)³, announced plans to introduce careless driving as a fixed penalty notice offence, as part of a wider strategy to reduce road casualties in Great Britain and target those driving behaviours which result in road safety problems.
9. Public opinion also recognises the importance of dealing with careless driving, which is ranked at a similar level to other offences such as speeding, mobile phone use whilst driving and drug driving. The *Think! Annual Survey*, shows careless driving is consistently mentioned as one of the top five important road safety issues which respondents believe needs to be addressed by the Government⁴. There also appears to be a public perception that not enough is being done to enforce the careless driving offence. The *DfT Citizen's Panel survey* found that more than half the panellists thought that levels of policing enforcement of road traffic law were too low to stop dangerous/careless driving⁵.
10. There is evidence to indicate that bad driving can be attributed to a failure in driving skills. A survey of drivers convicted of careless driving showed that 57% claimed they were driving how they often or normally drove at the time of the incident, and 75% said they were surprised to be convicted⁶. This suggests that drivers lack information regarding expected driving standards.
11. Given that the current system is hindering effective enforcement, Government intervention is required to address this, improve driver compliance with required driving standards and, in doing so, improving road safety.

The law

12. Careless driving not only has an impact on drivers, but also on passengers and other road users, which is why traffic law contains the offences of driving "without due care and attention" and "without reasonable consideration for other persons" (Section 3 of the Road Traffic Act 1988). It is defined by law as driving that "falls below what is expected of a competent and careful driver" and "driving without reasonable consideration for other persons only if those persons are inconvenienced by his driving"⁷. The offence covers general poor driving and can include a variety of behaviours, such as tailgating, failing to look properly and sudden braking.

² Drivers convicted of dangerous or careless driving and victims: what they think of driving offences and penalties, L. M. Pearce, TRL Ltd, May 2004, DfT

³ Strategic Framework for Road Safety, Department for Transport (May 2011)

⁴ 2011 THINK! Annual Survey, TNS-BMRB Report, February 2012

⁵ DfT Citizens Panel Road Safety (wave 5), GfK Customer Services, December 2008, sample of 427 panellists

⁶ Drivers convicted of dangerous or careless driving & victims: what they think of driving offences and penalties, L.M. Pearce, TRL Ltd, May 2004, DfT

⁷ Section 3ZA of the Road Traffic Act 1988

13. The enforcement tools currently available to the police for careless driving offences include a warning with no further action or summons for the more serious cases. At court, careless and inconsiderate driving attracts between 3-9 penalty points, a fine of up to £5,000 and discretionary disqualification. There is a separate offence for causing death by careless driving, which has higher penalties, including mandatory disqualification and the option of a custodial sentence.
14. With the less serious cases of careless driving where a collision was a result of an error of judgement by the driver (and because of the reporting requirements for collisions the police are involved), many police forces do offer the option of driver improvement training as an alternative to prosecution.

Road casualties

15. Careless driving takes a number of different forms which makes it difficult to determine the exact number of deaths and injuries caused by this driving behaviour. We know from data collected by the police on the contributory factors to road accidents there are a significant number of casualties caused by poor driving behaviour - for example, in 2011, 272 deaths had 'careless, reckless or in a hurry' recorded as a contributory factor⁸. This may be an underestimate as there are other contributory factors (e.g. failing to look properly) that could be included as careless driving. Contributory factors are only recorded in injury accidents where the police attend the scene. Hence, there are a great number of instances of careless driving that do not result in a collision and will consequently not be recorded.

Previous consultation

16. In November 2008 the previous Government published the *Road Safety Compliance Consultation*⁹, which consulted on proposals to improve compliance with a number of road traffic laws through the possible introduction of tougher penalties in six road safety areas, including careless driving. A formal response to this consultation was not published, as there was a change in Government. A summary of the responses¹⁰ was published in May 2011 alongside the road safety framework, and showed that 71% respondents agreed that careless driving should be made into a fixed penalty offence.

Policy objective

17. The policy objectives are to improve the efficiency of the enforcement regime and to enable remedial training to be offered for low level offenders. The intended effects of this policy are that the police will be able to improve the level of enforcement without substantial extra costs and in combination with remedial training, reduce the prevalence of careless driving. It will also remove low level careless driving cases from the court system. It should be noted that the IA's central scenario focuses on the effects of the policy intervention if enforcement rates did not change because we have no evidence from which to forecast a change in enforcement activity.

Groups affected

18. The main groups affected by this policy would be drivers, police who are responsible for enforcement, Court Service and the Crown Prosecution Service. In the technical assessment, 'front line police' and 'police administration' have been identified separately

⁸ Reported Road Casualties in Great Britain: 2010 Annual Report, DfT

⁹ Road Safety Compliance Consultation, November 2008, DfT

¹⁰ A Summary of Responses: Road Safety Compliance Consultation, May 2011, DfT

so the calculations are transparent, but we recognise they are only sub-sets of police service costs and have no more underlying significance. The Government would be responsible for amending legislation.

19. Other Government Departments with an interest include the Home Office and Ministry of Justice.

Description of options considered (including do nothing)

20. The options under consideration in this IA are as follows:

- Option 0: Do nothing
- Option 1: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training. The offence would carry three penalty points and would be set at £90
- Option 2: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training with the penalty level set at £100

Option 0: Do nothing

21. This would not address the administrative burden faced by the police and workload of the court services in prosecuting low level careless driving offenders. There are wider changes (including, related to technology) affecting the police and courts services, but these do not offer a solution to the disproportionate effort needed to enforce against careless drivers, compared to say speeding. Hence doing nothing is unlikely to improve efficiency to enable more effective enforcement activity, which could provide a deterrent effect and contribute to reducing the prevalence of careless driving.

Option 1: Introduce fixed penalty notice offence for careless driving and open to offer of remedial training. The offence would carry three penalty points and would be set at £90.

22. As previously explained, a police officer can either issue a warning or a court summons to a careless driving offender. If court proceedings are instigated, this results in the police officer completing the same level of paperwork required for a criminal offence such as theft. Under option 1, the offender could be offered the choice of accepting a fixed penalty notice (receive penalty points and a fine) or the offer of remedial training (paid for by the offender, but they would receive no penalty points)¹¹. This would make the enforcement process simple and provide a substantial reduction in police time as the offence would be dealt with at the road side. The fixed penalty approach also preserves the option to request a court hearing, should the alleged offender wish to contest the offence in court.

23. There are some circumstances where remedial training would not be offered to an offender. These include, if any other offences committed could be dealt with by prosecution (e.g. no insurance), and where an offender has already attended the training once within a 3 year period. Therefore, in view of this remedial training would not be offered to offenders at the road side because the police officer would have no means of

¹¹ In Scotland, there are differences in legal processes to that of England and Wales. The Scottish Courts Service may also determine that the detected offence does not merit prosecution. There is current legislation in place to cover some inappropriate driving behaviour such as an Anti-Social Behaviour etc. (Scotland) Act 2004 FPN for wheel spins and FPN for inappropriate speeds. In addition, the direct referral to remedial training could not be currently undertaken in Scotland due to the current processes of the Driver Improvement Scheme (DIS). Presently the Police are required to report appropriate incidents to the Procurator Fiscal and provide a recommendation in respect of the suitability or otherwise of the offender to participate in a DIS.

checking whether they would be eligible; this would be processed by police back office staff. .

24. Option 1 would mean that a fixed penalty could be offered for any instance of careless driving. However operational guidance¹² has been prepared by ACPO surrounding the use of the fixed penalty to ensure its appropriate use, which was discussed in the consultation document. ACPO have already issued operational guidance for use of remedial training for low level careless driving offences. It is not intended that this intervention is used for the more serious examples of careless driving, which result in collisions, serious injuries or death. We expect these cases to continue to be dealt with by the courts.
25. Option 1 clearly meets the policy objectives in that the fixed penalty approach would be less resource intensive for the police to administer. It would free-up police time which would otherwise be taken up with charging offenders through the court system. This released police resource could potentially be used towards increasing enforcement activity. The FPN would also contribute towards diverting offenders into remedial training, as the alternative would be to receive a fixed penalty with penalty points and a fine, which is a positive approach and gives offenders the opportunity to improve, and in doing so to be safer drivers.
26. The fixed penalty offence would carry an endorsement of three penalty points and the level would be set at £90.¹³ The Ministry of Justice are proceeding with proposals to increase the level of Penalty Notices for Disorder (PNDs) by £10. These are currently set at £50 (e.g. leaving litter, trespassing on a railway) and £80 (e.g. wasting police time, being drunk and disorderly in a public place)¹⁴, and would increase to £60 and £90 respectively. There is a risk that if the penalty amount is set at a lower level to other similar penalty notices, the offence could be perceived as trivial and inconsequential.
27. Remedial training courses which operate under ACPO's National Driver Offender Retraining Scheme (NDORS) are generally being offered at about £90 per head, with courses for speeding being the most common type. The exact amount of the course is set by individual police forces and their course providers. By setting the penalty amount at £90, this would bring it into line with the average cost of remedial training. The penalty amount itself would not automatically increase in line with inflation, unless amended by a legislative order, which would require Government intervention. It is assumed remedial courses would rise in line with inflation. Therefore in the short-term this will mean there is no *financial* disincentive to attending remedial training, which should encourage attendance. However there are also time costs and potential private benefits to the offender of attending the course. The longer term cost differential between the penalty amount and remedial courses is discussed in detail below (see paragraphs 34-40) along with these wider incentives.
28. The remedial training courses offered by police forces as an alternative to the fixed penalty are voluntary. The offender has a choice whether they wish to attend this, if offered, or accept the fixed penalty or go to court. There is no legal requirement to attend such courses. The courses are paid for by the offender and operate at no cost to the public purse. ACPO have already developed courses aimed at low level careless driving offences following the Government's announcement to introduce the FPN option for the

¹² The ACPO guidance surrounding the use of the FPN would apply to England and Wales. Operational guidance for Scotland would need to reflect the differences regarding the criteria for issuing a fixed penalty for careless driving offences

¹³ Most endorsable fixed penalty notices, including for speeding and mobile phone use when driving, currently attract fines of £60. The Department has already announced its intention to increase these £60 FPNs to somewhere in the £80 to £100 range in 2012 (in its Strategic Framework for Road Safety of May 2011). A regulation to make this change is being progressed in parallel with providing a fixed penalty notice option for careless driving.

¹⁴ Getting it right for victims and witnesses consultation (ref: CP3/2012), Ministry of Justice, Jan 2012

careless driving offence in the road safety framework. These courses are currently being offered by several police forces in preparation of the fixed penalty offence for careless driving.

29. There is currently no specific quantitative evidence regarding the effectiveness of the NDORS remedial training on reducing recidivism, ACPO do not currently have readily available information to assist this impact assessment. However, ACPO have said that due to the very limited quantitative evidence regarding this particular issue, this is the focus of their deliberations for the next piece of research, but they have pointed out that it is going to take some time as they currently have no way of obtaining data from DVLA which identifies the actual speed limit and level of speed travelled by those offenders of interest.

30. There are however studies indicating that there are improvements in attitudes, self-reported behaviour and lower recidivism rates. For example:

- DfT commissioned research *Effective Interventions for Speeding Motorists (Road Safety Research Report No. 66)* evaluated speed awareness courses in different areas and found statistically significant support that those who attended the courses had lower re-offending rates than those who did not attend.¹⁵ For example, re-offending rates in Lincolnshire were compared for drivers who attended the speed awareness course and those who received the fixed penalty. Of those who attended, 5% were detected speeding again, compared with 10% of those who did not attend. In Humberside, re-offending data from 500 drivers who attended the course were compared with 500 drivers who were travelling at a slightly higher speed and were therefore not eligible to attend. The data indicated that 8% of drivers who attended the course and 25% of those who did not attend the course received a further speeding offence. In Northamptonshire, 1,201 drivers attending the course were tracked by the Driver and Vehicle Licensing Agency to see if they had re-offended in the following year. They were compared with 1,365 drivers who declined the course. Of the attendees, 84 (7%) were detected speeding again, and a further five (0.4%) committed separate offences. Of the non-course attendees, 125 (9%) re-offended, and a further 24 (1.8%) committed separate offences.
- .
- There is also some evidence of improvement in attitudes for those drivers who have attended courses. For example, in 2010 the attitudes of offenders who had been on a retraining course were monitored over several months. In that time, there were reported positive changes in attitudes. At the follow-up, 99% reported that they had changed their driving; 22% said that their driving had changed a great deal and over 40% that it had changed quite a lot¹⁶. This change in attitude has also been reported in drivers who convicted of dangerous or careless driving where over half of respondents said they now drove more carefully, safely and responsibly since before their accidents. Nearly 20% were less confident than they had been. This suggests there might be some road safety benefit¹⁷.

31. The nature of the careless driving offence makes it difficult to compare its deterrent effect with other examples where fixed penalties have been introduced for road safety behaviours. This is because it is not a specific offence, like not wearing a seat belt or using a mobile phone whilst driving, and can include a variety of behaviours. However, we know that when the fixed penalty offence for using a mobile phone was introduced in

¹⁵ The data had very different baseline re-offending rates, and therefore it would not be appropriate to compare the results directly.

¹⁶ Comparison of Driver Alertness and the National Driver Improvement Scheme, F Fylan, Brainbox Research; S Stradling, Edinburgh Napier University, June 2010

¹⁷ Drivers of dangerous or careless driving and victims: what they think of driving offences and penalties (Road Safety Research Report No.46).

2003, survey data collected on mobile phone usage showed that the proportion of drivers (cars, vans and lorries) observed using hand-held phones reduced. When the penalty became an endorsable offence and increased from £30 to £60 in 2007, there was an immediate drop in the proportions using hand-held mobile phones.¹⁸ Also the number of FPNs issued following the penalty increase in 2007 decreased by more than a third in 2008. This only provides an indication of the potential impact the fixed penalty will have in reducing offences. There are likely to be other factors that would contribute to these reductions, such as police resources devoted to detecting these offences.

Option 2: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training with the penalty level set at £100

32. Under this option the penalty amount for the careless driving FPN would be set at £100 and carry 3 endorsable penalty points. The penalty level of £100 is consistent with options being considered for increasing the fixed penalty levels for most motoring offences.

33. The £100 penalty level would effectively provide built-in cover for a few more years of inflation, removing the need to review the penalty amounts in the short to medium term. It would also ensure that the cost of the fixed penalty would remain higher than the cost of remedial training encouraging offenders to opt for remedial training courses. Also £100 is the maximum amount stated in the Strategic Framework for Road Safety¹⁹. The longer term cost differential between the penalty amount and remedial courses is discussed in detail below.

Cost development of remedial Training relative to the cost of an FPN for Options 1 & 2

34. As explained in paragraph 27, it is not possible to have an automatic increase in the cost of an FPN to reflect inflation, as this would require a legislative order. This means that the nominal cost of the FPN, the cost which the offender will pay, will be constant over the appraisal period. In contrast, it is assumed that the cost of remedial training will increase over the appraisal period. It is assumed that there will be two factors, which increase the cost of remedial training to the offender over the appraisal period:

- General inflation – it is assumed that the impact of general inflation on the cost of remedial training will be passed through to the offender; and
- Real Wage Growth – it is assumed that over-time the real wages of those organising the course will increase over the appraisal period, putting upward pressure on the cost of the remedial training, which will be passed through to the offender.

35. The cost of the remedial training is assumed to be £90 in 2013 prices and values.²⁰ This has been up-rated over the appraisal period 2013-2017 by the GDP Deflator²¹ and the Forecast Growth in the Working Value of Time.²² As can be seen in Table below the nominal cost of the remedial training increases over the period 2013-2017, whilst the nominal cost of the FPNs in options 1 and 2 remains constant.

¹⁸ Seatbelt and mobile phone usage surveys: England and Scotland 2009, Louise Walter, TRL (March 2010)

¹⁹ See paragraph 8

²⁰ This is based on a best estimate provided by DfT Police Liaison

²¹ Forecast data are consistent with OBR Autumn Statement data 5 December 2012

http://hm-treasury.gov.uk/data_gdp_index.htm

²² Table 3b: Forecast Growth in the Working Value of Time

http://www.dft.gov.uk/webtag/documents/expert/pdf/u3_5_6-vot-op-cost-120723.pdf

Cost of FPN in Options 1 and 2 and Remedial Training (current prices)

Year	Cost of FPN (£)		Cost of Remedial Training (£)
	Option 1	Option 2	
2013	90	100	90
2014	90	100	94
2015	90	100	98
2016	90	100	102
2017	90	100	106

36. It is apparent that after 2013 there is a financial advantage to paying an FPN in option 1 rather than attending remedial training. In contrast to Option 1, attending remedial training is still financially advantageous relative to the FPN in option 2 until about 2016.
37. The Table only outlines the direct financial costs of paying an FPN and attending remedial training. There are also indirect impacts from accepting FPN or attending remedial training. The indirect impacts of FPNs and remedial training are higher insurance premiums and time costs of attending courses respectively.
38. The careless driving FPN will be endorsable, such that an offender will have three points added to their driving licence. Insurance companies increase insurance premiums to those with points on their licences. Therefore, offenders who accept FPNs, will have to pay higher insurance premiums in addition to the cost of the FPN. We have not been able to account for the impact that higher insurance premiums will have on the total financial cost to offenders, who accept an FPN, due to a lack of information on the insurance effects. However, it is possible that higher insurance premiums together with the cost of the FPN will encourage offenders to attend remedial training.
39. In addition to the financial costs of attending remedial training, there are also time costs associated with attendance; remedial training courses typically last half a day. These costs are not included in the analysis as they are borne by the offender. However there are also likely to be private benefits to at least some of the offenders of attending the course – the paragraph below shows that this is a reasonable assumption as speed awareness courses are well attended despite the relevant FPN being lower costs than the course. These incentives may also inform the decision as to whether to accept an FPN or attend remedial training.
40. It has not been possible to determine how the indirect impacts of accepting an FPN or attending remedial training interact with a widening difference in the direct financial costs of remedial training and an FPN, as this information is not available. However, given the continued high attendance of speed awareness courses (in 2010, 447,000 motorists attended the course and in 2011, it was 772,000) despite the cost differential between a speed FPN (currently £60) and the speed awareness course (around £90) we assume that a significant proportion of careless driving offenders will attend remedial training if offered.

Assessment of costs and benefits

Option 0: Do nothing

41. By definition this option has no costs or benefits and will form the baseline against which options will be compared.

Option 1: Introduction of fixed penalty notice offence for careless driving and open to offer of remedial training. The offence would carry three penalty points and would be set at £90

42. The costs used in the analysis below come from a number of different sources. To ensure that a direct comparison can be made among the different costs, they have been up-rated, using the GDP deflator²³ and the growth rate of GDP per capita²⁴, to the same price and value base year, 2012. The values have been up-rated using the GDP per capita growth rate because they are related to income growth.
43. The following cost benefit analysis has been estimated for one year only, 2012. To extend the analysis for the appraisal period 2013-2022, we have up-rated the values using the growth of GDP per capita and assumed that the rest of the analysis remains unchanged. The latter assumption has been made due to a lack of information about trends in the development of careless driving in the medium to long-term.
44. This section sets out the assessment of the additional costs and benefits of introducing a £90 Fixed Penalty Notice and Remedial Training for Careless Driving. The costs and benefits of introducing the FPN and Remedial Training are estimated relative to the current practice of careless driving offences proceeding to court, and the 'do-nothing' option.
45. Two types of impacts of Option 1 have been quantified and expressed as monetary values. The first types of impacts are cost savings to the Police and Criminal Justice System and the reduction in Exchequer revenue due to the diversion of careless driving cases from court proceedings. The second type of impact is related to the costs to the Police associated with enforcing careless driving through the Fixed Penalty notice and the revenue accrued by the Exchequer.
46. The major impacts of Option 1 that have been quantified are:
- the impacts on police costs;
 - the impacts on criminal justice system costs (Ministry of Justice and Crown Prosecution Service); and
 - the impacts of court fines, FPNs and victim surcharges collected;
47. The costs of remedial training borne by offenders are not included in the analysis as this is the result of illegal activity committed by the offender.
48. Remedial Training and Fixed Penalty Notices are expected to have beneficial impacts on road safety. Both remedial training and FPNs are expected to reduce the incidence of careless driving on the roads through improving driver skills and deterring poor driving, respectively. Due to a lack of empirical evidence, it has not been possible to quantify the road safety impacts from introducing an FPN and remedial training. For this reason road safety impacts are not quantified.

Forecast – Volumes of Cases

²³ http://hm-treasury.gov.uk/data_gdp_index.htm

²⁴ Department for Transport (April 2011), 'Table 3a: Forecast growth in Real GDP, Population and Households', Webtag 3.5.6. GDP per capita growth rates from 2009 to 2015 are based on Office of Budget Responsibility forecasts. Post 2015 growth forecasts are based on long-term Treasury projections.

49. The number of careless driving cases has fallen significantly over the last decade from 49,971 court proceedings in 2000 to only 27,322 in 2010, see Table 1. The decline in the level of enforcement could be down to a number of factors, such as greater pressure on police resources, changes in policy on the prosecution of careless driving offences and the introduction of a specific offence for mobile phone use whilst driving.
50. There has also been a corresponding decline in the findings of guilt, which have fallen by approximately 47% from 39,800 guilty verdicts in 2000 to 21,023 in 2010. It is also apparent in the data that court proceedings and findings of guilt have stabilised in the years 2008 to 2010.

Table 1: Careless Driving Enforcement – Court Proceedings 2000-2010²⁵

	No. of Court Proceedings	Findings of Guilt	No. of Fines
2000	49,971	39,800	35,320
2001	46,176	35,592	30,621
2002	42,651	32,386	27,142
2003	40,792	30,452	24,970
2004	38,875	28,620	23,576
2005	37,388	27,359	22,558
2006	34,636	25,389	20,892
2007	33,254	24,836	20,730
2008	25,469	18,538	16,322
2009	29,008	21,986	18,295
2010	27,322	21,023	17,558
Average 2000 - 2010	36,867	27,816	23,453
Average 2008 - 2010	27266	20516	17392

51. In order to create a forecast of the number of offenders who would be eligible for an FPN or Remedial Training we have made the following assumptions:
- a. Only those who would be found guilty in court, would accept an FPN or Remedial Training;
 - b. The average findings of guilt between 2008 and 2010 provide the best estimate of the number of careless driving offenders who would accept an FPN or remedial training annually over the appraisal period, 2013 to 2022²⁶; and
 - c. Only 22% of findings of guilt will be eligible for an FPN or remedial training²⁷;
52. Applying these assumptions to the average findings of guilt between 2008 and 2010 creates a forecast of 4,513 careless driving offenders per annum, who would be eligible for an FPN or Remedial Training.
53. In order to estimate the impacts of diverting careless driving offenders from the courts, we need to forecast the distribution of these 4,513 eligible offenders between the FPN and Remedial Training. To this end, we have used evidence provided by Greater Manchester Police Central Ticketing Office (GMP CTO) on enforcing speed and traffic light offences.

²⁵ Criminal Justice Statistics in England & Wales 2007-2010 and Motoring Offences & Breath Tests Statistics in England & Wales, 2000-2006

²⁶ This assumption is based on discussions with the DfT Police Liaison. Due to devolution of police enforcement activity it is uncertain how the enforcement of careless driving will develop in the future.

²⁷ Careless driving offences which involve an accident will proceed straight to court and the drivers will not be eligible for an FPN or remedial training. Evidence indicates that 78% of careless driving offences prosecuted in court were involved in an accident – Drivers convicted of dangerous or careless driving and victims: what they think of driving offences and penalties, L. M. Pearce, TRL Limited (May 2004), DfT Road Safety Research Report No. 46

54. Evidence from GMP CTO suggests that 10% of offenders will attend court, 20% will accept an FPN and 70% will attend remedial training²⁸. These are final outturn numbers and do not tell us about the proportion of offenders who initially accepted an FPN or the chance to attend remedial training but failed to do so and were subsequently summoned to court.
55. Table 2 below shows the distribution of eligible offenders among court, FPN and remedial training disposal routes.

Table 2: Distribution of Offenders among the 3 Enforcement Options.

		Court	FPN	Remedial Training
A	Diversion from the Courts	-4,513	0	0
B	Distribution of Diverted Court Cases (%)	10%	20%	70%
C	Distribution of Diverted Court Cases	451	903	3,159
D	Net Change	-4,062	903	3,159
E	Proportion of Offenders paying a Court Fine and Victim Surcharge	85%		
F	Number of Offenders paying Court Fine and Victim Surcharge	3,444		

56. Row A in Table 2 contains the estimated number of careless driving cases which could be diverted from the court, 22% of the average findings of guilt for 2008 to 2010.
57. Row B contains the distribution of these diverted careless driving court cases among Court, FPN and Remedial Training. As mentioned above, these estimates are based on outturn data from GMP CTO. Due to a lack of estimates, it is not possible to create a low and high scenario based on the distribution of offenders among these three disposal routes – this is examined in a sensitivity test following this section.
58. The 10% of offenders attending a Court course represents those who would be eligible for an FPN or Remedial but who either fail to pay the FPN/attend remedial training or challenge the FPN.
59. Row C shows the absolute number of the cases eligible for diversion from Court, who are estimated to attend court, pay an FPN or attend remedial training.
60. Row D shows the net effect of these assumptions. As 10% of eligible careless drivers are assumed to attend court, only 4,062 careless driving cases are diverted from court proceedings. The forecast number of FPNs and Remedial Training per year is estimated at 903 and 3,159 respectively
61. We assume that the net change (row D) will remain constant throughout the appraisal period, such that there are a reduction of 4,062 offenders attending court, 903 offenders accepting an FPN and 3,159 offenders attending remedial training per year between 2013 and 2022.

²⁸ Based on speeding and red traffic light offences committed in 2010, Provided by GMP CTO

62. If an Offender is found guilty in a court case, the courts will impose a punishment, which could be additional penalty points, a fine of up to £5000 and possible disqualification. For careless driving offences, particularly low level offences, court fines and victim surcharges are typically administered. In row E we assume that 85% of offenders found guilty of careless driving will pay a court fine and victim surcharge²⁹. Applying this to the net change in the number of diverted court cases, the number of court fines and victim surcharges registered will decline by 3,444 (row F). Although it is possible that those more likely to be found guilty would choose to accept a fixed penalty notice, we believe this effect could be small. This is because a survey of drivers convicted of careless driving showed that 57% claimed they were driving how they often or normally drove at the time of the incident, and 75% said they were surprised to be convicted³⁰. This demonstrates a lack of awareness of what driving behaviours would constitute as careless driving.

63. As noted above, there is no estimate of the impact of remedial training on improving road safety. For this reason it has not been possible to forecast any road safety benefits as a result of introducing remedial training. If there are road safety benefits as a result of remedial training, the net benefits estimated in the current analysis will be an underestimate.

²⁹ The percentage of court fines paid by offenders found guilty of careless driving in a Court, has been estimated using the outturn data in Table 1: the average number of fines 2008 to 2010 as a percentage of the average number of findings of guilt 2008 to 2010.

³⁰ Drivers convicted of dangerous or careless driving & victims: what they think of driving offences and penalties, L.M. Pearce, TRL Ltd, May 2004, DfT

Unit Costs

64. The unit costs of Tables 3, 4 and 5 have been up-rated into 2012 values and prices using the real GDP per capita growth³¹ and the GDP Deflator³². For the appraisal we have up-rated the figures in the tables by the forecast real GDP per capita growth for the period 2013-2022 using the forecasts in Webtag.³³

65. Table 3 contains the Police costs per Offender of enforcing careless driving offences through the three enforcement mechanisms.

Table 3: Police Costs per Offender to Enforce Careless Driving

	Enforcement Option	Cost Type	Cost	Description
A	Court:	Police Administration: <i>Case Files</i>	£63	The average cost of preparing a case file for a case which proceeds to court ³⁴
B		Police Enforcement: <i>Arresting Officer</i>	£271	The average cost of a Police Officer of the rank Sergeant and below is £46 ³⁵ . It is estimated that a police officer requires 3 hours to prepare a case file ³⁶ and will spend on average slightly less than 3 hours attending court for the case hearing. ³⁷
C	FPN:	Police Administration: <i>Register FPN</i>	£6	The average cost of registering an FPN into the Police systems. ³⁸
D		Police Enforcement: <i>Arresting Officer</i>	£23	The average cost of a Police Officer of the rank Sergeant and below is £46. It is estimated that a police officer requires approximately ½ hour to issue an FPN. ³⁹

³¹ DfT WebTAG 3.5.6 'Values of Time and Operating Costs' Table 3a http://www.dft.gov.uk/webtag/documents/expert/pdf/u3_5_6-vot-op-cost-120723.pdf

³² ONS GDP Deflators at Market Prices and Money GDP http://hm-treasury.gov.uk/data_gdp_fig.htm

³³ DfT WebTAG 3.5.6 'Values of Time and Operating Costs' Table 3a http://www.dft.gov.uk/webtag/documents/expert/pdf/u3_5_6-vot-op-cost-120723.pdf

³⁴ This refers to the back-office costs incurred by the Police administering documents in preparation for a court case. Provided by GMP CTO based on 2007 figures. This represents a conservative estimate and does not include processing files through the court system and printing/posting of summonses.

³⁵ Average wage for a police sergeant and below, taken from the Annual Survey on Hours and Earnings. This has been adjusted by 21.2% to account for Non-Wage Labour Costs in accordance with WebTag guidance, WebTag 3.5.6 paragraph 1.2.4

³⁶ It is estimated that a Police officer would devote on average 3 hours writing up a case file in preparation for the Court proceedings (Piloting 'on the spot penalties' for disorder: final results from a one-year pilot, G. Halligan-Davis and K. Spicer, 2004).

³⁷ On the day of the trial 58% of the arresting Police Officers attend court, based on 'Drivers convicted of dangerous or careless driving and victims: what they think of driving offences and penalties, L. M. Pearce, TRL Ltd, May 2004, DfT, with an average court attendance lasting 5 hours (estimate provided by ACPO Police Liaison Officer).

³⁸ It costs £5.85 for back office staff to administer an FPN (value uprated for inflation). Provided by Greater Manchester Police Central Ticketing Office in 2010

³⁹ It is estimated that it takes approximately 30 minutes for a front-line Police Officer to issue an FPN (Piloting 'on the spot penalties' for disorder: final results from a one-year pilot, G. Halligan-Davis and K. Spicer, 2004). Given an employment cost of £46 per hour, the standard cost of issuing an FPN to the front-line Police is £23.

E	Remedial Training	Police Administration: <i>Registration</i>	£15	The cost of registering a case in which the person has opted for remedial training. ⁴⁰
		<i>Data Base</i>	£5	Data Base cost refers to the cost of maintaining a data base to record those who are/have attended remedial training. ⁴¹

Table 4: Careless Driving Enforced through Court Proceedings; unit costs per case (2012 values and prices⁴²)

	Type of Cost	Unit cost	Unit cost description
A	CPS – Magistrates court ⁴³	£145	Cost per defendant in a Magistrates Court
B	CPS – Crown court ⁴⁴	£2,534	Cost per defendant in a Crown Court
C	HMCTS – Magistrates' court ⁴⁵	£1,380	Cost per sitting day
D	HMCTS – Crown court ⁴⁶	£2,121	Cost per sitting day

66. Table 4 demonstrate the unit costs incurred by the Criminal Justice System for careless driving offences. When applying the criminal justice unit costs to the forecast above we have made several assumptions and need to bear in mind a number of risks. These assumptions are:

- **Sentencing:** We have assumed that all the cases diverted from the courts are low level offences, which would only attract a court fine and victim surcharge.
- **Magistrates' Court:** We have assumed that all diverted court cases would have been tried at a Magistrates' Court and have therefore not included the Crown Court costs in the cost benefit analysis. As Crown Court hearings have higher costs on average than those at a Magistrates' Court, there is the risk that the court cost savings have been underestimated. However, we consider the assumption of 100% of diverted court cases coming from Magistrates' Courts reasonable, as the diverted court cases will be low level offences.

⁴⁰ Provided by ACPO Police Liaison Officer.

⁴¹ Provided by ACPO Police Liaison Officer.

⁴² MOJ's cost benefit framework which provided average total CPS costs for 2008/09. Excluding community service and the victim surcharge, the unit costs and fines have been up-rated from 2010-11 prices and values into 2012 prices and values using the forecast real GDP per capita growth from DfT's Transport Appraisal Guidance (<http://www.dft.gov.uk/webtag/>) and the GDP deflator (http://hm-treasury.gov.uk/data_gdp_index.htm)

⁴³ MOJ: Cost Benefit framework which provided average total cost CPS costs for 2008/09

⁴⁴ MOJ's cost benefit framework which provided average total CPS costs for 2008/09.

⁴⁵ HMCTS Finance

⁴⁶ HMCTS Finance.

- **Magistrates' Court:** We assume that the average careless driving court case hearing lasts 27 minutes.⁴⁷ Given that court sessions last approximately 5 hours, this implies approximately 11 careless driving cases could be heard sitting everyday.

Table 5: Average Fine and Victim Surcharge Levels, and Offender Payment Rates

	Enforcement Option	Level of Fine/Victim Surcharge
A	Courts: <i>Average Magistrates' Fine</i> ⁴⁸	£141
B	<i>Victim Surcharge</i>	£20
C	Fixed Penalty Notice	£90
D	Remedial Training	£90

67. The fines imposed at Magistrates' Courts (rows A and B, Table 8) are averages of the fines imposed by courts in 2011 for 'Careless Driving'. Court fines are means-tested such that the actual level of the fine imposed by a Magistrates' Court may differ from those in Table 5.

68. The level of the court fine is means-tested, hence as the incomes of offenders increase so too will the level of the fine. For this reason, we have up-rated the average fine level by real GDP per capita (Webtag 3.5.6)⁴⁹, as this represents an appropriate forecast of future income growth.

69. The Victim Surcharge outlined in Table 5 follows revised MOJ guidance.⁵⁰ We have not up-rated the victim surcharge as this is set by the Ministry of Justice and does not change annually. For this reason we have held the nominal value of the victim surcharge constant over the appraisal period 2013-2022. If the value were to be increased during the appraisal period, the monies raised would differ from those estimated in Table 9, below.

70. In this option the proposed level of the FPN is £90, this represents a fine to a careless driving offender. The level of the FPN is set in legislation and it has therefore not been up-rated over the appraisal period, 2013-2022.

71. Fines, FPNs and Victim Surcharges represent transfers from offenders to the Exchequer. However, unlike other types of transfer, the costs to offenders of paying Fines, FPNs and Victim Surcharges are not included in the cost benefit appraisal. It is assumed that offenders experience no inconvenience from the enforcement of the law. This is in-keeping with current Ministry of Justice practices.

72. The remedial training initially set at a level of £90. This value has been up-rated over the appraisal period by the forecast real GDP per capita growth rate (Webtag 3.5.6) as we

⁴⁷ Estimate from MOJ

⁴⁸ Criminal Justice Statistics in England & Wales 2011

assume that the labour costs will be a significant part of the training costs and that these will rise in real terms over the appraisal period.

73. In addition part of the remedial training costs will be used to reimburse the police for enforcing those careless driving offences which result in remedial training. The transfer from the Offender to the Police will cover the cost of registering remedial training, £15, maintaining the database, £5, and the cost to the arresting officer, £23. Thus there will be no net cost to the police for those careless driving cases which result in remedial training.
74. Only the Police would issue the FPN at the roadside. The Police Administration, that is the back office staff, would issue the offer of remedial training as they would have access to the computer database to check the eligibility of the offender, whereas the Police Officer would not have access to this at the roadside. The offender then would either have a choice of accepting the offer the FPN or attending a course.

Appraisal – Central Scenario

75. Table 6 contains the estimated Net Benefits of Option 1 (i.e. introducing an FPN and remedial training for careless driving) for the Central scenarios. The Net Benefit (Present Value) of Option 1 is estimated at £17.9m, in the Central scenario.
76. Excluding the victim surcharge and the level of the Fixed Penalty Notice, the unit costs and fines, which are in 2012 prices, have been up-rated by the forecast real GDP per capita growth for the period 2013-2022 using the forecasts in Webtag⁵¹. The victim surcharge and FPN have not been up-rated because both of these values are determined in legislation and are not subject to annual revisions.
77. Table 6 is a product of forecast distribution of offenders (table 2) and the relevant unit costs (tables 3 – 5).

Explanation of Costs and Benefits for Court Enforcement Mechanism

78. The costs and benefits incurred from the Court enforcement mechanism have been estimated by applying the forecast net change in careless driving cases proceeding through the courts to the relevant unit costs.
79. The police administration cost savings are a product of the net increase in court cases (-4,062 - row D Table 2) and the police administration unit costs (£63 - row A Table 3).
80. The police cost savings are a product of the net increase in court cases (-4,062 - row D Table 2) and the police enforcement costs (£271 - row B Table 3).
81. The MOJ Magistrates' Court cost savings are a product of the net increase in court cases (-4,062 - row D Table 2) and the HMCTS – Magistrates' cost (row C Table 4). As the HMCTS – Magistrates' costs are unit costs per day we have estimated the case costs by assuming 11 cases per day.
82. The CPS Magistrates' Court cost savings are a product of the net increase in court cases (-4,062 (row D Table 2) and the CPS – Magistrates' costs (£145 - row A Table 4).
83. As the number of offenders will reduce, the exchequer will lose revenue from a reduction in court fines and victim surcharge. For this reason the court fines and victim surcharge

⁴⁹ DfT WebTAG 3.5.6 'Values of Time and Operating Costs' Table 3a http://www.dft.gov.uk/webtag/documents/expert/pdf/u3_5_6-vot-op-cost-120723.pdf

⁵⁰ MOJ 'The Victim and Witness Consultation Response' 2nd July 2012

⁵¹ As published in August 2012

represent a reduction in benefits to the Exchequer. The court fines and victim surcharge have been estimated by applying the change in the number of offenders paying fines (3,444 - row F Table 2) to the average court fine and victim surcharge, £141 and £20 (rows A and B Table 5) respectively. As mentioned earlier, there is evidence to suggest that 57%⁵² of drivers convicted of careless driving offences normally drove in that manner, which shows a lack of awareness of what driving behaviours would constitute as careless driving. Therefore we believe the average court fine is unlikely to increase significantly due to self-selection.

Explanation of Costs and Benefits for FPN Enforcement Mechanism

84. The costs and benefits incurred from the FPN enforcement mechanism have been estimated by applying the forecast net change in careless driving cases resulting in an FPN to the relevant unit costs.
85. The police administration costs are a product of the net increase in FPNs issued, (903 - row D Table 2) and the police administration unit costs (£6 - row c Table 3).
86. The police cost are a product of the net increase in FPNs issued (903 issued - row D Table 2) and the police enforcement costs (£23 - row D Table 3).
87. There is a risk that the police costs, both administrative and enforcement costs are underestimates. As mentioned above, the distribution of offenders among the three enforcement mechanisms is based on outturn data from GMP CTO. This means that it does not tell us how many offenders accepted an FPN but were subsequently prosecuted in court because they failed to pay the FPN.
88. In those instances in which Offenders initially accept an FPN or remedial training but fail to pay or attend, the Police will incur costs for issuing the FPN or remedial training as well as the court costs. The court costs, which would be incurred, are already accounted for as the 10% attendance at court is based on outturn data. However, the FPN costs and remedial training costs do not account for these cases.
89. The net reduction in the number of offenders proceeding to court implicitly assumes that some offenders issued an FPN will fail to pay or challenge and the case will be dealt with in the courts. Thus these costs are accounted for under the Court enforcement mechanism costs.
90. There are estimated to be no costs arising from the issuance of FPNs to either the MOJ or the CPS, as FPNs will be dealt with by the Police.
91. As the number of offenders paying an FPN will increase, the exchequer will accrue revenue. The revenue from FPNs has been estimated by applying the increase in the number of offenders paying an FPN (row D Table 2) to the level of the FPN (£90 - rows C Table 5) respectively.
92. The costs borne by the Offender is not included here because as mentioned above, the impact assessment does not assess any dis-benefits to the Offender which arise from the enforcement of the law.

⁵² Drivers convicted of dangerous or careless driving and victims: what they think of driving offences and penalties, L. M. Pearce, TRL Limited (May 2004), DfT Road Safety Research Report No. 46

Explanation of Costs and Benefits for Remedial Training Enforcement Mechanism

93. The costs and benefits incurred from the Remedial Training enforcement mechanism have been estimated by applying the forecast net change in careless driving cases resulting in remedial training to the relevant unit costs.
94. The police administration costs are a product of the net increase in remedial training attendance (3,159 - row D Table 2) to the police administration unit costs, the registration and database costs (£15 and £5 - row E Table 3) respectively.
95. The police costs are a product of the net increase in remedial training attendance (3,159 - row D Table 2) and the police enforcement costs (£23 - row B Table 3).
96. There is a risk that the police costs, both administrative and enforcement costs are underestimates. As mentioned above the distribution of offenders among the three enforcement mechanisms is based on outturn data from GMP CTO. This means that it does not tell us how many offenders accepted an FPN but were subsequently prosecuted in court because they failed to pay/act on the FPN.
97. In those instances in which Offenders initially accept an FPN or remedial training but fail to pay or attend, the Police will incur costs for issuing the FPN or remedial training as well as the court costs. The court costs, which would be incurred, are already accounted for as the 10% attendance at court is based on outturn data. However, the FPN costs and remedial training costs do not account for these cases.
98. There are not estimated to be any costs to the MOJ or CPS arising from remedial training. Any offender who fails to attend remedial training and is brought to trial is implicitly assumed in the net reduction in court proceedings.
99. There is also not estimated to be any benefits to the Exchequer as the cost of the remedial training will be used to fund the remedial training course and reimburse the police costs of administering and enforcing remedial training.
100. As mentioned above, the Police will be reimbursed from the cost of the remedial training charge for the administrative and arresting officer costs incurred when enforcing remedial training..

Table 6: Net Benefits of Introducing an FPN and Remedial Training for Careless Driving (2012 values and prices)

Benefits	Court	FPN	Remedial Training	Total
<i>Exchequer - Court Fine/FPN</i>	-£4,464,785	£745,469	£0	-£3,719,316
<i>Exchequer - Victim Surcharge</i>	-£631,953	£0	£0	-£631,953
Total Benefits				-£4,351,269
Costs				
<i>Police Administration</i>	-£2,344,525	£49,615	£0	-£2,294,911
<i>Front-line Police</i>	-£10,097,694	£190,164	£0	-£9,907,531
<i>MOJ - Magistrates' Court</i>	-£4,628,431	£0	£0	-£4,628,431
<i>CPS - Magistrates' Court</i>	-£5,392,284	£0	£0	-£5,392,284
Total Costs				-£22,223,156
Net Benefits				£17,871,887

Note: negative Benefits indicate that Exchequer revenue will be reduced. Negative costs indicate that cost savings will be realised, i.e. costs are being reduced.

Option 1 Sensitivity Test – Forecast Diversion from Courts

101. Due to a lack of information it has not been possible to create a credible low and high scenario forecast of the diverted court cases as a result of the introduction of a Careless FPN and Remedial Training and therefore to estimate the possible range of net benefits. For this reason we have conducted a sensitivity test.

102. The sensitivity test estimates the net benefits of introducing an FPN and Remedial Training above those estimated in the central scenario, if the number of careless driving offences diverted from the courts were to be 10% greater than assumed in the central scenario. Due to the linear nature of the modelling the estimated impact of a 10% reduction in the diversion of court cases on the central scenario will be of the same magnitude as the benefit of a 10% increase.

103. Table 7 forecast the net change from a 10% increase in the diversion of court cases from the assumed baseline assumption of the central scenario 4,513. Thus we assume that the diversion rate is 452 higher than in the central scenario.

Table 7: Sensitivity Test – 10% of central scenario diversion rate

		Court	FPN	Remedial Training
A	Diversion from Courts	-452	0	0
B	Distribution of Diverted Court Cases (%)	10%	20%	70%
C	Distribution of Diverted Court Cases	45	90	316
D	Net Change	-407	90	316
E				
E	Proportion of Offenders paying a Court Fine and Victim Surcharge	85%		
F	Number of Offenders paying Court Fine and Victim Surcharge	346		

104. Applying the net change (row D) and the number of offenders paying court fines and victim surcharges (row E) to the relevant unit costs in Table 3,4 and 5 provides estimates of the change to the central scenario impacts, if the number of diverted court cases were to be 10% higher – Table 8.

105. As shown in Table 8, a 10% increase in the number of careless driving cases, which are eligible to be diverted from court, will increase the net benefits of the central scenario by £1.8m.

106. Due to the linear nature of the model, a 10% reduction in the number of cases eligible for diversion from the courts decreases the net benefits relative to the central scenario by approximately £1.8m. In addition, to estimate the additional net benefits of diversion rates greater than 10%, the net benefits are a factor of the diversion rate, such that a 20% increase in the diversion rate produces net benefits which are double those of a 10% increase.

Table 8: Impact of a 10% increase in number of careless driving cases on net benefits of Introducing an FPN and Remedial Training for Careless Driving

Benefits	Court	FPN	Remedial Training	Total
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<i>Exchequer - Court Fine/FPN</i>	-£446,478	£74,547	£0	-£371,932
<i>Exchequer - Victim Surcharge</i>	-£63,195	£0	£0	-£63,195
Total Benefits				-£435,127
Costs				
<i>Police Administration</i>	-£234,453	£4,961	£0	-£229,491
<i>Front-line Police</i>	-£1,009,769	£19,016	£0	-£990,753
<i>MOJ - Magistrates' Court</i>	-£462,843	£0	£0	-£462,843
<i>CPS - Magistrates' Court</i>	-£539,228	£0	£0	-£539,228
Total Costs				-£2,222,316
Net Benefits				£1,787,189

Note: negative Benefits indicate that the Exchequer revenue will be reduced. Negative costs indicate that cost savings will be realised, such costs are being reduced.

Option 1: Sensitivity Test – Distribution of Offenders

107. In addition to a lack of information from which to create a forecast range for the number of cases diverted from court, we have no information from which to create a range for the distribution of diverted court cases among Courts, FPN and Remedial Training. As a result it has not been possible to create a credible low and high scenario to estimate the possible range of net benefits. For this reason we have conducted a sensitivity test.
108. The sensitivity test estimates the marginal impacts on the Police, MOJ, CPS and Exchequer, if the percentage of offenders, eligible for an FPN or remedial training, who accept an FPN or Remedial Training differs from the central scenario.
109. As can be seen in Table 6 the majority of the cost savings (benefits) from introducing an FPN and Remedial Training arise from reduction in the number of offenders attending court. This is because the enforcement through the courts is the most expensive enforcement mechanism.
110. To determine how sensitive the results are to a change in the distribution of offenders among the enforcement mechanisms, we have increased the percentage of offenders going to court to 20% and reduced the percentage accepting an FPN to 10%.
111. Table 9 shows the number of offenders under each enforcement mechanism relative to the central scenario, row E.
112. Row A shows the number of offenders eligible for diversion from the Courts, the same as in the central scenario. Row B shows the new assumed distribution of offenders among the enforcement mechanisms. Row D restates the number of offenders under each of the enforcement mechanisms in the central scenario.

Table 9: Distribution of Diverted Court Cases – Sensitivity Test

		Court	FPN	Remedial Training
A	Eligible for Diversion from Courts	-4,513		
B	Distribution of Diverted Court Cases (%)	20%	10%	70%
C	Distribution of Diverted Court Cases	903	451	3159

D	Total Change	-3611	451	3159
E	Central Scenario Distribution	-4,062	903	3,159
F	Net Change from Central Scenario	451	-451	0

113. Table 10 details the change to the net benefits in the central scenario that would occur, if the distribution of diverted court cases were 20%, 10% and 70% rather than 10%, 20% and 70% respectively, for Court, FPN and Remedial Training, respectively. The remedial training costs are not shown as these costs are borne by the offender.

Table 10: Change in Net Benefits relative to Central Scenario

Benefits	Court	FPN	Remedial Training	Total
<i>Exchequer - Court Fine/FPN</i>	£496,087	-£372,734	£0	£123,353
<i>Exchequer - Victim Surcharge</i>	£70,217	£0	£0	£70,217
Total Benefits				£193,570
Costs				
<i>Police Administration</i>	£260,503	-£24,807	£0	£235,696
<i>Front-line Police</i>	£1,121,966	-£95,082	£0	£1,026,884
<i>MOJ - Magistrates' Court</i>	£514,270	£0	£0	£514,270
<i>CPS - Magistrates' Court</i>	£599,143	£0	£0	£599,143
Total Costs				£2,375,992
Net Benefits				-£2,182,423

Note: negative Benefits indicate that the Exchequer revenue will be reduced. Negative costs indicate that cost savings will be realised, such costs are being reduced.

114. Table 10 demonstrates that if the distribution of offenders were 20% to Court, 10% accepting an FPN and 70% attending remedial training, the net benefits of Option 1 would be approximately £2m lower than in the central scenario. As the net benefits in Option 1 are only approximately £17m, this shows that Option 1 is relatively sensitive to the distribution of offenders among the enforcement mechanisms.

Option 2: This would effectively be Option 1, with the penalty amount set at £100

115. This section sets out the assessment of the additional costs and benefits of introducing a £100 Fixed Penalty Notice and Remedial Training for Careless Driving. The costs and benefits of introducing the FPN and Remedial Training are estimated relative to the current practice of careless driving offences proceeding to court, the 'do-nothing' option.

116. The types of impacts which would arise from introducing this option are identical to those outlined for option 1 above. For this reason the analysis has been conducted in the exact same manner as for Option 1.

117. The forecast numbers of offenders for the three different policy options is identical as for Option 1 as are all of the unit costs, except the FPN charge of £100, see Table 11.

Table 11: Average Fine and Victim Surcharge Levels, and Offender Payment Rates

	Enforcement Option	Level of Fine/Victim Surcharge
A	Courts: <i>Average Magistrates' Fine</i>	£141
B	<i>Victim Surcharge</i>	£20
C	Fixed Penalty Notice	£100
D	Remedial Training	£90

118. Applying the forecast number of offenders for each of the enforcement mechanisms, Table 2, to the relevant unit costs in Tables 3, 4 and 11 produces estimates of the net benefits from introducing an FPN with a level of £100 – see Table 12.
119. As with Option 1, the unit costs and fines, excluding the victim surcharge and FPN, have been up-rated by the forecast real GDP per capita growth for the period 2013-2022 using the forecasts in Webtag⁵³.
120. As shown in Table 12, the net benefits (discounted) of introducing an FPN and remedial training, with the FPN set at £100, is £18m. This is approximately £0.1m more than if the FPN is set at a level of £90.

Table 12: Net Benefits of Introducing an FPN and Remedial Training for Careless Driving

Benefits	Court	FPN	Remedial Training	Total
<i>Exchequer - Court Fine/FPN</i>	-£4,464,785	£828,299	£0	-£3,636,486
<i>Exchequer - Victim Surcharge</i>	-£631,953	£0	£0	-£631,953
Total Benefits				-£4,268,439
Costs				
<i>Police Administration</i>	-£2,344,525	£49,615	£0	-£2,294,911
<i>Front-line Police</i>	-£10,097,694	£190,164	£0	-£9,907,531
<i>MOJ - Magistrates' Court</i>	-£4,628,431	£0	£0	-£4,628,431
<i>CPS - Magistrates' Court</i>	-£5,392,284	£0	£0	-£5,392,284
Total Costs				-£22,223,156
Net Benefits				£17,954,716

Note: negative Benefits indicate that the Exchequer revenue will be reduced. Negative costs indicate that cost savings will be realised, such costs are being reduced.

Option 2 Sensitivity Test – Forecast Diversion from Courts

121. As with Option 1, there is a lack of information on the number of court cases, which would be eligible for an FPN or remedial training. For this reason we test the sensitivity of the net benefits of Option 2 to a change on the assumed number of cases, which will be diverted.
122. The forecast assumptions used in this sensitivity tests are identical to those for the option 1 sensitivity test of forecast diversion from courts. Thus the additional forecast

⁵³ As published in August 2012

diversion of court cases is identical to those in Table 7 – these are replicated below in Table 13.

123. Applying the net change (row D) and the number of offenders paying court fines and victim surcharges (row E) to the relevant unit costs in Table 3,4 and 11 provides estimates of the change to the central scenario impacts, if the number of diverted court cases were 10% higher – Table 14.
124. Table 14 shows that an additional 10% of cases eligible to be diverted from Court would increase the net benefits of the central scenario by approximately £1.8m.
125. Due to the linear nature of the modelling, a 10% reduction in the diversion of court cases decreases the net benefits relative to the central scenario of approximately £1.5m. In addition, to estimate the additional net benefits of diversion rates greater than 10%, the net benefits are a factor of the diversion rate, such that a 20% increase in the diversion rate produces additional net benefits which are double those of a 10% increase.
126. In addition, it is also possible to estimate changes to the net benefits of the central scenario for diversion rates greater than 10%. The change to net benefits will be proportional to the change in the diversion rate relative e.g. a 20% increase in the diversion rate will increase net benefits by a factor of 2.

Table 13: Sensitivity Test – 10% increase in diversion rate (figures quote are additional to those in the central scenario)

		Court	FPN	Remedial Training
A	Diversion from Courts	-452	0	0
B	Distribution of Diverted Court Cases (%)	10%	20%	70%
C	Distribution of Diverted Court Cases	45	90	316
D	Net Change	-407	90	316
E	Proportion of Offenders paying a Court Fine and Victim Surcharge	85%		
F	Number of Offenders paying Court Fine and Victim Surcharge	346		

Table 14: Change in Net Benefits relative to Central Scenario

Benefits	Court	FPN	Remedial Training	Total
<i>Exchequer -Court Fine/FPN</i>	-£446,478	£82,830	£0	-£363,649
<i>Exchequer - Victim Surcharge</i>	-£63,195	£0	£0	-£63,195
Total Benefits				-£426,844
Costs				
<i>Police Administration</i>	-£234,453	£4,961	£0	-£229,491
<i>Front-line Police</i>	-£1,009,769	£19,016	£0	-£990,753
<i>MOJ - Magistrates' Court</i>	-£462,843	£0	£0	-£462,843
<i>CPS - Magistrates' Court</i>	-£539,228	£0	£0	-£539,228
Total Costs				-£2,222,316

Note: negative Benefits indicate that the Exchequer revenue will be reduced. Negative costs indicate that cost savings will be realised, such costs are being reduced.

Option 2: Sensitivity Test – Distribution of Offenders

127. As with Option 1, there is also a lack of information to create a forecast range for the distribution of cases diverted from court. Therefore we have conducted a sensitivity test in which the distribution of offenders varies from the assumed distribution of the central scenario.

128. The sensitivity test estimates the marginal impacts on the Police, MOJ, CPS and Exchequer, if the percentage of offenders, eligible for an FPN or remedial training, who accept an FPN or Remedial Training, differs from the central scenario.

129. As can be seen in Table 12 the majority of the cost savings (benefits) from introducing an FPN and Remedial Training arise from reduction in the number of offenders attending court. This is because the enforcement through the courts is the most expensive enforcement mechanism.

130. It is also evident in Table 12 that the FPN mechanism is estimated to produce a net benefit whereas the remedial training will not. Therefore to determine how sensitive the results of the central scenario are to a change in the distribution of offenders among the enforcement mechanisms, we have increased the percentage of offenders going to court to 20% and reduced the percentage accepting an FPN to 10%.

131. Table 15 restates the impact this has on the number of offenders in each option relative to the central scenario. The logic is identical to that of Table 9 in the Option 1 sensitivity test.

Table 15: Distribution of Diverted Court Cases – Option 2 Sensitivity Test

	Court	FPN	Remedial Training
Eligible for Diversion from Courts	-4,513		
Distribution of Diverted Court Cases (%)	20%	10%	70%
Distribution of Diverted Court Cases	903	451	3159
Total Change	-3611	451	3159
Central Scenario Distribution	-4,062	903	3,159
Net Change from Central Scenario	451	-451	0

132. Table 16 details the change to the net benefits in the central scenario that would occur, if the distribution of diverted court cases were 20%, 10% and 70% rather than 10%, 20% and 70% respectively, for Court, FPN and Remedial Training, respectively. If the percentage of offenders proceeding to court were 20% and the percentage accepting an FPN were only 10%, this would reduce the net benefits in the central scenario by approximately £2.2m. This shows that Option 2 is relatively sensitive to the distribution of offenders among the enforcement mechanisms.

Table 16: Change in Net Benefits relative to Central Scenario

Benefits	Court	FPN	Remedial Training	Total
<i>Exchequer - Court Fine/FPN</i>	£496,087	-£414,149	£0	£81,938
<i>Exchequer - Victim Surcharge</i>	£70,217	£0	£0	£70,217
Total Benefits				£152,155

Costs					
<i>Police Administration</i>	£260,503	-£24,807	£0	£235,696	
<i>Front-line Police</i>	£1,121,966	-£95,082	£0	£1,026,884	
<i>MOJ - Magistrates' Court</i>	£514,270	£0	£0	£514,270	
<i>CPS - Magistrates' Court</i>	£599,143	£0	£0	£599,143	
Total Costs				£2,375,992	
Net Benefits					-£2,223,838

Note: negative Benefits indicate that the Exchequer revenue will be reduced. Negative costs indicate that cost savings will be realised, such costs are being reduced. The costs of remedial training are not shown because these costs are borne by offenders.

Summary of benefits of Options 1 and 2

133. The principal benefits arising from Option 1 and 2 would be:

- A reduction in the administrative burden faced by the police when processing offenders for careless driving offences (modelled extensively in the preceding analysis);
- A reduction in the workload for the court services through the diversion of low level careless driving court cases to fixed penalties and remedial training (again modelled extensively in the preceding analysis, but these benefits would be eroded or even lost if there were a lot of extra enforcement overall as exemplified in sensitivity tests);
- Remedial training should offer benefits to society but these have not been estimated. There is currently no quantitative evidence to forecast the extent to which driver training will reduce future road casualties..
- Attending remedial training would not result in a criminal conviction, but the offender would be required to pay for the training. However, the fixed penalty would result in 3 penalty points and an increase in insurance premiums. Challenging the offence through the courts could result in more penalty points, a fine including court costs and higher insurance premiums. (These personal benefits to offenders have not been included in the technical assessment above).

Risks and assumptions of Options 1 and 2

134. The key risks and assumptions with Option 1 are as follows:

- The proportion of cases dealt with out of court. We have assumed that the primary factor for determining whether the offence will go through the judicial system is whether the offence resulted in an accident. We have used survey data from 2004 in the absence of any other evidence to estimate those cases diverted from the courts. However, this may not represent current police practices which have since changed, and could potentially result in higher or lower costs for each of the branches of enforcement.
- With the distribution of offenders among the enforcement options, we have used data from a single large police force in the absence of any other evidence. We accept there may be variations between individual police forces concerning the proportions

that populate each of enforcement options, which could result in higher or lower costs to each of the stakeholders involved in the enforcement process. We have prepared a sensitivity test to examine the expected costs if the proportions attending remedial training declines.

- For the costs of each stage in the enforcement process, there is a risk that this may not be the case, which could result in higher or lower costs for the Police and judicial system.
- We have no estimate of the future level of enforcement, and therefore have assumed that enforcement will not be significantly different from previous years.
- We have assumed that the police will continue to process the more serious cases of careless driving through the judicial system. We have also assumed that any additional enforcement would be directed at the low level offences for which a significant majority of these offenders would either be offered a fixed penalty or remedial training.
- There is uncertainty over the effect remedial training will have on improving driving abilities, as we currently have insufficient data to estimate in money terms the scale of these benefits obtained through offenders attending these courses.

Direct costs and benefits to business calculations

135. The options considered in this IA will not impose direct costs on business. This is because Option 1 and 2 (preferred option) are only altering the penalty for a criminal offence, for which, the liability for the offence rests with drivers and therefore has no direct impact on business. At present, the police can enforce careless driving offences by giving summons to court. The offence attracts between 3-9 penalty points, a fine of up to £2,500 and discretionary disqualification. Our proposal under Options 1 and 2 is to make the penalty for careless driving less severe by giving powers to police to offer offenders the option to go on a remedial training (to be paid for by the offender) or accept a FPN and 3 penalty points. Therefore, the proposals in this impact assessment do not fall within the scope of the one-in-two-out rule. In their opinion of 30 March 2012, the RPC has stated that *“As this proposal relates to a change in fines and penalties, it appears to be out of scope in accordance with the current ‘One-in, Two-out’ (OITO) Methodology.”*

Wider impacts

136. We do not expect any impact on small firms, competition, the environment or any other social impacts. The measures concern changes related to sanctions for illegal activity, therefore the impact will fall on anyone who has broken the law; as such we have not considered the distribution of these impacts further.

Summary of preferred option with description of implementation plan

137. The preferred option is to make careless driving a fixed penalty offence and open to the offer of remedial training. This will improve the efficiency of the enforcement process by minimising the bureaucracy, and provides the driver with the opportunity to address driving behaviour through remedial training. This option would enable greater enforcement of low level careless driving offences, for which many go unpunished or only receive a warning. This proposal has the support of the ACPO, who have indicated the resource implication is hindering the enforcement of careless driving laws.

138. A consultation was carried out on 14 June 2012 for a 12 weeks period. The Department published a summary of consultation responses, along with the Government's decision, which is available on GOV.uk website.
139. Making careless driving a fixed penalty offence would require a Statutory Instrument to add it to the list of fixed penalties in the Road Traffic Offenders Act 1988. We aim to bring this into force by July this year. The measure may be associated with publicity to alert motorists about the change, before or when the measure is introduced to increase its deterrent effect.
140. The policy will be reviewed using a full year's data following implementation to evaluate the effects, in particular, the level of enforcement, distribution of offenders between the enforcement mechanisms (fixed penalty, remedial training and court), and whether the proportions estimated in the analysis is reflected in the data collated.
141. We will use data captured by the Home Office, Ministry of Justice and the Police to assess the impacts of the policy. The Home Office produces data on the volume of fixed penalties issued, which is likely to be published for 2014 in 2016 and the Ministry of Justice capture data on court proceedings, which is likely to be published in 2014. Data collected by the police, through the NDORS, will provide information on the distribution between the different enforcement mechanisms and is likely to be available in 2014/2015. Therefore, the impacts of the preferred option will be monitored over the period from 2014 to 2016, which will assist informing future policy development.
142. The success of the new measure will be assessed partly by considering the level of enforcement and its cost per offender before and after the measure's introduction. The Department will lead on this work with support from NDORS/the Police Service, Home Office and Ministry of Justice's statistical data.