

Title: Drink Drive Rehabilitation Scheme (DDRS) IA No: DfT00043 Lead department or agency: Driving Standards Agency (DSA) Other departments or agencies: Department for Transport (DfT)	Impact Assessment (IA)			
	Date: 10/07/2012			
	Stage: Final			
	Source of intervention: Domestic			
	Type of measure: Primary legislation			
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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 (EANCBon 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as
£0.12m	£0.12m	£ -0.02	No	N/A

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

Deficiencies in the current Drink-Drive Rehabilitation Scheme (DDRS):

- Inconsistency in the quality of courses;
- Lack of compliance with HM Treasury's "user pays" principle;
- Insufficient geographical course provision.

Government intervention is necessary as DDRS is a statutory scheme. Responsibility for approving courses and ensuring course provider compliance with the relevant requirements sits with the Secretary of State for Transport (SoS).

What are the policy objectives and the intended effects?

To make DDRS more attractive to offenders by:

- Improving the availability of courses;
- Ensuring all course presentations meet (at least) the minimum standards required by the Driving Standards Agency (DSA);
- Make the arrangements for recovering the cost DSA incurs in administering and assuring the scheme compliant with HM Treasury's "user pays" principle.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

1. Do nothing.
2. Reform DDRS as proposed in the consultation document, introducing: time-limited, area-specific course approvals; fees for course providers; new arrangements for serving Notices of Non-Completion (NNC) and appeal arrangements.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 03/2020					
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	Large 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 (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

**Signed by the responsible
SELECT SIGNATORY:**

Date:

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 7	Net Benefit (Present Value (PV)) (£m)		
			Low:Optional	High:Optional	Best Estimate:0.12

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	0.0	0.00	0.01

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

Course providers - printing certificates (£2,425 p.a. based on 48,500 referrals at a photocopy cost of 5p per certificate). The transfer of costs from DSA to offenders is not monetised in the calculator as it's a neutral cost; the costs/benefits cancel out one another: the approval costs (based on £5,714 p.a. over the seven-year approval period at £1,000 per application) and course completion fees (£178,500 per year based on 25,500 course completions).

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

DSA's costs of implementing the new scheme will be recovered over the 7-year course period. If providers fail or if offender rates decrease, DSA must continue to stand these costs. Allowing for multiple providers in any area might result in fewer courses if offenders are divided between a number of providers' courses. This could make it difficult for providers to effectively plan and deliver courses and may impact on offenders who could find that fewer courses are available to them.

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	0.0	0.02	0.13

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

Course providers - saving of £ 21,850 p.a. as a result of introducing less costly arrangements for issuing NNCs. General taxpayer/DSA - saving of £178,500 + £5,714 (£40,000 over seven years) p.a. based on the funding of the administration of DDRS being transferred from general taxation to the offender, but this cost/benefit is not monetised as it's neutral - the costs/benefits cancel one another out.

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

Indications are that there will be multiple providers in each geographical area. Competition between them may result in lower course fees. The introduction of area-specific course approvals should result in courses being offered at locations that are more convenient for offenders. In addition, the revised assurance arrangements should give offenders more confidence in DDRS. This should increase take-up rates and reduce the number of accidents and casualties.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
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Assumptions: new approvals come into force March 2013; drink-drive conviction rate will initially stay constant at 2011 levels with 48,500 referrals and 25,500 offenders completing a course; 40 providers will be approved to deliver courses; providers will recoup the £7 per capita fee from offenders through course fees. Risks: course referrals will decrease, affecting income of providers, with the knock-on affect of increasing costs and reducing take-up.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: 0.00	Benefits: 0.02	Net: 0.02	No	N/A

Evidence Base (for summary sheets)

Background

1. Legislation currently allows courts throughout Great Britain to offer drink-drive offenders the opportunity to obtain discounts on their driving disqualification by successfully completing a Drink-Drive Rehabilitation Scheme Course (DDRS or “the Scheme”). Eligible courses are those that have been notified to the Courts as approved by the Secretary of State for Transport (SoS). It is important that the Scheme operates to and maintains a high standard, because drivers guilty of serious road traffic offences receive substantial benefits from completing a course.

2. The Scheme was introduced into Great Britain in 1993 with pilot courses being offered in a few selected areas. In 1999 an evaluation¹ into the effectiveness of the pilot courses looking at the re-conviction rates of those who had attended a course against those that had not; demonstrated that the courses were effective in reducing re-offending. As a result of the success of the pilot courses, the Drink Drive Rehabilitation Scheme was expanded in January 2000.

3. Since 1 January 2000, the courts throughout Great Britain (GB) have been able to offer to drivers, who have been disqualified for a period of at least 12 months for a relevant drink-driving offence, a referral to an approved DDRS course. The relevant drink-drive offences are:

- Causing death by careless driving when under the influence of drink or drugs;
 - Driving, or being in charge of a vehicle when under the influence of drink or drugs;
 - Driving or being in charge of a motor vehicle with alcohol concentration above prescribed limit;
- and
- Failing to provide specimens for analysis.

4. If an offender opts to take up the referral opportunity and satisfactorily completes a course, their period of disqualification will be reduced - this may be by as much as one quarter of the disqualification period.

5. When the Scheme was expanded in 2000, there were 29 organisations providing courses, of which only two provided courses in Scotland. Over the years various organisations have left the Scheme and currently, 21 organisations are approved to deliver DDRS courses. These include specialist training companies, probation services and local authorities. Between them they cover the whole of GB, although travelling distances for the offender may be difficult when reliant upon public transport. Current course approvals were granted for an open-ended term with administration of the Scheme being funded by the general taxpayer.

Problem under consideration:

6. Evidence shows that there is a need to reform the Scheme. A review of the existing Scheme, carried out by the Transport Research Laboratory in 2004 (TRL report number 613), confirmed opportunities for improvement and modernisation of the Scheme. Whilst concluding –

¹ Davies G P, Harland G and Broughton J - Drink/driver rehabilitation courses in England and Wales - TRL report number 426.

“Overall, this study found a marked benefit to all offenders, regardless of social status, age or gender, of attending a DDR course.” The report also found –

“The results of the survey have clearly demonstrated wide variation in the measures adopted within the operation of individual organisations [the course providers].

The survey of course provider practices identified aspects of course operation that either went against the DfT-produced guidelines, or were not addressed by the current guidelines.”

7. This review further found that there was a need for a number of the organisations to introduce or to improve quality assurance measures to monitor the effectiveness of their courses. The 2004 review has been revisited since the Road Safety Act (RSA) was passed in 2006. The Department for Transport commissioned an independent audit over two years (2007-2009). This audit identified that, notwithstanding administrative action which the Department had been able to take in the meantime, the overall performance of providers was not improved; and that all the issues identified in 2004 persisted.

8. It has also been a limitation of the current Scheme that national coverage cannot be assured as existing course providers operate solely within geographical areas of their own choosing, often as a sole provider. The relaunch of the Scheme provides an opportunity to address this deficiency.

Rationale for intervention:

9. Responsibility for ensuring that courses are delivered to high and consistent standards sits with the SoS, since the Courts can only refer offenders to courses that she has approved under powers in section 34A(2) of the Road Traffic Offenders Act 1988 (RTOA). The existing legislation does not allow for approvals to be cancelled or to have conditions attached, for example in instances where poor standards of delivery have been identified. Legal advice stated that providers may not be obliged to voluntarily accept changes to the terms of their approvals – it was therefore concluded that Primary legislation was needed to amend the Scheme.

10. Section 35 of the RSA provides for the replacement of the existing DDRS with more flexible arrangements - a better, more effective Scheme, that will allow DSA to grant new approvals and to cancel existing ones; to introduce improved quality assurance arrangements that will ensure DSA is able to identify instances of poor quality course presentation and non-compliance, and to take effective action to address this. Additionally, a right of appeal for course providers and for applicant course providers is introduced. The powers taken not only allow for the updating of the Scheme, but also provide for the changing of the funding stream for its administration. These changes cannot be made without using the powers contained in s35 RSA.

11. Additionally, s35 of the RSA also allows for removal of the requirement to have a minimum ceiling for the cost of the DDRS courses, thereby allowing providers to lower their prices. Some offenders put off participating in the Scheme on grounds of cost², may now wish to take part.

12. It is also possible that offenders who have been discouraged from participating in a DDRS course due to a lack of access (loss of licence means reliance upon public transport which can cause difficulties if they live in a rural location), may be persuaded to participate if a greater number of courses are offered by more providers, thereby increasing access.

² TRL Report 613

13. Course approvals under the existing Scheme are open-ended and course providers cannot currently be removed from the Scheme, although they may not be compliant with current Scheme requirements under the legislation. The new Scheme will rectify this and will allow for multiple providers throughout the geographical areas. If the Scheme is not updated, existing course providers would continue to enjoy a monopoly with some providers continuing to be the sole provider in certain areas. The average course cost (£175) multiplied by the number of offenders (48,500) = 8.4m (the total monopoly enjoyed by current providers).

14. In 2009, following the conclusion of the Department for Transport (DfT) review, the SoS made a decision to use the powers within the Road Safety Act 2006, to modernise the Scheme including improving quality assurance and approval arrangements. At the same time it was also decided to change the way that the public sector costs of administering the Scheme are met, in line with the views of Parliament. This involves transferring those costs from the general taxpayer to those persons who derive benefit from the service – i.e. the offender undertaking an approved DDRS course, consistent with the "user pays" principle.

15. In May 2011, the current Government announced in its Strategic Framework for Road Safety that it would improve the enforcement of drink [and drug driving] legislation by mandating the drink drive rehabilitation courses for disqualified drink drivers; this took into account Sir Peter North's Report on Drink and Drug Driving and the subsequent report by the Transport Select Committee. Modernising the DDRS course arrangements is the first step towards achieving that aim. We believe adopting the measures described in this Impact Assessment will facilitate:

- A higher quality course – lowering the re-offending rate with economic and social benefits through reduced accidents and casualties;
- Greater consistency of DDRS courses and in course delivery – improving overall effectiveness of the Scheme and providing greater value for money for course attendees;
- Transference of the costs of administering the Scheme from the general taxpayer to accord with the user pays principle – improving fairness and efficiency in delivering the public sector costs of administering the Scheme;
- Increased take-up rate – to maximise the volume of benefits; and
- Improved road safety – to increase overall public benefit.

One In/One Out (OIOO) rule for new legislation

16. In order to bring in new legislation, it is necessary to assess if the new legislation will impose a direct cost on businesses and voluntary organisations; if it does, then there is a requirement to remove or modify an existing regulation of an equivalent cost before it can be introduced. DSA does not believe that the proposed changes to the DDRS will impose any additional burden on business or voluntary organisations.

17. Course providers recover the cost of their fees from the offenders who attend the courses. On average 25,500 offenders complete DDRS courses per annum at a cost of between £150 and £250 per course. The income generated from these courses goes directly to the training companies providing them, irrespective of the quality of the training delivered. Responsibility for managing DDRS including a requirement to introduce and maintain a robust quality assurance regime was transferred to DSA in July 2009. As a Trading Fund, DSA is required to recover the costs of the services it delivers and, in line with government policy these costs should be recovered from beneficiaries (i.e. the "user pays" principle). In administering DDRS, DSA has, therefore, proposed a fee structure that will enable us to recover our costs from course providers in a volume related manner, linked to the number of offenders attending the

courses which they provide. On this basis, it was concluded that the fees charged by the Agency for administration of the Scheme could be considered to be a transfer of funding from the general taxpayer to the offender and therefore out of scope of the OIOO rule.

18. Outside of the DDR Scheme, the course provider can deliver commercial rehabilitation courses that are not covered by regulation. However, offenders can only claim the reduction in their disqualification if they attend a course that is covered by regulation i.e. approved and quality assured by the SoS,

Policy objective:

19. The objective of DDRS is to improve road safety by reducing the rate of re-offending by drink-drivers. The Scheme aims to contribute to this by increasing offenders' appreciation of the risks involved in their behaviour, and the importance of separating driving from their consumption of alcohol. The objective of this policy is to increase access to the Scheme by offering greater geographic coverage and to increase the quality and effectiveness of the courses, monitoring them with effective quality assurance requirements attached to approvals; enhancing the integrity – and thus the potential success of the Scheme, which in turn should reduce the likelihood of offenders re-offending, with economic and social benefits through reduced accidents and casualties.

Description of options considered (including do nothing):

20. The options considered were:

- a.) Do nothing Option - leaving the Scheme as it is now; or
- b.) Option 1 - Reform the Scheme as outlined in the consultation.

a) Do nothing Option

21. The 'do nothing' option is not feasible because audits have shown that the current Scheme needs improving for the purposes of quality and consistency; and that it is not delivering value for the taxpayer. The proven benefits of the Scheme (reduced re-conviction rates), would not be realised by a large number of drink-drive offenders who will be excluded on grounds of access or cost – this goes against the aims of the Scheme to encourage greater participation to reduce re-conviction rates amongst offenders, with the subsequent social and economic benefits. Additionally, 'doing nothing' means that the quality of the Scheme will be unlikely to change and may decline further, which calls into question the effectiveness of a Scheme operating below standard. The general taxpayer would continue to provide funding for administration of the Scheme, which would not be sustainable longer term, especially when it offered such a poor return on investment.

b) Option 1 – Reform the Scheme

22. Option 1, implementing the proposals in full, is the preferred option because we will be able to ensure better standards and consistency of courses through effective quality assurance work. Better quality courses, which are effectively quality assured, should reduce the likelihood of offenders re-offending and thereby bring wider societal benefits with reduced accident rates. In addition, moving the funding for administering the Scheme, from the general taxpayer to those persons who derive benefit from the service, is consistent with the user pays principle and reduces the burden on the taxpayer. Opening up access to more providers and setting criteria to ensure better geographic coverage will also bring benefits for offenders and may increase take up. Where currently a sole provider delivers a DDRS course in a court area, the offender can only attend as and where that provider delivers the course. In some instances this may be in one location within a local authority area and present difficulties for the offender to attend due to location or dates. More choice will potentially open up the Scheme to more

offenders. However, we have no way of knowing to what extent this would happen until the reformed Scheme is in operation.

MONETISED AND NON-MONETISED COSTS AND BENEFITS OF EACH OPTION (INCLUDING ADMINISTRATIVE BURDEN):

“Do Nothing” Option

23. This option would forgo the improvements for which the Act provides. It will also oblige the Department – or the Driving Standards Agency - to continue management of the DDRS at its expense, notwithstanding that the benefits accrue in the first place to course providers and their clients and none to the general taxpayer (both financial and social) who through the Department fund the Scheme. DSA would only be empowered to continue management of the Scheme if the Department paid their costs for doing so, since otherwise their costs have to be covered by fee income.

24. It would also appear perverse if the general taxpayer had to continue to fund the administration of what is in effect a Scheme operated as a commercial enterprise for many training providers.

Monetised cost of “do nothing”

25. DSA does not propose to increase the cost of the Scheme and will only charge sufficient fees to recover its costs of administering the new Scheme. At present, the cost to carry out the day-to-day administration of the existing Scheme is funded via general taxation and this would still be required to be recovered from monies paid to the Department via taxation if a transfer of funding did not take place. We do not anticipate that there will be any additional costs of continuing to 'Do Nothing' in the future, therefore there are no additional monetised costs or additional monetised or non-monetised benefits of this option.

Non-monetised costs of “do nothing”

26. The full cost of the “do nothing option” cannot readily be monetised. However, if administration of the Scheme continued in its current form or declined further, which is an assumption that could be made if the changes suggested by the TRL review are not implemented, this could potentially increase re-offending rates with the knock-on effect of reducing any road safety benefits and therefore increasing the cost to the taxpayer. Two, two-year evaluations of the Scheme (The drink/drive rehabilitation scheme: evaluation and monitoring TRL 613 - TRL Ltd 2004) and the later DfT audit (2007-2009), identified that offenders who had not attended a DDRS course were, up to two years after their conviction, 2.6 times more likely to re-offend than those who had undertaken a course. It is difficult to attribute causality to the course, as the event of being caught, charged and paying the fine will also impact on re-offending rates. However the evaluation provides good evidence that the course does reduce re-offending rates. By way of illustration, even if only one fatal road casualty is prevented through improving the course, the benefit of preventing that fatality will be approximately £1.5 million³, outweighing the total cost imposed by the reforms to the Scheme, notwithstanding the effect upon families affected by drink-driver casualties.

27. A Department for Transport report states that it is estimated that in 2010, 9,700 reported casualties (5 per cent of all road casualties) occurred when someone was driving whilst over the legal alcohol limit. The provisional number of people estimated to have been killed in drink drive accidents was 250 in 2010

³<http://www.dft.gov.uk/webtag/documents/expert/unit3.4.1.php#012>

(14 per cent of all road fatalities)⁴. The same report also states that it is estimated that in 2010 there were around 410 pedestrian casualties and 90 pedal cyclist casualties in accidents with a driver over the legal alcohol limit. Based upon official estimates⁵ the cost to the economy of drink driving is £0.5bn a year. It could therefore be reasoned that if accidents increased as a result of declining participants within the DDRS, the cost to the economy would increase. We cannot, however, attribute any of these accident figures directly to drink-drive re-offenders.

28. Whilst lack of reform to the current Scheme could potentially increase re-offending rates with the knock-on effect of reducing road safety benefits and increasing the cost to the taxpayer, implementing Option 1, we assume, will have the opposite effect. (See paragraphs 56-9.)

Monetised benefits of “do nothing”

29. There are no monetised benefits of this option.

Non-monetised benefits of “do nothing”

Option 1 -

30. Introducing the proposals in full would involve implementing provisions in the Road Safety Act, allowing the rules of the Scheme to be reformed, as well as transferring funding for administration of the Scheme from general taxation to the service user.

Option 1 covers:

- Approval of courses for specified geographical areas;
- Duration of course approval;
- Fees;
- Transitional arrangements;
- Service of Notices of Non-Completion (NNC); and
- Appeal arrangements to the First-tier Tribunal.

1. Approval of courses for specified geographical areas

31. Currently, approvals are not clearly bound by specific geographical areas and as such are not easily managed. This can present problems to the courts when issuing referrals, regarding which providers offer courses in which of the court jurisdiction areas. We therefore propose that DDRS approvals will be issued for specified geographical areas based on the court areas at the time the approval is made. We do not propose to introduce a restriction on the number of course providers who may deliver an approved DDRS course in any specified geographical area, nor on the number of areas in which a provider may offer a DDRS course. Each applicant will be able to apply for approval to provide a course in as many of the specified geographical areas as they wish.

⁴ Department for Transport Reported Road Casualties in Great Britain 2010 Annual Report

⁵ Alcohol Harm Reduction Strategy for England – Prime Minister’s Strategy Unit, 2004; and http://networks.csip.org.uk/_library/Resources/ALC/OtherOrganisation/The_Cost_of_Alcohol_Treatment_to_the_NHS_in_England.pdf

32. Allowing more than one course provider to offer an approved course in any specified geographical area will provide offenders with the opportunity to select the most appropriate course for their needs at a convenient location. As offenders are prevented from driving during the period of disqualification, convenience is likely to be a key factor in determining whether offenders are likely to attend a course. Providing courses in a sufficiently wide choice of locations within the specified geographical area may also help to encourage take-up by offenders as the costs and availability of travel for attendees will be less onerous.

2. Duration of course approval

33. Currently, course approvals are open-ended and this has presented difficulties with those who are not meeting the required standards for delivery of DDRS courses. Course providers who are failing to comply with the statutory guidelines and whose courses are of questionable quality, cannot currently be removed from the Scheme. This not only provides poor value for money for the taxpayer who is funding the administration of the Scheme, but also offers poor value for the offender who has to pay to attend a DDRS course. The RTOA, as amended by RSA, provides that courses may be approved for periods of up to seven years duration. During the seven year period providers can expect to undergo quality assurance visits to ensure that standards are maintained – providers who deliver sub-standard courses following quality assurance and who have failed to take remedial action, can now have their approval terminated and are unlikely to be re-approved for a further period, unless they can demonstrate improvements in standards.

34. To assure a fair and consistent approach in the approval process, an appeal arrangement to the First Tier Tribunal will be put in place to allow providers to appeal any decision not to approve them for delivery of courses or to remove their approval to deliver courses (see 6 below).

3. Fees

35. The public sector costs of administering the current Scheme are met by the general taxpayer. We propose to recover our costs for administering DDRS, including providing quality assurance and compliance visits, through two charges - a course application fee and a per capita course completion fee, payable by the course provider and recovered from the offender. Transferring the funding for the new Scheme from the general taxpayer to the offender complies with the user pays principle. There will be one charge of £1,000 for each application for course approval, irrespective of the number of specified geographical areas covered by the application. The application fee will recover the costs incurred by DSA in the processing of applications for approval and a quality assurance visit to determine that standards of delivery are in accordance with information provided in course providers' applications for approval and that they are being maintained. Further quality assurance and compliance audits will be made especially if it is determined that standards do need to be raised and will be funded via a per capita fee of £7 for each offender who completes a DDRS course. This fee will be payable to DSA on a quarterly basis to coincide with the current quarterly reporting cycle where course providers submit details of course completions. This fee is only payable after the course provider has received payment for the course from the offender and a course completion certificate has been issued. This certificate is provided to the Court, and is the basis on which the discounted disqualification from driving is awarded. The fees specified have been set at a level to only recover the costs of providing for administration of the Scheme.

36. Course providers are currently allowed to charge offenders anything between £150 and £250 for attending a course. We propose to maintain a maximum course fee of £250 as we believe this is sufficient to allow providers to recover their costs (the average fee charged to offenders is £175). At the same time we propose to abolish the minimum fee which course providers must charge offenders and allow them to set their own minima as it is considered to be unnecessary and may discourage course providers from passing on efficiency savings through lower course fees. We also consider that lower fees may encourage those from lower socio-economic groups to participate in the Scheme, whereas previously they may not have (see TRL report number 613 p23 'the main barrier to attendance appears to be the cost. They said the course was too expensive').

4. Transitional Arrangements

37. In order to introduce the new arrangements, it will be necessary to withdraw all existing approvals to deliver DDRS courses. We propose to introduce the new approved courses from 4 March 2013 and to terminate all existing approved courses by 29 April 2013. We aim to notify existing course providers from 19 November 2012 if their current approval is to be terminated to allow offenders sufficient time in which to complete their course. (Courses last approximately 3 weeks.)

38. All training commenced before 4 March 2030 must therefore be completed by 29 April 2013. We believe that this period of time will allow course providers sufficient time in which to complete existing courses and gives the Courts notice of the existence of the new courses so that referrals can be made to them. From 4 March 2013, the Courts will be able to refer offenders only to training courses offered under the new DDRS.

5. Service of Notices of Non-Completion (NNC)

39. Offenders who complete a DDRS course are issued with a Certificate of Course Completion (CCC), which the Court uses to apply a reduction in their disqualification period. Offenders who have informed the Courts that they will accept a place on a course, but for whatever reason, fail to book, attend, complete, or pay for a course, are required under legislation, to be issued with a Notice of Non-Completion. The notice is required to be sent by recorded delivery or registered post⁶. The purpose of the NNC is to inform the offender that they will not be liable for a reduction of their disqualification. It is sent by tracked post should the offender wish to challenge the decision not to issue a Certificate of Course Completion. The NNC is treated as given, if it was sent by registered post or recorded delivery to the last known address of the offender. These are expensive methods of serving the NNC.

40. We propose to introduce a more cost-effective replacement to the current Scheme that simply requires course providers to send the notices and to obtain (and retain for inspection) a proof of posting receipt from the carrier for each notice issued, which could be in the form of a bulk proof of posting receipt. The receipt must show the name and address of the person to whom the notice was issued and the date of posting. Such receipts are provided free of charge by Royal Mail. Under the new arrangements, providers will pay considerably less to issue the NNCs.

6. Appeal Arrangements to the First-tier Tribunal

41. At present, no appeal arrangements exist for course providers or potential course providers to challenge a decision of the SoS. The RTOA will provide a statutory right of appeal for course providers and potential course providers to the General Regulatory Chamber of the First-tier Tribunal for persons who are aggrieved by a decision of the SoS to:

- Refuse an application for course approval;
- Grant approval for a course subject to conditions; or
- Withdraw approval for a course.

42. Under the new regulations, the SoS may withdraw approval for a DDRS course where the course provider breaches a condition of approval, disregards guidance issued by the SoS or otherwise fails to meet the required standards.

⁶The Road Traffic (Courses for Drink-Drive Offenders) Regulations 1992 (SI No. 3013)

43. Payment is not required for appeals made to the First Tier Tribunal – this is a service that is provided free of charge and is independent of both DSA and DfT. Any ruling given by the Tribunal must be acted upon.

Monetised Costs of Option 1

44. The proposed fees for the new Scheme have been set at a level to only recover the costs to DSA of administering the Scheme. These figures are based upon DSA staffing and overhead costs and include amounts for validation of the initial application for approval, audit of the on-going courses and introduction of appeal arrangements for course providers.

45. We estimate that the Scheme will cost DSA £178,500 per annum to administer including providing more effective quality assurance work. We also estimate that it will cost around £40,000 per seven year cycle to approve DDRS course providers (£40,000 = number of applications x £1,000 per approval).

Costs to DSA (which we assume will be passed on to Course Provider)
Cost to assess and approve initial applications - £1,000 per approval = £40,000 (or £5,714 pa)
Cost to administer the Scheme, including effective QA to ensure compliance (£178,500) pa

46. DSA's start-up costs are included within this total average annual cost. There will be an additional one-off cost here to update IT provision in respect of introducing a new right of appeal to the First-tier-Tribunal. This is expected to be in the region of £ 15-20k [Waiting for confirmation from HMCTS]

47. To recover the costs of initial approval of course providers and ongoing administration of the DDR Scheme, DSA will levy charges against providers who wish to participate in the DDR Scheme. A charge of £1,000 will be levied each time an application for course approval is made – the approval lasts for 7 years. This will cover the initial assessment of the claim and a quality assurance/compliance visit. As previously stated, we anticipate that around 40 providers will apply for approval of their courses based upon the expressions of interest that we have received to date. This will generate income of £40,000. This fee will be recovered by DSA from providers who in turn will recover it from offenders attending their DDRS courses. DSA will also charge a per capita fee of £7 per offender, per course completion (£7 x 25,500 course completions = £178,500). The completions figure is based on the 2011 figures. If drink-drive convictions fall this could be lower but on the other hand is it hoped that take-up rates will increase due to either consistency of standards, more choice and availability of courses and potentially lower cost of courses. DSA's costs regarding quality assurance work and administration will increase or decrease depending on the actual number of providers and offenders.

Costs to Offender
DDRS approval fee (£1000) = £40,000 (or £5,714 pa)
Per capita fee (£7 per offender completing a DDRS course) = £178,500 pa
Printing costs (5p per certificate per referral) £2,425

48. We assume that there will be additional printing costs for course providers as DSA no longer will supply hard copies of either the certificate of course completion or the notice of non-completion

certificate. These certificates are necessary for the Courts to determine whether an offender is due the reduction in their disqualification period. DSA will provide a template to be used by course providers, which will follow the format of the current documents. This template can be completed on-line and then printed off. Completion certificates will be handed to the offender, but notices of non-completion will be posted to offenders and under current legislation must be sent by first class, registered or recorded post. Any additional costs that this printing might impose on course providers will be more than offset by the savings on postage (see below). We estimate that printing of the certificates will cost in the region of £2,425 (based on 48,500 referrals of which around 25,500 usually complete the course - at a photocopy cost of 5p per certificate).

Costs to Course Provider (which we assume will be passed on to the Offender)
DDRS approval fee (£1000) = £40,000 (or £5,714 pa)
Per capita fee (£7 per offender completing a DDRS course) = £178,500 pa
Printing costs (5p per certificate per referral) £2,425

49. Overall summary of costs under Option 1:

Costs to DSA (which we assume will be passed on to Course Provider)	Costs to Course Provider (which we assume will be passed on to the Offender)	Costs to Offender
Cost to assess and approve initial applications - £1,000 per approval = £40,000 (or £5,714 pa)	DDRS approval fee (£1000) = £40,000 (or £5,714 pa)	DDRS approval fee (£1000) = £40,000 (or £5,714 pa)
Cost to administer the Scheme, including effective QA to ensure compliance (£178,500) pa	Per capita fee (£7 per offender completing a DDRS course) = £178,500 pa	Per capita fee (£7 per offender completing a DDRS course) = £178,500 pa
	Printing costs (5p per certificate per referral) £2,425	Printing costs (5p per certificate per referral) £2,425
		Total cost = £186,639 pa

Monetised Benefits of Option 1

50. All providers are required under legislation, to issue an offender with a notice of non-completion if they have informed the Courts that they will accept a place on a course, but for whatever reason, they fail to book, attend, complete, or pay for a course. The purpose is to inform the offender that they will not be liable for a reduction of their disqualification. The notices are required under legislation to be sent by registered post or recorded delivery. Reform of the Scheme proposes that these notices can be sent by either first or second class post as long as a receipt of posting (issued free) is obtained. This will save providers £21,850 a year.

51. Currently it costs £1.55 to send a first class letter via recorded or registered post and 60p just by first class post. This would give course providers a saving of £21,850 per year. $£1.55 \times 23,000$ non-completions = £35,650 $£35,650 - £13,800$ (cost of 1st class letter 0. 60p $\times 23,000$) = £21,850. The same amount of saving can be made by sending the notices by second class instead of first class post: $£1.45 \times 23,000 = £33,350$. $£33,350 - £11,500$ (cost of 2nd class letter 0.50p $\times 23,000$) = £21,850.

52. Opening up access to, and improving, the Scheme by allowing more course providers to operate in each specified geographical area and removing the lower ceiling rate of £150 cost per course, should see an increase in take-up overall. More affordable courses and better availability will provide offenders with the opportunity to select the most appropriate course for their needs at a convenient location. A better take-up rate would mean more offenders undertaking the course benefiting from reduced driving disqualifications. Again it is difficult to monetise these benefits until the reformed Scheme is in operation.

53. The benefit of these reforms should be measured in the transfer of funding away from the general taxpayer and in the improvements to the Scheme through more effective monitoring of courses and providers. The public sector costs of administering the current Scheme are met by the general taxpayer. The costs of the new Scheme will be transferred away from the general taxpayer to the course provider who in turn will, we expect, recover these costs, through charges made in course fees, from offenders. The funding of the Scheme is therefore transferred from the taxpayer to the offender, in line with the “user pays” principle.

Non-monetised costs of Option 1

54. DSA's costs of implementing the new Scheme will be recovered over the full seven-year course approval period. If providers fail or if the offender rates decrease, DSA must continue to stand these costs.

55. Allowing for multiple providers in any given area might impact on the provider's business in that they may not be able to run as many courses if offenders are divided between a number of providers' courses. This could make it difficult for providers to effectively plan and deliver courses, resulting in financial and/or reputational loss. This in turn could impact on offenders who might find that fewer courses are actually available to them if providers have to cancel courses due to low take-up.

Non-monetised benefits of Option 1

56. Notwithstanding the transfer of costs from the general taxpayer to the end user, as previously stated, the benefits of the Scheme cannot readily be monetised as we cannot say what reduction in accidents there will be.

57. A two-year evaluation of the Scheme, undertaken by TRL, identified that offenders attending courses under the Scheme are around twice as likely not to re-offend, but, it is difficult to attribute causality to the course, as the event of being caught, charged and paying the fine will also impact on re-offending rates. However the evaluation provides good evidence that the course does reduce re-offending rates.

58. As the opposite to the costs of the “do nothing option”, a reformed and more effective Scheme could provide increased take-up with the knock-on effect of a reduction in re-offending rates - again, by way of illustration, even if only one fatal road casualty is prevented through improving the course, the benefit of preventing that fatality will be approximately £1.5 million, outweighing the total cost imposed by the reforms to the Scheme and provide much wider savings for the public purse, notwithstanding the effect upon families affected by drink-driver casualties.

59. A Department for Transport report states that it is estimated that in 2010, 9,700 reported casualties (5 per cent of all road casualties) occurred when someone was driving whilst over the legal alcohol limit.

The provisional number of people estimated to have been killed in drink drive accidents was 250 in 2010 (14 per cent of all road fatalities)⁷. The same report also states that it is estimated that in 2010 there were around 410 pedestrian casualties and 90 pedal cyclist casualties in accidents with a driver over the legal alcohol limit. Based upon official estimates⁸ the cost to the economy of drink driving is £0.5bn a year. We cannot, however, directly link these accident figures with re-offenders.

Rationale and evidence that justify the level of analysis used in the IA (proportionality approach):

60. Currently, 21 providers deliver DDRS courses across GB. The new proposals allow for opening up of access to the Scheme to enable others (subject to meeting the specified criteria) to participate. Delivery of DDRS courses is a specialised area involving a low number of organisations such as local authorities and the probation service. Following consultation we have received 40 expressions of interest from providers to participate in the DDRS. Whilst, applications to deliver approved DDRS courses can be made at any time, we do not anticipate a high volume of interest. Legislation already requires that Courts can only refer offenders to approved course, but that is not to say that providers cannot deliver the same course to persons who have not been referred by a Court. The impact of these proposals is therefore limited to those who wish to participate in the Scheme. HMT has confirmed that it considers the funding for the Scheme to be a transfer of burden from the general taxpayer to the end user via recoupment of fees from the offender, and that therefore, it is out of scope of OIOO.

Risks and assumptions:

61. Key assumptions:

- The new Scheme and approvals will come into force from March 2013;
- The drink-drive conviction rate will initially stay constant at 2011 levels with 25,500 offenders completing a course;
- 40 training providers will be approved to deliver courses; and
- Course providers will recoup their costs from offenders through course fees.

62. Risks:

- There is a minor risk that levels of attendance at courses will decrease, which will affect the income of course providers, with the knock-on effect of increasing course costs and reducing attendance. The figures used in this IA are based on referral figures from 2011. Based on previous referral figures, the course completions figures from 2011 have decreased by 4,000.
- There is a minor risk that, the fees providers pass on to the offender, may deter them from attending DDRS course, thus diminishing the road safety impact of the Scheme. The fee payable by the provider represents no more than 5% of the charge they levy to their clients.

⁷ Department for Transport Reported Road Casualties in Great Britain 2010 Annual Report

⁸ Alcohol Harm Reduction Strategy for England – Prime Minister's Strategy Unit, 2004; and http://networks.csip.org.uk/_library/Resources/ALC/OtherOrganisation/The_Cost_of_Alcohol_Treatment_to_the_NHS_in_England.pdf

Equalities

63. The public sector Equality Duty requires us to give due regard to three aims:

- eliminating unlawful discrimination;
- advancing equality of opportunity; and
- fostering good relations between people who share a protected characteristic and those who do not.

64. The Drink Drive Rehabilitation Scheme (DDRS) syllabus is designed for those who opt to participate in the course as part of the sentencing Court's disposal of their conviction. This course may be offered to those convicted of driving or being in charge of a motor vehicle with excess alcohol in their breath, blood or urine or of failing to provide a specimen. Its objective is to enable those individuals the opportunity to change their behaviour and thereby prevent further offending and contribute positively to improved road safety – the proposals directly relate to the administration of the DDRS including quality standards and do not relate to ethnicity or other equality issues.

65. As now, each provider will be aware of and how they need to meet their own responsibilities to be compliant with the equality duty as advised by the Equality and Human Rights Commission. We expect course providers to make provision for persons with protected characteristics if they opt to participate in the DDRS. Typically, we would expect providers to have on screen British Sign Language (BSL) and loop systems for candidates who are deaf or have other hearing difficulties; and to allow for signers/lip speakers for deaf candidates who do not use BSL. For those who suffer from reading difficulties, much of the course can be delivered orally. For those where English is not their first language they could attend with a friend or relative who speaks English to provide translation services.

Social and Distributional Impacts

66. We have considered the eight criteria necessary for an initial screening of social and distributional impacts of our proposals. We do not consider that updating the DDRS arrangements will produce any negative impacts. There could potentially, be a number of positive impacts under several of the criteria:

- persons on low incomes/affordability - removal of the lower fee limit of £150, which is currently the minimum amount that a provider can charge for a DDRS course, will allow course providers to set the cost of a course at a level that may now make the courses more affordable. TRL report 613 cited cost as one of the potential barriers for disqualified drivers taking up the offer of a rehabilitation course;
- accidents – the purpose of the DDRS is to prevent drink-drivers from re-offending – the TRL report shows that those drivers who do not attend a DDRS course are more than twice as likely to re-offend as those who do attend a course. Lower course fees may increase participation. Official reports by the DfT⁹ have shown that accidents caused by drink-drivers involve a significant number of pedestrian and other road users and cost the economy in the region of £0.5bn per annum¹⁰. It could therefore be reasoned that increased participation in the DDR Scheme could lead to a reduction in re-offending rates with the knock-on effect of a reduction in accidents. As a result, the cost to the economy would decrease;
- accessibility - one of the requirements of the updated proposals is to ensure that there is a good geographic spread of courses throughout England and Scotland, and for providers to deliver courses across as wide a geographic area as possible to encourage participation from those who might find it difficult to travel once they have received a court-imposed driving ban. It is in the provider's best interest to be as proactive as possible to encourage greater take-up and market their services as widely as possible - again, greater take-up brings benefits as stated in the preceding bullets.

⁹ Department for Transport Reported Road Casualties in Great Britain 2010 Annual Report

¹⁰ Alcohol Harm Reduction Strategy for England – Prime Minister's Strategy Unit, 2004; and

http://networks.csp.org.uk/_library/Resources/ALC/OtherOrganisation/The_Cost_of_Alcohol_Treatment_to_the_NHS_in_England.pdf

67. We propose to evaluate the effectiveness of the updated arrangements 7 years after their introduction – to coincide with the expiry of the first series of approvals for provision of the Scheme. This should provide the basis for confirming the value of the updated arrangements.

Devolved Countries

68. The new DDRS will not apply to Wales and Northern Ireland who will be making their own arrangements. Following Consultation, the Welsh Assembly Government intend to introduce a similar DDR Scheme in Wales.

Competition Assessment

69. We do not envisage that the proposed changes within this IA will have any affect upon competition. Delivery of the DDRS will not:

- Directly limit the number or range of suppliers;
- Indirectly limit the number or range of suppliers;
- Limit the ability of suppliers to compete; or
- Reduce suppliers' incentives to compete vigorously.

The proposal is intended to impact on training organisations providing approved courses. The regulations provide for the rules to apply in the same way to all providers, and it is considered that they do not distort competition.

Small Firms Impact Test

70. A small business is defined as one with:

- Fewer than 50 employees;
- No more than 25% of the business owned by another enterprise (which is not a small business);
- Less than £4.44 million annual turnover; and
- Less than £3.18 million annual balance sheet total.

71. The proposal is intended to impact on training organisations providing approved courses. Some of the existing providers would be classified as 'small firms' and they would have to comply with the new rules in the same way as any other provider. It isn't possible to exempt small firms from the £1000 approvals fee as this covers our costs of processing and administering the Scheme. As a trading fund we are required to recover our costs for services provided – forgoing the fee for some of the providers would mean higher fees for others and we have no way of knowing the size of the business until they apply for approval. Some of the organisations that have expressed an interest in providing DDRS courses are private training companies but others are local authorities and probation services.

Wider Environmental Issues

72. We have not identified any significant effect upon the environment from this proposal, nor, on carbon emissions. There will be some minor impact from printing of aide memoirs and learning materials to help in delivery of the training, but, production of training aids and learning materials would be needed under the existing Scheme. We encourage the use of electronic training materials such as presentations and films, but, essentially, how the training syllabus is delivered is left to the discretion of the provider.

Health and Well-being

73. We have not identified any direct impact upon health as a result of this guidance. Indirectly, the DDRS if delivered correctly should help those persons suffering from alcohol related problems to recognise their problem and start to consider ways in which they can manage this. This has the potential to reduce the burden upon the National Health Service to the extent that those recognising their problem seek help of their own volition to manage this and once addressed, the danger they present as a drunk driver is removed.

Human Rights

74. We have not identified any human rights issues arising from the revised guidance within this IA.

Justice System

75. Offenders are referred to approved courses by the Courts, but reforming the provision of courses has no impact on the Legal Aid and Justice system. The new rules provide for a right of appeal against the refusal or withdrawal of a course approval, but providers would already have had recourse to judicial review in either of these cases. It is considered therefore that there are no new legal aid or justice impacts.

Rural Proofing

76. The proposal is intended to impact on training organisations providing approved courses. Some of the existing courses are provided in rural areas, but they have to comply with the rules in the same way as any other provider. The proposed new area structure is intended to ensure sufficient provision across England and Scotland, including rural areas. At the present time, course providers are not obliged to supply courses in any given area, which could result in the more rural areas not being sufficiently provided for. Under the new arrangements, course providers will no longer be able to “cherry pick” the more lucrative areas, but must instead, serve the Courts for the whole of their approved course specified area – subject to there being sufficient demand.

77. Opening up the Scheme to other providers in addition to those currently offering DDRS courses has the potential for more courses being provided in more rural locations. Providers will be offering the courses on a commercial basis – it is in their interest to determine where need is and to provide for it. There is expected to be no significant disproportionate impact on rural areas.

Sustainable Development

78. We have identified no impact on sustainable development arising from the revised DDRS guidance within this IA.

79. Implementing Option 1 will have no impact, we assume, on greenhouse gas emissions. The number of offenders attending the courses may increase, but as they are banned from driving, they will not be driving to attend the courses. Successfully completing the course will give the offenders a reduction in their driving ban, but that reverts them to the status they had prior to their disqualification.

Summary and preferred option with description of implementation plan:

80. The preferred option is Option 1 – implementing the proposals in full. The cost is borne by the course providers and ultimately the offenders, not by the taxpayer or DSA. Option 1 should result in improved quality and consistency of DDRS courses.

81. As an Executive Agency, DSA is obliged to recover its costs of the services that it delivers and, in line with government policy, these costs must be recovered from those who benefit from those services. The fees proposed, on which this assessment is based, are considered necessary to fund the resources required to manage the Scheme as proposed.