

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: 11/06/2012		
	Stage: Consultation		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
Contact for enquiries: motoringfpnsconsultation@dft.gsi.gov.uk			

Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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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?
£10.83m	£0	£0	No
			Zero Net Cost

What is the problem under consideration? Why is government intervention necessary?

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. 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. 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. This would maintain the existing position and incur no costs or benefits.

Option 1: Introducing a fixed penalty notice (FPN) offence and remedial training for careless driving offences. 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).

Option 2: Provide £5m additional funding to the police to improve enforcement activity of careless driving offences. This would not be consistent with the Government's principle of "localism", as decisions concerning local priorities/funding has been devolved to local authorities and police. Furthermore it would do nothing to address the administrative burden faced by the police in processing drivers with the offence.

The preferred option is Option 1.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 2013 to 2015					
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: Introduce Fixed Penalty Notices and remedial training for careless driving offences.

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: £10.90m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate		£0.85m	£7.03m

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

Careless driving offenders and the Exchequer are the main affected groups. It is estimated that approximately 3,000 offenders per year will attend remedial training, with the cost being borne by the offenders themselves, £2.62m over the ten year appraisal period. In addition, offenders diverted from the courts will no longer pay court fines and those attending remedial training will not be subject to FPNs, representing a loss of revenue to the Exchequer, £4.41m over the appraisal period.

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

The financial cost of Court fines and FPNs to the offenders have not been included as these are imposed as a result of illegal behaviour.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate		£2.15m	£17.94m

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

The judicial system and the police (both in their administration and the 'front line') are expected to benefit from the implementation of the preferred option through efficiency savings with total benefits of £5.53m, £2.91m and £9.50m respectively over the appraisal period. (The distinction between 'front-line Police' and 'Police Administration' has been made in this impact assessment to assist showing how the calculations have been made)

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

The benefits 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

Key uncertainties are the effectiveness of remedial training, the impact of efficiency savings on enforcement and the distribution of offenders among the different enforcement options. Sensitivity tests are included for the latter two uncertainties. Key Assumptions include the proportion of cases dealt with out of court, the costs of enforcement and the level of enforcement.

Discount rate (%)

3.5%

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	Zero net cost

Summary: Analysis & Evidence

Policy Option 2

Description: Provide an additional £5million to the Police to improve enforcement activity of careless driving offences

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: -£52.42m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate		£8.01m	£66.31m

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

The main groups affected are the judicial system, Police Administration and front-line Police. It is estimated that under this option an additional 14,896 careless driving cases will be enforced with the judicial system, Police Administration and front-line Police incurring costs of £20.22m, £8.32m and £37.77m over the appraisal period respectively.

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

The financial cost of Court fines to the offenders has not been included as these are imposed as a result of illegal behaviour.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate		£1.68m	£13.89m

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

The main affected group is the Exchequer. In most instances an offender found guilty of a careless driving offence will pay a fine which accrues to the Exchequer. Given an estimated 9,476 additional guilty verdicts with a fine imposed, this will result in a benefit of £13.89m over the appraisal period accruing to the Exchequer.

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

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

A key uncertainty of this option surrounds the use of additional resources. The police will not be bound to use any additional financial resources to increase the enforcement of careless driving. In addition there is no quantitative evidence about the extent to which additional enforcement will deter careless driving.

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	Zero net cost

Evidence Base (for summary sheets)

Problem under consideration and rationale for intervention

1. 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, which is resource intensive for the police and court services particularly for low level offences. This means 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 offences¹.
2. In addition, the Association of Chief Police Officers (ACPO) say that the high resource costs deter the Police from charging motorists with careless driving in the first place. This suggests that a potentially significant number of motorists are going unpunished. Consequently, the Government through its *Strategic Framework for Road Safety*², announced plans to introduce careless driving as a fixed penalty notice offence, as part of a wider strategy to reduce road casualties in Britain and target those driving behaviours which result in road safety problems.
3. Public opinion also recognises the importance of dealing with careless driving, which is ranked on a par to that of speeding and mobile phone offences. The *Think! Annual Survey* found that careless driving was mentioned by 30% of respondents as one of the top road safety issues, with 14% specifying "tailgating" in the top three road safety issues which needed to be addressed by the Government³. 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 panellist thought that levels of policing enforcement of road traffic law were too low to stop dangerous/careless driving⁴.
4. 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 convicted⁵. This suggests that drivers lack information regarding expected driving standards.
5. 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.

Background

6. 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"⁶. It is a catch-all

¹ 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

² <http://www.dft.gov.uk/publications/strategic-framework-for-road-safety>

³ 2010 THINK! Annual Survey, TNS-BMRB Report, March 2011

⁴ DfT Citizens Panel Road Safety (wave 5), GfK Customer Services, December 2008, sample of 427 panellists

⁵ Drivers convicted of dangerous or careless driving & victims: what they think of driving offences and penalties, L.M. Pearce, TRL Ltd, May 2004, DfT

⁶ Section 3ZA of the Road Traffic Act 1988

offence that covers general poor driving and includes a variety of behaviours, such as tailgating, failing to look properly and sudden braking.

7. 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. 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. 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. We are not proposing an FPN option for this.
8. Because careless driving takes a number of different forms, it is 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 2010, 322 deaths had 'careless, reckless or in a hurry' recorded as a contributory factor⁷. However, 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 are not recorded.

Policy objective

9. The policy objectives are to improve the efficiency of the enforcement regime and allow remedial training to be provided to 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. The impact assessment's central scenario focuses on the effects of the policy intervention if enforcement rates did not change, because we cannot predict with any precision how much extra enforcement activity would take place. However one of the sensitivity tests considers the effects of increased enforcement, most of which would result in the greater use of remedial training.

Previous consultation

10. In November 2008 the previous Government published the *Road Safety Compliance Consultation*⁸, 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 responses⁹ was published in May 2011 alongside the road safety framework.
11. For careless driving, the consultation asked respondents whether they agreed with making careless driving a fixed penalty offence and if the fixed penalty for careless driving should be £60 and 3 penalty points. Of those who responded, 71% agreed that we should make careless driving a fixed penalty offence and 60% agreed with the proposed penalty levels.

⁷ Reported Road Casualties in Great Britain: 2010 Annual Report, DfT

⁸ Road Safety Compliance Consultation, November 2008, DfT

⁹ A Summary of Responses: Road Safety Compliance Consultation, May 2011, DfT

Description of options considered (including do nothing)

12. We have investigated proposals considered in the previous consultation aimed at improving driver behaviour in relation to careless driving, and whether they would meet the policy objectives described in this Impact Assessment (IA). Therefore, the options under consideration in this IA have been narrowed to the following:

- Option 0: Do nothing
- Option 1: Introduction of fixed penalty notices and remedial training for careless driving.
- Option 2: Provide additional funding to the police to improve enforcement activity of careless driving offences.

Option 0: Do nothing

13. Doing nothing specifically related to this offence would not address the administrative burden faced by the police and the workload of the court services in prosecuting careless driving offenders. There are wider changes (including related to technology) affecting the police and courts services, but these do not offer a prospective solution to the disproportionate effort needed to enforce against careless drivers, compared to say speeding.

14. Currently, an offender caught committing a careless driving offence would be orally cautioned by the Police Officer. A case file against the offender would be created by the Police Officer with back office staff carrying out the initial work (i.e. notifying the offender of court summons and, depending on the plea entered, notifying the offender of a court date). The Police Officer would do the remainder of the paperwork, such as writing up any notes and witness statements to ensure that case file is ready for summons.

15. There is also the time taken to prosecute these offenders through the court system, especially where a plea of not guilty is entered, as this would require more court time for the case to be heard. Where an offender has decided to appear in court, the Police Officer is required to attend the hearing which can take up their entire day, through time spent travelling to court, waiting for the case to be heard, then giving evidence and returning back to the Police station.

16. Doing nothing is unlikely to improve efficiency, allow for more enforcement activity or provide a deterrent effect which could contribute to reducing the prevalence of careless driving.

Option 1: Introduce fixed penalty notice offence and remedial training for careless driving (preferred option)

17. This option would provide the police with an alternative method of dealing with less serious careless driving offenders. An offender would be offered the choice of a fixed penalty notice (receive penalty points and a fine) or offered remedial training (paid for by the offender) to address driving behaviour. The option to go to court is still retained, should the suspected offender wish to challenge the offence. Although this option would mean that a fixed penalty could be offered for any instance of careless driving, operational guidance for the police is being developed by ACPO, in preparation for this measure, which would outline the circumstances surrounding the use of FPNs and remedial training. It is not intended that FPNs or remedial training would be used for the more serious examples of careless driving, which we would expect will continue to be dealt with by the courts.

18. This option meets the policy objectives in that the fixed penalty approach is less resource intensive for the police to administer and 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 fixed penalty would also help to divert offenders into remedial training, as the alternative would be to receive a fixed penalty with penalty points and a fine.
19. The proposed penalty offence would increase the likelihood of getting caught, thus providing a deterrent effect. For example, when the fixed penalty offence for using a mobile phone was introduced in 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.¹⁰ In addition, the number of FPNs issued following the penalty increase in 2007 decreased by more than a third in 2008. This provides an indication of the potential impact fixed penalties have in reducing offences. However, there are likely to be other factors that would contribute to these reductions, such as police resources devoted to detecting these offences.
20. There is nothing in legislation to prevent an offender accepting both the offer of a fixed penalty and the course. However, the police systems in place which record those fixed penalties issued would highlight an offender who has accepted the offer of a course and at the same time has paid the fixed penalty. In this case, the system would stop the progression of both. 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 attended the training once within a 3 year period.
21. The proposed offence would carry an endorsement of three penalty points and the level of the fixed penalty would be set at £90.¹¹ The proposed level of the fine has been chosen for two key reasons:
- a. Setting the fixed penalty notice at £90 would bring the level into parity with other penalty notices and avoid trivialising the offence.

For example, Penalty Notices for Disorder (PNDs) are 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). The Ministry of Justice is currently consulting on proposals to increase the level of PNDs by £10, thereby increasing levels to £60 and £90¹². If the careless driving FPN is set at a level lower than £90, there is a risk that the offence would be perceived as trivial and inconsequential. Hence the FPN would be less likely to provide the deterrent effect required to reduce the prevalence of the behaviour.

- b. Setting the fixed penalty notice at £90 would also bring this into line with the cost of remedial training. This will mean there is no financial disincentive to attending remedial training, which should encourage attendance. To prevent the cost of the courses rapidly exceeding the cost of the penalty level, the police are introducing a licensing system for the remedial training course, which will be rolled out for all the national retraining courses available under NDORS. This will enable greater

¹⁰ Seatbelt and mobile phone usage surveys: England and Scotland 2009, Louise Walter, TRL (March 2010)

¹¹ 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.

¹² Getting it right for victims and witnesses consultation (ref: CP3/2012), Ministry of Justice, Jan 2012

regulation over courses, training providers, and costs. Furthermore, we expect there to be sufficient competitive pressure on the training industry to keep any future price increases for remedial training at a low level.

In order to deter offending, theoretically we would set the cost of the FPN equal to the benefits offenders derive from careless driving (economic efficiency theory). For example in the instance of a red light offence the cost of the FPN would equal the benefit derived from the offence. To determine the level of the FPN in this manner, it is assumed that offenders are fully aware of what constitutes a road traffic offence.

Result from a survey of convicted drivers found that 57% of offenders were driving as they often or normally would at the time of the offence. Whilst this suggests that the majority of offenders are repeatedly offending, it may also indicate that the majority of offenders do not even realise they are breaking the law. If the latter applies setting the FPN level on a notional value of the benefits derived from careless driving is unlikely to successfully deter or reduce careless driving, as many offenders would be unaware that they have offended.

There is currently no specific quantitative evidence regarding the effectiveness of the National Driver Offender Retraining Scheme (NDORS) remedial training on reducing recidivism (i.e. reoffending). NDORS plans to evaluate national remedial training courses across all areas of traffic offences to determine their effectiveness in reducing recidivism and the prevalence of poor driving.

22. The police have been developing courses aimed at low level careless driving offences following the Government's announcement to introduce the FPN option for the careless driving offence in the road safety framework. These courses are currently being trialled by the police, so that if the decision to proceed with the fixed penalty is taken, the training would be in place.
23. We had considered whether offering offenders remedial training without fixed penalties was an option, but have ruled this out as it would not be sustainable in the longer term. This is because it would need to be accompanied by the sanction of proceedings against those offenders who do not take up the training offer. This will make the costs to the police for summoning these low level offenders would be disproportionate and would result in the police not offering training to anyone. The police developers of the training (ACPO/NDORS) have indicated that remedial training is dependent on the fixed penalty notice and that they would not support it if the Government stepped back from its proposal to make careless driving a fixed penalty notice offence.
24. Hence the option to introduce a new fixed penalty offence for careless driving and remedial training is being taken forward to consultation as it is consistent with the policy objectives. It is the preferred option.

Option 2: Provide £5m additional funding to the police to improve enforcement activity of careless driving offences

25. This option would involve providing funds via a dedicated grant for which police forces could apply to enable greater enforcement activity.
26. This option partly meets the policy objectives, in that it would enable more police resource to be directed towards enforcing the offence, but would not eliminate the heavy administrative burden when prosecuting offenders. Also, it would be inconsistent with the Government's principle of "localism", which has seen the devolution of decisions to local authorities and police on issues concerning local priorities and funding allocation. We do

not consider the Government should be taking a decision to prioritise police resources for careless driving over other road traffic enforcement or other policing responsibilities.

27. Any option which has this included would therefore not be consistent with broader Government policy and would not realise all of the policy objectives.

Other options considered and ruled out:

28. We had previously considered whether improving guidance for the Court Service and Crown Prosecution Service regarding the prosecution of careless driving was an option. However, this guidance has already been revised and so further work would do nothing to address the difficulties with the current system or improve enforcement. Therefore, this been ruled out as a current option.

Groups affected

29. 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 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.
30. The Strategic Framework for Road Safety was cleared for publication across Government. A Justice Impact Assessment was prepared for each of the measures proposed in the framework and was cleared by the Ministry of Justice.

Assessment of costs and benefits:

Option 0: Do nothing

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

Option 1: Introduce a fixed penalty notice offence and remedial training for careless driving

32. 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 deflator¹³ and the growth rate of GDP per capita¹⁴, 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.
33. 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.

¹³ http://hm-treasury.gov.uk/data_gdp_index.htm

¹⁴ 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.

34. Given the lack of information regarding the future levels of enforcement, we have taken an average of the enforcement level for the period 2008-2010 and assumed it remains constant throughout the appraisal period. In addition, we have assumed that the distribution of offenders among the different enforcement mechanisms, Court, FPN, remedial training and Fixed Penalty Notice to Court, remains the same through the appraisal period.

35. This lack of information in the forecasting of careless driving inevitably leads to uncertainty and we propose to monitor the outcomes of the reforms. Both the uncertainty associated with this policy and the monitoring are covered in their respective sections of the Impact Assessment.

Central Scenario

Table 1: Cost-Benefit Analysis (2012 values & prices)

		Enforcement Mechanism				Total Net Costs
		Court	FPN	Remedial Training	FPNs to Court	
Branch of Enforcement	Police Administration	-£247,772	£5,526	-£73,636	£171	-£315,711
	Police	-£1,124,987	£21,049	£73,636	£653	-£1,029,649
	Judicial System	-£602,253	-	-	£2,003	-£600,250
Exchequer		£551,842	-£81,242	-	-£4,443	£466,157
Costs borne by the Offender		-	-	£284,347	-	£284,347
Net Cost of Enforcement Mechanism		-£1,423,170	-£54,667	£284,347	-£1,617	
Total Cost of the Policy						-£1,195,106

36. Table 1 summarises the costs and benefits from the introduction of the FPN and remedial training to the careless driving offence in the central scenario. It shows the net costs of diverting offenders among the four different enforcement options, Courts, FPN, remedial training and FPN non-payment, and who bears those costs, the Police Administration, front-line Police, the judicial system, Exchequer, and the offender. For example it is estimated that the enforcement of careless driving through FPNs will have net costs of -£54,667, with the Exchequer accruing savings of £81,242.

37. The costs of reforming careless driving are not borne equally by the different stakeholders involved. It is forecast the front-line police will experience the largest reduction in costs and the Exchequer the largest increase in costs, £1,029,649 and £466,157 respectively.

Explanation of Analysis

38. The reforms to enforcement will have costs and benefits for several stakeholders. The most obvious stakeholders are those involved directly in the enforcement of the careless driving, the Police Administration, front-line Police and the judicial system. There are two other significant stakeholders - the Exchequer and the offenders.

39. In order to determine the costs and benefits of reforming the enforcement practices, diverting offenders from the courts to FPNs and remedial training, we must first determine four inputs:

- The cost of enforcement per case
- The level of enforcement
- The distribution of offenders among the enforcement mechanisms

- The number of offenders diverted from the courts

The Cost of Enforcement per Case

Table 2: Cost of Enforcement per Case (2012 values & prices)

	Court	FPN	Remedial Training	FPN non-payment
Police Administration	£60.58 ¹⁵	£6.12 ¹⁶	-£23.31 ¹⁷	£6.12 ¹⁸
Police	£275.06 ¹⁹	£23.31 ²⁰	£23.31 ²¹	£23.31 ²²
Court	£147.25 ²³	-	-	71.53 ²⁴
Total Cost per case	£482.89	£29.43	£0.00	£100.96

40. Table 2 shows the cost of enforcing careless driving through each of the proposed enforcement options: Courts, Fixed Penalty Notice, remedial training, and FPN non-payment. As can be seen in Table 2, remedial training is the cheapest method of enforcement with no net costs for public authorities and Courts are the most expensive costing £482.89 per case.

The Level of Enforcement

41. Table 3 shows the level of enforcement for the period 2000 to 2010. As can be seen in Table 3 the level of enforcement, as measured by the number of court proceedings, has fallen by over 45% over the period from 49,971 in 2000 to 27,322 in 2010. 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, which had previously been dealt with under careless driving offence category. All could have contributed to a reduction in the enforcement of the offence.

42. 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.

¹⁵ This refers to the back-office costs incurred by the Police administering documents in preparation for a court case. Provided by Greater Manchester Police (GMP) based on 2007 figures. This represents a conservative estimate and does not include processing files through the court system and printing/posting of summonses.

¹⁶ This refers to the back-office costs incurred by the Police administering an FPN. Provided by GMP based on the cost of all FPNs processed in 2010.

¹⁷ This refers to the back-office costs incurred by the Police administering remedial training. It consists of £15.69 for arranging remedial training, £5 database administration cost and a subsequent £44 reimbursement from the price of the remedial training to cover police enforcement costs by the course provider (National Driver Offender Retraining Scheme)

¹⁸ This is the administrative cost of issuing an FPN, described in footnote 15.

¹⁹ This refers to the costs incurred by the front-line Police enforcing careless driving offences. It is based on an average resource/operational cost of £46.62 per hour (Paying the Bill 2: ACPO/APA Guidance on charging for Police Services, June 2010). 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). In addition, 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).

²⁰ 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 £46.62 per hour, the standard cost of issuing an FPN to the front-line Police is £23.31.

²¹ As with issuing FPN it is estimated to take approximately 30 minutes for a front-line Police Officer to issue a call for remedial training, as this requires the Police officer to complete the same document as a FPN. Given a resource/operational cost of £46.62 per hour, the standard cost of issuing a call for remedial training to the front-line Police is £23.31. The document completed by the police officer is the same as issuing a FPN.

²² This is the front-line Police cost of issuing an FPN, described in footnote 19.

²³ This refers to the average cost per court proceeding incurred by the Magistrates Courts including, Ministry of Justice Cost-Benefit Framework (2009)

²⁴ This is the cost incurred by the court enforcing an FPN as a result of offender failing to pay an FPN.

43. For the analysis we need a forecast of the level of offenders in future years. The findings of guilt have been declining over the last 10 years but appear to have stabilised in the last 3. Therefore our baseline assumption is that the average level from the last three years of data will continue. Hence we have used the average from 2008 to 2010 and forecast that there will be 20,516 findings of guilt in 2012.

Table 3: Court Proceedings 2000-2010 for Driving without Due Care and Attention Offences²⁵

	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

The number of future offenders diverted away from the courts under this option

44. The primary factor determining whether a careless driving offence will go through the judicial system will be whether the offence resulted in an accident. In 2004, a survey of drivers convicted of careless driving indicated that 78% of careless driving offences prosecuted in court involved an accident.²⁶ Thus it is predicted that of the 20,516 offences in 2012, 4,513 will not involve an accident. Under a reformed enforcement regime it would be possible to offer these particular offenders an FPN or remedial training.

The distribution of diverted offenders among the three enforcement mechanisms

45. Table 4 shows the distribution of offenders among the three enforcement options. The proportions of offenders among the three enforcement options have been compiled from the experience of Greater Manchester Police enforcing speed and traffic light offences.²⁷

Table 4: Distribution of Offenders among the 3 Enforcement Options

Court	FPN	Remedial Training
10%	20%	70%

46. The distribution of offenders among the three enforcement options depends on a number of factors. Generally the distribution depends upon the seriousness of the crime, with low-level offences being subject to remedial training or an FPN and high-levels offences being subject to court proceedings.

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

²⁶ 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

²⁷ Provided by Greater Manchester Police for speeding and red traffic light offences committed in 2010

47. Unfortunately there is a lack of data from which to form an evidence-based range of different scenarios regarding the distribution of offenders. For this reason we do not have high and low estimates for the distribution of offenders. A sensitivity test is conducted to examine the impact of reducing the proportion of offenders attending remedial training, the lowest cost enforcement option, in the next section.
48. The 70% of offenders attending a remedial training course represents those who have committed a low-level offence, admitted guilt, and accepted and attended a remedial training course.
49. The 20% of offenders paying an FPN represents those who have committed a low-level offence, admitted guilt but accepted an FPN instead of remedial training.
50. The 10% of offenders attending court represents those who have committed both high and low level offences. Those who have committed a high-level offence will proceed straight to court and will not be subject to an FPN or remedial training. In addition, there will be a minority of low-level offenders who either fail to pay the FPN/attend remedial training or challenge the FPN.
51. Evidence suggests that 3% of those accepting an endorsable FPN fail to pay. This results in the fine being registered with the courts.²⁸ When enforcing FPN non-payment, the court costs are slightly different. For this reason the proportion of offenders failing to pay an FPN has been calculated, as show in Table 5.
52. The distribution of offenders in Table 4 shows the final distribution of offenders after enforcement. For this reason the three percent of offenders initially accepting an FPN but subsequently attending Court were entered into the Court category. Therefore the three percent of people initially accepting an FPN but attending Court have been subtracted from the Court category of Table 5 and entered into the FPN non-payment Category.

Table 5: Augmented Distribution of Offenders

Court	FPN	Remedial Training	FPN non-payment
9.38%	20.0%	70%	0.62%

53. Using the distribution factors in Table 5 it is possible to estimate the distribution of the 4,513 diverted court cases among Courts, FPNs, remedial training, and FPN non-payment, as shown in Table 6 below.

Table 6: Distribution of Diverted Court Cases among Courts, FPN, remedial training and FPN non-payment

	Court	FPN	Remedial Training	FPN non-payment
Diversion from Courts	-4,513	0	0	0
Distribution of Diverted Court Cases	423	903	3159	28
Total Change	-4,090	903	3159	28

²⁸ Police Powers and Procedures England and Wales 2009/10, D. Povey, R. Mulchandani, T. Hand and L. K. Panesar

54. Table 6 shows the distribution of diverted court cases and the total change in the number of offenders in each of the enforcement options. It is estimated that 4,513 offenders will be eligible to accept an FPN or attend remedial training but 423 will choose to stay in the court system, such that the reduction in court cases is only 4,090. The number of offenders accepting an FPN, attending remedial training, and failing to pay an FPN is 903, 3159, and 28 respectively.

Costs and Benefits – Exchequer and Offender

55. In addition to the costs of enforcement borne by the Police Administration, front-line Police and the judicial system, there are costs and benefits associated with the levying of fines and remedial training. Table 7 below shows the average level of a court fine, the level of the FPN, and the cost of remedial training per offender.

Table 7: Average level of Fine and Cost of Remedial Training for Careless Driving Offences (2012 Values and Prices)

Average Court Fine	£159
Cost of FPN	£90
Cost of Remedial Training	£90

56. The monies raised through the issuing of FPNs and court fines accrue to the Exchequer and are considered a benefit to the Exchequer. The cost of the FPN and the court fine, borne by the offender, is not considered a cost to the offender as they have derogated from the traffic law. For this reason the financial impact on the offender is not considered. As shown in Table 7, the average court fine is £159 and the cost of the FPN is £90.

57. The cost to the offender of opting for a remedial training course is £90 and consists of two parts. The first part costs £44 and is used to reimburse the Police Administration and front-line Police for enforcing careless driving and processing the offender – this has been accounted for in the Table 2 cost per case.²⁹ The second part costs £46 and is the actual cost of the course.

Central Scenario – Costs and Benefits

58. Applying the cost per case data, Table 2, and the level of fines and remedial training, Table 7, to the total change in the distribution of court cases, Table 6, provides an overview of the costs and benefits of reforming the enforcement of careless driving, Table 8.

59. Table 8 shows the total net cost of the policy in the central scenario, -£1,195,106, and is broken down among the different stakeholders. The Police Administration, front-line Police, and the judicial system are all predicted to benefit from this policy, with cost savings of £315,711, £1,029,649 and £600,250 respectively. The costs arising from this policy are borne by the offenders and the Exchequer, and amount to £284,347 and £466,157 respectively.

60. It has been predicted that 4090 offenders will be diverted from the Courts, the most costly enforcement mechanism per offender, resulting in overall cost savings of £1,423,170. Of the total cost savings in the court enforcement mechanism, the majority accrue to the front-line Police, £1,124,987, with the Exchequer the only stakeholder

²⁹ In Table 2 the reimburse money per offender has been entered under the Police Administration. This was done to enable a clearer overview of the costs incurred by the Police and the reimbursement. The cost per case is £0 which demonstrates that the reimbursement from remedial training offsets all of the costs incurred by the Police Administration and front-line Police.

forecast to experience an increase in costs, £551,842, as a result of lower court fine revenue.

Table 8: Full Cost-Benefit Analysis of Policy Option 1 (2012 Values & Prices)

		Enforcement Mechanism				Total Net Costs
		Court	FPN	Remedial Training	FPNs to Court	
Branch of Enforcement	Police Administration	-£247,772	£5,526	-£73,636	£171	-£315,711
	Police	-£1,124,987	£21,049	£73,636	£653	-£1,029,649
	Judicial System	-£602,253	-	-	£2,003	-£600,250
	Exchequer	£551,842	-£81,242	-	-£4,443	£466,157
Costs borne by the Offender		-	-	£284,347	-	£284,347
Net Cost of Enforcement Mechanism		-£1,423,170	-£54,667	£284,347	-£1,617	
Total Cost of the Policy						-£1,195,106

61. In the current analysis the costs to offenders associated with remedial training are estimated at £284,347. The costs of remedial training are incurred as a result of the use of a service which should offer benefits to the driver, such as improved driving style. However, there is currently no quantifiable data from which to estimate the benefits which offenders may realise through attending these courses. For this reason the benefits of remedial training are not estimated.
62. As mentioned earlier, the Police are trialling remedial training courses in preparation of Option 1. The Police are currently evaluating these courses and further evaluation of all remedial training courses offered by the Police is planned in the longer term to assess the benefits to drivers.
63. In addition to the costs of remedial training, there are the financial costs of court fines and FPNs borne by the offender. These are not included in the analysis because the fines are imposed due to illegal behaviour
64. The data in Table 8 is a demonstration of the costs and benefits of the central scenario of Option 1 in 2012. The values for Police Administration, front-line Police, judicial system, the Exchequer and the offender have been up-rated by the growth rate of GDP per capita contained in Webtag in order to estimate the costs and benefits for the appraisal period 2013-2022, Table 9.
65. Table 9 provides a summary of the net present values for the appraisal period 2013-2022. As shown in Table 9 the total net benefit of Option 1 is £10,902,722, with an average net benefit of £1,090,272 per annum.
66. In addition, Table 9 shows a summary of the costs savings to the different stakeholders involved in the enforcement of careless driving. Under the benefits heading are listed those stakeholders, who are expected to benefit from reforming the enforcement of careless driving. For example, it is predicted that the judicial system will realise cost savings of £5,533,333 over the appraisal period.
67. Under the costs heading are listed those stakeholders, who are expected to incur additional costs. For example, it is predicted that the Exchequer will have aggregate additional costs of £4,411,437 over the appraisal period 2013-2022. Table 9 also shows the disaggregation of the additional Exchequer costs, and shows that the additional costs

are a result of a reduction of court fine revenue, £5,087,095, which is partly offset by an increase in FPN revenue, £657,658.

68. As mentioned in the previous paragraph the Exchequer values have two components, Court fine revenue and FPN revenue. The first part measures the effect of the reduction in court fines as offenders are diverted from the courts. These values have been up-rated according to Webtag GDP per capita growth rates, as the fines are means-tested and the level will vary annually. The second part measures the impact of FPN. The nominal value of the FPN is fixed and cannot be changed without legislation. For this reason its value has not been up-rated over the appraisal period.

Table 9: Net Present Value: Option 1 – Appraisal Period 2013-2022 (2012 Prices)

	Total 2013-2022	Average 2013-2022
BENEFITS		
Judicial System	£5,533,333	£553,333
Police Administration	£2,910,344	£291,034
Front-line Police	£9,491,704	£949,170
Total Present Value Benefits	£17,935,381	£1,793,538
COSTS		
Remedial Training Cost to Offenders	£2,621,222	£262,122
Exchequer	Court Fines	£5,087,095
	FPN	-£675,658
	Total	£4,411,437
Total Present Value Costs	£7,032,658	£703,266
Net benefits, discounted	£10,902,722	£1,090,272

Sensitivity Test A – Distribution of Offenders among the Enforcement Options

69. As mentioned in paragraph 45 above, there is a lack of evidence from which to form high and low scenarios for the distribution of offenders among the different enforcement options. Therefore, in this section a sensitivity test is conducted to examine the impact of reducing the proportion of offenders attending remedial training, the lowest cost enforcement option.

70. In the analysis that follows we assume only 60% of careless driving offenders attend remedial training. This 10% change from the central scenario is shared among the 3 other enforcement mechanisms, with the increase dependent upon the original weighting.

71. For example in the central scenario 20% of offenders accept an FPN, out of the 30% of offenders who do not attend remedial training. This ratio of FPNs to non-attendance of remedial training (2:3) is used to determine the increase in the proportion of offenders accepting an FPN. This logic is used to determine the proportion of offenders attending Court and failing to pay FPNs. The distribution of offenders among the four enforcement mechanisms following a 10% reduction in offenders attending remedial training is contained in Table 10 below.

Table 10: Distribution of Offenders – Sensitivity Test

Court	FPN	Remedial Training	FPN to Court
12.51%	26.7%	60%	0.82%

72. The distribution of offenders in Table 10 is then applied to the number of offenders diverted from the courts in the central scenario, 4513, to determine the number of offenders subject to each of the enforcement options, as shown in Table 11 below.

Table 11: Distribution of Diverted Court Cases among Courts, FPN and Remedial Training

	Court	FPN	Remedial Training	FPN non-payment
Diversion from Courts	-4513	0	0	0
Distribution of Diverted Court Cases	565	1204	2708	37
Total Change	-3,948	1204	2708	37

73. Table 11 also shows the total change in the number of offenders in each of the enforcement options. This is because whilst 4,513 offenders will be eligible to accept an FPN or attend remedial training, it is estimated that 565 offenders will choose to remain within the court system. Thus overall the number of offenders being diverted from the courts will be 3948.

74. Applying the cost per case data, Table 2, and the level of fines and remedial training, Table 7, to the total change in the distribution of court cases, Table 11, provides an overview of the costs and benefits of enforcing careless driving when only 60% of offenders attend remedial training, Table 12.

Table 12: Costs and Benefits – Sensitivity Test – 60% attend remedial training

		Enforcement Mechanism				Total Net Costs
		Court	FPN	Remedial Training	FPN non-payment	
Branch of Enforcement	Police Administration	-£239,170	£7,368	-£63,123	£226	-£294,698
	Police	-£1,085,929	£28,065	£63,123	£862	-£993,878
	Judicial System	-£581,343	-	-	£2,647	-£578,696
Exchequer		£532,695	£108,360	-	-£5,889	£418,446
Costs borne by the Offender		-	-	£243,720	-	£243,720
Net Cost of Enforcement Mechanism		-£1,373,747	-£72,926	£243,720	-£2,154	
Total Cost of the Policy						-£1,205,106

75. Comparing the data in Table 12 to that in Table 8 it is possible to estimate the impact of a reduction in the proportion of offenders attending remedial training. The overall net cost of the policy will be £10,000 lower, if 60% rather than 70% of offenders attend remedial training.

76. The lower overall net cost in this sensitivity test is primarily due to how costs and benefits are included and categorised in the analysis. If an offender attends court, the different branches of enforcement incur costs but this is partially offset through the accrual of fine revenues to the Exchequer. In contrast, if an offender attends remedial training, only the

costs of enforcement and the resources used in the training are included in the analysis – there is no financial estimate of the benefits of remedial training. Thus the reduction in remedial training attendees leads to a relatively large reduction in costs because none of the benefits are financially included.

77. Table 13 provides a summary of the net present values for the appraisal period 2013-22. The values in Table 13 have been up-rated according to the methodology explained in paragraphs 63 and 67. As can be clearly seen from Table 13 the total net benefit of the sensitivity test is £11,011,419 for the period 2013-2022, with an average net benefit of £1,101,142 per annum - higher than those for Option 1 central scenario for the reasons mentioned in the previous paragraph.

Table 13: Summary Table: Option 1 with Distribution Sensitivity – Appraisal Period 2013-2022 (2012 Prices)

	Total 2013-2022	Average 2013-2022
BENEFITS		
Judicial System	£5,334,646	£533,465
Police Administration	£2,716,643	£271,664
Front-line Police	£9,161,949	£916,195
Total Present Value Benefits	£17,213,239	£1,721,324
COSTS		
Remedial Training Cost to Offenders	£2,246,705	£224,670
Exchequer	Court Fines	£4,856,302
	FPN	-£901,187
	Total	£3,955,115
Total Present Value Costs	£6,201,820	£620,182
Net benefits, discounted	£11,011,419	£1,101,142

Sensitivity Test B – Additional Enforcement

78. The reduction in the cost of enforcing careless driving to the Police Service (Police Administration and front-line Police) is substantial in the central scenario (table 8) – totalling £1,345,360. The savings to the front-line Police, £1,029,649, account for the majority of these savings and equates to approximately 22,000 hours.³⁰

79. These savings to the Police Service could potentially be used to increase enforcement. An increase in enforcement does not need to be directed solely at careless driving. This is because the Police may witness a range of different traffic offences while on patrol. In the analysis that follows we conduct a sensitivity test to illustrate the maximum number of additional careless driving offences possible, if all the Police Services savings were utilised to increase careless driving enforcement.

80. The maximum number of additional careless driving cases should be considered an absolute upper bound of using the savings from the reforms, because this sensitivity test assumes that every available second is expended either processing, prosecuting or administering enforcement. It does not account for the fact that the front-line Police must witness an offence before any enforcement can occur.

81. The analysis that follows estimates the maximum number of additional careless driving offences which the police could enforce when relying solely on the savings arising from the reforms. It is assumed that the Police will be provided with no extra resources from

³⁰ This is based on an assumed average operational cost of £46.62 per hour per Police Officer – Table 2.

Central Government and will seek to avoid diverting resources from other enforcement priorities to increase the enforcement of careless driving. Thus the Police Service is assumed to use the total savings of £1,345,360 to increase enforcement.

Weighted Average Cost of Enforcement

82. In order to estimate the number of additional cases we need to determine the weighted average cost of enforcement. The Weighted Average Cost of Enforcement is a measure of the expected cost of enforcing careless driving. The methodology used to calculate the weighted average cost is shown in Table 14 below.

83. Table 14 contains information of cost per case from Table 2 and the distribution of offenders from Table 4. The cost per case for those attending Court has been modified. It does not include the cost per case to the judicial system. This is because it has been assumed previously that only the costs of Police Administration and front-line Police will determine the level of additional enforcement.

Table 14: Weighted Average Cost of Enforcement (2012 Values & Prices)

Enforcement Option	Police Cost per Case	Probability of Enforcement Option	Expected Cost per Case
Court	£335.64	9.38%	£31.49
FPN	£29.43	20.0%	£5.89
Remedial Training	£0.00	70%	£0.00
FPN non-payment	£29.43	0.62%	£0.18
Police Service Weighted Average Cost of Enforcement			£37.56

Estimate of Additional Enforcement

84. The total increase in careless driving enforcement possible is determined by dividing the total savings to the Police Service by the weighted average cost of enforcement for the Police Service. In the current analysis it is estimated there would be additional enforcement of 35,823, as shown in Table 15 below.

Table 15: Additional Enforcement (2012 Values & Prices)

Total Police Service Savings	Weighted Average cost of Enforcement	Increase in Enforcement
£1,345,360	£37.56	35823

Distribution of Offenders among the three Enforcement Mechanisms

85. Using the distribution of offenders in Table 5, it is possible to determine the increase in offenders for each of the different types of enforcement, Table 16. It should be noted that we are assuming that the vast majority of additional enforcement, approximately 90%, is for low-level offences. This is because we assume that the Police are currently enforcing all serious incidents of careless driving but due to the bureaucratic nature of the enforcement system fail to enforce low-level offences.

Table 16: Distribution of Additional Offenders among the Three Enforcement Mechanisms

	Increase in Enforcement
Courts	3361
FPN	7165
Remedial Training	25076
FPNs non-payment	222

86. The cost implications of the increased enforcement can be calculated by applying the costs per case, Table 2, and the level of fines and cost of remedial training, Table 7, to the respective figures in Table 16, as shown in Table 17.

Table 17: Costs and Benefits – Sensitivity Test – Additional Enforcement (2012 Values & Prices)

		Enforcement Mechanism				Total Net Costs
		Court	FPN	Remedial Training	FPNs non-payment	
Branch of Enforcement	Police Administration	£203,592	£43,847	-£584,524	£1,356	-£335,729
	Police	£924,392	£167,007	£584,524	£5,165	£1,681,089
	Judicial System	£494,907	-	-	£15,880	£510,787
Exchequer		-	-£644,815	-	-£35,268	-£680,082
Costs borne by the Offender		-	-	£2,256,851	-	£2,256,851
Net Cost of each Enforcement Mechanism		£1,622,892	-£433,960	£2,256,851	-£12,867	
Total Cost of the Policy						£3,432,916

87. Table 17 shows costs solely associated with additional enforcement. In order to enforce an additional 35,823 cases of careless driving it is estimated to cost £3,432,916. The majority of the cost increase is due to the costs borne by offenders attending remedial training £2,256,851.

88. Of the branches of enforcement the Police Administration experience the lowest cost increases at -£335,729 and the front-line Police the highest at £1,681,089. The aggregate Police Service cost increase £1,345,360 exactly offsets the cost savings from the diversion of offenders from the courts in the central scenario – as per the assumption in paragraph 80.

89. Putting together the data contained from the central scenario, Table 8, and the sensitivity analysis, Table 17, produces the net cost of reforming the enforcement of careless driving with additional enforcement, as shown in Table 18.

Table 18: Net Cost of Careless Driving Enforcement Reforms (2012 Values & Prices)

		Enforcement Mechanism				Total Net Costs
		Court	FPN	Remedial Training	FPNs to Court	
Branch of Enforcement	Police Administration	-£44,180	£49,374	-£658,161	£1,527	-£651,439
	Police	-£200,595	£188,056	£658,161	£5,818	£651,439
	Judicial System	-£107,345	-	-	£17,883	-£89,463
Exchequer		£551,842	-£726,057	-	-£39,711	-£213,925
Costs borne by the Offender		-	-	£2,541,198	-	£2,541,198
Net Cost of each Enforcement Mechanism		£199,722	-£488,627	£2,541,198	-£14,483	
Total Net Cost of the Policy + Additional Enforcement						£2,237,810

90. Table 18 includes the central scenario estimates of Table 8 and the sensitivity test of Table 17. It shows that overall the costs associated with the sensitivity analysis offsets all

the cost savings in the central scenario – the total net cost of the policy with additional enforcement equals £2,237,810. This is primarily due to the significant costs borne by offenders attending remedial training.

91. As mentioned earlier there is no quantitative evidence regarding the effectiveness of remedial training course. For this reason it is not practical to express any benefits in monetary terms. If quantitative data were available, it could significantly alter the effect of the sensitivity analysis on the central scenario to the benefit of the policy intervention.
92. The costs and benefits contained in Table 18 are a forecast for 2012. For the appraisal period, 2013-2022, the values have been up-rated using Wehtag GDP per capita growth.

Table 19: Net Present Value: Sensitivity Test – Option 1 + Additional Enforcement – Appraisal Period 2013-2022 (2012 Prices)

		Total 2013-2022	Average 2013-2022
BENEFITS			
Judicial System		£824,702	£82,470
Police Administration		£6,005,220	£600,522
Front-line Police		-£6,005,220	-£600,522
Exchequer	Court Fines	-£4,589,454	-£458,945
	FPN	£6,038,326	£603,833
	Total	£1,448,872	£144,887
Total Present Value Benefits		£2,273,574	£227,357
COSTS			
Remedial Training Cost to Offenders		£23,425,744	£2,342,574
Total Present Value Costs		£23,425,744	£2,487,462
Net benefits, discounted		-£21,152,170	-£2,115,217

93. Table 19 shows the net present value of Option 1 with additional enforcement for the appraisal period 2013-2022. The values in Table 19 have been up-rated according to the methodology explained in paragraphs 63 and 67. As can be seen in Table 19, there are significant costs associated with Option 1 with additional enforcement, net costs are £21.15m over the appraisal period, averaging £2.12m per annum.
94. The net costs associated with Option 1 with additional enforcement are largely primarily due to how costs and benefits are included and categorised in the analysis (see paragraph 75). There are significant costs associated with remedial training, £22.2m for 2013-2022; however, there is no estimate of the associated benefits. If an estimate of the benefits associated with remedial training were included, it could potentially change the outcome of the sensitivity test.

Summary of benefits of Option 1

95. The principal benefits arising from Option 1 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 test B);

- An increased likelihood of being caught for careless driving, signalling to drivers that the driving behaviour is unacceptable, thereby providing a deterrent effect,(considered in sensitivity test B);
- Remedial training should offer benefits to the driver, such as improved driving style (this has not been quantified in the technical analysis above). It is projected that the number of people detected speeding and then diverted into remedial education scheme will increase to approximately one million per year in 2012. These are designed to be at least as effective as prosecution, with studies³¹ indicating that there are improvements in attitudes and self-reported behaviour – for example:

*Overall, driver improvement schemes are shown to be effective in reducing recidivism rates*³²

- 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 Option 1

96. 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 the example of one 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.

³¹ "Effective Interventions for Speeding Motorists" (Fylan, Grunfeld, Conner and Lawton, DfT Road Safety Research Report No. 66, 2006); "Evaluation of the Effectiveness of the National Driver Improvement Scheme" (University of Leeds, DfT Road Safety Research Report No. 64, 2005)

³² R. Walker: An International Review of Driver Improvement Schemes (2003)

- For the level of enforcement, 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 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.
- There is a risk that the police could use the efficiency savings realised towards the enforcement of other offences, including non traffic offences, instead of careless driving. We have prepared a sensitivity test to examine the expected costs if enforcement was increased in relation to efficiency savings gained by the Police.

Option 2: Provide £5m additional funding to the police to increase enforcement activity of careless driving offences

97. As can be seen in Table 3 Careless Driving enforcement, whether measured through the number of court proceedings or the number of guilty verdicts, declined dramatically between 2000 and 2010. Option 2 proposes providing additional funds to the Police to reverse this decline. Additional funding to the Police of £5m has been proposed as this could significantly reverse the decline enforcement, raising the historically low enforcement rate back to the level of the early 2000s.

98. Using the same costs applied to Option 1, if £5m per year were allocated to police forces and were used fully for extra enforcement, close to 15,000 (14,896) extra cases could be pursued.³³ These would have to be processed in Magistrate's Courts as the Fixed Penalty Notice option would not be available under this option, at a cost of about £2.2m to the judicial system.

99. In most cases where an offender is found guilty of careless driving he/she will pay a fine. The level of the fine levied would depend on financial means of the offenders and the current average fine for careless driving cases is approximately £159.

100. Between 2000 and 2010 approximately 64% of all court cases resulted in a guilty verdict with a fine (Table 3), so it would be wrong to assume that all additional enforcement will result in a fine. For this reason we have assumed that of the additional 14,896 court cases only 9,476 cases will result in a fine. Given an additional 9,476 guilty verdicts with a fine and an average fine of £159, the level of additional fines would total £1,506,689.

101. The monies raised accrue to the Exchequer and are considered a benefit, as shown in Table 18 below. Although the cost of the court fines is borne by the offender it is not considered a cost in the analysis because the fines have been levied as a result of illegal behaviour.

³³ The costs applied in Option 1 are average costs of enforcing careless driving. In the current analysis these costs have been used as marginal costs of enforcement in order to estimate the additional number of guilty verdicts. We believe this is an adequate assumption as the Police must go through the same procedures to enforce careless driving, regardless of the overall level of enforcement.

102. So the major financial effects of this option, in 2012, are:

- a. £5m for the extra police enforcement;
- b. £2.2m extra costs for the judicial system; and
- c. £1.5m fine revenue for the Exchequer.

103. As with option 1 the analysis for this option contains no estimate of the benefits which may occur from greater enforcement deterring careless driving.

104. Table 20 shows the net present value of Option 2 for the appraisal period 2013-2022. The values in Table 20 have been up-rated according to the methodology explained in paragraphs 63 and 67. (So for example the £5m per year extra police funding has been converted to a discounted cash value in table 20). As can be seen in Table 20, there are significant costs associated with Option 2, net costs are £52.42m over the appraisal period, averaging £5.24m per annum.

Table 20: Net Present Value: Option 2 – Appraisal Period 2013-2022

	Total 2013-2022	Average 2013-2022
Exchequer	£13,889,243	£1,388,924
Total Present Value Benefits	£13,889,243	£1,388,924
Judicial System	£20,220,445	£2,022,045
Police Administration	£8,318,245	£831,825
Front-line Police	£37,772,635	£3,777,264
Total Present Value Costs	£66,311,326	£6,631,133
Net benefits, discounted	-£52,422,083	-£5,242,208

Summary of benefits, risks and assumptions of Option 2

105. The principal benefit that would arise from Option 2 would be increased enforcement of careless driving offences, which could result in a reduction of offending. However, there is no insufficient, specific quantitative evidence that the extra enforcement will deter careless driving to support a quantitative estimate of this effect for inclusion in table 20.

106. Financial benefits would be expected for the Exchequer, which accrues the monies raised through court fines. But whilst the majority of offenders found guilty of the offence will pay a fine, a minority of offenders will only have their driving licence endorsed with penalty points. There is a risk that the financial benefits predicted for the Exchequer could be lower.

107. There is a risk that the additional enforcement would increase the workload of the Police and judicial system, resulting in significant costs for both stakeholders.

108. A key uncertainty of this option surrounds the use of additional resources. The Police will not be bound to use any additional financial resources to increase the enforcement of careless driving.

Direct costs and benefits to business calculations

109. The options considered in this Impact Assessment will not impose direct costs on business. This is because the proposal is 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. Therefore, the proposals in this impact assessment do not fall within the scope of the one-in-one-out rule.

Wider impacts

110. We have looked at the impact that the introduction of fixed penalties and remedial training would have on the different equality groups. There may be some impact to the gender group as evidence indicates that 85% of careless driving offences are committed by males with the majority being in the 21 and over age group.³⁴

Summary of preferred option with description of implementation plan

111. 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 Association of Chief Police Officers, who have indicated the resource implication is hindering the enforcement of careless driving laws.

112. A consultation is to be carried out and is planned to last 12 weeks. We aim to publish the responses in the summer of 2012, along with the Government's decision.

113. 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 would expect this to come into force in late 2012 or early 2013. 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.

114. 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.

115. 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 2013 in 2014/2015 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 2013. Therefore, the impacts of the preferred option will be monitored over the period from 2012 to 2015, which will assist informing future policy development.

116. 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.

³⁴ Criminal Justice Statistics in England and Wales, Ministry of Justice, 2010

Regulatory Policy Committee

117. The Regulatory Policy Committee (RPC) have issued an opinion on the impact assessment and following observations have been made which are address below:

- *more discussion on why it is expected there would an increased likelihood of offenders being caught as a result of the fixed penalty;*

In the impact assessment we have considered the costs of the proposals if enforcement levels remain the same or if all the costs savings accruing to the police from the proposals are reinvested in more enforcement. In practice because the police can offer remedial training courses as an alternative to the fixed penalty notices, we expect more enforcement to take place for the offence, without significant additional pressures on police costs or the criminal justice system. Most people offered courses accept them and these proposals offer an effective way of enabling the police to encourage offenders for the less severe infringements to take training. This in turn increases the reach of enforcement and may contribute to deterring and educating motorists to drive more carefully.

- *clarity over on the longer term cost differential between the fixed penalty and remedial training course;*

The police are introducing a licensing system for the most frequently used courses, available under the National Driver Offender Retraining Scheme. This should contribute to ensuring courses are good value for money and fees do not increase rapidly (para 21b).

- *more detail on the expected deterrent effect of proposal*

We have used the example of when using a mobile phone whilst driving was introduced as a fixed penalty offence and when the penalty level was increased, as an indication of the possible deterrent effect (para 19).

- *more discussion on the proposed operational guidance surrounding the use of fixed penalties and remedial training, and why the FPN and remedial training are considered mutually exclusive.*

The consultation document sets out the proposed criteria for the operational guidance surrounding the use of fixed penalties and remedial training. We have also explained why the FPN and remedial training are not mutually exclusive at paragraph 20.