

Title: Reform of the Criminal Injuries Compensation Scheme IA No: MoJ161 Lead department or agency: Ministry of Justice Other departments or agencies: Criminal Injuries Compensation Authority, Scottish Government	Impact Assessment (IA)
	Date: 02/07/2012
	Stage: Consultation Response
	Source of intervention: Domestic
	Type of measure: Secondary legislation
Contact for enquiries: victimsconsultation@justice.gsi.gov.uk	

Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
--	--

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£10m - £15m	N/Q	N/Q	No NA

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

The Criminal Injuries Compensation Scheme (CICS) makes payments to victims of violent crime with no recourse to other sources of compensation. It is a demand-led scheme which costs the Government over £200m each year and has historically been underfunded, with funding allocated at the beginning of the financial year needing to be topped up later in the year.

The review of the Scheme has taken place in a difficult financial climate. The Government believes that payments to those victims who are most seriously affected by their injuries and where the impacts are long-term and life-changing should be protected as far as possible. However, it also believes that it is more sensible and beneficial for victims with less serious injuries to receive immediate practical and emotional support, rather than financial compensation.

Services for victims are now far more readily available than in the mid 1990s when the statutory compensation scheme was established, and other reforms to be implemented alongside CICS reform aim to raise additional sums from offenders to be spent on services for victims of crime, including violent crime, so that in the long run the annual amount spent on victims overall is not reduced.

What are the policy objectives and the intended effects?

The Government seeks reform of the Scheme and aims to make it more sustainable long term by focusing resources on those victims most affected by their injuries. The revised scheme will be less resource-intensive to administer. Our reforms, which reduce the cost of the CICS, fit with our plans to raise a similar additional amount from offenders to be used to pay for new services for victims (of all types of crime).

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

Base Case: Do nothing

Policy reform: Reform the Criminal Injuries Compensation Scheme in the following ways:

- a) Clarifying eligibility for the scheme and changing the scope of the scheme. Payments will not be made;
 - i. to railway employees who are mentally injured as a result of witnessing or being involved in the immediate aftermath of offences connected with trespass on the railway including suicide or attempted suicide,
 - ii. where a person has been the victim of an animal attack, unless the animal itself was used deliberately to inflict injury on that person,
 - iii. to third parties injured inadvertently by an act the sole purpose of which is suicide (clarification of current scheme) and
 - iv. as now, in the case of certain criminal offences to which the claimant has consented in fact but is deemed not to have consented as a matter of criminal law (clarification of current scheme)
- b) excluding those who cannot show they are ordinarily resident at the time of the incident in the United Kingdom with the exception of;
 - i. British Citizens and their accompanying close relatives
 - ii. EU and EEA nationals and their accompanying family members
 - iii. a national of a state party to the European Convention on the Compensation of Victims of Violent Crime,
 - iv. members of Her Majesty's United Kingdom Armed Forces and their accompanying close relatives;
 - v. conclusively identified victims of trafficking and

- vi. a person who has been granted asylum, temporary protection or humanitarian protection.
- c) requiring that an offence be reported to the police (rather than another body) as soon as reasonably practicable, and that the applicant cooperate so far as practicable in bringing the assailant(s) to justice;
- d) making awards to under 18s where previously it would have been deemed against their interest;
- e) excluding all of those with an unspent criminal conviction resulting in custody or a community order. In other cases an award will be reduced or withheld unless there are exceptional circumstances. Applicants with motoring offences for which the only penalty imposed was one or more of an endorsement, penalty points or a fine under Schedule 2 to the Road Traffic Offenders Act 1988 will be exempt from this provision and will not generally have their awards reduced. In fatal cases convictions of the claimant will be relevant but those of the deceased will not, except in exceptional circumstances. The conduct of the deceased will still be relevant. Payments should not be withheld or reduced solely because alcohol or drugs increased an applicant's vulnerability to attack;
- f) removing tariff bands 1 – 5 (less serious injuries);
- g) (i) reducing payments by £1500 in band 6 to £1000, by £1800 in band 7 to £1500 and by £2000 in bands 8 – 12 (no change to bands 13 – 25);
- h) retaining fatal injury awards and awards for sexual assault and for physical abuse (including those in bands 1 – 5) at their current values;
- i) amending the tariff to better reflect the degree of seriousness of hemiplegia, paraplegia and tetraplegia injuries;
- j) no longer distinguishing between mental and physical injuries when calculating multiple injury awards (but maintaining the current provision in relation to victims of sexual offences who also suffer mental injury);
- k) paying all applicants eligible for a loss of earnings award an annual flat rate payments equivalent to Statutory Sick Pay and not reducing awards to reflect an applicant's other sources of income. Loss of earnings will be paid only to those with no, or very limited, earning capacity. We would no longer pay for diminution of earnings;
- l) changing the funeral payments policy, enabling CICS claims officers to pay £2,500 up front to the deceased's estate and where the applicant can demonstrate that total costs are reasonable, make further funeral payments up to a total maximum of £5,000;
- m) removing the special expenses payments for private medical care not available on the NHS;
- n) introducing new discount tables for payments for future loss based on an underlying discount rate of 2.5% (the current rate is 4.5%)*;
- o) increase the onus on applicants to provide evidence for their case, while clarifying the application process by:
 - i. maintaining the existing time limit for applications for compensation (two years from the date of the incident) and introducing clearer rules on the time limits for applications from those who were children at the time of the incident;
 - ii. maintaining the onus on the applicant to make out their case, but clarifying what evidence the applicant will be required to provide as a minimum. This includes initial expert/medical evidence that an injury has been sustained;
 - iii. tightening the circumstances where CICA will meet the costs of obtaining expert (mainly medical) evidence including a new requirement that the applicant contribute up to £50 towards the cost of obtaining medical evidence in support of their claim either initially or when the final award is made and enabling CICA to deduct costs associated with medical expenses where an applicant misses appointments that CICA is paying for without reasonable excuse.
 - iv. Introducing new provision enabling a claims officer to defer a decision on an application where the applicant has been referred to a United Kingdom competent authority as a potential victim of trafficking in human beings or has made an application for asylum.
 - v. reducing the period for applicants to accept, or request a review of, their award from 90 to 56 days;
 - vi. extending the circumstances where repayment of all or part of the award may be requested to cover circumstances where it comes to light that the applicant had not cooperated in bringing their assailant to justice or the applicant deliberately misled the claims officer when making their application;
 - vii. when it becomes apparent that a claims officer has made an error on review, allowing CICA (with the agreement of the applicant) to withdraw the decision before the appeal is heard so that the appeal falls and a fresh decision can be issued;
 - viii. undertaking further consideration of how we might implement powers to recover money from offenders where criminal injuries compensation has been paid to their victims in a cost-effective way.

*NB The consultation did not include a specific proposal on changing the discount tables

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 10/2015					
Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/Q		Non-traded: N/Q

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: _____

Summary: Analysis & Evidence

Policy Reform

Description: Reforms to the Criminal Injuries Compensation Scheme

FULL ECONOMIC ASSESSMENT

• Price Base Year	PV Base Year	Time Period Years	Net Benefit ¹ (Present Value (PV)) (£m, nrst £5m)		
			Low: 10	High: 15	Best Estimate:
	2011/12	10			
COSTS (£m)	Total Transition (nrst £5m) (Constant Price)	Years	Average Annual (nrst £5m) (after. Transition) (Constant Price)	Total Cost (Present Value, nrst £5m)	
Low	55	2	35	295	
High	100		55	445	
Best Estimate					
<p>Description and scale of key monetised costs by 'main affected groups'</p> <p><i>People eligible for the current CICS:</i> awards no longer paid to: railway employees who are mentally injured as a result of witnessing or being involved in the immediate aftermath of offences connected with trespass on the railway including suicide or attempted suicide; those with one or more unspent criminal convictions resulting in custody or a community order, victims with injuries in bands 1-5 of the tariff (except victims of sexual and physical abuse). Reduction in tariff awards paid to victims with injuries in bands 6 – 12 (except victims of sexual and physical abuse). Changes to awards for hemiplegia, paraplegia and tetraplegia. Payments no longer made for private health care. Change in payments to those who remain eligible for loss of earnings or dependency payments under the CICS. Total reduction in payments estimated at around £35m - £55m per year (in real terms, or £40m - £60m nominal).</p>					
<p>Other key non-monetised costs by 'main affected groups'</p> <p><i>Personal Injury Lawyers and others who support victims in applying for compensation:</i> transition costs of learning new scheme, reduced demand for services due to tighter eligibility criteria. <i>Non-EU/EEA nationals without ordinary residency:</i> no entitlement to compensation under the CICS <i>People currently eligible for the CICS:</i> tightening of eligibility criteria and increased onus on applicants to provide evidence to support their claim <i>MoJ (HMCTS):</i> possible increase in applicant appeals as a result of the reforms, possible increase in civil damages cases* <i>MoJ/Scottish Government (CICA):</i> cost of implementing and training staff in new scheme, possible cost of defending additional internal reviews and appeals <i>Other Government Departments and NHS:</i> administrative costs of checking applicants have ordinary residence or who are exempt from residency requirements, possible increase in demand for benefits due to likely reduction in loss of earnings payments, possible increase in demand for health care or local authority provision *</p> <p>* NB the scheme is already one of last resort, which should limit these costs</p>					
BENEFITS (£m)	Total Transition (nrst £5m) (Constant Price)	Years	Average Annual (nrst £5m) (after Transition) (Constant Price)	Total Benefit (Present Value, nrst £5m)	
Low	55	2	35	300	
High	100		55	455	
Best Estimate					
<p>Description and scale of key monetised benefits by 'main affected groups'</p> <p><i>MoJ/Scottish Government:</i> estimated reduction in compensation paid of £35m - £55m per year (in real terms); reduction in cost of CICA's administration of £1 - £1.5m per year (may not be cashable in the short term)</p>					

¹ NB totals may not sum due to rounding

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

Ministry of Justice/Scottish Government: additional reductions in compensation paid due to excluding non-EU/EEA citizens without ordinary residency

People eligible for the current CICS: clearer eligibility and application requirements and application process; multiple injury awards paid for mental injury in the same way as physical injury; up front payment of some funeral expenses; increase in payments for future special expenses and loss of parental services due to reduction in discount rate.

Wider economic benefits: these reforms would contribute to a reduction in Government fiscal deficit

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

Demand for the scheme has fluctuated in the past, and it is difficult to predict future demand as it depends on crime rates. The high estimates of costs and benefits assume the number of applicants who would be eligible under the proposed new criteria remains stable at 2009/10 levels, with the same distribution across injury types. They also assume the number of applicants who would receive minor injury awards under the current scheme but who successfully apply for higher tariff bands after reform is negligible. The low estimates assume 10% optimism bias including the possibility that some of those with minor injuries make successful claims for higher bands. For the transitional period, the low estimate also assumes that some victims bring their applications forward so that they qualify for the current scheme rather than the reformed scheme (so the reduction in compensation paid is smaller)

We assume that the number of loss of earnings applicants remains stable and that future applicants are similar to those in a sample of cases used to derive estimated impacts. However, there is particular uncertainty around the impacts of the reforms to loss of earnings as the number of claimants per year is small, and payments under the current system depend on a number of factors including earnings and benefit entitlements.

Monetised costs and benefits are expressed in terms of annual managed expenditure (AME). We assume that tariff payments remain constant in nominal terms, but that loss of earnings payments will rise in line with inflation.

BUSINESS ASSESSMENT

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

Evidence Base (for summary sheets)

Introduction

- 1) This Impact Assessment accompanies a Ministry of Justice consultation response on policy for Victims and Witnesses which includes a consultation on the Criminal Injuries Compensation Scheme (CICS). It sets out plans to make the scheme more affordable and efficient in the long term. The CICS is a Government sponsored scheme which is administered by the Criminal Injuries Compensation Authority (CICA).
- 2) This impact assessment is one of a group of impact assessments to accompany the consultation response on the strategy for victims and witnesses. Other impact assessments on the consultation response will focus on:
 - An overarching impact assessment on the overall impact of all of the reforms
 - Quality and Outcomes in Support Services
 - Locally led commissioning of victim services
 - Increasing and extending the Victim Surcharge, and increasing the value of Penalty Notices for Disorder to fund victims' services
 - Using money raised from motoring Fixed Penalty Notices increased by the Department of Transport to fund victims' services
 - Compensation for victims of overseas terrorism
- 3) CICS pays compensation to victims of violent crime. It currently pays compensation in two main ways. First, it makes a tariff payment in recognition of the victim's pain and suffering. Second, where the applicant is unable to work for at least 28 weeks, payments may also be made for loss of earnings and special expenses costs (such as care costs, medical treatment, adaptations to property and nursing). In addition, where the victim dies as a result of a violent crime, the CICS makes awards to close relatives for pain and suffering, as well as payments for funeral costs, to bereaved dependents for financial loss and to bereaved children for loss of parental services.
- 4) Injuries are graded into 25 tariff bands for payment of pain and suffering awards, according to their seriousness. These currently range from £1,000 for injuries such as fractured fingers and sprained ankles (tariff band 1) through to £250,000 for quadriplegia or severe brain damage (tariff band 25). In some cases the tariff band an injury falls into will depend on how long the effects last as well as the nature of the injury.
- 5) Loss of earnings and special expenses awards are only payable where the applicant has been incapacitated as a result of the injury for at least 28 weeks (because statutory sick pay is available for the first 28 weeks). The maximum total award in any one case is £500,000 including loss of earnings and special expenses.
- 6) In 2009/10, there were about 65,000 applications to the CICS, and awards totalling £209m were paid to about 38,000 individuals. Of these, around 350 individuals received payments for special expenses and around 1,100 for loss of earnings.
- 7) The Criminal Injuries Compensation Scheme makes payments to victims of violent crime with no recourse to other sources of compensation. It is a demand-led scheme which costs the Government over £200m each year and has historically been underfunded, with funding allocated at the beginning of the year needing to be topped up later in the year. At the end of 2010/11 the tariff scheme had an

estimated caseload valued at c.£260m,³⁴ more than the value of claims expected to come in every year, and more than the available annual budget for future years.

- 8) The review of the Scheme has taken place in a difficult financial climate. The Government believes that payments should be focussed on those victims who are most seriously affected by their injuries and where the impacts are long-term and life-changing. It also believes that it is more sensible and beneficial for victims with less serious injuries to receive immediate practical and emotional support, rather than financial compensation.
- 9) Services for victims are now far more readily available than in the mid 1990s when the statutory compensation scheme was established, and our reforms elsewhere in the consultation response aim to raise additional sums from offenders, to be spent on services for victims of crime, including violent crime, so that in the long run the annual amount spent on victims overall is not reduced.

Rationale for Intervention

- 10) The economic rationale for government intervention may relate to securing macroeconomic objectives, especially in relation to fiscal policy, as well as to microeconomic considerations. On the macroeconomic side the reforms in this Impact Assessment (IA) will contribute to reducing the scale of government expenditure. In addition to the policy rationale for reforming the CICS, these policies will contribute to the Government's objective of reducing the fiscal deficit.
- 11) On the microeconomic side the conventional economic rationale for government intervention is based on efficiency or equity arguments. The Government may consider intervening if there are strong enough failures in the way markets operate (e.g. monopolies overcharging consumers) or if there are strong enough failures in existing government interventions (e.g. waste generated by misdirected rules). In both cases the proposed new intervention itself should avoid creating a further set of disproportionate costs and distortions. The Government may also intervene for equity (fairness) and distributional reasons (e.g. to reallocate goods and services to more needy groups in society).
- 12) Payments under the Criminal Injuries Compensation Scheme are transfer payments from Government to victims of violent crime that express social concern for the physical, psychological and sometimes financial, suffering experienced by victims. The reforms in this IA involve reducing the overall scale of these payments in pursuit of the macroeconomic objective set out above. However, they are also intended to distribute the remaining resources more fairly, by focusing resources more tightly on those with more serious injuries; recognising public concern for particularly vulnerable groups and for those who have been the victims of particularly distressing crimes even though the injury may not be evident, or the effects may be particularly difficult to quantify (for example sexual assaults and physical abuse of adults and children); and taking into account the availability of other services and resources (e.g. state benefits) a victim may be entitled to receive to meet the needs arising from the injury. In addition, they aim to make the scheme simpler and easier for victims to understand, improving efficiency.
- 13) This IA should be read in conjunction with the IA that considers parallel reforms to raise a similar additional amount from offenders to pay for new services for victims. This approach intends to ensure that in the long run there is no overall reduction in the annual budget for victims (of all types of crime) and that offenders play a greater role in funding victims services, reducing the burden on the state.

Main Affected Groups

- Those who would be eligible for payments under the existing CICS

³⁴ In addition, CICA's accounts include a £128m estimated provision for cases that are assumed to have occurred but not yet been reported to CICA. Including unreported liabilities, the total tariff liability provision at the end of 2010/11 was £388m.

- Criminal Injuries Compensation Authority, Ministry of Justice and Scottish Government
- Her Majesty’s Courts and Tribunals Service
- UK Border Agency
- Other government departments and the NHS
- Those who assist or represent applicants, including personal injury lawyers and organisations that provide free advice

Note on territorial application

The Criminal Injuries Compensation Scheme, and therefore the reforms in this impact assessment, applies to victims of crime in England, Scotland and Wales.

Cost and Benefits

- 14) This Impact Assessment identifies both monetised and non-monetised impacts on individuals, groups and businesses in the UK, with the aim of understanding what the overall impact to society might be from implementing these reforms. The costs and benefits of each reform are compared to the do nothing option. Impact Assessments place a strong emphasis on valuing the costs and benefits in monetary terms (including estimating the value of goods and services that are not traded). However there are important aspects that cannot sensibly be monetised. These might include how the proposal impacts differently on particular groups of society or changes in equity and fairness, either positive or negative.
- 15) This Impact Assessment sets out our current estimates for the costs and benefits of the policy to the affected groups. These estimates are based on the evidence that is currently available, and are subject to change as the evidence base improves. As such, the estimates are represented as ranges based on the assumptions detailed in the discussion of costs and benefits below. Monetised costs and benefits are expressed in terms of annual managed expenditure (AME).

Base Case / Option 0

- 16) In the “do nothing” scenario, the CICA continues to accept applications for the CICS in its present form. We assume that future demand will remain at the current level in terms of both the number of applications (approximately 65,000 per year, of which roughly 60% are successful) and the distribution of applications across injury types. A range of factors (such as levels and patterns of crime and awareness of the scheme) could cause demand to rise or fall, but it is not possible to predict such changes.
- 17) Because the do-nothing option is compared against itself its costs and benefits are necessarily zero, as is its Net Present Value (NPV)³⁵.

Policy reform

This involves reforms to many of the elements of the scheme. We have consulted on all changes except the underlying discount rate (reform n), which we are now reducing

<u>Relevant Current Scheme Provisions</u>	<u>Policy reform(s) to provision</u>
<u>Make payments under the Scheme to eligible victims of crimes of violence</u>	a) Do not make payments to the following categories of claimant: <ul style="list-style-type: none"> i. railway employees who are mentally injured as a result of witnessing or being involved in the

³⁵ The Net Present Value (NPV) shows the total net value of a project over a specific time period. The value of the costs and benefits in an NPV are adjusted to account for inflation and the fact that we generally value benefits that are provided now more than we value the same benefits provided in the future.

	<p>immediate aftermath of offences connected with trespass on the railway including suicide or attempted suicide;</p> <ul style="list-style-type: none"> ii. where a person has been the victim of an animal attack, unless the animal itself was used deliberately to inflict injury on that person; and iii. third parties injured inadvertently by an act the sole purpose of which is suicide (this is a clarification of the current scheme). iv. as now, in the case of certain criminal offences, to which the claimant has consented in fact but is deemed not to have consented as a matter of criminal law (this is a clarification of the current scheme)..
<p>Make payments to victims of violent crime injured in Great Britain (or on a British aircraft, ship etc)</p>	<ul style="list-style-type: none"> b) Exclude those who cannot show they are ordinarily resident at the time of the incident in the United Kingdom with exceptions for: <ul style="list-style-type: none"> i. British Citizens and accompanying close relatives ii. EU and EEA nationals and their accompanying family members; iii. a national of a state party to the European Convention on the Compensation of Victims of Violent Crime; iv. members of Her Majesty's United Kingdom Armed Forces and their accompanying close relatives; v. conclusively identified victims of trafficking and vi. a person who has been granted asylum, temporary or humanitarian protection.
<p>Reduce or withhold an award if the victim fails to report to the police or other body within a reasonable time, or fails to cooperate with a criminal investigation or with CICA</p>	<ul style="list-style-type: none"> c) Require that an offence be reported to the police (rather than another body) as soon as reasonably practicable, and that the applicant cooperate so far as practicable in bringing the assailant(s) to justice;
<p>Allow claims officers to withhold awards to under 18s if they consider it would be against the applicant's interests.</p>	<ul style="list-style-type: none"> d) Remove this provision
<p>Reduce awards (by up to 100%) on grounds of conduct or character, including evidence of previous criminal convictions. In fatal cases, take into account the conduct and character of both the claimant and the deceased.</p>	<ul style="list-style-type: none"> e) Tighten rules in relation to previous convictions to exclude all of those with an unspent criminal conviction resulting in a custody or a community order (who are currently subject to reduced or withheld awards). In other cases an award will be reduced or withheld unless there are exceptional circumstances. Applicants with motoring offences for which the only penalty imposed was one or more of an endorsement, penalty points or a fine under

	<p>Schedule 2 to the Road Traffic Offenders Act 1988 will be exempt from this provision and will not generally have their awards reduced. In fatal cases take into account any convictions of the claimant but not those of the deceased, except in exceptional circumstances. Continue to take into account the conduct of the deceased. Clarify that payment should not be withheld or reduced solely because alcohol or drugs increased an applicant's vulnerability to attack</p>
<p>Make payment for pain and suffering according to a scale of 25 tariff bands (ranging from £1,000 for injuries such as fractured fingers and sprained ankles (tariff band 1) through to £250,000 for tetraplegia or severe brain damage (tariff band 25))</p>	<p>f) Remove eligibility for any award under the scheme for those with injuries in tariff bands 1 – 5 (less serious injuries), except those covered by reform (h)</p> <p>g) Reduce payments by £1500 in band 6 to £1000, by £1800 in band 7 to £1500 and by £2000 in bands 8 – 12, except those covered by reform (h).</p> <p>h) Retain fatal injury awards and tariff awards for sexual assault and for physical abuse (including those in bands 1 – 5) at their current values.</p> <p>i) Amend the tariff to better reflect the degree of seriousness of hemiplegia, paraplegia and tetraplegia injuries. Specifically:</p> <ul style="list-style-type: none"> o Hemiplegia (currently band 21): mild, band 18 (£27,000); moderate, Band 21 (£55,000); severe, band 23 (£110,000) o Paraplegia (currently band 24): minimal, band 18 (£27,000); moderate but substantially incomplete, band 21 (£110,000); substantially complete, band 24 (£175,000). o Tetraplegia (currently band 25): substantially incomplete injury to both upper and lower limb levels, band 20 (£44,000); substantially incomplete to upper limb level but complete to lower limb level, band 24 (£175,000); substantially complete to both upper and lower limb levels, band 25 (£250,000).
<p>Multiple injuries are compensated for using the following formula; the highest 'rated' injury is awarded in full, the second injury is awarded 30% of the tariff value and the third injury is awarded 15% of the tariff value. However, where a person suffers a physical and a mental injury and the amount for the physical injury is higher, there is no award for the mental injury.</p> <p>When a person is a victim of a sexual offence and also suffers a mental injury, the applicant will be entitled only to whichever is the higher of the two tariff amounts.</p>	<p>j) No longer distinguish between mental and physical injuries when calculating multiple injury awards. Maintain the current provision in relation to victims of sexual offences who also suffer mental injury.</p>

<p>Compensate people who lose earning capacity (in full or in part) for more than 28 weeks for estimated actual loss (past and future). Cap actual loss at 1.5 times gross median full-time earnings. Deduct state benefits and payments from pension schemes where these were not funded solely by the applicant. Convert future loss into a lump sum payment using a table of multipliers.</p> <p>Where a victim of a fatal injury had financial dependents, pay on the same basis (up to the end of full time education for young dependants), but make deductions for the deceased's living expenses</p>	<p>k) Pay all applicants eligible for a loss of earnings award an annual flat rate payments equivalent to Statutory Sick Pay and no longer reduce awards to reflect an applicant's other sources of income. Loss of earnings will be paid only to those with no, or very limited, earning capacity. No longer pay for diminution of earnings. Make payments for dependency on the same basis as loss of earnings.</p>
<p>Where the death of the victim is eligible for an award, CICA pay funeral expenses to the estate. This is payable up to an amount considered reasonable by a claims officer,</p>	<p>l) CICS claims officers to pay £2,500 up front to the deceased's estate and where the applicant can demonstrate that total costs are reasonable, make further funeral payments up to a total maximum of £5,000.</p>
<p>Pay special expenses for:</p> <ul style="list-style-type: none"> • loss or damage of physical aids; • costs associated with NHS treatment, private health treatment where the treatment and its cost are considered reasonable; • the reasonable cost (in so far as it falls to the applicant) of special equipment, home adaptations and care (including loss of earnings if care is provided by a relative or friend) where these are necessary as a result of the injury and not available free of charge from the NHS, local authorities or other agencies • fees payable to the Public Guardian or Court of protection and other reasonable costs associated with administration of the applicant's affairs due to lack of mental capacity, where these are incurred as a result of the injury • the reasonable cost of setting up and administering a trust where this is required by the CICA 	<p>m) No longer make payments for private medical care not available on the NHS.</p>
<p>Discount payments for future loss using tables based on an underlying discount rate of 4.5%</p>	<p>n) Introduce new discount tables for payments for future loss based on an underlying discount rate of 2.5%³⁶</p>
<p>Applications for compensation must be received by CICA within two years of the date of the incident. CICA has discretion to waive this limit where it is practicable for the application to be considered and the applicant could not reasonably have made an application within the two year period.</p>	<p>o)(i) Maintain the existing time limit for applications for compensation (of two years from the date of the incident) and introduce clearer rules on the time limits for applications from those who were children at the time of the incident</p>

³⁶ NB The consultation did not include a specific proposal on changing the discount tables.

RESTRICTED

<p>It is for the applicant to make out their case, but CICA will meet reasonable ancillary costs and the cost of medical examinations, including related (e.g. travel) costs incurred by the applicant.</p>	<p>o)(ii) Maintain the onus on the applicant to make out their case, but clarify what evidence the applicant will be required to provide as a minimum, so far as it is practicable for the applicant to do so. This includes initial expert/medical evidence that an injury has been sustained.</p> <p>o)(iii) Require that the applicant must pay for initial medical evidence up to the value of £50, except where this is not affordable or practicable, when such costs will be deducted from the final award. Also deduct costs associated with medical expenses where an applicant misses appointments that CICA is paying for without reasonable excuse.</p>
<p>Claims officers can defer consideration of an application for various reasons, including awaiting the outcome of criminal proceedings or applications for alternative sources of compensation.</p>	<p>o)(iv) Additionally provide that a claims officer can defer a decision on an application where the applicant has been referred to a United Kingdom competent authority as a potential victim of trafficking in human beings or has made an application for asylum, until the outcome is known.</p>
<p>Applicants have 90 days from the date a decision is issued to accept it or request a review.</p>	<p>o)(v) Reduce the period for applicants to accept, or request a review of, their award from 90 to 56 days;</p>
<p>Repayment of all or part of an award can be sought where it is found that the applicant has received another payment in respect of the injury.</p>	<p>o)(vi) Extend the circumstances where repayment of all or part of the award may be requested to cover circumstances where it comes to light that the applicant had not cooperated in bringing their assailant to justice or the applicant deliberately misled the claims officer when making their application</p>
<p>If an applicant appeals against a review decision, even if it becomes clear before the appeal is heard that the claims officer's review decision was in error, CICA cannot withdraw the decision and issue a new one so the appeal must be heard</p>	<p>o)(vii) when it becomes apparent that a claims officer has made an error on review, allow CICA (with the agreement of the applicant) to withdraw the decision before the appeal is heard so that the appeal falls and a fresh decision can be issued</p>
<p>Unimplemented powers (in the Criminal Injuries Compensation Act 1995) exist to allow the Secretary of State for Justice or, in Scotland, Scottish Ministers, to make Regulations to provide for the recovery from offenders by the state of the criminal injuries compensation paid to their victims</p>	<p>o)(viii) Consider further how to implement provisions in the Criminal Injuries Compensation Act 1995 to allow CICS claims officers to issue a recovery notice to an offender for the compensation paid to their victim and, if the amount is not paid, to initiate debt recovery action through the civil courts.</p>

18) The impacts of several of our reforms overlap. For example, many of the applicants that would be excluded by the policy no longer to make payments to witnesses of offences connected with trespass on the railway would also be excluded by the proposal to remove tariff bands 1 – 5. In order to avoid double counting of impacts, we consider the impacts of the proposals in sequence. Specifically, we

assume the changes to the tariff³⁷ have occurred when estimating the effects of other changes.

- 19) Note that the Scheme is a transfer payment from government to victims of crime. As a result, the net impact of almost all the reforms is zero.
- 20) Where we are able to monetise the impacts of reforms we estimate a high and a low scenario. The low scenario corresponds to a smaller reduction in compensation paid than the high scenario.
- 21) A table showing the number of victims who received tariff, loss of earnings and special expenses awards in each tariff band (averaged across 2008/09 and 2009/10) is provided at annex 2.

Costs of Policy Reform

Transitional Costs

Costs to eligible for the current CICS (principally victims and witnesses of violent crime and dependents of those fatally injured)

- 22) The reformed scheme will be laid around the start of July 2012. All the impact assessments being published with the government response calculate costs and benefits from this date. There will be a delay between the reformed scheme being laid and its coming into force. We assume that this period is around three months. This means that the cost of the reforms to victims and witnesses of crime in the first year to two years will be lower than the long run average for two reasons. Firstly, the reformed scheme will only be in operation for the final three quarters of the first year.
- 23) Secondly, it is possible that during the three month between the scheme being laid and it coming into force some people will put in applications that they would otherwise have put in later. CICA estimate that under the current scheme at any one time there are around £85m of likely claims where the incident has occurred, and the applicant will claim within the two year limit.³⁸ If some or all of these applications are brought forward more compensation will be paid in this period. This will be partially offset by a reduced number of claims in the first and second years under the reformed scheme.
- 24) The costs to victims of crime, and the benefits to the Ministry of Justice/Scottish Government are higher the more victims put in applications under the reformed, less generous, scheme rather than the current scheme.
- 25) The high estimate of transitional costs and benefits (£100m over two years) therefore corresponds to an assumption that no claims are brought forward (so the maximum number of applicants is affected by the reductions in scheme payments).
- 26) The low estimate of transitional costs and benefits (£55m over two years) corresponds to an assumption that all £85m of potential claims are brought forward. Under this scenario, more applicants make claims under the current, more generous scheme, and fewer under the reformed scheme. As a result, the costs to victims (and the benefit to the MoJ) for the first two years following reform is lower. The estimate assumes that the potential claims are representative of all claims made under the current scheme.³⁹

³⁷ removing tariff bands 1 – 5 and reducing tariff awards in bands 6 - 12, but protecting the value of tariff awards for fatal injuries, sexual assault and a pattern of physical abuse

³⁸ Except in exceptional circumstances, applications for compensation must be made within two years of the incident. CICA estimate that there are around a further £50m worth of claims more than two years old that will be placed, and be successful, in the future. However, given that these claims must by definition have exceptional reasons for delay, it is unlikely they will be brought forward in response to announced scheme changes.

³⁹The current scheme costs around £210m per year – or £52.5m per quarter - and we assume that in the absence of reform this would continue

Under the high scenario there is no reduction in the first quarter, as the new scheme is not in force. The cost for the remainder of the first two years (seven quarters) depends on the amount by which the reformed scheme reduces compensation. For illustration, suppose this reduction is £50m per year.

In the high scenario, the new scheme would then reduce compensation paid by £12.5m per quarter for seven quarters i.e. £87.5m.

Under the low scenario, there is in fact an increase of £85m in compensation paid in the first quarter, because £85m of claims are brought forward.

Again suppose the reduction due to the reforms is £50m per year.

Under this scenario, £85m extra is paid in the first quarter. In subsequent quarters less is paid for two reasons. Fewer claims are submitted because some have been brought forward. Second, those claims are paid less due to the reforms. Specifically, we can assume that each claim is reduced to $((210-50)/210)=76\%$ of its previous amount. Therefore the difference between the amount that would be paid per quarter in the

Costs to CICA/MoJ and Scottish Government:

27) There will be costs to CICA (which is wholly funded by the MoJ and Scottish Government) of training claims officers in the rules of the proposed new scheme.

Costs to those who assist/represent applicants:

28) Though applicants do not need legal representation to make a claim, a substantial proportion are represented (around 25% of applicants, and about 25% of award recipients, representing around 35% - 40% of awards by value). Others get free advice from organisations such as Victim Support. There may be costs associated with learning the new scheme for these groups, although since the scheme is being simplified, these are unlikely to be substantial.

On-going costs

Monetised costs to people eligible for the CICS (principally victims and witnesses of violent crime, and dependents of those fatally injured):

All these costs are based on the assumption that in the absence of reform demand for the scheme would remain at its current level and that reductions in the value of payments do not reduce demand for them. They are listed in the order in which they are presented in the main consultation document. Where we are unable to monetise a particular proposal, we note it in this section and discuss further below.

Policy reform a(i): no longer pay awards to railway employees who are mentally injured as a result of witnessing or being involved in the immediate aftermath of offences connected with trespass on the railway including suicide or attempted suicide

29) This proposal will affect railway workers who witness injuries directly resulting from trespass on the railway. **We do not expect this proposal to reduce the amount of compensation paid significantly.**

30) In 2008/09⁴⁰ around 170 railway employees received awards from CICS totalling about £650k for mental injury due to witnessing or being involved in the immediate aftermath of offences connected with trespass on the railway. Of this about £250k was for tariff payments. It is not possible to disaggregate this by tariff band but the average payment was around £1,500. Currently the payment for injuries in tariff bands 1 – 5 are between £1,000 and £2,000. We therefore assume that almost all the reductions in compensation that would be caused by this exclusion have already been counted as part of the removal of tariff bands 1 – 5. Therefore it is not expected there that will be a significant reduction in compensation resulting from this proposal.

We are not able to monetise the impacts of policy reforms a(ii) – a(iv), b – d. A qualitative discussion of their likely impacts is provided in the next section.

Policy reform e: Exclude all of those with an unspent criminal conviction resulting in custody or a community order. In other cases an award will be reduced or withheld unless there are exceptional circumstances. Applicants with motoring offences for which the only penalty imposed was one or more of an endorsement, penalty points or a fine under Schedule 2 to the Road Traffic Offenders Act 1988 are exempt from this provision and will not generally have their awards reduced. In fatal cases take into account any convictions of the claimant but not those of the deceased, except in exceptional circumstances.

31) This reform will affect victims of violent crime with unspent criminal convictions. We estimate that they will **reduce the amount of compensation paid by £0m - £2m**. We assume that, as in the past, tariff payments (which form the majority of these awards) will not be up-rated with inflation. Therefore the real monetised cost of these reforms will decline in real terms in the future.

32) It is already possible for awards to be reduced or withheld where the applicant has previous criminal convictions. In each of 2008/09 and 2009/10, around £5m - £10m was paid to people whose awards were reduced due to their having a criminal record.

absence of the reforms and the amount that is paid under this scenario is: $(£210m/4) - ((£210m/4) - (£85m/7)) * 0.76 = £22m$ savings each quarter will be

In total, then, under this scenario the reduction in compensation paid would be:

$-£85m + 7 * £22m = £67m$.

⁴⁰ Data is not available for 2009/10.

- 33) Around £1m of this was for injuries in bands 1 – 5. This reduction in compensation is therefore counted as part of the tariff reductions. In addition, some of the remainder will be affected by the cuts to higher tariff bands (see proposal g). Taking the tariff changes into account, this proposal could affect up to around £7m of compensation.
- 34) The reform applies to individuals sentenced to custody or a community sentence. We do not have details of the sentences received by those who were given reduced awards. To reach an estimate, we assume they were representative of all offenders sentenced. Around 25% of all offenders sentenced in 2010 were sentenced to immediate custody, a suspended sentence or a community sentence. On this basis, we estimate this reform will reduce compensation paid by up to £2m.
- 35) The impact of this reform is likely to be affected by the reform of the Rehabilitation of Offenders Act (ROA) 1974 in England and Wales. The reforms to the ROA will change the rehabilitation periods for different sentences; most will become shorter, though convictions resulting in custodial sentences of more than 4 years will still never be spent.⁴¹ In addition, the rehabilitation periods will commence when the sentence ends (including any period spent by the offender on license), rather than from the date that the offender is convicted. As most convictions will be spent more quickly, the reforms to the ROA are likely to reduce the impact of the reform. We do not have sufficiently detailed data on the sentences of applicants who currently have their awards reduced to estimate this effect.
- 36) There are a number of reasons why the reduction in compensation as a result of this reform might be less than £2m. In addition to the reforms to the ROA discussed above and general optimism bias and fluctuations in caseload, there are also risks in relation to the proportion of applicants with relevant unspent convictions and the number of fatal cases where at present the award is reduced due to criminal convictions of the deceased (rather than the claimant). We therefore estimate a reduction in compensation paid of £0m - £2m.

Policy reforms f - i: Changes to the tariff

37) There are three elements to this proposal:

- (reform (f)) remove bands 1 – 5 of the tariff
- (reform (g)) reduce payments by £1500 in band 6 to £1000, by £1800 in band 7 to £1500 and by £2000 in bands 8 – 12 (no change to bands 13 – 25);
- (reform (h)) retain fatal injury awards and tariff awards for sexual assault and for physical abuse (including those in bands 1 – 5) at their current values.
- (reform (i)) amend the tariff to better reflect the degree of seriousness of hemiplegia, paraplegia and tetraplegia injuries.⁴²

⁴¹ The necessary changes to systems and processes to deliver the reforms to the ROA are expected to be in place by Spring 2013, at which point the changes to the (ROA) scheme can be commenced. In the meantime, the current law in relation to rehabilitation periods will remain in force. . Once implemented, the relevant rehabilitation periods will be as follows:

Custodial sentences over 0 months and up to and including 6 months, the conviction would not become spent until 2 years after the end of the sentence;

Custodial sentences of over 6 months and up to and including 30 months, the conviction would not become spent until 4 years after the end of the sentence;

Custodial sentences of over 30 months and up to and including 4 years, the conviction would not become spent until 7 years after the end of the sentence;

Custodial sentence of over 4 years can never be spent;

Community order, the conviction would not become spent until 1 year after the end of the order;

These rehabilitation periods will be halved for offenders who are under the age of 18 at the point of conviction with one exception (to ensure that the total rehabilitation period for short custodial sentences is appropriate and proportionate when compared to youth rehabilitation orders), that custodial sentences over 0 months and up to and including 6 months in custody would not become spent until 18 months after the end of the sentence for offenders who are under 18 at the point of conviction.

⁴² Hemiplegia (currently band 21): mild, band 18 (£27,000); moderate, Band 21 (£55,000); severe, band 23 (£110,000). Paraplegia (currently band 24): minimal, band 18 (£27,000); moderate but substantially incomplete, band 21 (£110,000); substantially complete, band 24 (£175,000). Tetraplegia (currently band 25): substantially incomplete injury to both upper and lower limb levels, band 20 (£44,000); substantially incomplete to upper limb level but complete to lower limb level, band 24 (£175,000); substantially complete to both upper and lower limb levels, band 25 (£250,000).

- 38) Reform (f) with reform (h) will affect those with minor physical injuries and mental injuries classified as “temporary mental anxiety” except victims of sexual and physical abuse. Reform (g) with reform (h) will affect victims with injuries in bands 6 – 12, except victims of sexual assault or a pattern of physical abuse. Those bereaved by violent crime will also not be affected.
- 39) We estimate that together these reforms will **reduce the amount of compensation paid by about £40m - £45m** (to the nearest £5m, in nominal terms). This is made up of a reduction of £20m due to removing bands 1 – 5 (while protecting awards for victims of physical and sexual abuse) (reforms f and h) and a further £20m - £25m from reducing the amounts paid in bands 6 – 12 (again, while protecting awards for the bereaved and victims of physical and sexual abuse) (reforms g and h). Reform (i) affects only a small number of claimants, so its impact is highly uncertain, but we estimate it might reduce the overall amount of compensation paid by £0m - £1m.
- 40) We assume that, as in the past, tariff payments will stay fixed in nominal terms (either under this reform or under the base case). Therefore the real cost of these reforms (the real value of the difference between the amount of compensation paid under this reform and under the base case) will decline in the future.
- 41) Before any deductions were made for the conduct and character of the applicant, compensation in bands 1 – 5, totalled around £26m in 2008/09 and £27m in 2009/10. Of this about £1.5 - £2m was for sexual assault and a pattern of physical abuse. A further £3m was for loss of parental services awards. Deductions (for conduct, character) were around 4% on average across tariff payments as a whole. Assuming that deductions were evenly distributed across tariff bands, actual compensation paid for victims of offences other than sexual assault or a pattern of physical abuse in these bands was around £20m.
- 42) Our estimate (rounded to the nearest £5m) of the savings from removing bands 1 - 5 (reforms (f) and (h)) is therefore £20m. Deducting 10% for optimism bias including for the risk that fluctuations in demand might limit the cost of this proposal to victims compared to the baseline does not affect the estimate, to the nearest £5m.
- 43) To estimate the impact of reforms (g) and (h), before deductions, compensation in bands 6 – 12, cost £62m in 2008/09 and £67m in 2009/10. Bereavement awards made up £6m of this total in 2008/09 and £4m in 2009/10. Awards for sexual assault and a pattern of physical abuse made up a further £8m in 2008/09 and £6m in 2009/10. Deducting this, and a further 4% for conduct and character (see above) leaves average total affected compensation at approximately £55m.
- 44) Making the planned reductions (of £1500 in band 6, £1800 in band 7 and £2000 in the remaining bands 8 – 12) would reduce this amount by around £25m. To reach a lower end estimate of the reduction in compensation, we deduct 10% for optimism bias, including for the risk that fluctuations in demand might limit the cost of this proposal to victims compared to the baseline. We therefore estimate a reduction in compensation paid due to reform (g) in the range £20m - £25m.
- 45) Reform (i) will affect some victims with hemiplegia, paraplegia and tetraplegia injuries. Those with moderate hemiplegia or substantially complete paraplegia or tetraplegia will not be affected. Those with severe hemiplegia will receive higher awards, those with mild hemiplegia, minimal or moderate paraplegia or substantially incomplete tetraplegia will receive lower awards.
- 46) In 2008/09 about 30 claimants received awards for these injuries in total, and in 2009/10 about 20 claimants received awards. An initial assessment of historical claims indicates that the reforms might reduce the amount paid to these claimants by up to around £1m per year. However, as this is only an initial assessment, and the total number of affected claimants is very small, the proportion of future claimants with these injuries who are likely to be affected by the reforms is uncertain. Subject to these uncertainties, we estimate that the reform might reduce total compensation paid by approximately £0m - £1m.
- 47) We therefore estimate that together the tariff reforms will reduce the amount of compensation paid by somewhere in the range £40m - £45m (to the nearest £5m).

We are not able to monetise the impact of reform (j). A qualitative discussion of its likely impact is provided in the next section.

Reform k - Pay loss of earnings at a flat rate equivalent of Statutory Sick Pay (around £4500 per annum) and not reduce payments to reflect an applicant’s other sources of income. Pay for

dependency at the same rate as loss of earnings. Loss of earnings to be paid to those with no, or very limited, earning capacity. No longer pay for diminution of earnings.'

WITH reform (n): introduce new discount tables for payments for future loss based on an underlying discount rate of 2.5% (the current rate is 4.5%)

- 48) These reforms will impact on victims of violent crime who are injured severely enough to be out of work (or have limited earnings capacity) for more than 28 weeks, and would have been in work for some or all of this time. It will also impact on dependents of fatally injured victims of crime. We estimate that **reform (k) in conjunction with reform (n) will reduce compensation paid by £0m - £10m.** (We assume that loss of earnings payments would increase in line with inflation. Therefore this estimate represents the real value of this cost.)
- 49) Total expenditure on loss of earnings including dependency in 2009/10 was around £45m across around 1,100 applicants. The average for 2007/08 – 2009/10 was also around £45m, across 1,000 applicants. Approximately £4m, or 10%, of LoE spending in 2009/10 was on dependency. In the absence of more detailed information, we will assume 10% of any reduction in compensation will come from dependency too.
- 50) The amount an individual receives for loss of earnings depends on three factors: the amount they are to be paid per year of loss; the number of years of earnings they have lost (past and future); and the discount rate used to convert payments for future loss into a lump sum. Reform (k) affects the first of these. Reform (n) affects the third. We therefore estimate the impact of these reforms together.⁴³
- 51) Reform (k) is expected to reduce the average amount paid for loss of earnings. This will be partly offset by reform (n); reducing the discount rate increases the size of the lump sum payment an individual receives for their future loss (for a given annual loss of earnings rate).
- 52) The current rules for calculating loss of earnings awards are complex and there is high variation in income and years of loss between applicants. Also, due to administrative constraints (and unlike for the other reforms) we only have detailed information on a small sample of claims from 2009/10. We have estimated the impacts of the reform on the basis of this sample, but the estimates are inevitably uncertain.
- 53) Assuming that the distribution of years of loss in the sample of claimants is the same as in the population, we estimate that together these reforms would result in the average total payment for loss of earnings falling from about £40,000 to about £33,000. This corresponds to a fall in the total amount paid in loss of earnings of about £10m.
- 54) There is considerable uncertainty surrounding our loss of earnings estimates. Allowing for optimism bias and the risk of future changes in demand, we estimate that as a result of reform (k) in conjunction with reform (n) there would be a **reduction in compensation of £0m - £10m.** (We assume that loss of earnings payments would increase in line with inflation. Therefore this estimate represents the real value of this cost.)

We are not able to monetise the impact of proposal (l). A qualitative discussion of its likely impact is provided in the next section.

Reform m - remove special expenses for reasonable private health care not available on the NHS

- 55) This reform will affect victims of violent crime who want to purchase additional care beyond that which the NHS provides. **We do not expect this reform to have a significant impact on the amount of compensation paid.**
- 56) In each of 2008/09 and 2009/10 CICA paid out approximately £0.2m for private health care. We therefore estimate a reduction in compensation paid as a result of this proposal of £0m (to the nearest £1m).

The impact of reform (n) on loss of earnings payments is monetised above. However, it will also affect payments for future special expenses and loss of parental services. We are not able to monetise these

⁴³ Note that changes to the discount rate (reform (m)) will also affect the amount paid for future special expenses costs and for loss of parental services. We do not have sufficient data to quantify these impacts. They are discussed in the sections on non-monetised costs and benefits below.

impacts. We are also not able to monetise the impact of reforms o(i)-(viii). A qualitative discussion of the likely impacts of these reforms is provided in the next section

SUMMARY OF MONETISED COSTS:

<u>Policy Change</u>	<u>Groups impacted</u>	<u>Estimated reduction in compensation payments (figures above £10m rounded to nearest £5m, upper value is estimate, lower value is adjusted for potential demand changes and optimism bias in predicting cost savings, then rounded)</u>
(a)(i) Exclude railway employees who are mentally injured as a result of witnessing or being involved in the immediate aftermath of offences connected with trespass on the railway including suicide or attempted suicide	Railway employees	£0m
(e) Exclude all of those with unspent criminal conviction resulting in custody or a community order, with no discretion, and retain discretion to reduce awards in all other case. Applicants with motoring offences for which the only penalty imposed was one or more of an endorsement, penalty points or a fine under Schedule 2 to the Road Traffic Offenders Act 1988 are exempt from this provision and will not generally have their awards reduced.	Victims of violent crime with unspent criminal convictions	£0m - £2m
<p>(f) Eliminate tariff bands 1 – 5 (less serious injuries).</p> <p>(g) Reduce payment in bands 6 – 12 by £1500 in band 6 to £1000, by £1800 in band 7 to £1500 and by £2000 in the remaining bands 8 – 12</p> <p>(h) Retain fatal injury awards and tariff awards for sexual assault and for physical abuse (including those in bands 1 – 5) at their current values.</p> <p>(i) amending the tariff to better reflect the degree of seriousness of hemiplegia, paraplegia and tetraplegia injuries.</p>	Victims of violent crime (except sexual assault and physical abuse)	£40m - £45m (of which approx £20m from the removal of bands 1 – 5, £20m - £25m from the reductions to bands 6 – 12, and £0m - £1m from amendments to tariff for hemiplegia, paraplegia and tetraplegia)
<p>(k) with (n) Pay loss of earnings at a flat rate equivalent of Statutory Sick Pay (around £4500 per annum) and not reduce payments to reflect an applicant's other sources of income. Pay for dependency at the same rate as loss of earnings. Loss of earnings to be paid to those with no, or very limited, earning capacity. No longer pay for diminution of earnings.'</p> <p>And (reform (n)) introduce new discount tables for payments for future loss based on an underlying discount rate of 2.5% (the current rate is 4.5%)</p>	Victims of violent crime Dependents of fatally injured victims of violent crime	£0m - £10m (of which c. 10% is reductions in dependency payments)
(m) Remove the special expenses payments for private medical care not available on the NHS.	Victims of violent crime who want treatment beyond what is available on the NHS or from social services.	£0m

TOTAL (to nrst £5m, totals may not sum due to rounding of impacts of individual reforms)		£40m - £60m*
--	--	--------------

* **NB** This total in 2011/12 nominal terms. £40m - £50m of this relates to tariff payments which are assumed not to increase with inflation. The remaining £0m - £10m relates to loss of earnings payments which are assumed to increase with inflation. Assuming 2% annual inflation, the real terms average annual cost of the reforms after the two year transition period is £35m - £55m – as stated in the summary sheet.

Non-monetised costs:

There are several policy reforms where we do not have data to enable us to monetise the impact on victims. In addition, we have identified that some of our reforms may also have costs for other organisations, though we have not been able to monetise these.

- 57) *Costs to victims of animal attacks (except where the animal itself was used deliberately to inflict injury on that person) (reform a(ii))*; These individuals will not be eligible for payment in future. Data is not available on the number of such cases where compensation has been paid in the past. However, we do not expect this reform to have a significant impact.
- 58) *Possible costs to individuals injured inadvertently by an act the sole purpose of which is suicide (reform a(iiii))*; possible costs to claimants injured as a result of certain criminal offences, to which the claimant has consented in fact but is deemed not to have consented as a matter of criminal law (reform a(iv)). These individuals will not be eligible for payment in future. However, these proposals are all clarification of the current rules - these individuals are not eligible under the current scheme. We therefore do not expect these reforms to have a significant impact.
- 59) *Costs to victims who do not satisfy the requirement of ordinary residence or are exempt from it (reform b)*: these individuals will lose entitlement to compensation for crimes of violence committed in Great Britain. As there are currently no requirements relating to residence in the scheme, no information is held that could be used for an estimate, so we are not able to quantify the impact of this reform.⁴⁴
- 60) *Costs to victims who report the offence to a body other than the police or do not cooperate with bringing their assailants to justice (reform c)*: a substantial number of claims are refused each year on the grounds that the applicant failed to report the offence as soon as possible to the police or another body and/or cooperate with any investigation. In addition, over the three years 2007-2009, on average 185 people received a reduced award because they had failed to report, and 180 because they failed to cooperate (there may be overlap between these groups). However, no data is held on the number of applicants who currently report to a body other than the police, and who therefore would be affected by this proposal so we are unable to provide a monetised estimate of the impact.
- 61) *Costs to those who pay for funerals/beneficiaries of the deceased's estate in fatal cases (reform I)*: reimbursement for funeral costs will be capped at £5,000, whereas currently expenses considered reasonable by the claims officer are paid. We do not expect this to have an impact in a significant number of cases.
- 62) *Costs to applicants for whom CICA currently pays for initial medical evidence (reform o(iii))*: applicants will have to pay for initial medical evidence up to the value of £50, except where this is not affordable or practicable, when such costs will be deducted from the final award.
- 63) *Cost to applicants who miss medical appointments paid for by CICA (reform o(iii))*: applicants will have to pay these costs .
- 64) *Cost to applicants who do respond to their award offer (to accept or request a review) within 90 days but not within 56 days (reform o(v))*: these applicants will have to respond more quickly in order to receive their award.

⁴⁴ In 2009/10 CICA received 254 claims from individuals with addresses outside Great Britain, of whom 160 received compensation (totalling £908K). However, these figures could include British and EU/EEA citizens living abroad (including armed forces personnel), and they exclude individuals with UK addresses who may nevertheless not be ordinarily resident here. It is therefore not a useful guide to the impact of a restriction based on residency.

- 65) *Cost to applicants who, after receiving their award do not cooperate in bringing their assailant to justice, or are found to have deliberately misled a claims officer (reform o(vi))*: these applicants may have to repay some or all of their award.
- 66) *Costs to other government departments and the NHS (reforms b, k and m)*: enforcing the requirement for applicants to be either EU citizens, nationals of states party to the European Convention on the Compensation of Victims of Violent Crime, or ordinarily resident in the UK at the time of the incident may involve administrative costs to government. The scheme is supposed to be one of last resort, and in particular only to pay special expenses and loss of earnings as supplements to, rather than substitutes for, state provision. Nevertheless, it may be the case that the reductions to loss of earnings and withdrawal of special expenses for private health care will result in increased demand for public services and benefits, affecting DWP and the NHS. It is not possible to quantify this impact, but since special expenses for private health care are only paid in a small number of cases (fewer than 50 in each year 2007/08 – 2009/10), and loss of earnings in around 1,000 cases it can be expected to be quite small.
- 67) *Costs to Personal Injury lawyers (general)*: Removal of tariff bands 1 – 5 and other eligibility changes may reduce demand for assistance from personal injury lawyers for applying to CICS.⁴⁵ The longer term impact this may have will be dependent on the ability of lawyers to valuably use their resources in other areas. However, the overall impact will depend on wider demand for legal services.
- 68) *Costs to HMCTS (general)*: the proposed reductions in payments and eligibility may result in more appeals against individual decisions, but we are not able to quantify the likely size of this impact. In principle there might also be an increase in damages claims in the civil courts, though as the scheme is already intended as one of last resort so there should not be many additional such cases.
- 69) *Costs to CICA/MoJ/Scottish Government*
- a) Removing the provision that allows claims officers to withhold awards to under 18s where they feel it would be against the applicant's interests (**reform d**) may increase the amount of compensation awarded. We do not have detailed data on the number of cases affected, but expect the impact to be small.
 - b) Amending the scheme so that mental injuries are treated in the same way as physical injuries when calculating multiple injury awards (but maintaining the current provision in relation to victims of sexual offences who also suffer mental injury) may increase the amount of compensation paid (**reform j**). We do not have data on the number of claims likely to be affected, so are not able to quantify the impact.
 - c) Reducing the discount rate to 2.5% (**reform n**) will increase the amount of compensation paid in special expenses payments (where these relate to future costs e.g. for care) and loss of parental services payments. We do not have data on the number of years of future loss claimed for these types of payments, so are not able to quantify the impact.
 - d) Introducing new clearer rules on the time limits for applications from those who were children at the time of the incident (**reform o(i)**) may increase the number of successful applications and therefore the amount of compensation awarded. This would occur if some potentially eligible applicants do not apply at the moment because they do not think they are eligible.
 - e) *Assuming reform (b) is implemented*, introducing a new provision enabling a claims officer to defer a decision on an application where the applicant has been referred to a United Kingdom competent authority as a potential victim of trafficking in human beings or has made an application for asylum (**reform o(iv)**) may increase the amount of compensation paid.⁴⁶ If a decision on their status is not reached before the deadline for applications to the CICS (2 years after the incident), these applicants will still be eligible to receive compensation if they are subsequently granted asylum or conclusively identified as a victim of trafficking.
 - f) Implementing provisions to allow CICS claims officers to issue recovery notices to offenders to recover compensation paid to their victims and, if the amount is not paid, to initiate debt recovery action through the civil courts (**reform o(viii)**) may result in administrative costs for CICA. Note

⁴⁵ approximately 25% of applicants have legal representation, and these claims receive 35% - 40% of awards by value

⁴⁶ Note that under the current scheme these individuals are able to claim in any case. However, if reform (b) (ordinary residency) is implemented, they would no longer be eligible.

that the decision to implement the provision would depend on an assessment of its likely cost effectiveness i.e. whether it was expected to result in enough money being recovered to justify any administrative cost.

- g) (*general*): if the new scheme resulted in more individuals seeking review and appeal of their award decision, this would impose costs on CICA, and therefore on MoJ

Benefits of Policy Reform

On-going Benefits

Monetised:

70) MoJ and Scottish Government:

- a) the MoJ and Scottish Government will benefit from savings equal to the reductions in compensation payments to victims of crime set out above i.e. £40m - £60m
- b) there will also be a reduction in administration costs in the medium term, largely due to the removal of payments in tariff bands 1 – 5 and simplified loss of earnings provisions. These are estimated at approximately £1m - £1.5m in total.

Non-monetised:

71) MoJ/Scottish Government:

- a) The amount of compensation paid will be reduced by restricting eligibility by no longer making payments:
 - where a person has been the victim of an animal attack, unless the animal itself was used deliberately to inflict injury on that person (**reform a(ii)**)
 - to third parties injured inadvertently by an act the sole purpose of which is suicide (**reform a(iii)** – clarification of the current scheme)
 - to claimants injured as a result of certain criminal offences, to which the claimant has consented in fact but is deemed not to have consented as a matter of criminal law (**reform a(iv)** – clarification of the current scheme).
 - the applicant is not ordinarily resident in the UK (and is not a British Citizen or accompanying family member, national of an EU or EEA member state or accompanying family member or of a state to the European Convention on the Compensation of Victims of Violent Crime, a victim of trafficking or someone granting asylum, a member of Her Majesty's United Kingdom Armed Forces or close accompanying family member (**reform b**))
 - the applicant failed to report to the police as soon as practical, or to cooperate as far as practicable with any criminal investigation (**reform c**)
 - and also by extending the circumstances where repayment can be sought to cases where the applicant failed to cooperate in bringing their assailant to justice or deliberately misled a claims officer (**reform o(vi)**) (though this may be partially offset by any associated administrative costs)

We do not have detailed data on the number of claims likely to be affected, so are not able to quantify the impact.

- b) Introducing a cap on the reimbursement for funeral costs at £5,000 may reduce the amount paid for funeral expenses (**reform l**). Currently expenses considered reasonable by the claims officer are paid. We do not expect this to have an impact in a significant number of cases as this is consistent with current internal policy in relation to maximum awards for funeral expenses.
- c) Changes to the application process may reduce administration costs and possibly also reduce the amount paid to victims who in fact have other sources of compensation. The relevant reforms are:
 - introducing clearer rules on the time limits for applications from those who were children at the time of the incident (**reform o(i)**) may reduce the number of ineligible applications that have to be processed.

RESTRICTED

- Clarifying the evidence the applicant will be expected to provide and restricting the circumstances under which CICA will pay for expert evidence (**reforms o(ii) and o(iii)**). CICA currently spends around £3.5million per year on medical reports. The proposal is likely to reduce this somewhat, but we are not able to quantify the likely impact.
 - Reducing the period for applicants to accept their award or request a review to 56 days (**reform o(v)**). This could help to streamline administration.
 - Allowing CICA to withdraw a decision and issue a new one, rather than allow a case to go to appeal (**reform o(vii)**). This will save the cost of preparing for and attending some appeal hearings.
- d) Implementing provisions to allow CICS claims officers to issue recovery notices to offenders to recover compensation paid to their victims and, if the amount is not paid, to initiate debt recovery action through the civil courts (**reform o(viii)**) may reduce the net amount spent by the Government on compensation, because some of the cost will be met by offenders. . Note that the decision to implement the provision will depend on an assessment of its likely cost effectiveness i.e. whether it is expected to result in enough money being recovered to justify any administrative cost.

72) *Victims of violent crime:*

- a) Removing the provision allowing claims officers to withhold awards from under 18s may benefit these victims (**reform d**)
- b) Amending the scheme so that mental injuries are treated in the same way as physical injuries when calculating multiple injury awards (but maintaining the current provision in relation to victims of sexual offences who also suffer mental injury) will benefit any victims who currently do not receive any compensation for a mental injury because they have a physical injury in a higher tariff band (**reform j**). We do not have data on the number of claims likely to be affected, so are not able to quantify the impact.
- c) Making up front payments of £2,500 for funeral expenses (**reform l**) may benefit those who pay for the cost of the funeral in fatal cases.
- d) Reducing the discount rate to 2.5% (**reform n**) will increase the amount of compensation paid in special expenses payments (where these relate to future costs e.g. for care) and loss of parental services payments. We do not have data on the number of years of future loss claimed for these types of payments, so are not able to quantify the impact.
- e) Introducing clearer rules on the time limits for applications from those who were children at the time of the incident (**reform o(i)**) may benefit victims in two ways. Any victims who currently make unsuccessful applications after the deadline, but no longer do so because it is clear that they will be refused, would save the costs associated with preparing an application. Any victims who would be eligible to apply after the time limit but do not apply because it is not clear that they are eligible could receive compensation.
- f) Clarifying the evidence required for their application may make the process simpler for victims (**reform o(ii)**)
- g) Assuming reform (b) is implemented, introducing a new provision enabling a claims officer to defer a decision on an application where the applicant has been referred to a United Kingdom competent authority as a potential victim of trafficking in human beings or has made an application for asylum (**reform o(iv)**) will benefit these applicants. If a decision on their status is not reached before the deadline for applications to the CICS (2 years after the incident), they will still be able to receive compensation if they are subsequently granted asylum or conclusively identified as a victim of trafficking.
- h) Allowing CICA to withdraw a decision and issue a new one, rather than allow a case to go to appeal (**reform o(vii)**). This will save the cost of preparing for and attending some appeal hearings, and may also reduce the overall length of the process.

73) *Wider economic benefits:* a reduction in payments under the CICS will contribute to achieving the Government's macroeconomic objective of reducing national debt

Net Impact of Policy Reform

- 74) Payments under the CICS are transfer payments from government to applicants. The net monetised impact of the reforms in this impact assessment is therefore a small benefit, accruing to the MoJ and Scottish Government, from reduced administration costs of £1 - £1.5m per year.
- 75) Some of the monetised reduction in administration costs may be offset by increased costs to Government of assessing eligibility on residence grounds and to CICA from a possible increase in review and appeal. It has not been possible to quantify these.
- 76) The reduction in compensation payments also has a wider, non-monetised, benefit because it contributes to the government's macroeconomic objective of reducing government spending and hence the national debt. On the other hand it may – but it is not possible to be sure – have an additional cost in terms of its distributional impact (see below).
- 77) There is no evidence available on the marginal (social) value of giving money to victims of violent crime. We are therefore not in a position to assess whether the marginal social benefit of reducing the national debt is larger or smaller than the marginal social cost of reducing the amount of money transferred to those victims of violent crime who successfully apply to the CICS.
- 78) Note that this impact assessment should be read in conjunction with those relating to reforms to increase government spending on services for victims of crime, including violent crime (the proposal to increase and extend the Victim Surcharge; and the proposal to use revenue raised from an increase in Fixed Penalty Notices to fund services for victims) as well as to reform the framework within which these services are delivered..

Key Risks, Assumptions and Sensitivities

- 79) Two key assumptions have been made in the analysis. The first relates to the level of future demand for the scheme and its profile (in terms of the distribution of cases across tariff bands and the proportion of cases claiming loss of earnings and special expenses). Our high scenario corresponds to demand remaining flat at the current level, and no claims being brought forward to qualify for the current scheme rather than the reformed scheme. Our low scenario allows for the possibility that the reduction in payments and the elimination of bands 1 - 5 could result in “up-tariffing” – individuals putting in successful claims for higher tariff bands than they would under the current scheme. It also allows for the possibility that some victims who would have delayed making their claim might bring their application forward to benefit from the current, more generous scheme.
- 80) However, demand has fluctuated in the past. We therefore cannot be sure either that demand won't rise (or fall) overall resulting in a larger (or smaller) impact of the reforms compared to option 0. It is also possible that there might be a larger shift in the profile of claims than that assumed for the low scenario (resulting in a smaller impact of the reforms). It is therefore unlikely, but possible, that the impact of the reforms could therefore lie outside the ranges estimated.
- 81) The second assumption relates to the estimated impact of the loss of earnings reforms. Under the current scheme, the procedure for calculating loss of earnings is complex – an individual's payment depends on the number of years of earnings they lose, their pre-injury post-tax earnings and their post-injury entitlements to state benefits and work-based pension schemes. The impact of the proposed alternatives compared to the baseline therefore depends on the joint distribution of these three variables in the future (as well as the number of loss of earnings applicants). We only have quite limited data on past claims for loss of earnings. In addition, especially given the relatively small number of loss of earnings applicants each year, we cannot be sure how similar the profile of future applicants will be similar to that of past applicants. The impact of the reforms may therefore lie outside the range estimated.
- 82) There is a risk that taking action to recover money from offenders to cover the cost of compensation paid to their victims might result in administrative cost without raising sufficient revenue to justify this. However, the powers will not be implemented unless the process designed is expected to be cost effective, and its performance will be kept under review.
- 83) There is a risk that the reforms might have a distributional impact, but we cannot be sure. The reforms have been designed to try to target resources at victims considered to be the most seriously affected by their injuries. They will reduce the amount of money received by victims of crime. Depending on the profile of the victims affected relative to the general population, this could have an impact on economic (in)equality. However, we do not have sufficient information to predict the

direction or scale of any impact.⁴⁷ The potential impacts of the reforms on people with protected characteristics are considered in a separate Equality Impact Assessment. Note that reforms elsewhere in this consultation will increase funding for services for victims of crime, including violent crime, which will impact positively on the welfare of victims. The overall impact on victims is considered in the Victims and Witnesses Consultation summary Impact Assessment.

Specific Impact Tests

Statutory equality duties

An Equality Impact Assessment is included as a separate document in this consultation.

Competition Assessment

These reforms are not expected to affect suppliers' ability or incentives to compete. They are likely to reduce demand for personal injury lawyers to assist with applications for compensation, as individuals with minor injuries will no longer be eligible, and payments to those still eligible will typically be lower. However, we do not expect this reduction in demand to have differential effects across different groups of (existing or potential) suppliers.

Small Firms Impact Test

Changes in the scheme rules and reduction in the number and potential value of applications for compensation will affect personal injury lawyers, including those in small firms, in two ways. There may be a reduction in demand for assistance with claims due to changes to eligibility criteria and reduction in the size of payments to those still eligible. Compared to the market in personal injury claims as whole, this impact is unlikely to be significant.⁴⁸ There may also be a transitional impact because lawyers will need to familiarise themselves with the new scheme. However, this impact should be limited by the fact that the new scheme will be simpler than the current one.

Since the scheme revisions will apply equally to all victims of violent crime, it would not be possible to make exemptions, or provide a different approach, for small firms. We do not currently have data on the proportion of firms which offer support with CICA applications that are small. However, many providers of legal services are small, so it is possible that most of the relevant providers may also be small. In this sense (i.e. compared to the private sector as a whole) the impact might fall more heavily on small firms. However, amongst firms that provide assistance with CICA applications, we do not expect there to be a disproportionate impact on small firms.

Carbon Assessment

We do not expect these reforms to have an impact on the emission of greenhouse gases.

Other Environment

We do not expect these reforms to have any other environmental impacts.

⁴⁷ Evidence on victims of violent crime in general indicates they are not evenly distributed across the population – but rather are concentrated amongst students and the unemployed (Crime in England and Wales 2009/10, Home Office). However, it is not possible to draw direct comparisons between CICS claimants and victims of violent crime in general.

⁴⁸ Around 25% of successful claims, or 10,000 claims per year, have legal representation. Our reforms might reduce this by a third to a half (3,000 – 5,000). Data is not available to allow us to compare this to the total number of claims for compensation a year that involving personal injury lawyers.

However, the Compensation Recovery Unit keeps statistics on the number of cases registered with them. The Compensation Recovery Unit works with insurance companies, solicitors and DWP customers, to recover: amounts of social security benefits paid as a result of an accident, injury or disease, where a compensation payment has been made, and costs incurred by NHS hospitals and Ambulance Trusts for treatment from injuries from road traffic accidents and personal injury claims.

In 2009/10, 861,325 cases were registered to the CRU. Some of these cases may have involved only insurance companies, and no lawyers. However, if lawyers were only involved in 50% of these cases, CICA cases with legal representation would still correspond to less than 1% of this other work.

Health Impact Assessment

- Will your policy have a significant impact on human health by virtue of its effects on the following wider determinants of health? : Income; crime; environment; transport; housing; education; employment; agriculture; social cohesion.

There may be an impact on the health of victims of violent crime as a result of them receiving smaller payments.

- Will there be a significant impact on any of the following lifestyle related variables? : Physical activity; diet; smoking, drugs or alcohol use; sexual behaviour; accidents and stress at home or work.

We do not anticipate a significant impact on these variables.

- Is there likely to be a significant demand on any of the following health and social care services? : Primary care; community services; hospital care; need for medicines; accident or emergency attendances; social services; health protection and preparedness response.

There may be an impact on the health service if special expenses are removed for private health care that is not available on the NHS. However, the small number of people involved (less than 50 per year), and the fact that the scheme is already designed as one of last resort mean that this impact is not expected to be significant.

Human Rights

We believe the reforms are compliant with the Human Rights Act.

Justice Impact Test

Impacts on the justice system are covered in the main body of this Impact Assessment.

Rural proofing

We do not expect the impacts of these reforms to differ between rural and urban areas.

Sustainable Development

These reforms are consistent with the principles of sustainable development, in particular those of a sustainable economy and of a just society. By contributing to the government's objective of debt reduction they help to achieve a sustainable economy. At the same time, they are designed to target payments in a just way – to those considered the most needy, blameless victims of violent crime.

Privacy Impact Test (an MoJ Specific Impact Test)

Not relevant.

Annex 1: Post Implementation Review (PIR) Plan

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

Basis of the review:

It is intended to review each policy between three and five years after the implementation date. The review will form part of wider monitoring of policies introduced to meet the government's debt-reduction objective.

Review objective:

To ascertain whether the policy reforms achieve their objectives in reducing the cost of the scheme and simplifying the application process while not having adverse equality impacts on groups with protected characteristics.

Review approach and rationale:

Review of the policy will take the form of a monitoring framework to assess whether key aims of the policy are being achieved. Data will be collected on:

- the number of applications and the amount of compensation awarded;
- the time taken to process applications;
- the proportion of claims that request reviews and subsequently appeals
- the administration costs of the CICA; and
- the 'equalities' characteristics of applicants (such as race, gender and disability)

Baseline:

The current baselines are:

- the number of applications and the amount of compensation awarded: c. 65,000 per year, of which 60% receive an award of some kind;
- the time taken to process applications: c. 7.5 months to first decision;
- the proportion of claims that request reviews and subsequently appeals: c. 20% reviews, of which 20% then go to appeal (4.6% overall);
- the administration costs of the CICA: currently c. £25m; and
- the 'equalities' characteristics of applicants (such as race, age and disability): men currently comprise 68% of award recipients and receive 65% of compensation by value. People in the 16 – 24, 25 – 34 and 35 – 44 age group are overrepresented amongst award recipients compared to the population at large, all other age groups are under-represented. Limited information is available on the other protected characteristics (disability, sexual orientation, gender reassignment, pregnancy and maternity, religion and belief and race) – see accompanying Equality Impact Assessment for details. New systems are in place at the CICA, so data on the current scheme will exist before the new scheme begins.

Success criteria:

The policy reforms will be considered successful if the reduced costs as outlined in this IA are realised with no disproportionate impact on those applicants with protected characteristics. However, economic conditions and other factors will need to be taken into consideration. Success will also be measured by:

- Reduction in number of applicants and total value of compensation paid;
- Decrease in time to first decision;
- No long-term rise in proportion of claims where there are requests for review and appeal, or in proportion of reviews and appeals that are successful; and
- Decrease in the administration costs of the CICA

(There are no success criteria in relation to equalities data. The information will be monitored, and shifts in the profile of applicants will be considered to understand whether they are driven by changes in the scheme, or wider trends in crime and society more broadly.)

Monitoring information arrangements:

It is intended to make use of the information CICA routinely collects. This includes:

- Information on number of claims;
- number and value of awards;
- time to first decision;
- number and outcomes of reviews and appeals and administration costs; and
- Equalities data via an EOM form.

Reasons for not planning a PIR:

N/a

Annex 2

The table below shows the number of victims who received tariff, loss of earnings and special expenses awards in each tariff band (averaged across 2008/09 and 2009/10).

Tariff Band	Approximate number of tariff awards made (includes awards for sexual offences, physical abuse and bereavement)	Approximate number of loss of earnings awards made	Approximate number of special expenses awards made	Approximate number of awards made for sexual offences and physical abuse	Approximate number of bereavement awards made
1	5610	50	0	370	0
2	2070	0	0	0	0
3	6310	10	0	60	0
4	640	0	0	0	0
5	4010	20	0	530	0
6	2660	30	10	0	0
7	3830	50	10	840	0
8	2220	30	0	0	0
9	3300	100	20	140	0
10	1630	60	10	60	870
11	400	20	10	250	0
12	1310	240	60	240	0
13	1490	80	20	1070	250
14	310	120	40	60	0
15	660	60	20	490	0
16	100	50	10	0	0
17	480	90	30	310	0
18	60	30	10	10	0
19	10	10	0	0	0
20	60	60	40	0	0
21	10	10	10	0	0
22	0	0	0	0	0
23	20	20	20	0	0
24	10	0	0	0	0
25	30	10	20	0	0
Total	37220	1160	350	4410	1110

Note: *These data are taken from a large administrative system and therefore should be treated as approximate. The numbers given are an average of the 2008/09 and 2009/10 recorded volumes, rounded to the nearest 10 claims. Values in this table may not sum due to rounding, and may also not sum to those in Annex A of the consultation document due to rounding.