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| Title: Drink-drive rehabilitation scheme Lead department or agency: Department for Transport Other departments or agencies: Driving Standards Agency | Impact Assessment (IA) |
| | IA No: DFT00043 |
| | Date: 15/11/2010 |
| | Stage: Consultation |
| | Source of intervention: Domestic |
| | Type of measure: Primary legislation |
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Summary: Intervention and Options

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

The scheme that allows drink-drive offenders to earn a reduction on their disqualification is subject to quality assurance to ensure that the aims of the scheme can be met. Audits have shown that the current quality of the scheme is variable with course providers following the guidance on running courses inconsistently. Government intervention is necessary as the Department for Transport is responsible for the current quality assurance regime.

What are the policy objectives and the intended effects?

Drink driving is one of the most serious road safety challenges – although fatalities have fallen by 75% since 1979, they still numbered 380 in 2009. Research has shown that drink-drivers who attend the approved drink-drive rehabilitation courses have a re-offending rate about half that of those who do not. However, audits of the courses show that there is poor compliance with Departmental standards, so that the quality of the scheme is adversely affected. The aim of the policy behind the proposed Regulations is to increase the quality of the courses being provided and therefore decrease the drink drive reoffending rate and so improve the safety of the roads.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

The options for enforcement are -
 Do nothing, leaving the rules as they are now (baseline scenario)
 Option 1 - reform the scheme without charging fees to providers ;
 Option 2 - reform the scheme and plan for its development, funded through a charge to successful applicants for grant of a course approval and per capita fees thereafter;
 Option 3 - reduce oversight of the scheme - this has been ruled out as it isn't believed that it would achieve the stated aims of the policy.

Option 2 is the preferred option.

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|--|--------------------------------|
| When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved? | It will be reviewed 06/2014 |
| Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review? | Yes |

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

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:.....

Description:

Reform the scheme without charging fees to providers (DSA remains in control of management)

| Price Base Year 2010 | PV Base Year 2010 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|-------------------------|----------------------|-------------------------|---------------------------------------|----------------|-----------------------|
| | | | Low: Optional | High: Optional | Best Estimate: -0.514 |

| COSTS (£m) | Total Transition (Constant Price) | Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--------------------------------------|-------|--|-------------------------------|
| Low | N/A | 1 | N/A | N/A |
| High | N/A | | N/A | N/A |
| Best Estimate | N/A | | 0.072 | 0.514 |

Description and scale of key monetised costs by ‘main affected groups’

- Additional DSA management of the scheme £65,800 p.a.
- Course equivalent approval costs (based on £30,000 every 7 years – this period has been used for illustration only in this draft: the length of approval periods will be subject to consultation)

There is no cost to business in this option, because it supposes that the Government will continue to fund

Other key non-monetised costs by ‘main affected groups’

| BENEFITS (£m) | Total Transition (Constant Price) | Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|--------------------------------------|-------|--|----------------------------------|
| Low | N/A | 1 | N/A | N/A |
| High | N/A | | N/A | N/A |
| Best Estimate | N/A | | N/A | N/A |

Description and scale of key monetised benefits by ‘main affected groups’

Other key non-monetised benefits by ‘main affected groups’

- A higher quality course should lower the reoffending rate with economic and social benefits through reduced accidents and casualties (potential benefits are high, and a reduction of one fatality or four serious injuries due to the course reforms would mean benefits would outweigh the costs)
- Improved health and well-being for those not re-offending
- Reduced repeat offenders going through the court system

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

Assumption - the new Regulations will come into force by April 2012 so that course approvals can be re-issued from that date.

Assumption - The drink-drive conviction rate will stay constant at 2010 levels with 29,400 offenders completing courses.

Risk - sufficient applications will not be made, or will not be made on time; and that those that are made take longer than expected to process or prove to be inadequate.

Risk - levels of attendance at courses will fluctuate, which will affect the income from approval fees - up or down, affecting monitoring and development of the scheme.

| | | | | |
|--|-------------|--|----------------------|-----------------|
| Impact on admin burden (AB) (£m): | | Impact on policy cost savings (£m): | | In scope |
| New AB: | AB savings: | Net: NIL | Policy cost savings: | No |

Description:

Reform the scheme and plan for its development, funded through a charge to successful applicants for grant of a course approval and per capita fees thereafter – **Preferred Option**

| Price Base Year 2010 | PV Base Year 2010 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|----------------------|-------------------|----------------------|---------------------------------------|----------------|-----------------------|
| | | | Low: Optional | High: Optional | Best Estimate: -0.514 |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|---|--|----------------------------|
| Low | N/A | N/A | N/A |
| High | N/A | N/A | N/A |
| Best Estimate | N/A | 0.212 | 1.511 |

Description and scale of key monetised costs by ‘main affected groups’

- Course providers - payment of certificate fees £205,800 p.a.
- Course providers - approval costs (based on £30,000 every 7 years – this period has been used for illustration only in this draft: the length of approval periods will be subject to consultation)

These figures represent the gross cost to those responsible for paying the proposed fees; however, they will all recover all these costs from offenders attending their approved courses – the net cost to providers will therefore be ‘nil’

Other key non-monetised costs by ‘main affected groups’

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|---|--|-------------------------------|
| Low | N/A | N/A | N/A |
| High | N/A | N/A | N/A |
| Best Estimate | N/A | 0.140 | 0.997 |

Description and scale of key monetised benefits by ‘main affected groups’

- Previous DSA management of the scheme £140,000 p.a.

Other key non-monetised benefits by ‘main affected groups’

- A higher quality course should lower the reoffending rate with economic and social benefits through reduced accidents and casualties (potential benefits are high, and a reduction of one fatality or four serious injuries due to the course reforms would mean benefits would outweigh the costs)
- Improved health and well-being for those not re-offending
- Reduced repeat offenders going through the court system

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

Assumption - the new Regulations will come into force by April 2012 so that course approvals can be re-issued from that date.

Assumption - The drink-drive conviction rate will stay constant at 2010 levels with 29,400 offenders completing courses.

Risk - sufficient applications will not be made, or will not be made on time; and that those that are made take longer than expected to process or prove to be inadequate.

Risk - levels of attendance at courses will fluctuate, which will affect the income from approval fees - up or down, affecting monitoring and development of the scheme.

| | | | | |
|--|-------------|--|----------|-----------------|
| Impact on admin burden (AB) (£m): | | Impact on policy cost savings (£m): | | In scope |
| New AB: | AB savings: | Policy cost savings: | Net: NIL | No |

Enforcement, Implementation and Wider Impacts

| | | | | | |
|---|--------------------------|------|---------------------|--------|-------|
| What is the geographic coverage of the policy/option? | Great Britain | | | | |
| From what date will the policy be implemented? | 01/04/2012 | | | | |
| Which organisation(s) will enforce the policy? | Driving Standards Agency | | | | |
| What is the annual change in enforcement cost (£m)? | N/A | | | | |
| Does enforcement comply with Hampton principles? | Yes | | | | |
| Does implementation go beyond minimum EU requirements? | N/A | | | | |
| What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent) | Traded: none | | Non-traded: none | | |
| Does the proposal have an impact on competition? | No | | | | |
| What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable? | Costs: - | | Benefits: - | | |
| Annual cost (£m) per organisation (excl. Transition) (Constant Price) | Micro | < 20 | Small | Medium | Large |
| Are any of these organisations exempt? | No | No | No | No | No |

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

| Does your policy option/proposal have an impact on...? | Impact | Page ref within IA |
|---|--------|--------------------|
| Statutory equality duties ¹ Statutory Equality Duties Impact Test guidance | No | 14 |
| Economic impacts | | |
| Competition Competition Assessment Impact Test guidance | No | 14 |
| Small firms Small Firms Impact Test guidance | Yes | 14 |
| Environmental impacts | | |
| Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance | No | 14 |
| Wider environmental issues Wider Environmental Issues Impact Test guidance | No | 14 |
| Social impacts | | |
| Health and well-being Health and Well-being Impact Test guidance | Yes | 14 |
| Human rights Human Rights Impact Test guidance | No | 14 |
| Justice system Justice Impact Test guidance | No | 14 |
| Rural proofing Rural Proofing Impact Test guidance | No | 14 |
| Sustainable development Sustainable Development Impact Test guidance | No | 14 |

¹ Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

| No. | Legislation or publication |
|-----|---|
| 1 | Road Traffic Offenders Act 1988 - http://www.legislation.gov.uk/ukpga/1988/53/contents |
| 2 | Road Safety Act 2006 - http://www.legislation.gov.uk/ukpga/2006/49/contents |
| 3 | [consultation documents] |
| 4 | |

+ Add another row

Evidence Base –

Preferred Option – Policy Option 2

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

| | Y ₀ | Y ₁ | Y ₂ | Y ₃ | Y ₄ | Y ₅ | Y ₆ | Y ₇ | Y ₈ | Y ₉ |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transition costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual recurring cost | 0.24 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.24 | 0.21 | 0.21 |
| Total annual costs | 0.24 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.24 | 0.21 | 0.21 |
| Transition benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual recurring benefits | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |
| Total annual benefits | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |

* For non-monetised benefits please see summary pages and main evidence base section

Evidence Base

Problem under consideration

1. There is a need to reform the drink-drive rehabilitation scheme (“the scheme”) under which drink-drivers are able to obtain discounts on their driving disqualification by successfully completing a drink-drive rehabilitation course. Eligible courses are those that have been notified to the Courts as approved by the Secretary of State.
2. The scheme has run on a national basis since 2000. It is important that the scheme operates to a high standard because drivers guilty of serious road traffic offences receive substantial benefits from completing a course.

One in/one out

3. The proposal is to withdraw the existing rules governing the scheme, and to replace them with new ones. Under section 34A(2) of the Road Traffic Offenders Act 1988 (“RTOA”), a court may make an order, with the offender’s agreement, reducing the period of disqualification for drink-driving on satisfactory completion of a course. The Road Safety Act provides for these provisions to be replaced. The new provisions will become the new Sections 34A to C of the RTOA.
4. The proposed new rules for the scheme provide for fees to be paid by the providers receiving course approvals to recover the full cost to the Department (now DSA) of managing the scheme. The Department has hitherto borne these costs, and this has limited the resource available for the work. It is proposed that successful applicants will pay £1000 for a course approval. They will also go on to pay a *per capita* fee of £7 for each client completing the approved course during each quarter. This will raise some £207k pa on current course completion rates.
5. However, the course provider will recover the cost of its fees from their clients – the convicted drink-drive offenders who attend the courses. The *per capita* element of the fee does not therefore fall on business and is a legitimate penalty to impose on the offenders who attend the courses. The £1000 element paid on receipt of a course approval is equivalent to a contractual arrangement - DSA will approve a course for a fixed period, and will then monitor and assure the quality of courses which the supplier has the right to provide.
6. On this basis, neither element is covered by the OIOO rule.

Rationale for intervention

7. Responsibility to ensure this has been placed upon the Secretary of State, since the Courts will only refer offenders to courses that he has approved. For this reason, the scheme could not be left to self-regulation by the providers. In addition, however, audits of the scheme have produced strong evidence that the providers have not maintained required standards, and that changes are required to ensure that this is corrected.
8. The proposal which is the subject of this Impact Assessment is to implement provisions in the Road Safety Act 2006 (see paragraph 24 below). These provisions were made following a review of the operation of the scheme² The report of this review says –

Overall, this study found a marked benefit to all offenders, regardless of social status, age or gender, of attending a DDR course.

However, it also says –

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. ... Two areas addressed within the DfT guidelines were not adhered to by all course-providing organisations. These were the issuing of non-completion certificates to referred offenders who failed to attend a course, and the formatting of courses in terms of the number, duration and frequency of sessions.

The results have also highlighted the need for a number of organisations to introduce or improve existing measures to monitor the quality and effectiveness of their courses. A number of organisations do not implement any [such] measures.

9. A review of these findings identified that it would not be sufficient simply to refine the guidance issued to providers. For one thing, legal advice identified that providers may not be obliged to accept involuntarily retrospective changes to the terms of their approvals. In addition, there is no power to time-limit, or terminate an approval. It was therefore concluded that primary legislation would be required to make necessary reforms. This legislation provides for detail to be supplied in secondary legislation (the Regulations now proposed).
10. The 2004 review has been revisited since the Road Safety Act was passed. The Department 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.

Alternatives to regulation

11. Consideration has been given to removing the regulation of the scheme (Option 3), but this has been rejected. The whole basis of the scheme is that Courts refer offenders to approved providers, so as to provide assurance that the courses are provided to a consistent standard by providers whose completion certificates can be relied upon to allow a reduced disqualification from driving. The primary legislation makes the Secretary of State accountable for the integrity of the scheme, an obligation which is discharged by overseeing the approved providers as efficiently as possible.

² *The drink/drive rehabilitation scheme: evaluation and monitoring* (Smith L R et al) (2004) – TRL Report 613 (TRL Ltd)

The necessity of the proposal

12. It is concluded from the reviews described in paragraphs 8 and 10 that it will therefore be necessary to proceed to implement the new provisions, so that existing approvals can all be terminated, and new approvals issued (not necessarily to all the existing providers) on more satisfactory terms, and permit oversight to be streamlined and made more effective. The outline of the new regime is described in paragraphs 25 and 26 below).
13. The Department has not hitherto charged fees to providers of approved courses. This has constrained the resources available to oversee the scheme. It was concluded, when it was decided was taken to prepare new primary legislation, that a power to charge a fee should be included. The providers receive the benefit of a specific service – a course approval, and it is considered legitimate for them to pay its costs, rather than have them fall on general taxation. Charging fees means that the scheme becomes self-funding, and is no longer at risk from competing Departmental priorities restricting the resource needed to maintain it. Charging the fee will lead to improvements in the scheme, because effective supervision will ensure that standards are maintained more effectively than hitherto.

Policy objective

14. The objective of the drink-drive rehabilitation scheme is to improve road safety by reducing the rate of re-offending by drink-drivers - and the scheme aims to contribute to this by increasing clients' appreciation of the risks involved in their behaviour, and the importance of separating driving from their consumption of alcohol. The objective is to streamline the network of providers, increasing the quality assurance requirements attached to approvals, enhancing the integrity – and thus the potential success – of the scheme; and to provide resource to allow the scheme to be developed in the future.

Background

15. The Government has been successfully tackling drink driving for many years, through a combination of effective enforcement and high-profile public awareness campaigns, but it is recognised that further intervention is required in order to make further inroads into the problem and achieve the objective of reducing drink-related road traffic collisions, and the associated casualties, to the minimum possible level.
16. In 1967 over one-fifth (22 percent) of road fatalities were linked to drink driving (1,640 out of a total of 7,319). Over the last forty years, since the introduction of the prescribed limit, there has been a significant reduction in this figure. Provisional data for 2009 reports 380 fatalities linked to drink driving, around one-sixth of the total number of people killed in road accidents that year.
17. Since 1 January 2000, courts³ throughout Great Britain have had the power to refer anyone convicted of an offence under sections 3A, 4, 5 or 7 of the Road Traffic Act 1988 (“RTA”), for which the court has disqualified them from driving for at least 12 months, to an approved drink driving education course. Under section 34A(2) of the Road Traffic Offenders Act 1988 (“RTOA”), a court may make an order, with the offender’s agreement, reducing the period of disqualification in such cases by up to one quarter on satisfactory completion of a course.

³ In this guide “courts” applies to Magistrates and Crown Courts in England and Wales and, in Scotland, Sheriff and District Courts (when constituted by a Stipendiary Magistrate) plus the High Court of Justiciary, unless there is specific reference to “supervising court” (see footnote 3)

Behavioural economics

18. The scheme was developed in response to an insight that repeated offending cannot be prevented simply by punishing drink-drive offenders, since many lack insight into the danger of the behaviour, and their associated immoderate use of alcohol. The scheme has been shown to be successful in addressing these issues, and the 2004 review found a substantially lower re-offending rate among course attendees compared to those who had not attended. However, these benefits do depend on an effective intervention in accordance with best practice; and these are secured by the requirement for the scheme to operate through approved providers. It has been a limitation of the scheme hitherto that national coverage is 'carved up' among a network of providers, which has tended to exclude new providers: the relaunch of the scheme provides an opportunity to address this.
19. About 90,000 offenders are convicted of drink-driving under one or other of the above provisions. About 60,000 of these are referred to courses under the scheme. However, only approximately 29,400 offenders will complete the course in 2010 (based on data from Q1 and Q2) – the vast majority of the remainder do not even arrange to attend for a variety of reasons. The overall impact of the scheme is, of course, adversely affected by these attendance rates – given research evidence that those who complete the course have a much better re-offending rate. This problem cannot be directly addressed by Regulations. However, when new approvals are invited under the powers the Regulations confer, applicants will be asked to propose measures they can take to raise awareness of the scheme, and to improve attendance rates. This cannot be madder a retrospective requirement of approvals under the existing legislation.
20. The calculations in this Assessment have been based on these 2010 figures.
21. Courses provided under the scheme must be approved by the Secretary of State. They are intended to provide those convicted of drink-driving offences with training about the problems associated with their offence in order to reduce the likelihood that they will reoffend.

Administrative burden and policy savings calculations

22. The Secretary of State has used powers in the relevant provisions in the RTOA to issue guidance to the Courts and to course providers on the scheme. There is at present no national model for approved courses. This allows a certain degree of flexibility in the detail and delivery of courses. Although this means that there may be differences in the approach adopted by different providers, all courses are required to meet the standards described in this guidance.
23. Responsibility for managing the scheme has recently been transferred by the Department to the Driving Standards Agency (DSA). DSA will be responsible for implementing the new Regulations once they have come into effect.

The Road Safety Act 2006

24. The RSA replaces the original provisions in the RTOA under which the scheme has operated. These new provisions – which will become the new Sections 34A to C of the RTOA – make provision for reduced disqualifications to apply both to drink-drive offences (as described above) and other specified offences. This document refers only to the former – there are no plans at present for courses to be approved for other specified offences.

Approval of courses

25. Under the new S34BA(5) of the RTOA, Regulations may make provision in relation to the approval of courses and may, in particular, include provision—
 - (a) in relation to the making of applications for approval,
 - (b) for the payment in respect of applications for approval, or of approvals, (or of both) of fees of such amounts as are prescribed by the regulations,
 - (c) specifying the maximum fees that a person may be required to pay for a course and by when they are to be paid,
 - (d) for the monitoring of courses and course providers,
 - (e) in relation to withdrawing approval,

- (f) for an appeal to lie to the Transport Tribunal against a refusal of an application for approval, the imposition of conditions on the grant of such an application or the withdrawal of approval, and
- (g) authorising the appropriate national authority to make available (with or without charge) information about courses and course providers.

Proposed future arrangements

26. We contemplate replacing all the existing course approvals when the new powers have been commenced. A Commencement Order will deal with the need for transitional arrangements. The kernel of the Order is that, where a course has been approved by the Secretary of State for the purposes of section 34A of the 1988 Act, that course will continue to be approved for the purposes of that section for a period ending in April 2012.. DSA will be working on a programme to replace existing approvals from that date.

Administrative burden and policy savings calculations

27. It is not an option to replace existing approvals incrementally. The existing approvals have no mechanism for their termination – this can only be achieved by means of the Commencement Order which will bring the new legislation into effect. The only fair approach in the Regulations would be to treat all existing approvals in the same way. In addition, an incremental switch-over would inhibit plans to change the geographical basis on which approvals currently operate: the freedom is needed to allow applications from people able to offer courses on a wider basis – even nationally.

28. The aim in relaunching the scheme is to establish a national network of high quality providers whose courses can be quality assured with the minimum intervention by DSA. It is likely that a new network will comprise a smaller number of providers covering larger areas. They will be free to make their own arrangements to provide local coverage – including the use of sub-contractors, provided they can provide quality assurance from their management systems.

29. This aim will be achieved in a proportionate way. Key elements of the scheme are laid down in the primary legislation, with outline further requirements to be added in the proposed Regulations. The legislation continues an existing provision for more detail to be provided in guidance. Notwithstanding these measures to establish common principles for the national scheme, the rules and guidance leave the detail of course design and delivery to the provider. As noted in paragraph 22 above, there is at present no national model for approved courses, which allows a certain degree of flexibility in the detail and delivery of courses. Although this means that there may be differences in the approach adopted by different providers, all courses are required to meet the standards described in this guidance. The aim is to move towards a standard model, but this will be done in collaboration with the new providers. The approvals will include conditions aimed at ensuring that ‘light touch’ oversight can be achieved by DSA – it should not be necessary, for example, to have a burdensome programme of course inspections where providers have quality assurance arrangements in place as part of their business practice.

30. There is no national syllabus for the courses, although work has recently been completed to establish a competence framework for the facilitators who run them. The existing regime depends to a great extent on the power the Secretary of State has to give guidance to providers, although it is not certain that he can use this power to make significant changes against the wishes of all providers. The power to issue guidance is retained in the new legislation, but it provides for some necessary requirements to be in Regulations – for example, time-limiting approvals, and the payment of fees by course providers.

31. New approvals will have conditions which may be imposed under the new legislation under which providers will be expected to adhere to the framework mentioned above. DSA has undertaken substantial work on a competence framework for safe and responsible road use, which has potential to be extended to all forms of remedial training – including this scheme. It is also considered desirable to elaborate the criteria for successful completion of a course, going beyond simple requirements to attend and co-operate. DSA will look to work with providers on these developments of the scheme, and an element of the fees proposed would be used to fund their work on this.

Preparation of the IA

32. This consultation-stage IA has been prepared on the basis of a review of existing evidence and discussions with relevant stakeholders.
33. The evidence base will be updated following the consultation period to take account of any further evidence which emerges.

Description of options considered

Do nothing, leaving the rules as they are now

34. This would involve discontinuing the commencement and implementation of provisions in the Road Safety Act 2006 allowing the rules of the scheme to be reformed, and for fees to be charged for applications for a course approval, and for course approvals. The scheme would then run as it has in the past.
35. 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 scheme at its expense, notwithstanding that the benefits accrue in the first place to course providers and their clients. DSA would only be empowered to continue their management of the scheme if the Department paid their costs for doing so, since otherwise their costs have to be covered by fee income. As this seems unlikely given the current economic climate the costs and benefits for the other two options (B and C) that are under consideration have been calculated as if the baseline required no resource, i.e. the costs are the total costs of the scheme, rather than the difference between the scenarios.

Option 1 - Reform the scheme without charging fees to providers

36. This would involve implementing provisions in the Road Safety Act allowing the rules of the scheme to be reformed, but without charging any fees – so that the cost of processing applications and supervising approvals would continue to fall on the Department.

Administrative burden and policy savings calculations

37. It would be possible to make the supervision of the scheme more efficient – for example by streamlining the network of course providers, and making it a condition of approval that they have quality assurance systems which could be relied on for audit purposes. This would minimise costs to the Department but would not allow for a fully auditing regime or any resource to allow the scheme to be developed. However, the scheme is now managed by the Driving Standards Agency (DSA) and they are obliged to recover their costs through fees, so that to continue a regime without fees would not be an option for them.

Option 2 - Reform the scheme and plan for its development, funded through a charge to successful applicants for grant of a course approval and per capita fees thereafter

38. This would involve implementing provisions in the Road Safety Act allowing the rules of the scheme to be reformed, and for the cost of granting and supervising approvals would fall on fees paid by providers of approved courses. These fees would be recoverable from offenders attending the courses. The proposal is to charge £1000 for each approval granted, and £7 thereafter for each offender referred to an approved course for whom a course completion certificate is provided. This certificate is provided to the Court, and is the basis on which the discounted disqualification from driving is awarded.
39. This is the preferred option. The two reviews of the scheme described in paragraphs 8 and 10 above demonstrate among other things that the Department has not been able to apply sufficient resource to manage the scheme in its present form; and there has been no capacity to develop it and make it a more effective intervention. The preferred option to charge the providers fees in return for the benefit of a course approval will address this deficiency and provides security for the resources needed for managing and developing the scheme. This is important, given additional constraints on Departmental budgets: there is no assurance that it will be possible to maintain even the previous level of oversight without charging these fees. So, the preferred

option will allow the benefits of reform to the scheme to be captured; give DSA an income stream to support the cost of relaunching and maintaining the course approvals; and provide resource to enable the scheme to be developed. It is proposed to limit fees to those who gain course approvals to confine the costs to those who get the benefit of an approval, and their clients.

Option 3 - Reduce oversight of the scheme

40. This would involve simplifying the present procedures for approving and supervising courses that lead to a reduction in drink-drivers disqualification from driving. The case for this would be that the scheme is well-established, and has a proven benefit in reducing re-offending. The Secretary of State would have to retain powers to approve courses – since the Courts must be clear which ones attract the benefits for offenders, but could discontinue supervision of providers, or rely – for example – on their annual reports.
41. This option is ruled out because research has shown that the standard of provision and compliance with conditions of approvals is dependent on oversight on behalf of the Secretary of State additional to perusal of annual reports so it does not meet the objectives of the policy. For this reason it has not been analysed in full.

Costs and benefits of each option

Option 1

Costs

42. The DSA estimate that the scheme will cost £205,800 per annum (£7 x 29,400 course completions) to manage. In addition there will be an extra £30,000 for application approvals every time course approvals are renewed. This will be undertaken periodically to allow for development of the course content and other elements of the scheme. (The length of approvals will be determined following consultation on these proposals.) The totals have been estimated from 30 assumed applications approved and 29,400 course completions. We have assumed that there will be 30 approvals based on the current 22 course providers applying and approximately another third. The completions figure is based on the 2010 figures from the first two quarters. If drink drive convictions continue to fall this could be lower but on the other hand it is hoped that as course providers will need to demonstrate what they will do to increase the course take up rates for the offenders referred to them a higher proportion of offenders will complete the courses. We have assumed that these two effects will cancel each other out to leave the course completion rate as it is.
43. These combined costs are in comparison to current DSA scheme running costs of £140,000 per annum (with no one-off approval costs). The net annual cost increases of the reforms are £70,000 per annum.
44. The DSA's start up fees are included within the total average annual cost. We expect their enforcement costs to stay the same as they currently are; these are captured within the £140,000 that the scheme currently costs to manage.
45. [There may be some administrative costs to course providers such as making their applications to the DSA, this would be in addition to the £1,000 course approval fee. We would welcome feedback on this in consultation responses.]
46. Under this option the costs would fall to DSA but as they are a trading fund the costs would have to be passed on to DfT.

Benefits

47. The benefits of the rehabilitation schemes cannot readily be monetised. A two-year evaluation of the scheme (The drink/drive rehabilitation scheme: evaluation and monitoring (TRL 613) - TRL Ltd 2004) identified that offenders attending courses under the scheme are around twice as likely to not re-offend. 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.

48. A reduction in re-offending will constitute a road safety benefit. The benefit of these reforms should be measured as the improvement in reduced re-offending rates as a result of more rigorous rehabilitation schemes. It is difficult to monetise the broad impacts of the course (and even more so the improvements as a result of these reforms) due to problems with identifying specific effects of the scheme. However, by way of illustration, even if only one fatal road casualty is prevented through improving the course the benefit of preventing that fatality will approximately match the total cost imposed by the reforms to the scheme (for casualty values see WebTAG Accidents Sub-Objective Unit 3.4.1 -

http://www.dft.gov.uk/webtag/documents/expert/unit3.4.php#2_2).

In 2009 there were 380 fatalities resulting from drink driving⁴.

49. There are wider non-monetised benefits to reduced re-offending rates, such as improved health and well-being for the person not re-offending and reduced cost to UK Courts. These impacts are likely to be small in relation to the road safety benefits.

Option 2

Costs

50. Under policy option 2 the costs will be met by fees charged to those who secure course approvals, rather than by the DSA. The course providers will pay the DSA £1,000 per course approval and £7 fee for each course completion. Therefore total annual costs are £205,800 p.a. falling on the course providers, with the exception of years in which approvals are re-issued, when the annual cost includes the £30,000 approval fees, therefore equalling £235,800 in those years. The number of applications for approval and course completions is assumed to be the same as in policy option 1. These funds will be used to monitor, maintain and improve the course over the appraisal period so there is no additional cost to the DSA.

Benefits

51. There is a transfer of costs from the DSA to the course providers. The reduction in expenditure on course management and improvement (a reduction of £140,000 p.a.) is a benefit to the DSA.

52. As there is a transfer of management and improvement costs the monetised net benefit of Option 2 remains the same as in Option 1.

Option 3

Costs and Benefits

53. The costs could be reduced under Option 3, but at the expense of decline in the standard of provision and so it has been discounted. The benefits would also be lower if the scheme was being run to a lower standard.

Do Nothing

Costs and Benefits

54. The costs of running the scheme might also be reduced under the do nothing option, but there will be no development of the scheme – which will progressively lag behind the standards of best practice in driver and remedial training.

Risks and assumptions

55. It is assumed that new Regulations will come into force by April 2012 so that course approvals can be re-issued from that date. This date depends on completing a public consultation, and on the

⁴ Reported Road Casualties of Great Britain. The 2009 figure is currently provisional. The 2008 figure was 400.

necessary parliamentary process for the Regulations. This timetable is a medium risk, with potentially serious consequences. If the date is missed, consideration will have to be given to curtailing the transitional period between the old and new regime; or to deferring the new regime – the resulting loss of fee income to DSA would risk their having to suspend oversight of the scheme.

56. The success of the scheme depends on sufficient applications for course approvals to be made to allow continuation of a national scheme of sufficient quality.
57. There is a risk that sufficient applications will not be made, or will not be made on time; and that those that are made take longer than expected to process or prove to be inadequate. The risk here is rated to as low, because there is a good range of potential providers, and interest from other parties. The consequences of not being able to maintain national cover are severe, but these can be managed by negotiating with some of the potential providers about the scope of their provision.
58. There is a risk that levels of attendance at courses will fluctuate, which will affect the income from approval fees - up or down. The risks here are assessed to be self-cancelling. Drink-drive offender numbers are falling, but there is also good scope to increase take-up of the scheme, as only half of referrals currently attend courses. If income were to fall, it is likely that work on developing the scheme would have to be slowed to protect resource needed for supervision.
59. There is a risk that, if the providers pass the fees they must pay through to their clients, some offenders will be deterred from attending, thus diminishing the road safety impact of the scheme. This risk is assessed as low. The fee payable by the provider represents no more than 5% of the charge they levy to their clients. There is also ample scope for better marketing of the scheme by providers, to ensure that more offenders referred to them attend the course; and the providers can be incentivised to increase take-up.

Administrative burden and policy savings calculations

60. It is assumed for the purposes of this assessment that the administrative burden of this scheme will not be changed by the new Regulations; and that there are no policy savings. The object of the Regulations is to make oversight of the scheme more effective, so as to improve its value to road safety; and to recover the cost of this from the providers of courses.

Summary and preferred option with description of implementation plan

61. The preferred option is **Option 2**. This option provides the same level of total cost as Policy Option 1 and the potential for the same level of benefits as well. However the cost is borne by the course providers and not by the DSA. It should result in improved quality and consistency of rehabilitation courses.
62. As an Executive Agency, DSA are obliged to recover their costs in this way. The fees proposed, on which this assessment is based, are considered necessary to fund the resources required to manage and develop the scheme as proposed.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

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|--|
| <p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];</p> <p>There is no statutory requirement to review the scheme, but DSA will incorporate a process of continual review into their oversight of the scheme.</p> |
| <p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p> <p>The objective of DSA's review will be to ensure that the regulatory regime allows an appropriate level of supervision of the scheme to ensure its continued integrity and contribution to road safety.</p> |
| <p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p> <p>DSA will undertake a review of the new approvals in 2014 to ensure that the new arrangements which they underpin has settled satisfactorily, and that there is full national coverage of courses to the agreed national standard.</p> |
| <p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]</p> <p>A baseline has been created by a programme of audit visits commissioned by Road User Safety Division and conducted in 2008 and 2009. This involved visits to all providers and an assessment of their compliance.</p> |
| <p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p> <p>The review will seek evidence that providers are delivering a scheme in accordance with the terms of the approvals and general guidance from DSA.</p> |
| <p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection of monitoring information for future policy review]</p> <p>DSA will continue requirements for providers to submit annual reports, and to have quality assurance systems that allow auditing to be undertaken.</p> |
| <p>Reasons for not planning a PIR: [If there is no plan to do a PIR please provide reasons here]</p> |

Annex 2: Specific Impact Tests

Competition Assessment

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

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 if option C, the preferred option, is chosen as this covers the cost to the DSA of processing it. They are required to recover their costs for a service as they are a trading fund. As the only further cost of providing courses is the £7 fee per offender then the amount they pay is proportional to the size of the business that they generate. It is assumed that this £7 fee will be passed on to the offenders.

Legal Aid and Justice

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 and justice impacts.

Sustainable Development

The proposal does not conflict with any of the five principles of sustainable development.

Carbon Assessment

The proposal would not be expected to generate a significant impact on carbon emissions.

Other Environment

It is considered that there will be no significant other environmental implications.

Health Impact Assessment

It is considered that the proposals will not impact significantly on health and wellbeing, or health inequalities, as defined by the screening criteria for this test; therefore a full assessment is not necessary. Although it should be noted that if an individual driver chooses to moderate their drinking behaviour, rather than changing their travel arrangements, this may have a positive impact on the individual's health and wellbeing. Equally, if an individual chooses to modify their travel behaviour and drinks at home rather than on licensed premises, the relative price differential may lead to increased alcohol consumption with potential for negative health effects.

Race, Gender and Disability Equality

There are no race, gender or disability equality impacts to these proposals. Equalities impact assessment initial screening suggested that a full assessment was not required.

There are currently far more men than women convicted for drink driving but this gap is closing. We have no evidence to suggest that either gender is more likely to be offered a course if they are convicted or that there is any difference in the take up rate.

Human Rights

There are no human rights implications.

Rural Proofing

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. There is expected to be no significant disproportionate impact on rural areas.