

Title: Offensive Weapons Bill IA No: HO0313 RPC Reference No: N/A Lead department or agency: The Home Office Other departments or agencies: Ministry of Justice	Impact Assessment (IA)			
	Date: 22 May 2018			
	Stage: Final			
	Source of intervention: Domestic			
	Type of measure: Primary legislation			
	Contact for enquiries: mike.box@homeoffice.gsi.gov.uk			
Summary: Intervention and Options				RPC Opinion: Not applicable

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANDCB in 2018 prices)	One-In, Three-Out	Business Impact Target Status
-£109m	-£2m	£0.2m	N/A	N/A

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

There has been a recent increase in serious violence involving knives, firearms and corrosive substances. In 2017, there was a 22 per cent increase in offences involving knives/sharp instruments and an 11 per cent increase in offences involving firearms, and between 2012/13 and 2016/17 the number of recorded corrosive substance attacks increased from 183 to 504. The Government therefore needs new primary legislation to provide the police with the powers required to tackle offences involving knives/offensive weapons, corrosives and firearms, and to respond to public concerns over incidents of serious violence.

What are the policy objectives and the intended effects?

The objectives of this legislation are to protect public safety by providing the police and the wider criminal justice system with the powers they need to tackle serious violence, and to limit the availability of knives, corrosive substances and firearms that may be used in violent offences.

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

Option 1 – Do nothing.

Option 2 – Introduce a set of legislative proposals:

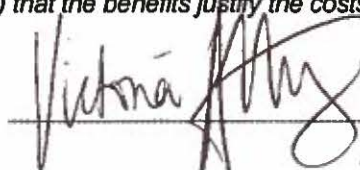
- As part of a wider package of measures to tackle knife crime.
- As part of the action plan to restrict access to corrosive products and strengthen the enforcement response to people who are carrying acid and other corrosives.
- To prohibit the supply and possession of high muzzle energy firearms, bump stocks and certain rapid fire rifles through the exercise of the Secretary of State's powers under section 5 of the Firearms Act 1968.

Will the policy be reviewed? Yes If applicable, set review date: 05/2023

Does implementation go beyond minimum EU requirements?		N/A		
Are any of these organisations in scope?	Micro	Small	Medium	Large
	Yes	Yes	Yes	Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded: N/A	Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that (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 Minister



Date: 24th May 2018

Summary: Analysis & Evidence

Policy Option 2

Description: Introduce the package of policy measures in the Offensive Weapons Bill

FULL ECONOMIC ASSESSMENT

Price Base Year 2018	PV Base Year 2018	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 79	High: 138	109

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	10	1	8	82
High	16		15	144
Best Estimate	13		12	114

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

- **Business:** £4 million PV over the first 10 years of the policy through loss of revenue to rifle ranges and registered firearms dealers, familiarisation costs and from surrender of firearms.
- **Customers:** £64 million PV from increased delivery costs and inconvenience when ordering knives online, and from surrender of offensive weapons/firearms.
- **Central government:** £6 million PV from compensating individuals for surrendering their offensive weapons/firearms, and from loss of revenue for Ministry of Defence rifle ranges.
- **Criminal justice system:** £4 million PV for additional prosecutions relating to knives/offensive weapons and corrosive substances.
- **Police:** £4 million PV for testing corrosives and additional arrests for corrosives possession.
- **Trading Standards:** £32 million PV from enforcement of the corrosive sale restrictions.

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

Police costs for arresting individuals possessing corrosives in a public place, and arresting retailers selling corrosives to under-18s. Potential costs on businesses selling knives online through lost revenue, due to restrictions on delivery to private addresses.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	4	1	0	4
High	7		0	7
Best Estimate	5		0	5

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

- **Business:** £2 million in the first year from compensation for surrendering firearms.
- **Customers:** £4 million in the first year from compensation for surrendering offensive weapons/firearms.

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

Public safety benefits from the proposals, in terms of reduced incidents of serious violence.

Key assumptions/sensitivities/risks	Discount rate (%)
The analysis of some costs and benefits is based on consultation responses, which may not be representative of the whole population. The restrictions to online knife delivery are not assumed to result in a significant decrease in sales, but some customers may no longer purchase knives online due to the increase in inconvenience. The costs to the criminal justice system of newly created offences have been estimated using an existing proxy offence, which in practice may have different costs.	3.5

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 0.2	Benefits: 0	Net: 0.2	N/A

Evidence Base (for summary sheets)

1. Strategic Overview

A.1 Background

Knives and offensive weapons

The knife legislation proposals contained in this consultation respond to significant public and parliamentary concern about increases in knife crime. In the 12 months to December 2017, offences involving knives/sharp instruments increased by 22 per cent, homicides where a knife or sharp instrument were used increased by 26 per cent, and offences for the possession of articles with a blade or point increased by 33 per cent¹. In the new Serious Violence Strategy² the Government has therefore identified the need to strengthen primary legislation, to provide the police with more powers to address this issue.

Corrosives

The use of acid and other corrosive substances as a weapon is a crime that can inflict serious harm and life-changing injuries, and the evidence suggests that these offences have increased in recent years. Based on Freedom of Information request data provided by 37 police forces, the number of recorded corrosive substance attacks increased from 183 in 2012/13 to 504 in 2016/17³. Voluntary data provided to the Home Office by 39 police forces indicates that there were 408 corrosive substance attacks between November 2016 and April 2017, and that 21 per cent of these offenders were under 18 years of age (where the age of the offender was known).

In January 2018, the Government launched a set of voluntary commitments with retailers⁴ to restrict the sale of products that contain harmful levels of acid or other corrosive substances, and prohibit sales to under-18s. There is a desire by retailers who are signing up for these commitments for there to be a statutory position on these measures.

Following a jointly hosted Home Office and National Police Chiefs' Council event in July 2017, the Government announced an action plan to tackle the use of acid and other corrosives in violent attacks, which is based on ensuring effective support for victims and survivors, effective policing, ensuring that relevant legislation is understood and consistently applied, and working with retailers to restrict access to acid and other harmful corrosive products. As part of this action plan, the Government have identified the need to strengthen primary legislation by providing the police with more powers to prevent corrosive substance attacks.

Firearms

Concerns have been raised by the police and the National Crime Agency (NCA) about the legal ownership of high muzzle energy rifles and rapid firing rifles, as they are currently available to those with an appropriate firearm licence and may pose an excessive risk to public safety. Concerns have been raised regarding the potential risk of these weapons falling into the hands of those wanting to cause serious risk to life, such as the incidents which occurred in Las Vegas in the United States in October 2017, where 58 people were killed and more than 800 were injured. The Government has therefore identified the need to introduce stricter controls on the ownership of these weapons, to prevent their use in serious incidents.

¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/crimeinenglandandwales/yearendingdecember2017>

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698009/serious-violence-strategy.pdf

³ <http://www.bbc.co.uk/news/uk-40559973>

⁴ Major retailers who have signed up to the voluntary commitments so far are: Wickes, B&Q, Screwfix, Homebase, Wilko, Co-op, Morrisons, Waitrose, John Lewis, Tesco, Lakeland, Asda and Aldi UK

A.2 Groups Affected

There will be a number of groups impacted by the set of proposals including:

- The police.
- Trading Standards.
- Criminal Justice System (CJS) agencies - Crown Prosecution Service (CPS), the Courts (HMCTS), prisons & probation service, (HMPPS), and Legal Aid (LA). A Justice Impact test has been done to estimate the impact to the CJS from this policy.
- Central Government.
- Businesses that sell knives, corrosive products or rifles in scope of the proposed legislation.
- Individuals who own knives/offensive weapons or rifles in scope the proposed legislation.
- The general public, who are affected by changes in public safety.

A.3 Consultation

Within Government

All government departments received the consultation proposals as part of the Home Affairs Committee clearance process. Analysts in the Ministry of Justice provided comments on the consultation impact assessment regarding the estimated costs of introducing new offences, and have since provided updated cost estimates for this impact assessment.

Public Consultation

The offensive weapons bill was subject to a public consultation from the 14th of October to the 9th of December 2017 and received 10,712 responses. The consultation received responses from a variety of organisations including legal organisations, firearms organisations, knife organisations, sport/historic organisations, trade organisations and retailers (Annex 3 for a full list).

The consultation responses have been considered during the drafting of the Bill proposals. The consultation responses showed some opposition to the policy prohibiting the delivery of knives to residential addresses, with small businesses in particular expressing concerns that this would lead to the loss of sales. Following these concerns, exemptions were introduced to exclude knives and swords acquired for sporting purposes and re-enactment activities, as well as those purchased on a "made to order" basis.

The proposals on corrosives were generally supported, with 84 per cent of responses favouring the ban on sales to under-18s and 67 per cent supporting the offence for possession of corrosives in a public place. The proposals around the prohibition of high muzzle energy firearms was strongly opposed, with 78 per cent of respondents opposed to the introduction of such measures. The government response to the consultation provides more information on the consultation responses.

B. Rationale

Knives and offensive weapons

1) Strengthening of age verification

Evidence from online test purchase operations conducted over the last decade, when online shopping has become increasingly common, shows that the majority of sampled online retailers failed to have effective age verification procedures. The failure rate for test online purchases of knives has not significantly improved over this period.

Trading Standards conducted two online test purchase operations in 2008 and 2009, which showed that 80 per cent of the retailers sampled (58 of 72) would sell to a person under 18 years of age. A test purchase operation commissioned by the Home Office, which was conducted in 2014, showed that 69 per cent of retailers (18 of out of 26 retailers tested) failed the test. These

results contrast with test purchases carried out in shops, where the large majority of knives sales comply with the law. In the national police week of action against knives under "Operation Sceptre" in October 2016, there were 391 test purchases of knives in shops. Of these, 80 per cent (313) passed and 20 per cent (78) failed.

To improve the enforcement of age controls, the Home Office worked with twelve major retailers⁵ and the British Retail Consortium to agree a set of voluntary commitments on responsible sales of knives in March 2016. A further five major retailers⁶ have since joined, with the commitments covering sales online and in shops. Despite these voluntary commitments, the age verification of online knives sales has not shown significant improvement, with a test purchase operation by Trading Standards and the Metropolitan Police in December 2016 showing that 72 per cent of retailers (15 out of 21 retailers) failed to verify the age of the purchaser at the point of accepting the order. Only 19 per cent (4 out of 21 retailers) went on to require further evidence of age and refused the sale when the evidence was not produced. The Government therefore seeks to improve these outcomes by introducing legislation that will place more stringent controls on online sellers of knives.

2) Possession of offensive weapons in private

There are already controls on particular offensive weapons, including certain types of knives, which are listed in the Criminal Justice Act 1988 (Offensive Weapons) Order 1988. These are weapons that have been considered by Parliament to be especially dangerous, and it is therefore an offence to sell, manufacture, hire, loan or gift these weapons. This offence is in addition to the general offences of possessing a knife or offensive weapon in public or school grounds.

However, it is not currently an offence for an individual to possess offensive weapons within their private property. This means that if the police find an offensive weapon within someone's home, they can only take action against the owner if the weapon is considered evidence related to a criminal investigation. Given the recent increases in crimes involving knives and offensive weapons, the Government seeks to introduce greater controls on these weapons by creating an offence of possessing an offensive weapon in private.

3) Possession of articles with a blade or point and offensive weapons in further education institutions

The Offensive Weapons Act 1996 amended the Criminal Justice Act 1988 to introduce an offence of having an article with a blade or point or an offensive weapon on school premises. The definition of school premises though does not cover institutions within the further education sector, such as sixth form colleges. The Government is therefore amending the legislation to extend the possession offence to include further education institutions in England and Wales.

4) Threatening with an article with a blade or point or an offensive weapon

The offence of threatening with an article with a blade or point or an offensive weapon (set out in section 139AA of the Criminal Justice Act 1988) currently requires the prosecution to prove that the defendant threatened another person with the weapon "*in such a way that there is an immediate risk of serious physical harm to that other person*". Given the recent increases in crimes involving knives and offensive weapons, the Government is proposing to strengthen the law to make prosecutions of anyone threatening another person with a knife easier.

5) Updating the definition of flick knives

The Government has concluded that the current legislative definition in Great Britain of flick knives in the Restriction of Offensive Weapons Act 1959 is outdated as it refers to the mechanism that activates the blade being in the handle. The Government is therefore amending the definition to ensure it captures those knives which have a blade that opens automatically '*from the closed position to fully opened position*' or '*from a partially opened positions to a fully opened position*' by manual pressure applied to a button, spring or other device in or attached to the knife.

⁵ Tesco, eBay UK, Lidl UK, Amazon UK, Wilko, Argos, Asda, Poundland, Morrisons, Sainsbury's, John Lewis and Waitrose.

⁶ Boots, the Co-op, B&Q, Aldi and TKMaxx

Corrosives

6) Making it an offence to sell products with certain corrosive substances to under-18s

Given the evidence on the increasing use of acid and other corrosive substances as a weapon, the Government is restricting the availability of these substances to under-18s by making it an offence to sell products containing certain corrosive substances to this age group.

7) Making it an offence to possess a corrosive substance in a public place

There is an existing offence under section 1 of the Prevention of Crime Act 1953 in respect of possessing an offensive weapon in a public place, which may apply if a person is found in possession of a corrosive substance. However, in order to prove the corrosive substance is an offensive weapon it must be shown that the person in possession of the substance intended to cause injury. In order to strengthen the police's ability to tackle the use of corrosives as an offensive weapon, the Government will introduce an offence for possessing a corrosive substance in a public place.

Firearms

8) Prohibiting high muzzle energy and rapid firing rifles and devices known as bump stocks under section 5 of the Firearms Act 1968

High muzzle energy rifles and rapid firing rifles can currently be held by civilians in possession of the correct firearms certificate. While these certificates stipulate various safeguards against theft and misuse, ownership by civilians creates a risk of these weapons getting into the hands of either criminals or terrorists, and both of these weapons have the potential to be hazardous to public safety.

High muzzle energy rifles were originally designed for military use to allow for firing over long distances in a manner capable of damaging vehicles and other physical capital (referred to in military terms as 'materiel'). They are also designed to be able to penetrate armour worn by soldiers. If these rifles were used in a criminal capacity it would allow for the penetration of police body armour and defensive protections that would not be possible with lower calibres.

Bump stocks are attachments that enable a semi-automatic rifle to fire at a faster rate. Rapid firing rifles, such as the Manually Actuated Release System rifle can discharge rounds at a much faster rate than conventional bolt-action rifles due to their firing system, and are therefore closer to self-loading rifles which are currently prohibited for civilian ownership. The fire rate of these rifles means that they are capable of large amounts of casualties or damage within a very short period of time.

Given the potential risk to public safety from these firearms and bump stocks, the Government is taking action to prohibit their ownership.

C. Objectives

The main objectives of this legislation are to protect public safety by providing the police and the wider criminal justice system with the powers required to tackle serious violence, and to limit the availability of knives, corrosive substances and firearms to be used in violent offences.

D. Options

Option 2: Introduce the package of policy measures in the Offensive Weapons Bill

Knives and offensive weapons

1) Strengthening the prohibition of sale online to under-18s and banning delivery to residential addresses

Introduce conditions for using the legal defence of having taken suitable precautions and exercised due diligence to avoid selling knives to a person under the age of 18. The Bill sets out three elements that must be met by the seller to be able to rely on a defence that they have taken reasonable precautions and exercised all due diligence. This includes the seller to have in place a system to operate age verification; when dispatching the article the package was clearly marked to show that it contained a knife or bladed article and that it was not to be handed over to a person under the age of 18 years of age; and that they have put in place arrangements with any delivery company acting on their behalf not to hand the items over to a person under 18 years of age.

It will be a criminal offence for delivery companies, where sellers are based outside of the United Kingdom, where the delivery company has entered into specific arrangement to deliver the items, where they know that they are delivering bladed articles.

2) Possession of offensive weapons in private

Legislate to make it an offence to possess in private an offensive weapon listed under section 141 of the Criminal Justice Act 1988 and a dangerous weapon listed under the Restriction of Offensive Weapons Act 1959. There will be planned statutory exemptions for the possession of weapons for sporting, artistic, religious or cultural reasons, exemptions which already apply to possession in public places.

3) Possession of articles with blade or point and offensive weapons in further education institutions

Legislate to expand the offence of having an article with a blade or point or an offensive weapon on school premises to the further education sector.

4) Threatening with an article with a blade or point or an offensive weapon

Legislate so that the offence is made if the victim fears that he/she would be likely to suffer physical harm, instead of the offence being made if there is an immediate risk of serious physical harm to that other person.

5) Updating the definition of flick knives

The current legislative definition of flick knives in the Restriction of Offensive Weapons Act 1959 refers to the mechanism that activates the blade being in the handle. The Government proposes to amend the definition to ensure that modern designs, such as those which rely on a spring assisted mechanism or assisted opening to quickly deploy the blade, also fall under the statutory definition of a flick knife. This will be done by amending the definition of a flick knife in section 1(1) (a) of the Restriction of Offensive Weapons Act 1959.

Corrosives

6) Making it an offence to sell products with certain corrosive substances to under-18s

Make it an offence to sell products with certain corrosive products to individuals under 18 years of age. This is aimed at products that contain levels of acid and other corrosive substances that inflict serious harm and life changing injuries if used as weapons. The three elements in place for a seller to be able to rely on the defence that they have taken reasonable precautions not to sell to an under-18, will be replicated from those set out under the knife proposals on online sales to under 18 years of age. However, unlike the knife proposals, the Government will not be including exemptions on the face of the Bill.

Retailers could commit a criminal offence if they sold a product containing harmful levels of acid or other corrosive substances to a person under 18 years of age. This would also apply to online

sales. This offence is modelled on existing legislation in place for knives. Similar to the legislation in relation to the sale of knives, it will be a defence to show that the accused believed the purchaser to be over 18 years old or no reasonable person could have suspected from the purchaser's appearance that they were under 18 years of age.

7) Making it an offence to possess a corrosive substance in a public place

Legislate to make it an offence to possess an acid or other corrosive substance in a public place without good reason. Currently under section 1 of the Prevention of Crime Act 1953, it is an offence to have an offensive weapon in a public place. It is possible for an acid or other corrosive substance to fall within the definition of an "offensive weapon". However, for an offence to be committed it is necessary for the police and prosecution to prove that the person is carrying the substance with intent to cause injury. This new offence would place the onus on the person carrying the corrosive to prove that they had good reason for having it. This is similar to the current knife possession offence. As part of this change, existing stop and search powers will be extended under PACE to enable the police to stop and search people for corrosives in a public place.

Firearms

8) Prohibiting high muzzle energy rifles, rapid firing rifles and devices known as bump stocks under section 5 of the Firearms Act 1968

The Bill will prohibit certain high muzzle energy rifles and rapid firing rifles under section 5 of the Firearms Act 1968. This will remove the availability of these firearms for civilian sale and purchase, rental, loan or use.

E. Appraisal (Costs and Benefits)

GENERAL ASSUMPTIONS & DATA

The main assumptions used in this impact assessment (IA) are listed below, and are explained in further detail in the costs and benefits section. The assumptions for costs related to the Ministry of Justice (MoJ) are detailed in Annex 1.

Knives and offensive weapons

1. There are between one million and two million online sales of knives in the UK per year.
2. Customers currently pay £3.39 on average for each online delivery of knives.
3. The average customer spends 30 minutes collecting their knife delivery from a collection point.
4. Strengthening age verification for the knives purchased online results in a 50 per cent increase in the number of proceedings for selling a knife to someone under 18 years of age.
5. Approximately 0.9 per cent of search of private property for drugs will result in a find of offensive weapons.
6. A national amnesty for knives/offensive weapons will cost between £200,000 and £300,000 based on estimates provided by police forces on the cost of past amnesties.
7. The cost of compensation for surrendered knives/offensive weapons will be approximately £200,000, based on estimation by policy experts.
8. Approximately 50 per cent of offences are proceeded against.
9. The changes to the offence of threatening with an article with a blade or point or an offensive weapon results in a 10 per cent increase in the number of cases convicted.

Corrosives

10. The Home Office has received estimations by two trading standards authorities (TS) on the costs of conducting TS operations for the sale of corrosives. These include:
 - a. The cost of training staff to conduct these new operations, costing £3,000 per authority in the first year.

- b. The cost to generate business guidance on the new regulations, costing £800 nationally in the first year.
 - c. The cost to conduct a series of target advice visits to businesses estimated to cost between £1,500 and £4,000 per authority in the first year with a best estimate of £2,750 per authority.
 - d. The cost to handle complaints and FOI requests arising from the conduct of the operations costing £400 per authority per year.
 - e. The cost to conduct the test purchases themselves costing between approximately between £5,100 and £5,700 per authority per year.
 - f. The cost to follow up on test purchase operations, notifying businesses of success and updating TS records costing £900 per authority per year.
 - g. The cost to investigate those businesses who fail the test purchasing operation costing between approximately £600 and £700 per authority per year.
 - h. The cost to handle initial budget allocation and project coordination costing £1,250 per authority during the first year of the policy.
 - i. The cost to manage the recruitment of voluntary mystery shoppers to conduct the operation costing £1,500 per authority per year.
 - j. The prosecution cost to TS when there is a guilty plea as a result of their investigation costing £1,000 per case. The costs for non-guilty pleas are reported as being variable.
11. From business population estimates⁷, the number of people working in small retail enterprises (less than 50 staff) is approximately 934,000. Assuming that 20 per cent of these companies sell corrosives in scope of the policy, there are approximately 187,000 employees affected by the policy.
 12. From business population estimates⁸, the number of medium and large retail enterprises in the UK is 2,070. Assuming that 20 per cent of these companies sell corrosives in scope of the policy, there are approximately 400 medium and large businesses affected by the policy.
 13. It is assumed that there is a churn of 25 per cent of retail staff per year (based on industry estimates⁹), who will need to familiarise themselves with the policy.
 14. The average reading speed of a person reading in English is 228¹⁰ words per minute. Thus, it will take approximately 3 minutes for someone to read the guidance on the policy.
 15. The mean wage for sales assistants and retail cashiers is £9.11 per hour¹¹.
 16. Non-wage labour costs are assumed to be equivalent to 20.63% of wage costs¹², so total labour costs for sales assistants and retail cashiers is £10.99 per hour.
 17. It is assumed that there are 342 trading standards authorities in England and Wales as the 32 London local authorities operate joint enforcement.
 18. Thirty-nine police forces reported a total of 408 attacks involving a corrosive during a 6-month period. Scaling this up to cover all forces results in 450 attacks in a 6-month period of 900 attacks in the year.
 19. There were 14,000 arrests of knife possession in England and Wales in the year to March 2017.
 20. There were 34,703 arrests for attacks involving a knife in England and Wales in the year to March 2017.
 21. It is assumed that the ratio of corrosives possession offences to corrosive attacks is the same as the ratio of knife possession offences to knife attacks.

⁷ <https://www.gov.uk/government/statistics/business-population-estimates-2017>

⁸ See (7).

⁹ <https://clive.unum.co.uk/content/how-employee-benefits-can-reduce-staff-turnover-in-the-retail-industry>

¹⁰ Trauzettel-Klosinski, Susanne; Dietz, Klaus (August 2012). "Standardized Assessment of Reading Performance: The New International Reading Speed Texts IReST". *Investigative Ophthalmology & Visual Science*. 53 (9).

¹¹ <https://www.ons.gov.uk/file?uri=/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digit2010ashe>
table14/2017provisional/table142017provisional.zip table 14.5, code 711

¹² http://ec.europa.eu/eurostat/statistics-explained/index.php/Hourly_labour_costs

22. The cost of a serious wounding is estimated at being approximately £2.1 million, based on the revised economic and social costs of crime¹³ and uprated to 2018 prices.

Firearms

The assumptions for this analysis have been developed using data provided by respondents to the consultation, for example from registered firearms dealers, and using input from industry experts:

23. Based on responses to the consultation, registered firearms dealers hold a total of 68 of .50 calibre rifles, and they are worth an average of approximately £19,500.
24. Based on data from the police, a total of 64 .50 calibre rifles are registered to private individuals in the UK.
25. Based on midpoints of data provided by the NRA and the rifle importer, the total number of Manually Actuated Release System (MARS) rifles in the UK is assumed to be 700, and their average value is assumed to be £3,000.
26. It is assumed that 10 per cent of rifles are sold by registered firearms dealers each year, and that each sale generates a profit margin of 10 per cent.
27. It is assumed that it takes approximately 3 minutes for registered firearms dealers to read the guidance issued on high calibre and rapid firing rifles, and it is assumed that they earn an average of £16.20 per hour¹⁴.
28. Non-wage labour costs are assumed to be equivalent to 20.63% of wage costs¹⁵, so total labour costs for registered firearms dealers is £19.54 per hour.
29. Based on advice from industry experts, it is assumed that between 10 and 30 .50 calibre shooters would use a rifle range per month, and they would pay between £130 and £500 per session.
30. Based on advice from industry experts, it is assumed that between 70 and 200 MARS shooters would use a rifle range per month, and that they would pay between £40 and £60 per session.
31. Based on consultation responses, the annual revenue from .50 calibre rifle clubs using an MoD rifle range is approximately £30,000 and it is assumed that there are two such clubs¹⁶.
32. The cost of a homicide is estimated at being approximately £2.1 million, based on the revised economic and social costs of crime¹⁷ and uprated to 2018 prices.

The appraisal period for this IA is 10 years, and the transition period is for one year.

OPTION 1 – Do Nothing

Knives and offensive weapons

1) Strengthening of age verification

Conditions for the legal defence of having taken suitable precautions in the sale of online knives will not be introduced. There will be no impact to businesses and consumers as it introduces no new restrictions on the sale of knives online, and there will also be no new costs to the police or the CJS.

2) Possession of offensive weapons in private

Individuals will continue to be able to possess in private, weapons that are listed as offensive weapons. There will be no new costs to the police or the CJS.

¹³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118042/IOM-phase2-costs-multipliers.pdf

¹⁴ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupshetable6>
Table 6.5a, Mean overall hourly earnings.

¹⁵ http://ec.europa.eu/eurostat/statistics-explained/index.php/Hourly_labour_costs

¹⁶ <http://www.offasrifleclub.com/Rangecal.htm> , <http://www.fcsc.co.uk/>

¹⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118042/IOM-phase2-costs-multipliers.pdf

3) Possession of articles with a blade or point and offensive weapons in further education institutions

Individuals will continue to be able to possess a knife in an educational establishment beyond schools. There will be no new costs to the police or the CJS.

4) Threatening with an article with a blade or point or an offensive weapon

The threshold for prosecution in the instances of threatening someone with an offensive object will remain the same. There will be no new costs to the police or the CJS.

5) Updating the definition of flick knives

Not updating the definition of a flick knife would leave a potential loophole open to exploitation. There will be no new costs to the police or the CJS.

Corrosive substances

6) Making it an offence to sell products with certain corrosive substances to under 18s

This would not help to prevent harmful corrosive products and substances being sold to individuals under 18 years of age. It does not address the problem of why people under the age of 18 years may be carrying these substances in a public place without having to show good reason for doing so.

A number of retailers have also committed under the voluntary commitments scheme to prohibit sales to under-18s. However, there is strong support from retail trade associations, such as the British Retail Consortium that any age restrictions need to be set out in legislation to provide a level playing for all retailers. If this was not achieved, then these voluntary commitments might not be fulfilled.

7) Making it an offence to possess a corrosive substance in a public place

This would not ease the burdens on the police and CPS in having to prove that the individual is carrying a corrosive substance in public to cause harm to others under offensive weapons legislation. It would also not deter individuals from taking the decision to carry corrosive substances.

Firearms

8) Prohibiting high calibre rifles, rapid firing rifles and bump stocks

This would not address the public safety risk that exists from allowing civilian use of these rifles and the potential for them to fall into the hands of criminals or terrorists.

OPTION 2 – Legislate to introduce the set of policies outlined

Knives and offensive weapons

COSTS

1) Strengthening of age verification

Set-Up costs

Businesses

1. Under the proposed policy, online knife sellers using the legal defence of having taken suitable precautions and exercised due diligence to avoid selling knives to a person under 18 years of age would have to meet the following conditions: robust age checks online, suitably labelled parcels and arranged age checks at the point of delivery. Retailers who sell knives online are

already required to ensure that suitable age checks are in place and that their products are suitably labelled, so these conditions do not impose any new regulatory requirements.

2. However, there is currently no requirement for businesses to ensure that age verification checks are in place at the point of delivery, so there are likely to be costs associated with this condition. The point of delivery cannot be a private residential address, unless a private residential address is also being used as a business premise, so knives sold online must be delivered to a location where the age of the purchaser is checked, such as a delivery collection point, and the seller must have undertaken the three elements set out in the Bill to ensure they can apply the defence of having taken reasonable precautions. It is likely that this will increase the overall delivery costs for customers purchasing knives online, and customers will also experience inconvenience costs from having to travel to a collection point to pick up their purchase. This may result in a cost to business, through a potential loss of sales if customers decide not to purchase these items given the increase in cost and inconvenience.

3. The total volume of online knife sales has been estimated in this impact assessment, using data from consultation responses. Businesses from a range of sectors responded to the consultation, covering outdoor activities, specialist cutlery, specialist knife collectors and hunting knives, as well as responses from industry associations. Approximately 100 online knife sellers provided valid data relating to their online sales of knives, with total sales of around 1 million items and total turnover of £22 million across all responses.

4. There is no official data on the total number of knives sold online, so it is not known whether this is an accurate reflection of the total market. There may be a significant number of businesses who did not respond to the consultation, and there may also be overlaps between consultation responses, as some industry associations responded on behalf of their members. The total sales from the consultation responses (1 million items) has therefore been taken as a lower bound estimate of the total size of the market, while an estimate of 2 million sales has been taken as the upper bound estimate, under the assumption that the consultation responses reflected only half of the total market.

Ongoing costs

Customers

5. It is estimated that customers who purchase knives online currently pay £3.39 for delivery on average. This has been estimated by assuming that customers who purchase orders worth under £50 use standard second class delivery (at a cost of £2.85¹⁸), and customers who purchase orders worth over £50 use recorded delivery (at a cost of £3.85). Based on the consultation responses, 46 per cent of online knife orders are worth under £50, with the remaining 54 per cent worth over £50. The assumed cost for delivery to a collection point is between £4.99 (for a 3-5 day delivery) and £5.69 per order (for a 2-day delivery), based on online quotes¹⁹, which costs between £1.60 and £2.30 more than the current price of delivery with a midpoint of £1.95. As previously described, it is assumed that there are between approximately 1 million and 2 million online sales of knives per year with a midpoint of 1.5 million sales, which means that delivery costs are estimated to increase by a total of between £1.6 million and £4.7 million per year as a result of this policy with a midpoint of £3.2 million per year. This has a PV of £27 million over the first 10 years of the policy.

6. To estimate the increased inconvenience costs to customers from having to travel to collection points, it is assumed that the average customer spends 30 minutes collecting their delivery (for example 20 minutes to travel to and from the collection point, and 10 minutes to queue and pick up the package). In practice, it may take some customers significantly less time to collect their deliveries, if their collection point is located in a place which they already visiting, for example at a local supermarket or petrol station. Using an average value of leisure time of £5.09 per hour in 2018 prices²⁰, the 30 minutes of time spent collecting each online delivery is valued at £2.54.

¹⁸ <https://www.royalmail.com/personal/sending-parcels/>

Collect Plus

²⁰ <https://www.gov.uk/government/publications/webtag-tag-data-book-december-2017>

Across all deliveries of online knife sales (of between 1 million and 2 million per year), the total cost of this inconvenience is estimated at between £2.6 million and £5.2 million per year with a midpoint of £3.9 million per year. This has a PV of £34 million over the first 10 years of the policy.

Businesses

7. This policy could result in a cost to business through a loss of sales, if customers decide not to purchase knives online as a result of the increased cost and inconvenience. It is unlikely that there will be a significant impact on sales, given the nature and cost of these purchases. Based on responses to the consultation, the majority of customers pay over £50 per sale for knives bought online, as many of these purchases are specialist or one-off items, such as collectors' knives or outdoor/hunting knives. For a £50 order, the additional delivery costs represent an extra 3 to 4 per cent on the overall purchase price, which is unlikely to cause customers to no longer purchase the item, particularly if it is a one-off purchase. Customers are most likely to no longer purchase an item online if an alternative is available in-store, and in this case, there is no overall reduction in knife sales, but a transfer of sales from online to in-store.

Trading Standards

8. Trading Standards (TS) conduct test purchases on knives to check compliance with the law, so test purchase operations will now need to cover delivery collection points. This is not expected to significantly increase costs given that collection points are located within premises such as supermarkets and petrol stations, which already sell age-restricted products and would therefore be subject to test purchase operations. An increase in test purchase operations of knives retailers has already been committed to in the new Serious Violence Strategy²¹ and includes support for TS to undertake prosecutions of retailers who sell knives to under-18s, including online retailers. As part of the strategy, the Home Office will provide a specific prosecution fund for two years to support targeted prosecution activity against online and in-store retailers in breach of the laws in relation to the underage sales of knives.

Police

9. There may also be increased police activity, as they support test purchase operations and pursue prosecutions. However, an increase in test purchase activity and prosecutions relating to knives retailers has already been announced in the new Serious Violence Strategy, so this Bill is unlikely to result in a significant additional increase in police activity.

Ministry of Justice Agencies

10. The policy may result in an increased likelihood of prosecution of businesses as they will no longer be able to rely on the legal defence of having taken suitable precautions and exercised due diligence to avoid selling knives to a person under 18 years of age if they do not ensure the conditions are met. Alternatively, there may be a fall in prosecutions, if this policy limits accessibility to knives for under 18s, and therefore leads to a reduction in offences by this group. Therefore, this policy may result in an increase or a decrease in demands on the CJS.

11. A conservative estimate of the impact on the CJS has been produced by assuming that this policy results in a 50 per cent increase in the number of proceedings for selling a knife to someone under 18 years of age. In 2016 there were 24 such proceedings, so an additional 12 proceedings would result in a total cost of approximately £42,000 per year to the MoJ (a PV of £0.4 million over the first 10 years of the policy), assuming a cost of £3,500 per proceeding. Section F presents details on all cost assumptions and risks relating to MoJ agencies.

²¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698009/serious-violence-strategy.pdf

2) Possession of offensive weapons in private

Set-up costs

Police

12. A ban on the private possession of offensive weapons means that where the police identify offensive weapons within a private location, they will now be required to charge the individual with an offence unless the weapon is held with a good reason or a defence applies. It is considered unlikely that the police would use the new offence as a basis to organise a significant amount of new search warrants for offensive weapons, given the significant police activity that already takes place to target habitual knife carriers, for example through Operation Sceptre.

13. There will also be costs to the police from providing individuals with the opportunity to surrender their offensive weapon, for those who were legitimately holding them prior to the offence's introduction. Police forces have provided an average estimated cost of approximately £8,000 per force to run a full amnesty, equating to a total cost of approximately £0.3 million across all forces in the first year as an upper bound estimate. As a lower bound estimate, if police forces relied only on a media campaign and using existing surrender bins, then the cost would be approximately £0.2 million in the first year. The midpoint of these two figures (£0.25 million in the first year) is taken as the central estimate.

Individuals surrendering offensive weapons

14. Individuals that legitimately own weapons in scope of the offence are likely to surrender their weapon, and will therefore incur a cost equal to its value. They will be compensated for doing so, which is addressed in the benefits section. The amount of compensation provided is assumed to be equal to the value of the weapon. The compensation will apply to flick knives and gravity knives in scope of the Restriction of Offensive Weapons Act 1959, if they were acquired before the Act was introduced, offensive weapons in scope of the secondary legislation under Section 141 of the Criminal Justice Act 1988 if they were acquired before the Act was introduced, and items that will be in scope of the new definition of a flick knife.

15. Given that it has not been legal to purchase most of these weapons for several decades and the planned statutory exemptions (which already apply to possession in public places), the number of weapons eligible for compensation it is likely to be small, although a precise figure is not available. Taking account of these uncertainties, the Home Office has estimated that the amount of compensation required is likely to be in the region of approximately £0.2 million.

Central government

16. As previously described, individuals surrendering their offensive weapons will be compensated by the Home Office. It is estimated that this compensation is likely to be in the region of approximately £0.2 million in the first year.

Ongoing costs

Police

17. The police are likely to make use of this offence when offensive weapons are identified during a search of a private property for other items, such as controlled drugs. The likelihood of this occurring can be estimated using data on the items found during stop and searches. Based on Police Scotland data²², an average of approximately 0.9 per cent of stop and searches for controlled drugs resulted in a find of offensive weapons. In over half of these cases, other illicit items (such as drugs, firearms or cash) were also found. There were approximately 6,900 applications for drug-related search warrants in 2017, so it is estimated that 0.9 per cent of these searches would result in a find of offensive weapons, producing a total of 62 additional

²² <http://www.scotland.police.uk/about-us/police-scotland/stop-and-search/stop-and-search-data-publication/>

proceedings per year. The cost to the police of these additional offences are thought to be negligible, given that they take place during existing stop & search activity, and given that other illicit items are assumed to be found in over half of these cases.

Ministry of Justice Agencies

18. This offence may lead to an increase in the number of proceedings as the police find offensive weapons in private property when they execute search warrants. As previously described, it is estimated that this will lead to an additional 62 proceedings per year. The estimated cost to the CJS per case proceeded against is approximately £3,100, based on the costs for the existing offence of possession of offensive weapons without lawful authority or reasonable excuse. This results in a total cost of approximately £0.2 million per year (PV of £1.7 million over the first 10 years of the policy). This is a conservative estimate, as this policy may also cause a reduction in the number of proceedings, as the surrender of offensive weapons may lead to a decrease in the number of offences where these weapons are used.

3) Possession of articles with a blade or point and offensive weapons in further education institutions

Ongoing costs

Police

19. Expanding the offence of having an article with a blade/point or an offensive weapon on school premises to the further education sector will impose new burdens on the police, when they are called out to further education institutions for these offences. The number of additional offences resulting from this change has been estimated by scaling up the current number of offences in schools by the percentage of additional organisations that have been brought into scope.

20. There was a total of 24,281 schools in England in 2017²³, compared to a total of 325 further education colleges²⁴, so expanding the offence to further education institutions results in an additional 1.3 per cent organisations being in scope of the offence. Multiplying this percentage by the 134 proceedings for possession in schools in 2016 results in an estimated increase of 2 offences per year.

21. The estimated time it takes for a police force to investigate a knife possession incident is approximately 11 hours²⁵, based on data provided by a police force. Using the cost for an hour of constable time of approximately £32²⁶, the total cost of investigating an incident is approximately £400. The total cost to the police of expanding this offence is therefore approximately £800 per year (PV of £7,000 over the first 10 years of the policy).

Ministry of Justice Agencies

22. Expanding this offence will generate new demands on the Criminal Justice System, as additional proceedings are processed. It is estimated that there will be one additional proceeding per year, given that there are two additional offences per year, and it is estimated that approximately 50 per cent of recorded crimes are proceeded against²⁷. The estimated cost to the CJS per case is approximately £1,500 (PV of £12,000 over the first 10 years of the policy), so the total additional cost is estimated at £1,500 per year.

²³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/650547/SFR28_2017_Main_Text.pdf

²⁴ <https://indd.adobe.com/view/2ecfd04e-047c-49cc-91d3-18f9bdb9ca73>

²⁵ Mid-point from Home Office internal estimates used: <http://www.parliament.uk/documents/impact-assessments/IA14-21G.pdf>

²⁶ Home Office internal estimates on police hourly costs.

²⁷ Uses the police recorded crime volumes and the volumes of those proceeded against from the December 2016 Criminal Justice Statistics Quarterly publication: <https://www.gov.uk/government/statistics/criminal-justice-system-statistics-quarterly-december-2016>

4) Threatening with an article with a blade or point or an offensive weapon

Ongoing costs

Ministry of Justice Agencies

23. Removing the element of subjectivity on the part of the person threatened, and replacing it with a fear element may lead to an increase in the proportion of defendants which are convicted. In the absence of evidence, it has been assumed that this change results in a 10 per cent increase in the number of convictions. This results in an additional increase of 8 prison places, which result in an increased cost to the Criminal Justice System of approximately £61,000 (PV of £0.5 million over the first 10 years of the policy), based on an estimated cost per prison place of approximately £7,600.

5) Updating the definition of flick knives

Ongoing costs

24. Currently flick knives are already illegal and cannot be manufactured, imported, sold or hired in the UK. The proposed change in legislation seeks to pre-emptively expand the legislation to close a loophole around the definition of a flick knife. As this is a pre-emptive change the current number of knives in scope of this loophole is not thought to be significant, and therefore no significant costs are expected.

BENEFITS

Individuals surrendering offensive weapons

25. As previously described, individuals surrendering their offensive weapons will receive a benefit through the compensation provided by the Home Office, which is estimated to be in the region of approximately £0.2 million.

Public safety

26. The introduction of these new measures to limit the availability of knives and offensive weapons may reduce their possession and their use in offences. Similarly, changes to the burden of proof required for the prosecution of threatening with a knife may act as a deterrent as the risk of receiving a sentence increases. However, these benefits cannot be quantified due to the level of uncertainty around how many offences will be avoided.

27. However, a breakeven analysis has been undertaken to demonstrate the magnitude of benefits required in order to outweigh the net costs of the policy package. Using an estimated cost to society per homicide of £2.1 million in 2018 prices²⁸, this policy package would need to prevent four homicides per year over the next 10 years in order to have an estimated net benefit to society. Similar analysis can be done for other offences such as serious wounding, which is estimated to cost approximately £30,000 to society. The policy package would have to lead to a reduction in 250 knife-related serious woundings per year in order to have a net benefit to society.

Corrosives

COSTS

6) Making it offence to sell products with certain corrosive substances to under 18s

Set-up costs

Businesses

28. Retailers may face transition costs to familiarise themselves with the new policy. It is assumed that small businesses do not have an electronic system to flag age restricted products, so they will have to manually familiarise themselves with the products in question. It is assumed that the guidance that they will have to familiarise themselves with is approximately 600 words, and assuming an average reading speed of 228²⁹ words per minute, it will take approximately 3 minutes for someone to read the guidance on the policy. Using the mean hourly cost of sales assistants and retail cashiers of £10.99 per hour³⁰, it will cost £0.48 per employee to familiarise themselves.

29. Based on business population estimates, the number of employees in small retail businesses (fewer than 50 employees) is approximately 934,000³¹. Assuming that 20 per cent of all retail businesses sell corrosives in scope of the policy, there are approximately 187,000 employees affected. Multiplying 187,000 employees by the £0.48 cost per employee results in a total familiarisation cost of £90,000.

30. Medium and large businesses (50 or more employees) are assumed to have electronic bar code scanning systems. There will therefore be no familiarisation cost to those employees, as the system will automatically flag items for age verification. However, there may be a cost to enter the items into the system so that they can be flagged. It is assumed that this takes an employee two hours to do, which costs £21.98 per business using the mean cost to business of retail staff of £10.99 per hour.

31. From business population estimates, the number of medium and large retail enterprises in the UK is 2,070. Assuming that 20 per cent of these companies sell corrosives in scope of the policy, there are approximately 400 medium and large businesses affected by the policy. Multiplying this by the £21.98 cost per business results in a total cost of approximately £9,000 in the first year.

32. It is assumed that businesses which currently sell corrosives are already selling other age-restricted products - for example supermarkets will already sell alcohol and cigarettes and hardware stores are likely to sell solvents and knives. It is therefore assumed that their staff will already be trained in age verification, and will not require new training as a result of this policy.

33. It is assumed that this policy will not result in a loss of sales from under 18s who are legitimately purchasing corrosive substances, given the availability of alternative products not covered by this policy (for example, cleaning products which are less corrosive), and the possibility that an adult could purchase the substance on their behalf.

34. Retailers that have signed up to the voluntary commitments as a responsible seller should incur minimal further costs as a result of this legislative measure, which means that the costs of the policy to businesses may be over-estimated.

²⁹ Trauzettel-Klosinski, Susanne; Dietz, Klaus (August 2012). "Standardized Assessment of Reading Performance: The New International Reading Speed Texts IReST". *Investigative Ophthalmology & Visual Science*. 53 (9).

³⁰ <https://www.ons.gov.uk/file?uri=/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashe>
table14/2017provisional/table142017provisional.zip table 14.5, code 711

³¹ <https://www.gov.uk/government/statistics/business-population-estimates-2017>

Consumers

35. It is proposed that the restrictions to the online sale of knives will also apply to corrosive substances. However, this is not expected to have any costs to retailers or customers, given the availability of alternative products for substances purchased by households (for example cleaning products which are less corrosive), and given that business customers will not be affected by this legislation.

Trading Standards

36. Trading Standards will be responsible for the compliance and some of the subsequent enforcement of the policy. Following the consultation, the Home Office received additional estimates from TS.

37. Initial implementation of the age restriction will require TS to allocate budget and co-ordination, raise awareness of the new policy, train staff and provide advice to businesses on the new restrictions. Trading Standards from two local authorities have estimated that it would cost £7,000 per authority to cover the initial start up costs of the policy, plus £800 to produce national guidance for businesses. Scaling the £7,000 by the number of local authorities in England and Wales (342) results in a national cost to TS of approximately £2.4 million in the first year to set up the policy. This estimate is uncertain as it is based on a small sample size of two respondents, so a range of 20 per cent either side of the central cost has been estimated. This provides a lower bound cost of £1.9 million and an upper bound cost of £2.9 million in the first year.

Ongoing costs

Businesses

38. There may be a recurring cost due to the churn of staff, as new employees will need to familiarise themselves with the guidance. Assuming that there is a churn of 25 per cent of retail staff per year, this results in a cost of £22,500 per year (PV of £0.1 million over the first 10 years of the policy).

Trading Standards

39. Trading Standards conduct regular test purchasing operations (involving recruiting mystery shoppers and follow up), investigations, prosecutions, and respond to complaints and FOI requests. Trading Standards from two local authorities estimated that these yearly running costs to tackle corrosives would be around £9,900 per authority. Scaling this by the number of local authorities in England and Wales (342) results in a running cost to TS nationally of approximately £3.4 million per year (PV of £29 million over the first 10 years of the policy). Applying a 20 per cent either side of these costs provides a lower bound PV of £23 million and an upper bound PV of £35 million over the first 10 years of the policy.

Police

40. Police forces may face an additional demand on their resources to enforce any prohibition on the sale of corrosives to under-18s, and they may face a reduction in demand if this policy prevents under-18s from obtaining corrosives for use in violent attacks. The cost of this depends on the volume of corrosives that are supplied to under-18s, the number of attacks prevented and the costs to police forces to enforce violations and investigate attacks. The responses to the consultation did not provide adequate information to estimate whether there would be an overall increase or decrease in the demand that the police may face as a result of this policy.

Criminal justice system

41. The introduction of a new offence may generate new demands on the CJS. In the absence of data on the costs of this new offence, the costs of the offence of selling a knife to someone under 18 years of age, has been used as a reasonable proxy. This offence was chosen given that it is

from the same domain as the new offence, and it has the same maximum custodial sentence length of 6 months. Please refer to Annex 2 for details on all MoJ cost assumptions and risks.

42. The estimated cost to the CJS per case proceeded against is approximately £3,500³². It is assumed that given the lower prevalence of corrosive attacks, the sale of corrosives offence will only have half as many prosecutions as the mis-sale of knives offence. This will mean an increase of 12 prison places and thus a total CJS cost of approximately £42,000 per year (PV of £0.4 million over the first 10 years of the policy).

7) Making it an offence to possess a corrosive substance in a public place

Ongoing costs

Police

43. The introduction of a new offence for corrosive possession will require the police to be able to identify corrosive substances in order to establish probable cause. This requires that the police have the facilities to conduct field tests on any substance at the street level. The Home Office and the National Police Chiefs' Council (NPCC) lead for corrosive attacks has commissioned the Centre for Applied Science and Technology/Defence Science and Technology Laboratory (DSTL) to explore the options available to enable street-based testing for corrosive substances, as identified in the new Serious Violence Strategy³³. It is not known what final approach to street testing might be taken, so estimates of two possible approaches have been produced in order to provide indicative figures.

44. The cost of using pH testing kits is used as a lower bound estimate, which cost approximately £50 per kit, based on estimates provided by the police. It is assumed that these kits would be placed into five response cars in each metropolitan borough/London borough/unitary authority/non-metropolitan district. Scaling up for the 363 such areas across England and Wales, the total estimated cost is approximately £0.1 million per year (PV of £0.8 million over the first 10 years of the policy).

45. The cost of sending off samples for forensic testing is considered as an upper bound estimate. During a six-month period, 39 forces reported a total of 408 attacks involving a corrosive, which scales up to approximately 900 attacks per year across all forces. Assuming a false test rate of 50 per cent, it is assumed that approximately 1,800 tests are conducted per year. Each test is assumed to cost £300, based on estimates provided the police, resulting in a total yearly cost of approximately £0.5 million (PV of £4 million over the first 10 years of the policy).

46. The midpoint of these two estimates is approximately £0.3 million per year (PV of £2.5 million over the first 10 years of the policy), which is taken as the central estimate.

47. The police will also incur costs from detaining those who are arrested for possessing a corrosive. The number of corrosive attack offences (900 per year) is multiplied by the ratio of knife attacks to knife possession offences (1.18), to estimate the total number of corrosive possession offences per year (1,066). This represents a 0.05 per cent increase in custody volumes, so this was multiplied by the gross revenue expenditure on custody from Police Objective Analysis³⁴ data, resulting in an additional cost of approximately £0.2 million per year (PV of £1.5 million over the first 10 years of the policy).

48. Police may also receive additional training on how to properly test for corrosive substances. The Home Office does not currently hold figures on the potential cost of this as there is no existing training for officers on testing for corrosives therefore the Home Office has not been able estimate the costs of training. However, the NPCC lead on corrosives has issued specialist forensic guidance on corrosives regarding those being carried and how they are carried.

³² Estimated unit costs are weighted to take into account the route of a case through courts, and disposals.

³³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698009/serious-violence-strategy.pdf

³⁴ <http://www.cipfa.org/policy-and-guidance/publications/p/police-objective-analysis-estimates-201516>

Criminal justice system

49. The introduction of a new offence will generate demands on the CJS. Whilst the Home Office does not have information on the volume of new prosecutions that this might incur the Home Office does have estimates of the CJS costs of a proxy offence of 'Having an article with blade or point in public place' from the MoJ. This offence is the basis of the possession offence that is being created so offers a good comparison point for costs. Please refer to Annex 2 for all of MoJ's assumptions and risks.

50. The estimated cost per proceeding to the Criminal Justice System is approximately £4,300. The volume of new cases proceeded against is uncertain, but an estimate has been made by dividing the number of knife possession proceedings (7,360) by the ratio of knife attacks to corrosive attacks (39:1) and then by the ratio of knife attacks to proceedings for knife possession (5:1), resulting in an estimated 40 proceedings for corrosives possession. Multiplying this by £4,300 results in an estimated cost to the CJS of approximately £0.2 million per annum (2017 prices) (PV of £1.5 million over the first 10 years of the policy).

General public

51. There may be a non-monetised cost to the general public as they will have to consider if their transportation of corrosive products qualifies as good reason before taking them into a public place. There may be some instances where they are challenged on their possession. This will be a minor inconvenience for them.

BENEFITS

52. The introduction of the package of legislative measures is to reduce corrosive attacks. While it is not possible to estimate the number of attacks that may be prevented it is possible to provide an estimate of the number of corrosive related crimes that would need to be prevented to balance the costs of the policy using the published Costs of Crime³⁵ estimates. The estimated cost of 'serious wounding' is approximately £30,000 after up-rating to 2018 prices.

53. Corrosive attacks can result in serious wounding and their impacts are long lasting. Survivors of a corrosive attack could face significant long-term emotional and physical affects, which would require both psychological support and as well as physical treatment, such as scar management. To account for these costs, the cost of specialised healthcare for burns treatment relating to corrosive attacks has been collected from 13 treatment centres in England and Wales. This results in a cost of approximately £9,000 for treatment in a specialist unit. Assuming this cost is additional to the costs of treatment for serious wounding, the estimated costs of an corrosive attack are approximately £40,000. It should be noted that this captures in specialist in-patient treatment costs only, and does not take into account the wider emotional or psychological costs of an corrosive attack, due to a lack of available data. For the annual costs of the policy to equal the benefits there would have to be a reduction of around 111 corrosive attacks per year, from the current level of around 900 per year.

Firearms

- 8) **Prohibiting high muzzle energy rifles, rapid firing rifles and devices known as bump stocks under section 5 of the Firearms Act 1968**

COSTS

Set-up costs

Registered firearms dealers

54. Registered firearms dealers will incur costs from these changes, as they will be required to surrender the affected rifles (although they will be compensated for doing so, which is quantified in the benefits section), they will lose profits from not being able to trade them in the future, and they will incur familiarisation costs in order to ensure they comply with the new legislation. The main high calibre rifles affected by this legislation are .50 calibre rifles, and the main rapid firing rifles affected by this legislation are Manually Actuated Release System (MARS) rifles.
55. Based on responses to the consultation, registered firearms dealers hold a total of 68 of .50 calibre rifles, and they are worth an average of approximately £19,500 each, equating to a total value of £1.3 million. The total number of MARS rifles in the UK is assumed to be 700, and their average value is assumed to be £3,000, which were both reached by taking a midpoint between estimates provided by the NRA and the main importer of MARS rifles. Based on advice from industry experts, it is assumed that 10 per cent of MARS rifles (70) are currently held by dealers, and the remaining 90 per cent (630 rifles) are held by individuals. The total value of rapid firing rifles held by registered firearms dealers is therefore £0.2 million. The total value of all rifles surrendered by dealers is therefore £1.5 million in the first year.
56. The lower bound cost to businesses from the surrender of their rifles is estimated at approximately £0.8 million, based on an average value of £10,000 for .50 calibre rifles and £2,000 MARS rifles. The upper bound cost to businesses from the surrender of their rifles is estimated at approximately £2.3 million, based on an average value of £30,000 for .50 calibre rifles and £4,000 for MARS rifles.
57. There will also be a cost to registered firearm dealers to familiarise themselves with the restrictions introduced by this policy. Previous updates to the law on the sale of antique firearms were distributed in information targeted towards the sellers and purchasers of these firearms. The information provided was approximately 600 words, which is assumed to be roughly equivalent to the guidance issued on the sale of high calibre and rapid-fire rifles. It is assumed that it takes approximately 3 minutes to read the guidance, for each of the approximately 3,500 registered firearm dealers. The total hours spent reading the guidance is multiplied by the average hourly labour cost of registered firearms dealers (£19.54), to estimate the total familiarisation cost of approximately £3,400 in the first year.

Individuals owning affected rifles

58. Individuals owning the affected rifles will incur costs from these changes, as they will be required to surrender them (although they will also be compensated for doing so, which is quantified in the benefits section).
59. Based on data provided by the National Rifle Association, there are 150 .50 calibre rifles in the UK. As it is assumed that 68 .50 calibre rifles are held by dealers, it is therefore assumed that the remaining 82 rifles are held by individuals. Based on data provided by consultation respondents on the average value of the affected firearms (£19,500), the estimated total cost to individuals from surrendering these firearms is £1.6 million in the first year. As previously identified, the average value of a MARS rifle is estimated at £3,000, and the number of MARS rifles held by individuals is estimated at 630, so the total cost to individuals surrendering these

firearms is £1.9 million in the first year. The total value of all rifles surrendered by individuals is therefore £3.5 million, with lower bound and upper bound estimates of £2.7 million and £4.3 million respectively, based on the alternative assumptions for average value which were previously described.

Central government

60. Government will incur costs through compensation payments to registered firearms dealers and individuals when they surrender their affected firearms. Compensation payments are assumed to be equal to the market value of these firearms, which as previously detailed is a total of £1.5 million for registered firearms dealers (£1.3 million for high calibre rifles and £0.2 million for rapid fire rifles), and a total of £3.5 million for individuals (£1.6m for high calibre rifles and £1.9 million for rapid fire rifles). The importation of devices known as 'bump stocks' have already been banned, and no devices are thought to currently exist in the UK, so there are no estimated costs associated with this part of the policy. The total compensation cost of this policy to central government is expected to be approximately £5 million in the first year, with lower bound and upper bound estimates of £3.5 million and £6.6 million respectively.

Police

61. There may be some small additional costs to police of collecting, transporting and destroying the surrendered firearms. It is assumed that this infrastructure and capability already exists and the small numbers of firearms in scope can be handled within normal operations, so this cost is assumed to be negligible.

Ongoing costs

Registered firearm dealers

62. The foregone profit to registered firearms dealers from not being able to trade these rifles in the future has been estimated by assuming that 10 per cent of rifles are traded each year, and that each sale generates a profit margin of 10 per cent. Applying these percentages to the market value figures stated above, the foregone profits to registered firearms dealers are estimated at £13,000 per year for high calibre rifles and £2,000 per year for rapid fire rifles (PV of £0.1 million over the first 10 years of the policy). This may overestimate the true cost to dealers if individuals purchase other firearms instead of these rifles, meaning that there is no overall loss of sales.

Central government

63. Government may also incur costs through a loss of revenue from Ministry of Defence (MoD) rifle ranges, as some individuals currently use .50 calibre rifles at MoD ranges. Based on data from consultation responses, the average annual spend of a .50 calibre shooting group at an MoD rifle range is approximately £30,000. Assuming that there are 2 such shooting groups which use MoD ranges, the total estimated cost to the MoD is £60,000 per year (PV of £0.5 million over the first 10 years of the policy).

Private rifle ranges

64. Private rifle ranges may incur costs from these changes, as individuals who currently use the affected firearms at rifle ranges may no longer do so, causing a loss of revenue. Advice from industry experts suggests that between 10 and 30 .50 calibre shooters would use a rifle range per month, and that the cost of using a range would be between £130 and £500. The cost is assumed to be significantly higher than for rapid fire rifles, as the ranges for high calibre rifles are likely to be specialist facilities designed for extreme long-distance shooting. Using the midpoints of these values, the total cost to rifle ranges is estimated to be approximately £0.1 million per year (PV of £0.8 million over the first 10 years of the policy).
65. There may also be costs associated with loss of individuals using rapid fire rifles at shooting ranges. Advice from industry experts suggests that between 70 and 200 MARS shooters would use a rifle range per month, and that the cost of using a range would be between £40 and £80.

Using the midpoints of these values, the total cost to rifle ranges from the loss of MARS shooters is estimated to be approximately £0.1 million per year (PV of £0.8 million over the first 10 years of the policy). In practice, the estimated costs to rifle ranges are likely to overstate the true cost, as industry experts suggest shooters often use several different rifles in the same session. This means that some shooters may continue to visit these ranges but would instead use a different firearm, so in these cases there would be no loss of revenue to the ranges.

BENEFITS

Registered firearms dealers

66. Registered firearms dealers will receive a benefit through the compensation provided when they surrender the affected firearms. Compensation payments are assumed to be equal to the market value of the firearms, which as previously detailed is a total of £1.3 million for high calibre rifles and a further £0.2 million for rapid fire rifles in the first year.

Individuals owning affected rifles

67. Individuals owning the affected rifles will receive a benefit through the compensation provided when they surrender them. Compensation payments are assumed to be equal to the market value of the firearms, which as previously detailed is a total of £1.6 million for high calibre rifles and a further £1.9 million for rapid fire rifles in the first year.

Public safety

68. The penetration and fire rates of high calibre/rapid fire rifles means that if they were used in a crime, there is a significant risk of more deaths or more serious injuries than if other more conventional types of weapon were to be used. These changes will therefore have a public safety benefit by reducing the risk of this situation arising. These benefits cannot be quantified due to the uncertainty of how many such incidents may be prevented by the legislation. For context, the affected rifles constitute 0.07 per cent of all registered rifles, and on average, there were 45 firearm-related homicides per year between 2004/2005 and 2014/2015.
69. However, breakeven analysis has been undertaken to demonstrate the magnitude of benefits required in order to outweigh the net costs of the policy. Using an estimated cost to society per homicide of £2.1 million in 2018 prices, this legislation would need to prevent 0.4 homicides per year in order to have a net benefit to society.

Total Cost, Total Benefit, Net Present Value, BNPV and EANDCB

The total cost of this policy is £114 million in PV terms, and the total benefit of this policy is £5 million in PV terms, resulting in a net present value of -£109 million over the first 10 years of the policy. The business net present value of this policy is -£2 million, and the EANDCB is £0.2 million per year.

F. Risks

The risks associated with MoJ costs are detailed in Annex 2.

There may be risks associated with the new offences being introduced on the prohibition of corrosive substances, as those wanting to access these items for use in violent crime may instead turn to other more accessible forms of weapons to cause harm.

For those weapons and firearms that will be prohibited, there is a risk that individuals may choose not to seek compensation, but keep the weapon and/or firearm in their possession. This could result in the prohibited items still being publicly accessible, and a potential risk that they get into the hands of those wanting to inflict violence.

The consultation responses are used to estimate a number of costs associated with the knife/offensive weapons and firearms elements of this policy. The data provided in these responses may not be an accurate reflection of the wider population, and they therefore have significant uncertainty.

To estimate the number of new offences which may occur and their cost to the CJS, proxy offences have been chosen based on similar existing offences. For example, for the new offence relating to the possession of offensive weapons in private, the existing offence of having an article with blade or point in public place has been used. Therefore, there is uncertainty regarding whether the volume and costs of the new offence will be similar to that of the existing proxy offence.

The estimates of the number of businesses which sell corrosives or knives in scope of the policy have significant uncertainty, which means that the costs may be under- or over-estimated.

Knives and offensive weapons

1. The changes to online knives purchases may cause a loss of sales to online retailers, if customers decide not to purchase knives online as a result of the increased cost and inconvenience.
2. There is a risk that a network of collection points may not be available, if an agreement with delivery companies to provide collection points cannot be reached.
3. A small number of customers may no longer be able to purchase knives online, if they are unable to travel to a collection point.
4. The inconvenience to customers from collecting knives from collection points may be overestimated, if their collection point is located in a place which they already visiting, for example a local supermarket or petrol station.
5. The nature of the legislation may create an advantage for online knives retailers who have vertically integrated delivery services.
6. There is a risk that not all retailers will comply with the restrictions to delivery of knives to under-18s. Should domestic or foreign retailers not flag the contents of their parcel there is a risk that knives will still be delivered to those under 18 years of age.
7. Individuals who are not willing to lose their offensive weapon may decide that they are at low risk of being investigated and so will retain it at the risk of being arrested and prosecuted for the offence.
8. It is currently assumed that there are few knives currently in existence that would be affected by the new definition of a flick-knife, and that this is therefore a pre-emptive policy change. There is a risk that there are a significant number of these flick-knives already in existence in the UK, and that the costs of this policy have therefore been underestimated.
9. The volume of online sale of knives has been estimated based on responses from the consultation. It has been assumed that the responses to the consultation capture at least half of the online market share. There is a risk that this assumption may prove to be an underestimate and that the costs to consumers may therefore be underestimated.

Corrosives

10. Trading Standards may incur higher costs where their cases result in non-guilty verdicts. These costs are variable depending on the nature of the case. An increase in potential cases might lead to a higher risk of non-guilty verdicts.
11. The cost to TS was estimated on the basis of scaling up the average costs from a sample of two TS. There is a risk that these may not be representative of the wider population.
12. It is not known what form that the testing solution identified by DSTL will take, nor the details of its effectiveness or costs. The benefits have been estimated on the basis that the product will be available from the initiation of the policy, which is uncertain.
13. The cost of treatment for burns related to corrosive attacks has extreme outliers and it is possible that the type of offence that will be prevented will tend to cause more damage than is accounted for. This may mean that the cost of a corrosive attack is underestimated.

Firearms

14. There is a risk of non-compliance, which may lead to the firearms falling into the illegal market, which would make them more available to criminals and terrorists and would damage the policy objective. The risk of this is expected to be very low due to the small number of registered firearms and the current restrictions around their storage, ownership, and use. This risk is further mitigated by strict legislation controlling possession and registration; meaning that were a firearm to go missing the party responsible would likely be identified and held to account.
15. There is a risk that MARS rifles may depreciate in value over time, so that the estimated cost to the Government may be over-estimated.
16. There is a risk that the cost to registered firearms dealers in terms of future profits may be over-estimated, as individuals may decide to purchase other firearms instead of these rifles, meaning that there is no loss of sales for dealers.
17. There is a risk the costs to rifle ranges are over-estimated, as shooters may continue to shoot at these ranges using different weapons.
18. There are significant outliers in the value of rifles reported in the consultation, which may add additional costs to compensation. The cost of compensation may be higher if accessories that are specific to one of the surrendered rifles are eligible for compensation during the surrender.

Small and micro-business assessment (SaMBA)

Under the Small Business Enterprise and Employment Act 2014, a small and micro-business assessment (SaMBA) needs to be conducted.

Knives and offensive weapons

Of the five policies in the knives/offensive weapons package, only the restriction on online deliveries of knives is expected to have an impact on business. These businesses will need to make arrangements for knives purchased online to be delivered to collection points rather than private addresses. Based on the data provided in the consultation responses, the large majority of businesses affected by this policy are likely to be small or micro-businesses. Approximately 96 per cent of knife retailers who responded to the consultation and fell into the scope of the policy reported a turnover of less than £1 million per year, with the remaining 4 per cent reporting a turnover between £1 million and £10 million over a similar time period.

As described in the costs and benefits section, it is not expected that this policy will have a significant cost to business, as it is likely that customers will continue to purchase knives online, given that

delivery to collection points only has a small impact on the overall cost of the purchase. Therefore, it is not expected that this policy will have a significant cost for small or micro-businesses.

Corrosives

The policy on making it an offence to sell to under 18s may affect small and medium sized businesses, such as specialist trade and hardware stores. It is estimated that there is a cost of £19,000 to small businesses per year, and a cost of £7,000 to medium and large businesses in the first year. These costs may be over-estimated given that some of these businesses may already be using age verification on a voluntary basis.

One response from a retail trade association indicated that the majority of their members tended to stock a very small range of cleaning products and that these contain corrosive substances below the thresholds where they could cause permanent injury to a person and below those set out in the Poisons Act 1972 which provides a legal framework for controlling sales of explosives precursors and poisons.

Firearms

This policy will affect small and micro-businesses, as most registered firearms dealers are likely to fall within this classification. As dealers will be compensated for any rifles that they surrender, the main costs for small and micro-businesses from this policy will be an estimated £15,000 annual loss of sales from not being able to trade in these rifles, and an estimated £2,800 in familiarisation costs.

Most private rifle ranges are also likely to be small or micro-businesses, and they will incur a total estimated cost of £0.2 million per year through loss of sales. As previously identified, the loss of sales for both dealers and rifle ranges may be over-estimated, as they do not take into account any displacement effects, for examples customers reacting to the legislation by purchasing other rifles or using other firearms at ranges.

G. Enforcement

The legislation will be enforced by the police and, in relation to the age verification of online knife sales, also by Trading Standards.

H. Summary and Recommendations

Table H.1 outlines the costs and benefits of the proposed changes.

Table H.1 Costs and Benefits, £ million.				
Option	Costs, £ million		Benefits, £ million	
2	Business	4	Business	2
	Individuals	64	Individuals	4
	Central Government	6		
	CJS	4		
	Police	4		
	Trading Standards	32		
	Total	114	Total	5

Numbers may not sum due to rounding.

I. Implementation

The Government will implement the measures in the Offensive Weapons Bill at the earliest opportunity. This would be to ensure that adequate time was given for those impacted by the new legislation to put in place the required, training, guidance and any other measures needed to ensure they fully adhere to the legislative proposals.

The Government will work with police and business affected to ensure any changes are fully understood before commencement.

The commencement of the prohibition of the supply of offensive weapons will come into force on Royal Assent.

J. Monitoring, Evaluation and Feedback

The impact of the measures in the Offensive Weapons Bill will be monitored using feedback from the police and TS and through statistics relating to the prosecution of the new offences in the Bill. The Home Office will also keep under review the impact of the measures on business. The Bill will be subject to post legislative scrutiny within 5 years of receiving Royal Assent.

Impact Assessment Checklist

The impact assessment checklist provides a comprehensive list of specific impact tests and policy considerations (as of October 2015). Where an element of the checklist is relevant to the policy, the appropriate advice or guidance should be followed. Where an element of the checklist is not applied, consider whether the reasons for this decision should be recorded as part of the Impact Assessment and reference the relevant page number or annex in the checklist below.

The checklist should be used in addition to HM Treasury's Green Book guidance on appraisal and evaluation in central government.

Economic Impact Tests

Does your policy option/proposal consider...?	Yes/No (page)
Business Impact Target The Small Business, Enterprise and Employment Act 2015 (s. 21-23) creates a requirement to assess the economic impacts of qualifying regulatory provisions on the activities of business and civil society organisations. <u>[Better Regulation Framework Manual]</u> This has been provided on the cover page of the IA.	Yes
Small and Micro-business Assessment (SaMBA) The SaMBA is a Better Regulation requirement intended to ensure that all new regulatory proposals are designed and implemented so as to mitigate disproportionate burdens. The SaMBA must be applied to all domestic measures that regulate business and civil society organisations, unless they qualify for the fast track. <u>[Better Regulation Framework Manual]</u> This has been provided in the SaMBA section of the IA.	Yes
Justice Impact Test The justice impact test is a mandatory specific impact test, as part of the impact assessment process that considers the impact of government policy and legislative proposals on the justice system. <u>[Justice Impact Test Guidance]</u> The Justice Impact test was lodged with the Ministry of Justice in April 2018 (reference number 347).	Yes
Statutory Equalities Duties The public sector equality duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services. <u>[Equality Duty Toolkit]</u> . A policy equality statement has been undertaken.	Yes

Annex 1 – MoJ Proxy Offence Data, 2016

Table A1.1, MoJ Proxy Offence Data, 2016, Volume and Costs (£)

Policy	Strengthening age verification	Making it an offence to possess in private certain offensive weapons	Extending the offence of possession of a knife in schools to further education institutions	Offence of threatening with a knife so the focus is the fear of serious injury	Offence of possessing corrosive substance in a public place without good excuse.
Proxy offence used to estimate CJS costs	Selling to a person under the age of 18 a knife or blade (Criminal Justice Act 1988, S.141A)	Possession of offensive weapons without lawful authority or reasonable excuse (Prevention of Crime Act, S.1)	Having an article with blade or point on school premises (Criminal Justice Act 1988, S.139A)	Threaten with blade/sharply pointed article in a public place (Criminal Justice Act 1988, S.139AA)	Having an article with blade or point in public place (s. 139 Criminal Justice Act 1988)
Estimated CJS cost per case	£3,500	£3,100	£1,500	£7,600	£4,300
Volume (2016)	24	4,531	134	442	7,360

Annex 2: MoJ Cost Assumptions and Risks

Cost Assumptions	
Assumption	Risks
2016 MoJ Criminal Justice Statistics data are used to identify the volumes, disposals and the sentence lengths of individuals proceeded against.	Every effort has been made to ensure that the figures presented are accurate and complete. However, it is important to note that these data have been extracted from large administrative data systems generated by courts. As a consequence, care should be taken to ensure data collection processes and their inevitable limitations are taken into account when those data are used.
<p>HMCTS costs (magistrates' court):</p> <p>To generate the costs by offence categories, HMCTS timings data for each offence group were applied to court costs per sitting day. Magistrates' court costs are £1,200 per sitting day. A sitting day is assumed to be five hours. The HMCTS costs are based on average judicial and staff costs, found at HMCTS Annual Report and Accounts 206, HMCTS timings data from the Activity based costing (ABC) model, the Timeliness Analysis Report (TAR) data set and the costing process. The costs are in 2015/16 prices and have been updated using the GDP deflator.</p>	<p>Timings data for offence categories:</p> <p>The timings data are based on the time that a legal advisor is present in court. This is used as a proxy for court time. Please note that, there may be a difference in average hearing times as there is no timing available e.g. when a District Judge (magistrates' court) sits.</p> <p>The timings data are based on the time that a legal advisor is present in court. This is used as a proxy for court time. Please note that, there may be a difference in average hearing times as there is no timing available e.g. when a DJ(MC) sits.</p> <p>Timings do not take into account associated admin time related with having a case in court. This could mean that costings are an underestimate. There is some information is available on admin time, however we have excluded it for simplicity.</p> <p>The timings are collection of data from February 2009. Any difference in these timings could influence costings.</p> <p>The timings data also excludes any adjournments (although the HMCTS ABC model does include them), and is based on a case going through either one guilty plea trial (no trial) or one effective (not guilty plea) trial. However, a combination of cracked, ineffective and effective trials could occur in the case route. As a result, the costings could ultimately be underestimates.</p> <p>Guilty plea proportions at the Initial hearing from Q3 in 2013 are used, based on the Time Analysis Report. As these can fluctuate, any changes in these proportions could influence court calculations (effective trials take longer in court than no trials (trials where there was a guilty plea at the initial hearing).</p> <p>HMCTS average costs per sitting day:</p> <p>HMCTS court costs used may be an underestimate as they include only judicial and staff costs. Other key costs which inevitably impact on the cost of additional cases in the courts have not been considered; for example juror costs.</p>

<p>HMCTS costs (Crown Court):</p> <p>Timings data for types of case (e.g., indictable only, triable either way) were applied to Crown Court costs per sitting day. This was added to the cost of the initial hearing in the magistrates' court, as all criminal cases start in the magistrates' courts. Crown Court cost is £1,500 per sitting day in 2015/16 prices, assuming a sitting day is 4.5 hours. The HMCTS costs are based on average judicial and staff costs, found at HMCTS Annual Report and Accounts 2014-15 and uprated to 2015/16 prices using the GDP deflator.</p>	<p>Timings data for types of cases:</p> <p>The average time figures which provide the information for the timings do not include any down time. This would lead to an underestimate in the court costing.</p> <p>Timings do not take into account associated admin time related with listing a case for court hearings. This could mean that costings are an underestimate.</p> <p>The data which informed the timings data excludes cases where a bench warrant was issued, no plea recorded, indictment to lie on file, found unfit to plead, and other results.</p> <p>Committals for sentence exclude committals after breach, 'bring backs' and deferred sentences.</p> <p>HMCTS average costs per sitting day:</p> <p>HMCTS court costs used may be an underestimate as they include only judicial and staff costs. Other key costs which inevitably impact on the cost of additional cases in the courts have not been considered; for example juror costs.</p>
<p>Legal Aid Costs: <i>Cases in the magistrates' court</i></p> <p>It is assumed that the eligibility rate in the magistrates' court is approximately 50 per cent.</p> <p>The average cost per case is £500 and assumes that there is one defendant per case. This is based on the legal aid statistics (2016/17), and is calculated by dividing total case value by total case volume.</p> <p>See: https://www.gov.uk/government/collections/legal-aid-statistics.</p> <p>Source: https://www.gov.uk/government/statistics/legal-aid-statistics-january-to-march-2017</p>	<p><i>Magistrates' court</i></p> <p>Variance in the legal aid eligibility rate assumed for cases in the magistrates' courts would impact the costings.</p> <p>More than one defendant prosecuted per case and therefore more solicitors and barristers per case than assumed thus understating the actual cost.</p>
<p>Legal Aid Costs <i>Cases in the Crown Court</i></p> <p>It is assumed that the eligibility rate for legal aid in the Crown Court is 100 per cent.</p> <p>The average cost per defendant is around £1,000 for the offence types in question.</p> <p>We assume one defendant per case. One defendant instructs one solicitor who submits one bill. As such, we use the cost per solicitor bill from the 2016/17 data as a proxy for the cost per defendant.</p> <p>Source: https://www.gov.uk/government/statistics/legal-aid-statistics</p>	<p><i>Crown Court</i></p> <p>Assuming 100 per cent eligibility for legal aid in the Crown Court carries several other risks. Firstly, an individual may refuse legal aid. Secondly, an individual may be required to contribute to legal aid costs. Lastly, the size of this contribution can vary.</p> <p>There is more than one defendant prosecuted per case and therefore more solicitors and barristers per case than assumed thus understating the actual cost.</p>

<p>Prison costs: It is assumed that an offender serves half of their given custodial sentence in prison and the remainder on licence.</p> <p>The direct resource per prisoner is approximately £22,400.</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/563326/costs-per-place-cost-per-prisoner-2015-16.pdf</p>	<p>The cost of additional prison places is also dependent on the existing prison population, as if there is spare capacity in terms of prison places then the marginal cost of accommodating more offenders will be relatively low due to existing large fixed costs and low variable costs. Conversely, if the current prison population is running at or over capacity then marginal costs would be significantly higher as contingency measures will have to be found.</p>						
<p>Probation costs: Probation costs are divided into the National Probation Service (NPS) and Community Rehabilitation Companies (CRCs). NPS manage high risk offenders and CRCs are private companies and third sector organisations that manage low and medium risk offenders. Data on all offenders suggests the following proportion of offenders being allocated to CRCs:</p> <table border="1" data-bbox="204 891 699 1205"> <tr> <td>% Managed Community Orders and Suspended Sentence Orders to CRC</td><td>90.0%</td></tr> <tr> <td>% Managed Licence <12 to CRC</td><td>80.9%</td></tr> <tr> <td>% Managed Licence 12 Months+ to CRC</td><td>48.1%</td></tr> </table> <p><i>Source: HMPPS Performance Hub data/March 2016 Probation Projections – MoJ internal analysis</i></p>	% Managed Community Orders and Suspended Sentence Orders to CRC	90.0%	% Managed Licence <12 to CRC	80.9%	% Managed Licence 12 Months+ to CRC	48.1%	<p>The distribution between NPS and CRC for a specific offence category may not mirror the average distribution across all categories.</p> <p>The proportions of offenders managed by NPS/CRCs may be different to those assumed and costs could be higher or lower if more offenders are managed by NPS or CRCs, respectively.</p>
% Managed Community Orders and Suspended Sentence Orders to CRC	90.0%						
% Managed Licence <12 to CRC	80.9%						
% Managed Licence 12 Months+ to CRC	48.1%						
<p>Probation - NPS costs Community Order (CO)/Suspended Sentence Order (SSO)sentence costs:</p> <ul style="list-style-type: none"> Proportion of offenders assumed to be allocated to NPS is presented above. <p><i>Source: MoJ (HMPPS) modelling</i></p> <p>Post release licence costs: For offenders who spend 12 months or less on licence:</p> <ul style="list-style-type: none"> Proportion of offenders assumed to be allocated to NPS is presented above. <p><i>Source: MoJ (HMPPS) modelling</i></p>	<p>Costs reflect delivery of the sentence to high risk offenders by the National Probation Service (NPS)</p> <p>Costs are indicative and reflect modelling of delivery by the NPS, not actual plans or operating models</p> <p>Custodial sentence costs include pre-release work Corporate service costs (e.g. HR, Finance) are not apportioned within unit costs Intervention purchase costs are apportioned in proportion to direct spend by sentence type</p> <p><i>There may also be costs to the NPS for production of pre-sentence reports to court and costs to prison, probation or through contracts such as Electronic Monitoring in relation to breach during the post-sentence supervision/licence period.</i></p>						

Annex 3: The main organisations that responded to the consultation

Legal organisations

Bar Council
Council of Circuit Judges
Criminal Bar Association
Scottish Courts and Tribunals Service
Crown Prosecution Service
The Law Society
The Council of Circuit Judges

Firearm organisations

International Gallery Rifle Federation
Cybershooters
Gun Trade Association
Firearms UK
National Rifle Association
Historic Breechloading Smallarms Association
United Kingdom Practical Shooting Association
Scottish Target Shooting
Fifty Calibre Shooters Association UK
British Association for Shooting and Conservation

Knife organisations

Cutlery and Allied Trades Research Association
Company of Cutlers
Victorinox
Savernake
Taylors Eye Witness Ltd
TOG Knives
Whitby & Co

Sport/historic organisations

Guild of Battlefield Guides
Heritage Arms Study Group
British Aikido Board
Historical European Martial Arts and Classical Swordmanship (HEMACS) GB
HEMACS Scotland
Company of Chivalry
Longswords Association
Battlefield History TV
Vintage Arms Association
National Museum Directors' Council
British Kendo Association
World War 2 Living History Associations
National Army Museum
IC Militaria Ltd
Regimentals Ltd

Barrington Swords
Sporting Wholesale Ltd

Government/law enforcement organisations

Police Scotland
Hackney Council
Chartered Trading Standards Institute
Association of Chief Trading Standards Officers
London Trading Standards
North East Trading Standards
Trading Standards South West
Local Government Association
Nabis (National Ballistics Intelligence Service)
Youth Justice Board

Trade organisations/retailers

Internet Manufacturers and Retail Group
Association of Convenience Stores
Royal Mail Group
UK Cleaning Products Industry Association
British Retail Consortium
Chemical Business Association
British Independent Retailers Association
Ocado Retail Limited
CO-OP society

Other organisations

The Chris Cave Foundation
Ben Kinsella Trust
Redthread
British Deer Society
Centre for Social Justice
Association of Colleges
Countryside Alliance
Digital Policy Alliance
Standing Committee for Youth Justice
Hermes delivery
Cornwall College