

Title: Victims of Terrorism Overseas IA No: MoJ162 Lead department or agency: Ministry of Justice Other departments or agencies: Criminal Injuries Compensation Authority, Foreign and Commonwealth Office, Home Office	Impact Assessment (IA)				
	Date: 02/06/2012				
	Stage: Final				
	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?		
N/Q	N/Q	N/Q	No		NA

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

In the past decade there have been terrorist attacks overseas in which British citizens resident in the UK have been killed or seriously affected. Whether terrorist attacks are targeted at individuals or more indiscriminately, terrorism is intended as a political statement and as an attack on a state and its people as a whole. It has ramifications for broader society beyond those who are directly affected by it.

Beyond the European Union, many countries do not have arrangements in place for the provision of payments to seriously affected victims of terrorism, or to the families and dependents of those killed in terrorist attacks taking place in their countries. This therefore leaves British and EU/EEA/Swiss citizens resident in the UK who are affected by terrorism overseas with little or no means of seeking financial payment.

Enabling provisions were passed by Parliament in the Crime and Security Act 2010 for introducing a statutory scheme to make payments to bereaved families and victims of terrorist incidents overseas. In line with the intentions of the previous administration, the Government intends to show solidarity with victims who are part of our community and have been caught up in acts of terrorism overseas, subsequently designated for the purposes of these schemes by making payments to those who have been seriously affected and who could not have reasonably anticipated a significant threat to their safety or security when travelling abroad.

What are the policy objectives and the intended effects?

The proposals seek to provide payments to British and EU/EEA/Swiss residents of the UK, who are seriously affected by acts of terrorism overseas in the absence of financial recompense elsewhere.

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

Option 0: Do nothing

Option 1: To make arrangements for a compensation scheme under the provisions in the Crime and Security Act 2010 for eligible victims of overseas terrorism that will make payments under the same categories as the revised domestic Criminal Injuries Compensation Scheme and come into force at the same time as this revised domestic scheme. To make payments via an ex gratia scheme for eligible victims of terrorism overseas, which will run until the commencement of a statutory based scheme for victims. Payments under the ex gratia scheme do not include payments for loss of earnings or special expenses, and are made only to victims who continue to have an ongoing disability as a direct result of their injuries.

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

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What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: N/Q	Non-traded: N/Q
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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 Option 1

Description: Introduce a scheme for making payments to eligible victims of overseas terrorism

FULL ECONOMIC ASSESSMENT

• Price Base	PV Base Year N/A	Time Period Years N/A	Net Benefit (Present Value (PV)) (£m)		
			Low: N/Q	High: N/Q	Best Estimate: -
COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low	Not Quantified (N/Q)		N/Q	N/Q	
High	N/Q		N/Q	N/Q	
Best Estimate					
Description and scale of key monetised costs by 'main affected groups'					
<p>Other key non-monetised costs by 'main affected groups'</p> <p>HM Government: payments to victims of terrorism overseas; potential operational/administrative costs of transfer of funds (including to the Criminal Injuries Compensation Authority); potential costs to First-tier Tribunal if they need to hear more appeals; potential costs to the High Court if appeals are unsuccessful at the First-tier Tribunal</p> <p>Victim Support: potential one-off staff training costs for Victim Support</p> <p>Insurance industry: possible cost from crowding out, which if it withdraws cover may impact on non-eligible UK residents</p> <p>Those who assist/represent applicants: administrative costs</p>					
BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low	Not Quantified (N/Q)		N/Q	N/Q	
High	N/Q		N/Q	N/Q	
Best Estimate					
Description and scale of key monetised benefits by 'main affected groups'					
<p>Other key non-monetised benefits by 'main affected groups'</p> <p>British and EU/EEA/Swiss residents of the UK will receive payments if they are seriously affected by acts of terrorism overseas that are so designated for the purposes of the schemes.</p>					
Key assumptions/sensitivities/risks				Discount rate (%)	N/A
<p>Costs and benefits are contingent on the number of acts of terrorism and how many of the victims are eligible for compensation. Costs and benefits are also contingent on the severity of injuries resulting from these acts.</p>					

BUSINESS ASSESSMENT (Option 1)

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 is concerned with the intention to make available payments for eligible victims of overseas terrorist attacks designated for the purposes of the scheme. This impact assessment is an updated version of the impact assessment published on 30 January 2012, which covered proposals to open both an ex gratia scheme to make payments to past victims of overseas terrorism and a statutory scheme to make payments to victims of overseas terrorism. The ex gratia scheme was implemented in April 2012. However, it is retained in this impact assessment for completeness.
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
 - Reform to the Criminal Injuries Compensation Scheme
3. Currently, victims of crime, including victims of terrorism, who sustain injury in Great Britain, can apply for compensation from the Criminal Injuries Compensation Scheme. Awards may be made up of payments for injuries and, where relevant, additional payments for loss of earnings and special expenses with the total award capped at £500,000. The Criminal Injuries Compensation Scheme operates in England & Wales and Scotland with a similar scheme operating in Northern Ireland. However, none of these schemes currently include any arrangements for making payments to British and EU residents of the UK who sustain injury overseas.
4. On 16 April 2012, the Government opened a scheme to make ex gratia payments to eligible victims of past overseas terrorist incidents in line with what was promised by the Government in 2010 and announced in Parliament at the Second Reading of the Crime and Security Bill. Payments under the ex gratia scheme are limited to payments under the tariff and do not include payments for loss of earnings or special expenses or payments to the bereaved. These payments are limited to those victims who continue to suffer a disability as a direct result of their injuries. The ex gratia scheme is intended to only be open for a short period of time, to cover the period until the statutory scheme covered by this impact assessment is opened.
5. When the ex gratia and statutory schemes were proposed by the Government the victims of overseas terrorist incidents had little or no chance of seeking financial redress from the perpetrators, the sponsors of terrorists, or from the state in which the incident occurred. Since 2006, the EU Directive 2004/80/EC has required all EU Member States to have in place arrangements for paying fair and appropriate compensation to victims of intentional, violent crime. Beyond the EU, there are many countries that do not have analogous state compensation arrangements in place.
6. There is some insurance cover available for some aspects of overseas terrorist attacks, in particular cover for medical expenses and repatriation. However, around 40% of travel insurance policies specifically exclude payments in respect of injuries sustained as a result of terrorist attacks. Furthermore travel insurance cover generally does not extend to compensation for loss of earnings, nor provide compensation for pain and suffering associated with the injuries sustained.
7. UK residents affected by overseas terrorist attacks can currently claim financial assistance from the Red Cross Relief Fund for UK Victims of Terrorism Abroad which was launched in May 2007 following a Government contribution of £1m. The Fund is administered by the British Red Cross and provides an immediate grant of £3,000 to help cover costs such as hospital bills, additional

accommodation, replacement of lost belongings and repatriation to the UK. A further £12,000 is available for ongoing costs.

8. British nationals affected by terrorism overseas may also access emergency support from the Exceptional Assistance Measures (EAM) scheme run by the Foreign and Commonwealth Office (FCO). The EAM scheme makes available emergency assistance to cover immediate needs such as flights, accommodation and subsistence if these cannot be met from other sources such as insurance arrangements. Assistance under these measures is not made available to those who have travelled to a region where the FCO had advised against all travel.
9. In some circumstances, charitable help may also be available. However, this often follows in the aftermath of a major event and amounts vary considerably. For example, the London Bombings Charitable Relief Fund was established following an outpour of public donations to provide financial relief to victims and their families following the 7/7 attack.

Rationale for intervention

10. The conventional economic approach to government intervention to resolve a problem 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 redistributive reasons (e.g. to reallocate goods and services to the more needy groups in society).
11. Terrorism is intended as a political statement and attack on society as a whole and has ramifications beyond those who are directly affected by it. As such the Government intends to show solidarity with British and EU/EEA/Swiss victims who are part of our community and have been caught up in terrorist incidents overseas designated for the purposes of these schemes by making payments to those who have been seriously injured and who could not have reasonably anticipated a significant threat to their safety or security when travelling abroad.

Main Affected Groups

- Victims of acts of terrorism overseas and dependants of those who are fatally injured.
- The Criminal Injuries Compensation Authority.
- Government Departments such as the Ministry of Justice, Ministry of Defence, Foreign & Commonwealth Office, Home Office and HM Treasury.
- Her Majesty's Courts and Tribunals Service.
- Victims' organisations.
- Personal injury lawyers.
- Insurance providers.

Note on territorial application

The proposals in this Impact Assessment apply to the UK as a whole.

Cost and Benefits

12. This Impact Assessment identifies 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 options. The costs and benefits of each option 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 in society or changes in equity and fairness, either positive or negative.

13. This Impact Assessment sets out our current estimates for the costs and benefits of the proposal 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 assumptions detailed in the discussion of costs and benefits below.

Base Case / Option 0

14. Under the ‘do nothing’ scenario, British and EU/EEA/Swiss victims of overseas terrorism resident in the UK would have continued to remain without access to any UK state funded compensation if they sustain injury overseas. Eligible victims may be able to access some support from the Foreign and Commonwealth Office’s ‘Exceptional Assistance Measures’ for terrorist incidents overseas, limited financial support from the Red Cross Relief Fund for UK Victims of Terrorism Abroad and from those countries that have compensation schemes in place. Various types of insurance cover would also continue to be available from the insurance market.
15. Because the do-nothing option is compared against itself its costs and benefits and necessarily zero, as is its Net Present Value (NPV)⁴⁹.

Option 1

16. Option 1 recommends introducing schemes for making payments to eligible victims of overseas terrorism.
17. Payments will be made via an ex gratia scheme for eligible victims of terrorism overseas, which will run until the commencement of a statutory based scheme for victims in the future.
18. The statutory scheme will be based on a revised domestic scheme for which Ministers have been considering proposals for reform. Reform proposals include elimination of current tariff bands 1-5, reductions to tariff bands 6-12 whilst protecting tariff bands 13-25. Further details on these and the other reform proposals can be found in the accompanying Impact Assessment on Reform to the Criminal Injuries Compensation Scheme.

Policy Proposals	Statutory scheme	Ex gratia scheme
Eligibility criteria 1 to receive payments.	Must be a British or EU/EEA/Swiss citizen resident in the UK for 3 years or more immediately prior to the terrorist incident. Members of the Armed Forces (and their accompanying dependents) will be exempt from having to demonstrate the nationality and residence requirements, and Crown servants (and their accompanying dependents) from the residence requirements, in recognition of the particular demands that arise as a result of service to the UK Government.	Must be a British or EU/EEA/Swiss citizen resident in the UK for 3 years or more immediately prior to the terrorist incident. Members of the Armed Forces (and their accompanying dependents) are exempt from having to demonstrate the nationality and residence requirements, and Crown servants (and their accompanying dependents) from the residence requirements, in recognition of the particular demands that arise as a result of service to the UK Government.
Eligibility criteria 2 to receive payments.	Must have an injury that appears in the CICS tariff (in line with the revised CICS) as a direct result of a terrorist attack overseas, subsequently designated for the purposes of the scheme, to engage the tariff for injuries.	Must have an ongoing disability, defined in accordance with section 6 of the Equality Act 2010, that has arisen or been exacerbated as a direct result of an injury sustained during a terrorist attack overseas, subsequently designated for the

⁴⁹ 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.

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		purposes of the scheme, and that appears in the 2008 CICS tariff. It must further be present when an application is made to the ex gratia scheme.
Designation of terrorist attacks for the purposes of the scheme.	<p>Must be designated by the Secretary of State for the purposes of the scheme including giving consideration to:</p> <p>a. Whether in the view of the Secretary of State the act constitutes terrorism within the meaning of the Terrorism Act 2000 (see section 1 of that Act); and</p> <p>b. whether FCO travel advice was against all travel at the time of incident, subject to any exceptional circumstances.</p>	<p>Must be designated by the Secretary of State for the purposes of the scheme including giving consideration to:</p> <p>a. whether in the view of the Secretary of State the act constitutes terrorism within the meaning of the Terrorism Act 2000 (see section 1 of that Act); and</p> <p>b. whether FCO travel advice was against all travel at the time of incident, subject to any exceptional circumstances.</p>
Types and Amounts of Payments.	To make available payments for pain and suffering according to a scale of tariff bands, loss of earnings and special expenses as will be available under a revised CICS. Deductions will be made, in general, in line with the domestic scheme under corresponding heads of loss with the exception of travel insurance cover which will be taken into consideration.	To make available payments in line with the tariff bands for pain and suffering under the current 2008 CICS.
Timing	This scheme should come into force at the same time as the revised CICS.	This scheme was opened for applications in April 2012 for eligible victims injured in incidents from 1 January 2002 and will run until the statutory scheme comes into force.

Costs of Option 1

19. Costs arising from this option are only possible to illustrate with a wide range of uncertainty. It is uncertain when and where an act of terrorism might occur. Costs and transfer payments can be divided into:
- i. **Operating costs:** There are direct costs related to setting up the scheme, and ongoing costs incurred by affected organisations from having the scheme in place. These costs would largely depend on the number and scale of acts of terrorism and the number of people applying for payments under the scheme.
 - ii. **Payments:** These are the payments (technically transfers) resulting from the funds paid to individuals and is contingent on the scale and number of acts of terrorism designated for the purposes of the scheme.

Statutory scheme

20. The cost of any scheme would be dependent on the number of and impact of any overseas acts of terrorism. It is therefore not possible to predict the cost of such a scheme with any degree of accuracy.

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These costs would be shared between the Ministry of Justice, Home Office and Foreign and Commonwealth Office.

Ex gratia scheme

21. The cost of the scheme, which will run until the commencement of the statutory scheme, is dependent in part on the number and impact of any overseas terrorist attacks that occur between now and the commencement of the statutory scheme. It is therefore not possible to predict the cost of such a scheme with any degree of accuracy.
22. We currently estimate there may be around 50-100 potentially eligible known victims. We know that the average CICS tariff award for 7/7 victims was around £6,000. However, we cannot use these figures to give the costs of the ex gratia scheme because there may be more victims that we do not know about. In addition, the severity of their injuries is unknown. There is no reason to believe the average severity of injury of a domestic attack would be the same as a foreign attack, especially given the relatively small number of victims involved.

Costs to CICA/MoJ and Scottish Government:

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

Costs to the FCO:

24. There will be costs to the FCO for its Counter Terrorism Department which would need to provide robust advice to Ministers on designation and service litigation.

Costs to the Tribunal Service: First-tier Tribunal – Criminal Injuries Compensation (FTT-CIC):

25. There will be additional costs to the First-tier Tribunal which will hear and decide appeals against decisions made by the CICA. The magnitude of those costs would depend on the number of appeals.

Costs to the High Courts

26. An individual can raise an appeal at the High Court if unsuccessful at First-tier Tribunal. There might be additional costs arising to High Courts if a case has not been settled through the Tribunal. Depending on the number of cases, these costs can vary widely, but could range between £40,000 to £100,000 per case. The total costs would depend on the number of appeals made per year and whether the appeal has been won by the individual who raised the appeal.

Costs to Victim Support

27. There may be a one off cost incurred by Victim Support. Victim Support currently provides free advice to applicants under the Criminal Injuries Compensation Scheme and may undertake a similar role in relation to the scheme for victims of overseas terrorism. It is likely that one off costs, such as staff training costs would be incurred by this organisation but these costs are likely to be small. There may also be ongoing staff costs from providing support to victims, but these may not be additional unless there is a large increase in volume of incidents.

Costs to the insurance industry

28. Currently around 60% of travel insurance does not exclude costs arising from terrorist attacks abroad. Travel insurance often covers medical expenses and repatriation costs but not compensation for physical injury. If the UK Government provided equivalent cover as well, without charging a premium, there would be little incentive for people to pay extra for travel insurance which does not include exclusions relating to terrorist attacks. This may lead to travel insurance contracts no longer including this cover. The resultant crowding out may cause financial harm to the insurance industry. Additionally, the policy on making deductions will be the same as the revised domestic scheme with the exception of travel insurance cover which will be taken into consideration when finalising awards under the statutory scheme for victims of terrorism overseas. This may further reduce the demand for private insurance.
29. The extent of this impact is unclear. The Government's proposed new scheme is limited to a maximum amount of compensation lower than the level of cover recommended for medical expenses by the FCO⁵⁰. This implies that any crowding out might be partial, especially if there is uncertainty around

⁵⁰ FCO travel insurance advice is to arrange medical and health insurance cover for at least £1m for Europe and at least £2m for the rest of the world. <http://www.fco.gov.uk/en/travel-and-living-abroad/staying-safe/travel-insurance/medical-health>

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whether a future incident might be designated by the Secretary of State for Foreign and Commonwealth Affairs and if the Government's scheme does not cover all consumers.

Costs to those who assist/represent applicants:

30. As we do not know how many claims are likely to arise, we do not know what the costs might be to organisations that might seek to assist those that might seek to make these claims.

Costs to UK residents who are not eligible nationals

31. UK residents who do not qualify to apply for compensation under the scheme may currently take out travel cover which does not include exclusions relating to terrorist activity. If this type of cover was no longer provided by the insurance market, as explained above, these UK residents would not be covered by the private or public sector in future.

Benefits of Option 1

Statutory scheme

32. British and EU/EEA/Swiss residents of the UK will benefit from payments, from which deductions will be made in line with the revised domestic scheme with the exception of travel insurance cover which will be taken into consideration, if they are seriously affected by acts of terrorism overseas that are designated for the purposes of the scheme.

Ex gratia scheme

33. There will be a benefit to British and EU/EEA/Swiss residents of the UK who continue to have ongoing disabilities as a direct result of terrorist attacks overseas that are so designated for the purposes of the scheme.

Net Impact of Option 1

34. There will be a positive impact in that financial support will be available to British and EU/EEA/Swiss residents of the UK if they are seriously affected by acts of terrorism overseas that are designated for the purposes of the schemes.

Key Risks and Assumptions

35. The costs and benefits are dependent on the number of and impact of any overseas acts of terrorism.

Specific Impact Tests

Statutory equality duties

36. An Equality Impact Assessment is included as a separate document.

Competition Assessment

37. Will the proposal:

- Directly limit the number or range of suppliers (or providers)?
- Indirectly limit the number or range of suppliers (e.g. by altering demand)?
- Limit the ability of suppliers to compete?
- Limit suppliers' incentives to compete vigorously?

38. In respect of the market for providing travel insurance cover for medical expenses and repatriation costs stemming from an overseas terrorist attack, there may be an impact. Public provision of this cover without charging premiums may cause suppliers to stop providing this cover because there would be reduced demand for private provision. In effect government provision could crowd out the private sector. The Association of British Insurers considers that around 60% of travel insurance contracts do not have an exclusion relating to overseas terrorist attacks. In effect there may no longer be any private sector suppliers hence all four counts above would be met.

39. In practice the Government's proposal is limited to a maximum amount of compensation lower than the level of cover recommended for medical expenses by the FCO. In addition there is some uncertainty surrounding which incidents might be designated by the Secretary of State for the purposes of the schemes, and not all consumers would be covered by the Government's proposals.

The outcome on crowding out is unknown, although we adopt the cautious assumption that some crowding out is likely to take place. The FCO advise those travelling abroad to take out adequate and comprehensive travel insurance, and recommends that, where possible, travellers should ensure that their policy does not exclude terrorism. Such advice will not alter following the introduction of any scheme to compensate British and EU/EEA/Swiss residents of the UK who become victims of terrorism overseas.

40. In addition we might consider the private market for travel insurance related to compensation for injury, loss of earnings and death from terrorist attacks outside of the UK. Introducing public provided compensation would mean that it would be costlier if not unfeasible for firms who may want to establish private provision in the future. This is because they would have to compete with the public provider who does not collect premiums, and hence which acts as a considerable barrier to entry to the market. As this market does not exist at present this is more of a hypothetical anti-competitive effect.

Small Firms Impact Test

41. There may be some impact on small firms including travel insurers and personal injury lawyers.
42. The availability of new payments for eligible victims of terrorism overseas may result in an increase in the demand for assistance with claims for personal injury lawyers, generating more work for these firms. We do not have any data on how many claims are likely to arise from victims of terrorism overseas or how many applicants might seek legal assistance with their claim. We therefore cannot predict what, if any, impact there will be on small firms.
43. The availability of new payments may also result in a reduction in the demand for private travel insurance as described above at paragraphs 27-28. Any impact should be limited in that the amount of compensation available under the scheme will be lower than the level of cover recommended by the FCO. Additionally, claims from people who have travelled to a country or region where the FCO has advised against all travel are unlikely to be designated for the purposes of the scheme.
44. As the scheme will apply equally to all British and EU/EEA/Swiss residents in the UK who are victims of terrorism overseas, it would not be possible to make exemptions, or provide a different approach, for small firms. As we do not have any data on the number of claims that are likely to arise as a result of terrorism overseas, we do not have any data on the proportion of firms that are likely to be affected.

Carbon Assessment

45. It is unlikely the proposal will have an impact on the emission of greenhouse gases.

Other Environment

46. It is unlikely the proposal will have any other environmental impacts.

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.
47. There may be a positive impact on the health of eligible victims of terrorism overseas as a result of them receiving new 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.
48. 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.
49. We do not anticipate a significant demand on these variables.

Human Rights

50. The policy proposal to introduce a scheme to compensate certain eligible victims of terrorism overseas has been developed to conform with the Human Rights Act where relevant.

Justice Impact Test

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

Rural proofing

52. It is unlikely the proposal will have an impact on the circumstances and needs of rural people and places.

Sustainable Development

53. It is unlikely the proposal will have a negative impact on any of the following principals of sustainable development:

- Living within environmental limits;
- Ensuring a strong, healthy and just society;
- Achieving a sustainable economy;
- Promoting good governance;
- Using sound science responsibly.

54. The proposals may, however, have a positive impact on ensuring a strong, healthy and just society. Making financial payments available to British and EU/EEA/Swiss residents in the UK who have been affected by terrorism overseas may help counteract terrorist ideology that the Government does not support its citizens, as well as aiding the recovery of victims in the aftermath of an act of terrorism overseas.

55. There is a risk that the proposals may have a negative impact on achieving a sustainable economy in that new payments will be made available to eligible victims seriously affected by terrorism overseas. However, any costs would be dependent on the number and impact of any overseas terrorist incidents that have been designated for the purposes of the scheme. It is not possible to predict the cost of such a scheme with any degree of accuracy.

Privacy Impact Test (an MoJ Specific Impact Test)

56. Claimants will need to provide some personal data to prove eligibility for compensation. This may include, among other data, both medical and criminal records, and proof of residence.

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 the policy between three and five years after the implementation date.

Review objective: To ascertain whether the policy proposals achieve their objectives in making payments available to British and EU/EEA/Swiss residents in the UK who are seriously affected by terrorism overseas whilst also building up a demographic profile, including protected characteristics under the Equality Act 2010, of potential applicants.

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

- the number of applications and the amount of payments awarded;
- the time taken to process applications;
- the proportion of claims that request reviews and subsequently appeals
- the administration costs of the Criminal Injuries Compensation Authority; and
- the protected characteristics of applicants (such as race, gender and disability)

Baseline:

This is a new provision being made available to British and EU/EEA residents of the UK seriously affected by terrorism overseas.

Success criteria: The policy proposals will be considered successful if payments are made to eligible British and EU/EEA/Swiss victims of terrorism overseas. (We will also monitor the time taken to make payments and the accuracy of initial decisions. However, as we do not have a baseline, at this stage there are no specific success criteria for these measures.)

Monitoring information arrangements:

It is intended to put in place arrangements for collecting and recording information. This will include:

- 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