

<b>Title:</b> Criminal Injuries Compensation Scheme Review  <b>IA No:</b> MoJ035/2019  <b>RPC Reference No:</b> N/A  <b>Lead department or agency:</b> Ministry of Justice  <b>Other departments or agencies:</b> Criminal Injuries Compensation Authority (CICA), Scottish Government	<b>Impact Assessment (IA)</b>
	<b>Date:</b> 16/07/2020
	<b>Stage:</b> Development/Options
	<b>Source of intervention:</b> Domestic
	<b>Type of measure:</b> Secondary legislation
<b>Contact for enquiries:</b> CICS-REVIEW@justice.gov.uk	

<b>Summary: Intervention and Options</b>	<b>RPC Opinion:</b> N/A
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<b>Cost of Preferred (or more likely) Option (in 2019 prices)</b>
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Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status
£m	£m	£m	Not a regulatory provision

**What is the problem under consideration? Why is government action or intervention necessary?**

The Criminal Injuries Compensation Scheme 2012 (the Scheme) makes payments to victims of violent crime in Great Britain, as well as payments for bereaved families and dependants of victims killed by a crime of violence. It is a demand-led scheme, funded by the Ministry of Justice and the Scottish Government, and over £130m of compensation was paid out in 2018/19. A review of the Scheme was announced in September 2018 as part of the Victims Strategy, and terms of reference were published in December 2018. In particular, the review has been considering the Scheme's definition of a crime of violence for the purposes of compensation, the eligibility rules, the approach to determining injury awards, and the impacts of existing rules on victims of child sexual abuse and victims of terrorism. We are consulting on a range of proposed changes to the Scheme. The changes taken forward will be included in a new Scheme which will require Parliamentary approval.

**What are the policy objectives of the action or intervention and the intended effects?**

The proposed changes seek to simplify aspects of the Scheme to make it more accessible and easier to understand and navigate, whilst ensuring that the most seriously injured victims are compensated in a manner which most suitably acknowledges the nature and severity of their injury. It is also the intention that the Scheme should be affordable and financially sustainable.

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

**Option 0:** Make no amendments to the current scheme.

**Option 1: Consent in sexual assault claims:** Either

- a) Maintain the current approach to those under the legal age of consent but change the language used on the face of the Scheme; or
- b) Change the Scheme to align with the criminal law on consent as set out in the Sexual Offences Act 2003 and the Sexual Offences (Scotland) Act 2009.

**Option 2: Victims of terrorism:** Establish a new Scheme for victims of terrorism both domestic and overseas.

**Option 3: Homicide abroad:** Legislate to establish provision for criminal injuries compensation for families bereaved by homicide abroad.

**Option 4: The 'same roof rule':** Remove the remaining element of the 'same roof rule' from the Scheme.

**Option 5: Compensating for disabling mental injury (DMI):** Either:

- a) Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years; or
- b) Merge the longer term DMIs together. Any DMI with a prognosis for recovery of over 3 years would be categorised together; or
- c) Adopt both Option 5(a) and 5(b) combined. Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years, and merge DMIs with a prognosis for recovery of over 3 years to categorise them together.

**Option 6: Simplifying the tariff of injuries Part A:** Simplify language, reduce number of bands from 20 to 12, group injuries where appropriate and move to a matrix for brain injury.

**Option 7: Simplifying the tariff of injuries Part B:** Simplify injury descriptions, remove the distinction between under-18/adult lacking mental capacity and adults for sexual and physical abuse injuries, increase tariffs in bands for permanent disabling mental injury to align with Part A and move the fatal injury award (bereavement award) to the main body of the Scheme.

**Option 8: Fatal injury award (bereavement award):** Introduce a single payment for bereavement awards of £8,000 each to all qualifying relatives.

**Option 9: Funeral payments:** Move to a single, one off funeral payment of £4,500 and consult on how the payment could be made.

**Option 10: Hardship fund:** Either

- a) Changing the referral route to allow local victims support services to assess eligibility and make referrals in regions of England and Wales where Victim Support is no longer present; or
- b) Removing the referral mechanism to allow victims in England and Wales to make applications directly to the CICA.

Options 1(a), 2, 4, 5(c), 6, 7, 8, 9 and 10(b) are the Government's preferred approach as it best meets the policy

**Will the policy be reviewed?** It will not be reviewed.

Does implementation go beyond minimum EU requirements?		No		
Is this measure likely to impact on international trade and investment?		No		
Are any of these organisations in scope?	<b>Micro</b> No	<b>Small</b> No	<b>Medium</b> No	<b>Large</b> No
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)		<b>Traded:</b> N/A		<b>Non-traded:</b> N/A

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:



Date: 16/07/20

# Summary: Analysis & Evidence

# Policy Option 1(a)

Description: Maintain the current approach to those under the legal age of consent but change the language used on the face of the Scheme

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised costs associated with this option.

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

Given the current approach is maintained, there would be no additional costs in terms of compensation paid out to claimants. There may however be minimal administrative costs to CICA in updating its guidance to reflect any changes made to the language in the Scheme.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised benefits associated with this option.

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

Changing the language in the Scheme to reflect aspects of the operational approach would further mitigate risks of inappropriate refusals, and improve confidence in the operation of the rule and safeguards in place.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	n/a
None.		

## BUSINESS ASSESSMENT (Option 1(a))

<b>Direct impact on business (Equivalent Annual) £m:</b>	<b>Score for Business Impact Target (qualifying provisions only) £m:</b>	
Costs: n/a	Benefits: n/a	Net: n/a

# Summary: Analysis & Evidence

# Policy Option 2(b)

Description: Change the Scheme to align with the criminal law

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional		Optional	Optional
High	Optional		Optional	Optional
Best Estimate	n/a		n/a	n/a

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

It has not been possible to identify any monetised costs associated with this option.

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

This option would effectively widen the scope of the Scheme to include cases where, for example, two 15-year olds freely and willingly engaged in sexual activity, and where currently no crime of violence would have been found to have been committed. There is the possibility that this would result in additional compensation being paid out under the Scheme for new claims made under this wider scope. This is assumed to be a rare scenario as a crime would have to be reported to the police which is unlikely to happen where individuals have consented. Significant additional costs are therefore not anticipated under this option. There may be minimal administrative costs to CICA in updating its guidance and processes to reflect any change to the Scheme.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	Optional
High	Optional		Optional	Optional
Best Estimate	n/a		n/a	n/a

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

It has not been possible to identify any monetised benefits associated with this option.

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

Aligning the Scheme with the criminal law would respond to stakeholder concern regarding the application of the rule. It would improve confidence in the rule and other safeguards and quell any perception that compensation is being refused inappropriately to children who were under the legal age of consent.

Key assumptions/sensitivities/risks	Discount rate (%)
None.	n/a

## BUSINESS ASSESSMENT (Option 2(b))

Direct impact on business (Equivalent Annual) £m:	Score for Business Impact Target (qualifying provisions only) £m:
Costs: n/a      Benefits: n/a      Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 2

Description: Establish a new Scheme for victims of terrorism both domestic and overseas.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised costs associated with this option.

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

CICA may need additional staff resources and/or to re-structure/train staff, develop combined guidance for administering claims for domestic and overseas incidents, and develop/adapt processes and IT in relation to the new Scheme.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

**Description and scale of key monetised benefits by 'main affected groups'** It has not been possible to identify any monetised benefits associated with this option.

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

A separate scheme would require dedicated processes and staff, which would ensure applications are processed as rapidly as possible following an incident at home or overseas. There would also be potential to make specific provision for victims of terror attacks where a case could be made for doing so.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	n/a
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None.

## BUSINESS ASSESSMENT (Option 2)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>Score for Business Impact Target (qualifying provisions only) £m:</b>
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 3

Description: Introduce provisions for compensating for homicide abroad

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

The provision of compensation would potentially provide a single funeral payment of £4,500, bereavement payments of £8,000 to all qualifying relatives, in line with proposals at 8(b) and 9(b), as well as child and dependency payments where applicable. We have based our cost estimate on the number of payments per victim for each of the different payments and the average amounts given for child and dependency payments from the domestic fatal cases within the CICA dataset. The potential cost is estimated to be £1.0 – £1.5m per year.

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

There would be significant costs associated with implementation of new provision for families bereaved by homicide abroad, whether it was to be administered by the CICA or another body. Operationally there would be additional burdens in obtaining police reports and evidence from other countries to establish the facts of the crime of violence, in some cases with additional language barriers that would require interpreter and other services.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

There would be a transfer to qualifying relatives of victims of homicide abroad of £1.0 - £1.5m per year.

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

Stakeholders have voiced concerns that provisions for families bereaved by homicide abroad are inconsistent and variable, and that families may face increased costs compared to homicides that take place in Great Britain. Making provision for compensation would improve the package of support available to these families.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	n/a
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We assume that eligibility requirements for awards and payments mirror the VOTCS as to applicants being both 'ordinarily resident' in the UK, and being a British citizen or closely related to one. Given qualifying relatives are restricted to immediate family, it is assumed that eligibility requirements would most likely be met in cases where the victim was also both 'ordinarily resident' in the UK and a British citizen. We also assume the provision is 'last resort' – payments and awards would be paid only where the bereaved families have not been able to obtain support through other means. The analysis therefore takes into account the prevalence of travel insurance amongst British travellers.

## BUSINESS ASSESSMENT (Option 3)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>Score for Business Impact Target (qualifying provisions only) £m:</b>
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 4

Description: Remove the remaining element of the 'same roof rule' from the Scheme.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised costs associated with this option.

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

Aside from the remaining element of the same roof rule, the Scheme has protection in place through a rule which requires the CICA to withhold awards where an assailant may benefit from the award. It is therefore likely that few additional applicants would become eligible if the rule is removed. As such, any additional costs to the CICA are likely to be minimal.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised benefits associated with this option.

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

The removal of the remaining same roof rule would mean that familial relationships alone would no longer prevent victims from accessing compensation to which they might otherwise be entitled. Other protections would remain to ensure that assailants do not benefit from any award to the victim.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	n/a
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None.

## BUSINESS ASSESSMENT (Option 4)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>Score for Business Impact Target (qualifying provisions only) £m:</b>
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 5(a)

Description: Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

Revising the dividing line would mean that some claimants who would have received an award at the A7 level would now receive an award at that A4 level. Applicants would see a total estimated reduction in annual compensation of £0.13m.

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

There may be minimal administrative costs to the CICA in updating their internal guidance.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

The estimated reduction in annual compensation would result in a transfer from applicants to the CICA of £0.13m.

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

A 3-year dividing line matches more closely with the assessment approach of clinicians. Revising the dividing line would lead to an operational benefit to the CICA in determining DMI claims that last up to 5 years, including in the effective use of in-house clinical psychologists to ensure that assessments are consistent and fair.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	n/a
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The current A7 band is for DMI lasting 3 to 5 years. Under the assumption that individuals are uniformly distributed across this category, it is assumed that a third of those receiving A7 awards would now receive an A4 award (for DMI lasting 28 weeks up to 2 years).

## BUSINESS ASSESSMENT (Option 5(a))

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>Score for Business Impact Target (qualifying provisions only) £m:</b>
Costs: n/a	Benefits: n/a	Net: n/a	



# Summary: Analysis & Evidence

# Policy Option 5(b)

Description: Merge the longer term DMIs together

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

The previous two longer term DMIs, at A7 and A9, under this option would be merged to create a longer term category for DMI over 3 years but not permanent. This would receive an award of £8k. The estimated total reduction in annual compensation for applicants who would have otherwise received an award at A9 level of £13.5k is £0.39m. The estimated total annual cost to the CICA associated with the increased level of compensation for applicants who would have otherwise received an award at A7 level of £6.2k is £0.19m.

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

There may be minimal administrative costs to the CICA in updating their internal guidance.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

The estimated reduction in annual compensation to those at the A9 level would result in a transfer from applicants to the CICA of £0.39m. The estimated total annual cost to the CICA from increased compensation to those at the A7 level would result in a transfer from the CICA to applicants of £0.19m.

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

Merging the two bands would enable the CICA to more accurately make judgements regarding prognoses in longer term DMI cases.

Key assumptions/sensitivities/risks	Discount rate (%)
None.	n/a

## BUSINESS ASSESSMENT (Option 5(b))

Direct impact on business (Equivalent Annual) £m:	Score for Business Impact Target (qualifying provisions only) £m:
Costs: n/a   Benefits: n/a   Net: n/a	

## Summary: Analysis & Evidence

## Policy Option 5(c)

**Description:** Adopt both Options 5(a) and 5(b) combined. Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years, and merge DMIs with a prognosis for recovery of over 3 years to categorise them together.

### FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a
<b>COSTS (£m)</b>	<b>Total Transition (Constant Price) Years</b>		<b>Average Annual (excl. Transition) (Constant Price)</b>		<b>Total Cost (Present Value)</b>
Low	Optional		Optional		<b>Optional</b>
High	Optional		Optional		<b>Optional</b>
Best Estimate	n/a		n/a		<b>n/a</b>
<b>Description and scale of key monetised costs by 'main affected groups'</b>					
Given both proposals 5(b) and 5(c) impact those who would receive A7 awards, there is an interaction effect of both policies being implemented. This is because proposal 5(b) reduces the number of applicants who would fall in the new longer-term category under proposal 5(c). The estimated total reduction in annual compensation to applicants is £0.40m.					
<b>Other key non-monetised costs by 'main affected groups'</b>					
There may be minimal administrative costs to the CICA in updating their internal guidance.					
<b>BENEFITS (£m)</b>	<b>Total Transition (Constant Price) Years</b>		<b>Average Annual (excl. Transition) (Constant Price)</b>		<b>Total Benefit (Present Value)</b>
Low	Optional		Optional		<b>Optional</b>
High	Optional		Optional		<b>Optional</b>
Best Estimate	n/a		n/a		<b>n/a</b>
<b>Description and scale of key monetised benefits by 'main affected groups'</b>					
The estimated reduction in annual compensation to applicants would result in a transfer from applicants to the CICA of £0.40m.					
<b>Other key non-monetised benefits by 'main affected groups'</b>					
A 3-year dividing line matches more closely with the assessment approach of clinicians. Revising the dividing line would lead to an operational benefit to the CICA in determining DMI claims that last up to 5 years, including in the effective use of in-house clinical psychologists to ensure that assessments are consistent and fair. Merging the two bands would enable the CICA to more accurately make judgements regarding prognoses in longer term DMI cases.					
<b>Key assumptions/sensitivities/risks</b>					<b>Discount rate (%)</b>
None.					n/a

### BUSINESS ASSESSMENT (Option 5(c))

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 6

Description: Simplify language, reduce number of bands from 20 to 12, group injuries where appropriate and move to a matrix for brain injury.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a
<b>COSTS (£m)</b>	<b>Total Transition (Constant Price) Years</b>		<b>Average Annual (excl. Transition) (Constant Price)</b>		<b>Total Cost (Present Value)</b>
Low	Optional		Optional		Optional
High	Optional		Optional		Optional
Best Estimate	n/a		n/a		n/a
<b>Description and scale of key monetised costs by ‘main affected groups’</b> The consolidation and simplification of Part A of the tariff, through consolidating injury bands from 20 award bands to 12 and grouping injuries together where appropriate, is estimated to lead to a reduction in annual compensation to applicants of approximately £1.42m. It is anticipated that approximately 20% of successful applicants in personal injury cases would receive a higher primary award whilst approximately 60% would receive a lower primary injury award.					
<b>Other key non-monetised costs by ‘main affected groups’</b> This package of changes would involve significant change to the tariff. There would be administrative costs to the CICA in training all staff on the new tariff and in updating internal guidance, processes and IT.					
<b>BENEFITS (£m)</b>	<b>Total Transition (Constant Price) Years</b>		<b>Average Annual (excl. Transition) (Constant Price)</b>		<b>Total Benefit (Present Value)</b>
Low	Optional		Optional		Optional
High	Optional		Optional		Optional
Best Estimate	n/a		n/a		n/a
<b>Description and scale of key monetised benefits by ‘main affected groups’</b> The estimated reduction in annual compensation to applicants would result in a transfer from applicants to the CICA of £1.42m.					
<b>Other key non-monetised benefits by ‘main affected groups’</b> These changes would make the Scheme easier for applicants to understand and navigate, while reducing administrative burdens on CICA staff. It is anticipated that fewer tariff bandings would mean less intrusive evidence-gathering, and fewer associated delays. Clearer descriptions and clear-cut distinctions between different injury bandings would also allow for more readily understood explanations of the CICA’s decisions.					
<b>Key assumptions/sensitivities/risks</b>					<b>Discount rate (%)</b>
None.					n/a

## BUSINESS ASSESSMENT (Option 6)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>Score for Business Impact Target (qualifying provisions only) £m:</b>
Costs: n/a	Benefits: n/a	Net: n/a	

## Summary: Analysis & Evidence

## Policy Option 7

Description: Simplify injury descriptions, remove the distinction between under-18/adult lacking mental capacity and adults for sexual and physical abuse injuries, increase tariffs in bands for permanent disabling mental injury to align with Part A and move the fatal injury award (bereavement award) to the main body of the Scheme.

### FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a
<b>COSTS (£m)</b>	<b>Total Transition</b> (Constant Price) Years		<b>Average Annual</b> (excl. Transition) (Constant Price)		<b>Total Cost</b> (Present Value)
Low	Optional		Optional		<b>Optional</b>
High	Optional		Optional		<b>Optional</b>
Best Estimate	n/a		n/a		<b>n/a</b>
<b>Description and scale of key monetised costs by 'main affected groups'</b>					
Removing the distinction would result in an estimated annual additional cost to the CICA of £0.38m. In some cases, injuries which were not in scope for adults would now receive an award and in other cases, injuries would receive an award at a higher band. Increasing the tariff bands B13 and B15 by £3k each to ensure they align with changes made to DMI in Part A of the tariff is estimated to lead to an annual additional cost to the CICA of £0.02m.					
<b>Other key non-monetised costs by 'main affected groups'</b>					
This package of changes would involve significant change to the tariff. There would be administrative costs to the CICA in training all staff on the new tariff and in updating internal guidance, processes and IT.					
<b>BENEFITS (£m)</b>	<b>Total Transition</b> (Constant Price) Years		<b>Average Annual</b> (excl. Transition) (Constant Price)		<b>Total Benefit</b> (Present Value)
Low	Optional		Optional		<b>Optional</b>
High	Optional		Optional		<b>Optional</b>
Best Estimate	n/a		n/a		<b>n/a</b>
<b>Description and scale of key monetised benefits by 'main affected groups'</b>					
The estimated annual cost to the CICA under this option would result in a transfer from the CICA to applicants of £0.40m.					
<b>Other key non-monetised benefits by 'main affected groups'</b>					
The benefits include making the tariff more accessible and easier for applicants and CICA staff to understand and navigate.					
<b>Key assumptions/sensitivities/risks</b>					<b>Discount rate (%)</b>
					n/a
Given the data necessarily does not give adult volumes for the additional categories included in the under-18/adult lacking mental capacity tariff, volumes have been estimated based on ratios of volumes of relevant injuries for under-18s/adults lacking mental capacity.					

### BUSINESS ASSESSMENT (Option 7)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 8

Description: Introduce a single payment for bereavement awards of £8,000 each to all qualifying relatives.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a
<b>COSTS (£m)</b>	<b>Total Transition</b> (Constant Price) Years		<b>Average Annual</b> (excl. Transition) (Constant Price)		<b>Total Cost</b> (Present Value)
Low	Optional		Optional		<b>Optional</b>
High	Optional		Optional		<b>Optional</b>
Best Estimate	n/a		n/a		<b>n/a</b>
<b>Description and scale of key monetised costs by 'main affected groups'</b>					
Under this option, all qualifying relatives would receive a single payment of £8,000. The approximately 630 individuals annually who would have received a payment of £5,500 would now see an uplift of £2,500. The total additional annual cost to the CICA is estimated to be £1.55m. The approximately 80 individuals annually who would have received a payment of £11,000 would now see a reduction of £3,000. The estimated reduction in annual payments to these applicants is estimated to be £0.24m.					
<b>Other key non-monetised costs by 'main affected groups'</b>					
There may be minimal administrative costs to the CICA in updating their internal guidance.					
<b>BENEFITS (£m)</b>	<b>Total Transition</b> (Constant Price) Years		<b>Average Annual</b> (excl. Transition) (Constant Price)		<b>Total Benefit</b> (Present Value)
Low	Optional		Optional		<b>Optional</b>
High	Optional		Optional		<b>Optional</b>
Best Estimate	n/a		n/a		<b>n/a</b>
<b>Description and scale of key monetised benefits by 'main affected groups'</b>					
The estimated annual cost to the CICA due to the uplift to payments for multiple qualifying relatives would result in a transfer from the CICA to these applicants of £1.55m. The estimated reduction in annual payments for single qualifying relatives would result in a transfer from these applicants to the CICA of £0.24m.					
<b>Other key non-monetised benefits by 'main affected groups'</b>					
Moving to a single rate payment for all qualifying family members would make the process of applying less onerous for bereaved family members. It would also be easier for the CICA to administer and result in a swifter process for deciding claims. It would also respond to concerns about the current differentiation in value when there is one or more qualifying relative, in terms of the support available to bereaved families.					
<b>Key assumptions/sensitivities/risks</b>					<b>Discount rate (%)</b>
None.					n/a

## BUSINESS ASSESSMENT (Option 8)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 9

Description: Move to a single, one off funeral payment of £4,500 and consult on how the payment could be made.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

The average funeral payment in 2018 was approximately £3,800 – under this option, applicants would now all receive a single funeral payment of £4,500. In a few cases, applicants have their awards reduced for a variety of reasons. Taking this into account, the additional annual cost to the CICA compared to the do nothing is estimated to be £0.21m.

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

The 2018 data shows that 37% of applicants who were awarded a funeral payment received a funeral payment of over £4,500. Under this option, these applicants would receive a lower funeral payment. There is the possibility that this disproportionately affects applicants from regions such as London where the cost of funerals is higher. However, due to a lack of geographical data, we are unable to verify this.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

The estimated additional annual cost to the CICA would result in a transfer from the CICA to applicants of £0.21m.

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

The 2018 data shows that 63% of applicants who were awarded a funeral payment received a funeral payment under £4,500. Under this option, these applicants would receive a higher funeral payment. Moving to a single rather than discretionary payment would allow for a quicker and easier administrative process, leading to a reduction in administrative costs for the CICA, and placing less onus on applicants at a very difficult time.

Key assumptions/sensitivities/risks	Discount rate (%)
None.	n/a

## BUSINESS ASSESSMENT (Option 9)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 10(a)

Description: Changing the referral route to allow local victims support services to assess eligibility and make referrals in regions of England & Wales where Victim Support is no longer present

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised costs associated with this option.

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

Depending on the number of applications this option would increase the burden on the CICA of administering the fund. Local victims services may not apply consistent levels of scrutiny required as part of the referrals process, which may lead to an additional administrative burden on the CICA. Local support services may be inconsistent with the information they provide to potential applicants.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised benefits associated with this option.

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

Where victims have not been able to access the fund because Victim Support is no longer the victims service provider in their local area they would be able to access the fund via their local support provider.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	n/a
None.		

## BUSINESS ASSESSMENT (Option 30(a))

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>Score for Business Impact Target (qualifying provisions only) £m:</b>
Costs: n/a	Benefits: n/a	Net: n/a	

# Summary: Analysis & Evidence

# Policy Option 30(b)

Description: Removing the referral mechanism to allow victims in England & Wales to make applications directly to the CICA

## FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time Period Years n/a	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: n/a

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised costs associated with this option.

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

Depending on the number of applications, this option would increase the burden on the CICA of administering the fund, including in handling cases that have not been filtered.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	n/a	n/a	n/a

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

It has not been possible to identify any monetised benefits associated with this option.

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

Where victims have not been able to access the fund because Victim Support is no longer the victims' services provider in their local area, they would be able to apply to the fund directly. This would improve accessibility of the fund for victims across England and Wales. If applicants can apply to the fund directly, the CICA can use consistent messaging as part of the application process.

### Key assumptions/sensitivities/risks

Discount rate (%)

n/a

None.

## BUSINESS ASSESSMENT (Option 40(b))

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: n/a	Benefits: n/a	Net: n/a	



# Evidence Base

## A. Background

1. The statutory Criminal Injuries Compensation Scheme ('the Scheme') provides compensation to people who have been physically or mentally injured because they were a direct victim of a violent crime (including acts of terrorism) in Great Britain. In fatal cases awards can be made to bereaved families. The separate Victims of Overseas Terrorism Compensation Scheme (VOTCS) mirrors the Scheme and compensates victims of terrorist attacks that occur outside Great Britain.
2. The rules of the Scheme and the value of the payments awarded are approved by Parliament. Awards can only be made for mental and physical injuries in the Scheme's tariff of injuries. Although the size of the award varies to reflect the seriousness of the injury, it is not intended to fully compensate victims for their suffering or loss. It is an acknowledgment of public sympathy for the harm they have experienced. Compensation can be awarded even if an alleged perpetrator has not been convicted of the violent crime that caused the injury.
3. The Criminal Injuries Compensation Authority (CICA) administers the Scheme (and VOTCS); decisions are made on case-by-case basis by claims officers independently of the Secretary of State. The operation of the Scheme by the CICA is out of scope of the review. In terms of demand, in 2018/2019 the CICA received just over 31,000 applications, and at year-end had a caseload of nearly 33,000 cases. The CICA resolved more than 35,000 claims (including those which were received in the previous year and carried over) and paid out over £130m in compensation. It decided the outcome of 45% of cases within six months, and 81% within twelve months. The CICA has a high satisfaction rating, of 95%, from applicants who had been in contact with them in 2018/19.
4. The Victims Strategy, published in September 2018, set out a series of measures to improve the criminal justice response to victims of crime, including a commitment to comprehensively review the Scheme<sup>1</sup>. The Terms of Reference (published in December 2018) set out the aim of the review to determine whether the Scheme remains fit for purpose, reflects the changing nature of violent crime and effectively supports victims in their recovery. In particular the review would consider:
  - The scope of the Scheme, including the definition of violent crime for the purposes of compensation for injury, and the type of injuries that are covered by the Scheme;
  - The eligibility rules including, concerns about time limits for making applications, unspent convictions, and consent in sexual offences cases;
  - The requirements of the Scheme in relation to decision-making, including issues such as the level of evidence required for compensation claims, and the timeframes for accepting or rejecting awards;
  - The value and composition of awards available through the Scheme, including the balance struck between serious and less serious physical and mental injuries;
  - The impact of the Scheme on particular groups, including victims of child sexual abuse and victims of terrorism;
  - Opportunities to simplify the Scheme; and
  - The affordability and financial sustainability of the Scheme.
5. The review is confined to the Scheme itself and is guided by the following principles:
  - Compensation offers an important acknowledgment of the harm suffered by victims of violent crime;
  - Compensation is an important part of government support for victims of violent crime, which also includes general and specialist services, and emotional and practical assistance;
  - Compensation should be protected for those most seriously affected by their injuries, including where those injuries may not be immediately evident or their impacts easily quantifiable;

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<sup>1</sup> Victims Strategy, September 2018, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/746930/victim-strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/746930/victim-strategy.pdf)

- The Scheme is one of last resort, offering compensation for victims of violent crime who have been unable to seek compensation through other means; and
- The Scheme needs to remain both affordable and financially sustainable to continue to provide compensation to victims of violent crime.

6. This impact assessment discusses the policy options for reform which arose from the review and which are being consulted on in the CICS Review public consultation. Concerns around access to information about compensation is being addressed through work to revise the Victims' Code; more information about the revision of the Victims' Code can be found in paragraph 43 of the consultation document.

## **B. Affected stakeholder groups, organisations and sectors**

7. The following groups would be most affected by the options presented in this IA:

- i. Victims of violent crime; and, where applicable, their qualifying relatives eligible for an award under the existing 2012 Scheme;
- ii. CICA, Ministry of Justice, Scottish Government, Welsh Government, the Foreign and Commonwealth Office, the Home Office;
- iii. Those who represent or assist applicants including victims' charities, victims' services commissioned by local Police and Crime Commissioners;
- iv. Personal injury lawyers;
- v. Funeral directors;
- vi. The police, the Crown Prosecution Service; and
- vii. Healthcare practitioners.

## **C. Policy rationale and objectives**

8. The conventional economic approaches to Government intervention are based on efficiency or equity arguments. Governments may consider intervening if there are strong enough failures in the way markets operate (e.g. monopolies overcharging consumers) or there are strong enough failures in existing Government interventions (e.g. waste generated by misdirected rules) where the proposed new interventions 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 vulnerable groups in society).

9. The rationale behind the proposed changes is for both equity and efficiency reasons. The proposals are intended to improve accessibility and ensure that eligible victims and qualifying relatives are fairly compensated, and to simplify the Scheme to make administration of it more efficient.

10. The review of the Scheme is one of many commitments in the Victims Strategy to ensure that the criminal justice system improves its response to victims of crime. The purpose of the Scheme is to recognise, through compensation, the harm experienced by a victim injured as a result of violent crime. It offers access to compensation for victims of violent crime who have been unable to seek financial redress through other means. An objective of the proposed changes is to ensure that the Scheme applies fairly to victims and their qualifying relatives; they seek to simplify aspects of the Scheme to make it more accessible and easy to understand and navigate, whilst ensuring that the most seriously injured victims are compensated in a manner which most suitably acknowledges the nature and severity of their injury. In particular, the review has considered the definition of a crime of violence for the purposes of compensation, eligibility rules, and the approach to determining injury awards. The intention is that the Scheme should be affordable and financially sustainable, and a number of changes proposed are intended to make administration simpler and thus quicker, to the benefit of applicants.

## **D. Options under consideration**

There are several aspects of the Scheme under review and, as such, the options considered below are divided between these different policy areas. Option 0 is a Do Nothing option common to all the policy areas, where no amendments are made to the Scheme. In some cases, a policy area has several potential options and, where this is the case, these are explicitly set out.

## 1. Consent in sexual assault claims

11. The Scheme's definition of a crime of violence includes "a sexual assault to which the person did not in fact consent". Stakeholders have raised concerns that the Scheme is not in line with the Sexual Offences Act 2003 and the Sexual Offences (Scotland) Act 2009 regarding children under the age of 16 who cannot legally consent to sexual activity.

12. To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** Maintain the current approach to those under the legal age of consent and leave the language on the face of the Scheme the same.
- **Option 1(a): Maintain the current approach to those under the legal age of consent but change the language used on the face of the Scheme.** The current approach recognises that there are circumstances in which sexual activity involving young people aged under 16 may not amount to a crime of violence, such as where two young people engage in sexual activity willingly with one another. Operational guidance makes clear that there should always be a presumption of no consent where an applicant is aged 15 or under. We propose to change the language on the face of the Scheme to improve the way the consent in relation to sexual assault is framed within the Scheme.
- **Option 1(b): Change the Scheme to align with the criminal law.** Change the Scheme to reflect the criminal law statutory approach in Sexual Offences Act 2003 and the Sexual Offences (Scotland) Act 2009 regarding consent by children aged under 16 years to sexual activity.

13. **Option 1(b) is the Government's preferred position.** Changes to operational guidance and practices, and introduction of additional safeguards by the CICA in 2017 (outlined in paragraph 68 of the consultation document) provide sufficient safeguards to mitigate against the risks of inappropriate refusals under this rule. The rule is necessary however we recognise the concerns of stakeholders and consider that the way it is framed can be improved.

## 2. Victims of terrorism

14. Victims of domestic terrorism (in Great Britain) are currently compensated through the Scheme in the same way as victims of other violent crimes. Eligibility and entitlements to injury and other payments under the Scheme are determined regardless of the nature or type of violent crime perpetrated. The Victims of Overseas Terrorism Compensation Scheme (VOTCS) was introduced in 2012 to compensate victims injured in terrorist incidents outside the UK. It broadly mirrors the Scheme and is also administered by the CICA.

15. Stakeholders have voiced concerns including about requirements of the Scheme and the VOTCS in the context of terrorist attacks as well as about delays in the processing of claims and the values of awards.

16. To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** Victims of domestic terrorist incidents would continue to be compensated under the Scheme, and victims of terrorist incidents abroad would continue to be compensated by the VOTCS. No distinction would be made between applications as regards whether they relate to a terrorist incident or other types of violent crime as defined in the Scheme.
- **Option 2: Establish a new Scheme for victims of terrorism both domestic and overseas.** Legislate to establish a separate Scheme for victims of terrorism at home and overseas. This

would make it easier for victims and their families to understand where to apply for compensation following a terrorist act, and applications could be processed more quickly.

17. **Option 2 is the Government's preferred option.** In recognition of the circumstances associated with terrorist attacks, there is a strong practical case for creating a separate, dedicated scheme for victims of terrorist incidents that occur both at home and overseas.

### 3. Homicide abroad

18. Homicides abroad are not currently covered by the Scheme, which is for incidents that occur in Great Britain or another 'relevant place' as defined in Annex C. If a death results from a designated terrorist incident outside of Great Britain, it would be in scope of the VOTCS. Bereaved families of victims killed abroad may receive some UK state-funded support, both monetary and non-monetary, but this does not include criminal injuries compensation. Stakeholders have recommended that homicides abroad be brought into scope for criminal injuries compensation.

19. To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** The position would remain that criminal injuries compensation is not available to families bereaved by homicides that take place abroad, except where the death resulted from a designated terrorist incident.
- **Option 3: Introduce provisions for compensating for homicide abroad.** Legislate to establish provision for criminal injuries compensation for families bereaved by homicide abroad, such as bereavement awards, funeral payments, and child and dependency payments where applicable.

20. **The Government does not have a preferred option.**

### 4. "Same roof rule"

21. The "same roof rule" prevents awards being made where the victim and assailant were living together as members of the same family, to make sure that perpetrators do not coerce victims to make claims nor benefit from any compensation awards to the victims. Until June 2019 separate provisions existed for claims for injuries that were incurred before and after 1 October 1979. Under paragraph 19 of the Scheme (the pre-1979 rule, now deleted), an award would not have been made if, at the time of the incident giving rise to the injury the applicant (adult or child) and assailant lived together as members of the same family. As part of the review, Government committed to review the remaining post-1979 rule (paragraph 20 of the Scheme) which prevents awards if at the time of the incident the applicant and assailant were adults living together as members of the same family and continue to do so; however, awards may be made where the applicant and assailant no longer live together and are unlikely to do so again.

22. To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** Leave the remaining post-1979 'same roof rule' in the Scheme so that applicants would continue to be refused an award if they were adults living with their assailant, as members of the same family, at the time of the incident giving rise to the injury, except where they no longer live with their assailant and are unlikely to do so again.
- **Option 4: Remove the remaining element of the 'same roof rule' from the Scheme.** Removing the 'same roof rule' would mean that any applicant who may have been living with their assailant at the time of the incident giving rise to the injury and who continues to do so (or is likely to do so again), would not be denied an award based on their domestic situation alone. Other protections exist to ensure assailants do not benefit from compensation awards made to victims.

23. **Option 4 is the Government's preferred proposal.** We consider that protections in the Scheme to make sure assailants do not benefit from compensation awards to their victims are sufficient, and it is our view that familial relationships should not prevent victims from accessing compensation to which they would otherwise be entitled.

## 5. Compensating for Disabling Mental Injury (DMI)

24. The Scheme compensates for both physical and mental injuries sustained as a result of violent crime. Prior to 2012 mental injuries were not classed as separate injuries but were built into physical injury awards. In the 2012 Scheme, mental injuries were separated out in Part A, while in Part B all injury awards include recognition that the applicant is likely to have suffered a mental injury. Part B also includes additional sexual injuries with explicit disabling mental injuries for more severe impacts from sexual assault(s).

25. DMI claims are challenging to administer due to the complexity in assessing and treating mental injury, and in determining that the injury is directly attributable to the crime of violence suffered. We have determined that the requirement for a diagnosis or prognosis is an important safeguard, helping to make sure that DMI payments, which may be in addition to a physical injury payment or standalone, are made in appropriate cases and to those most seriously affected. Further, to make the DMI provisions simpler, and ensure the Scheme keeps pace with developments in understanding of mental injury, we have explored whether the current bandings for DMI (ranging from 28 weeks to over five years) are appropriately drawn and reflect current medical evidence on normal expected recovery from trauma.

26. To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** The DMI provisions in Part A remain as they are in the 2012 Scheme (see consultation document paragraph 136 for table illustration).
- **Option 5(a): Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years.** The A4 band would change from 28 weeks to 3 years and the A7 band from 3 years to 5 years<sup>2</sup>.
- **Option 5(b): Merge the longer term DMIs together.** Any DMI with a prognosis for recovery of over 3 years would be categorised together; currently this is bands A7 and A9<sup>3</sup>.
- **Option 5(c): Adopt both Option 1 and 2 combined.** Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years, and merge DMIs with a prognosis for recovery of over 3 years to categorise them together (see consultation document paragraph 142 for table illustrations).

27. **Option 5(c) is the Government's preferred option.** Amending the DMI tariffs would better account for both the duration of an injury and the prognosis for recovery, which the current four bandings do not sufficiently achieve.

## 6. Tariff of injuries – Part A

28. The tariff of injuries, found in Annex E of the Scheme, lists and describes all qualifying injuries and their associated bands and awards. In 2012 it was separated out into Part A (physical and mental injuries) and Part B (sexual and physical abuse and other payments).

29. Part A has 20 bands and 341 individual physical and mental injuries. Victims and stakeholders have voiced concern that the tariff of injuries is complex, difficult to navigate and that applicants struggle to understand what they might be entitled to.

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<sup>2</sup> In the 2012 Scheme A4 is a disabling mental injury lasting between 28 weeks – 2 years with the value of £2,400 and A7 is a disabling mental injury lasting between 2-5 years with the value of £6,200

<sup>3</sup> In the 2012 Scheme A7 is a disabling mental injury lasting between 2-5 years with the value of £6,200 and A9 is a disabling mental injury lasting over 5 years, but is not permanent with a value of £13,500

30.To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** Part A of the tariff of injuries remains as it is in the 2012 Scheme.
- **Option 6: Simplify language, reduce number of bands from 20 to 12, group injuries where appropriate and move to a matrix for brain injury.**

31.**Option 6 is the Government’s preferred proposal.** Streamlining and simplifying the tariff should make it more user friendly, improving accessibility and understanding for those applying to the Scheme.

## 7. Tariff of injuries – Part B

32.Sexual and physical abuse and other payments have, since 2012, been in Part B of the tariff, in recognition for the long-term physical and psychological impact that these offences can have. Part B has 15 bands and covers a range of injuries and payments.

33.To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** Part B of the tariff of injuries remains as it is in the 2012 Scheme.
- **Option 7: Simplify injury descriptions, remove the distinction between under-18/adult lacking mental capacity and adults for sexual and physical abuse injuries, increase tariffs in bands for permanent disabling mental injury to align with Part A and move the fatal injury award (bereavement award) to the main body of the Scheme.**

34.**Option 7 is the Government’s preferred option.** The approaches we’ve proposed, individually and in combination, could improve Part B by making it easier to understand.

## 8. Fatal injury award (bereavement award)

35.The Criminal Injuries Compensation Act 1995 requires the Scheme to make provision for “fatal payments”. These include compensation awards to bereaved families where a loved one dies as a direct result of injuries sustained from a crime of violence. The bereavement award is currently set at £11,000 where there is one qualifying relative; and at £5,500 each where there is more than one qualifying relative. The current approach is administratively complex and can lead to longer waiting times for claims to be settled where there is more than one potential qualifying relative. Additionally, there is a perceived unfairness in a lack of parity between a single qualifying relative and multiple qualifying relatives.

36.To meet the policy objectives of the review, the following options have been considered:

- **Option 0: Do nothing.** A single qualifying relative continues to receive £11,000 and multiple qualifying relatives continue to receive £5,500 each.
- **Option 8: Introduce a single payment for bereavement awards of £8,000 each to all qualifying relatives.** The single rate for the award would apply regardless of the number of qualifying relatives in a fatal claim. Although this would result in a decreased award for the small number of claims in which there is only one qualifying relative, it would mean an increase in award of £2,500 for the majority of fatal claims applicants.

37.**Option 8 is the Government’s preferred option.** A single standard award set at £8,000 for all qualifying relatives should make the process of applying simpler for applicants. It should speed up the process of deciding claims as the CICA will no longer have to wait for all potential qualifying relatives to be identified and make claims before it can pay out to applicants.

## 9. Funeral payments

38. Previous Schemes had allowed the CICA discretion to determine 'reasonable' funeral expenses. In 2012, the Scheme moved towards a minimum basic payment of £2,500 towards funeral costs where a person died as a direct result of injuries inflicted by a crime of violence. An additional discretionary award for further costs up to £2,500 may be available where they are considered reasonable and the claimant can provide receipts.
39. The basic payment for funeral expenses - £2,500 – was set in 2012. In the ensuing period funeral costs have increased significantly. The SunLife Cost of Dying Report estimated that in 2019 a basic cremation was £3,858 and an average funeral £4,417<sup>4</sup>. As a result of the increasing costs, a large proportion of claims made for funeral expenses now exceed the basic payment.
40. To meet the policy objectives of the review, the following options have been considered:
- **Option 0: Do nothing.** The Scheme continues to pay out a minimum basic payment of £2,500 towards funeral costs, with potential for additional costs to be paid up to a further £2,500 where these costs are considered reasonable and the claimant can provide receipts.
  - **Option 9: Move to a single, one off funeral payment of £4,500.** This would better reflect the costs of funerals and remove the burden on bereaved families and the CICA of providing evidence to support an award above the minimum basic payment.
41. **Option 9 is the Government's preferred option.** The single payment approach would allow a swifter administrative process for both applicants and the CICA. We also intend to update the Scheme as to how the single payment can be made, whether the deceased has an estate or not, to enable the CICA to respond more quickly.

## 10. The Hardship Fund

42. The Scheme was last revised in 2012, and a number of less serious injury bands were removed from the tariff. A Hardship Fund ('the Fund') was established in England & Wales for individuals injured due to a crime of violence whose injuries no longer fell within the Scheme, where they were left temporarily unable to work, but could not access Statutory Sick Pay. As with the Scheme, the CICA administers the Fund, assessing applications and making payment. Victim Support acts as the sole referral route, assessing victims' eligibility in the first instance and referring applications to the CICA. There has been a limited number of applications and a small number of awards paid out since the Fund was established. Stakeholders have raised concerns about the lack of awareness of the Fund among victims, and difficulties in accessing it through Victim Support.
43. To meet the policy objectives of the review, the following options have been considered:
- **Option 0: Do nothing.** The Fund remains as it is.
  - **Option 10(a): Changing the referral route to allow local victims support services to assess eligibility and make referrals in regions where Victim Support is no longer present.** In regions where Victim Support is no longer the main provider of services for victims of crime, locally commissioned support services would be able to initially assess eligibility for the Fund and refer applicants to the CICA.
  - **Option 10(b): Removing the referral mechanism to allow victims to make applications directly to the CICA.** Applicants would not need a referral from any victim support service but could apply directly to the CICA to access the Fund.
44. **Option 10(b) is the Government's preferred option.** This would simplify the application process for victims and remove unnecessary delay, as applications would be made directly to the CICA, rather

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<sup>4</sup> SunLife, Cost of Dying, 2020 <https://www.sunlife.co.uk/siteassets/documents/cost-of-dying/SL-cost-of-dying-report-2020.pdf/>

than to a support service acting as an intermediary. All victims, regardless of where they live in England & Wales, would have equal access to apply to the Fund.

## E. Cost and Benefit Analysis

45. This Impact Assessment (IA) follows the procedures and criteria set out in the Impact Assessment Guidance<sup>5</sup> and is consistent with the Her Majesty's Treasury Green Book<sup>6</sup>.
46. Where possible, IAs identify both monetised and non-monetised impacts on individuals, groups and businesses in Great Britain with the aim of understanding what the overall impact on society might be from the proposals under consideration. IAs place a strong focus on monetisation of costs and benefits. There are often, however, important impacts which cannot sensibly be monetised. Impacts in this IA are therefore interpreted broadly, to include both monetisable and non-monetisable costs and benefits, with due weight given to those that are not monetised.
47. The costs and benefits of the options for each policy area are compared to Option 0, the counterfactual or 'do nothing' option. As the counterfactual is compared to itself, the costs and benefits are necessarily zero, as is its net present value (NPV).
48. The costs and benefits set out below are economic transfers – that is to say, they involve the transfer of resources between groups and do not involve the consumption of resources. While some economic costs are considered, such as administrative costs, it has not been possible to monetise these.

### Data

49. The principal dataset used to carry out the analysis presented in this IA is claims data provided by the CICA. The data covers approximately 75,000 claims received by the CICA over three years (between 1 January 2016 and 1 January 2019). Any annual costs or benefits presented are based on an average of these three years unless otherwise stated.
50. The claims included in the dataset may fall into any one of the categories below:
- **Decided** – The CICA has made a decision on the application however this has yet to be offered to the claimant;
  - **On offer** – CICA has made a decision on the application and has offered this to the claimant but the claimant is yet to accept or reject it;
  - **Resolved** – The CICA has made a decision on the application, it has been offered to the claimant and the claimant has accepted.
51. For the purposes of ensuring as wide a sample as possible, all three categories have been included in the analysis presented in both this IA and the accompanying Consultation Document. That is to say, the latest available decision for each claim has been used. While resolved cases are final, there is the possibility that some claimants may go on to appeal decisions for cases currently only decided or on offer. Any appeals may increase the total amount of compensation paid out to claimants. It is therefore reasonable to include all three categories of claims in order to provide lowest bound estimates.

### **Option 1(a): Consent in sexual assault claims: Maintain the current approach to those under the legal age of consent but change the language used on the face of the Scheme**

#### **Costs of Option 1(a)**

##### *Monetised costs*

52. It has not been possible to identify any monetised costs associated with this option.

##### *Non-monetised costs*

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<sup>5</sup><https://www.gov.uk/government/collections/impact-assessments-guidance-for-government-departments>

<sup>6</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685903/The\\_Green\\_Book.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf)



53. Given the current approach would be maintained, there would be no additional costs in terms of compensation paid out to claimants. There may however be minimal administrative costs to CICA in updating its guidance to reflect any changes made to the language in the Scheme.

### **Benefits of Option 1(a)**

#### *Monetised benefits*

54. It has not been possible to identify any monetised benefits associated with this option.

#### *Non-monetised benefits*

55. Changing the language in the Scheme to reflect the current operational approach to consent in sexual assault cases would further mitigate risks of inappropriate refusals and improve confidence in the operation of the rule and safeguards in place.

### **Option 1(b): Consent in sexual assault claims: Change the Scheme to align with the criminal law**

#### **Costs of Option 1(b)**

##### *Monetised costs*

56. It has not been possible to identify any monetised costs associated with this option.

##### *Non-monetised costs*

57. The criminal law provides that under-16s cannot consent to sexual activity and under-18s cannot consent to sexual activity where an adult is in a position of trust. This option would effectively widen the scope of the Scheme to include cases where, for example, two 15-year olds freely and willingly engaged in sexual activity, and where currently no crime of violence would have been found to have been committed. There is the possibility that this would result in additional compensation being paid out under the Scheme for new claims made under this wider scope. This is assumed to be a rare scenario as a crime would have to be reported to the police which is unlikely to happen where individuals have consented. Significant additional costs are therefore not anticipated under this option. There may be minimal administrative costs to CICA in updating its guidance and processes to reflect any change to the Scheme.

#### **Benefits of Option 1(b)**

##### *Monetised benefits*

58. It has not been possible to identify any monetised benefits associated with this option.

##### *Non-monetised benefits*

59. Aligning the Scheme with the criminal law on consent as set out in the Sexual Offences Act 2003 and the Sexual Offences (Scotland) Act 2009, would respond to stakeholder concerns regarding the application of the Scheme's provision in sexual assault cases. It would improve confidence in the rule and other safeguards and quell any perception that compensation is being refused inappropriately to children who were under the legal age of consent.

### **Option 2: Victims of terrorism: Establish a new Scheme for victims of terrorism both domestic and overseas**

#### **Costs of Option 2**

##### *Monetised costs*

60. It has not been possible to identify any monetised costs associated with this option.

##### *Non-monetised costs*

61. CICA may need additional staff resources and/or to re-structure/train staff, develop combined guidance for administering claims for domestic and overseas incidents, and develop/adapt processes and IT in relation to the new Scheme. Were a separate scheme to make additional specific provisions for victims of terror attacks, there could be an increase in the total amount of compensation paid out to claimants.

## **Benefits of Option 2**

### *Monetised benefits*

62. It has not been possible to identify any monetised benefits associated with this option.

### *Non-monetised benefits*

63. A separate scheme would require dedicated processes and staff to ensure applications are processed as rapidly as possible following an incident at home or overseas. There would also be potential to make specific provision for victims of terror attacks that diverges from that in the CICS and VOTCS where a case could be made for doing so.

## **Option 3: Homicide abroad: Legislate to establish provision for criminal injuries compensation for families bereaved by homicide abroad**

### **Costs of Option 3**

#### *Monetised costs*

64. There are estimated to be approximately 60 to 90 cases of British nationals who are victims of homicide abroad each year. If the provision of compensation were to mirror the provisions for relatives of victims of domestic homicide under the Scheme (and VOTCS), taking into account the changes proposed elsewhere in this consultation, it would potentially provide a single funeral payment of £4,500, bereavement payments of £8,000 to all qualifying relatives, as well as child and dependency payments where applicable.

65. We have based our cost estimate on the number of payments per victim for each of the different payments and the average amounts given for child and dependency payments from the fatal cases in Great Britain within the CICA dataset. The potential cost of such provision is estimated to be in the range of £1.0 – £1.5m per year. This range is based on several assumptions:

- That eligibility requirements for awards and payments mirror the VOTCS as to applicants being both 'ordinarily resident' in the UK and being a British citizen or closely related to one. Given qualifying relatives are restricted to immediate family, it is assumed that eligibility requirements would most likely be met in cases where the victim was also both 'ordinarily resident' in the UK and a British citizen. The potential number of victims with eligible qualifying relatives is therefore based on this assumption, with the latest World Bank estimate of the proportion of all British nationals who are resident abroad used as a proxy for the proportion of victims who would not have eligible qualifying relatives.
- The provision is aligned with the Scheme (and VOTCS) in that it is 'last resort' – payments and awards would therefore be paid only where the bereaved families have not been able to obtain support through other means. The analysis therefore takes into account the prevalence of travel insurance amongst British travellers.

#### *Non-monetised costs*

66. There would be significant costs associated with implementation of new provision for families bereaved by homicide abroad, whether it was to be administered by the CICA or another body. Operationally there would be additional burdens in obtaining police reports and evidence from other countries to establish the facts of the crime of violence, in some cases with additional language barriers that would require an interpreter and other services.

## **Benefits of Option 3**

### *Monetised benefits*

67. There would be a transfer to qualifying relatives of victims of homicide abroad of £1.0 - £1.5m per year.

### *Non-monetised benefits*

68. Stakeholders have voiced concerns that provisions for families bereaved by homicide abroad are inconsistent and variable, and that families may face increased costs compared to homicides that take place in Great Britain. Making provision for compensation would improve the package of support available to these families.

#### **Option 4: The 'same roof rule': Remove the remaining element of the 'same roof rule' from the Scheme**

##### **Costs of Option 4**

###### *Monetised costs*

69. It has not been possible to identify any monetised costs associated with this option.

###### *Non-monetised costs*

70. Aside from the remaining element of the 'same roof rule', the Scheme has protection in place through a rule which requires the CICA to withhold awards where an assailant may benefit from the award. It is therefore likely that few additional applicants would become eligible if the rule is removed. As such, any additional costs to the CICA are likely to be minimal.

##### **Benefits of Option 4**

###### *Monetised benefits*

71. It has not been possible to identify any monetised benefits associated with this option.

###### *Non-monetised benefits*

72. Removal of the remaining 'same roof rule' would mean that familial relationships alone would no longer be a bar to accessing compensation, and other protections would remain to ensure that assailants do not benefit from any award to the applicant.

#### **Option 5(a): Compensating for disabling mental injury (DMI): Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years**

##### **Costs of Option 5(a)**

###### *Monetised costs*

73. Revising the dividing line would mean that some claimants who would have received an award at the A7 level would now receive an award at the A4 level. The current A7 band is for DMI lasting 3 to 5 years. Under the assumption that individuals are uniformly distributed across this category, it is assumed that a third of those receiving A7 awards would now receive an A4 award (for DMI lasting 28 weeks up to 2 years). This suggests applicants would see a total estimated reduction in annual compensation of £0.13m.

###### *Non-monetised costs*

74. There may be minimal administrative costs to the CICA in updating internal guidance.

##### **Benefits of Option 5(a)**

###### *Monetised benefits*

75. The estimated reduction in annual compensation would result in a transfer from applicants to the CICA of £0.13m.

###### *Non-monetised benefits*

76. A 3-year dividing line would match more closely with the assessment approach of clinicians. Revising the dividing line would lead to an operational benefit to the CICA in determining DMI claims that last up to 5 years, including the effective use of in-house clinical psychologists to ensure that assessments are consistent and fair.

#### **Option 5(b): Compensating for disabling mental injury (DMI): Merge the longer term DMIs together**

## Costs of Option 5(b)

### *Monetised costs*

77. The two longer term DMIs, at A7 and A9 level, are for DMI lasting 3 to 5 years and DMI lasting over 5 years but not permanent. They are currently awarded £6,200 and £13,500 respectively. Under this option, the two categories would be merged to create a longer-term category for DMI over 3 years but not permanent. This combined category would receive an award of £8,000.

78. Under this option, those who would have otherwise received an award at A9 level of £13,500 would now receive an award of £8,000. The estimated total reduction in annual compensation for these applicants associated with the reduced level of compensation is £0.39m.

79. Those who would have otherwise received an award at A7 level of £6,200 would now receive an award of £8,000. The estimated total annual cost to the CICA associated with the increased level of compensation is £0.19m.

### *Non-monetised costs*

80. There may be minimal administrative costs to the CICA in updating their internal guidance.

## Benefits of Option 5(b)

### *Monetised benefits*

81. The estimated reduction in annual compensation to those at the A9 level would result in a transfer from applicants to the CICA of £0.39m.

82. The estimated total annual cost to the CICA from increased compensation to those at the A7 level would result in a transfer from the CICA to applicants of £0.19m.

83. The overall net impact would be a transfer from applicants to the CICA of £0.20m.

### *Non-monetised benefits*

84. Merging the two bands would enable the CICA to more accurately make judgements regarding prognoses in longer term DMI cases.

**Option 5(c): Compensating for disabling mental injury (DMI): Adopt both Option 5(b) and 5(c) combined. Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years, and merge DMIs with a prognosis for recovery of over 3 years to categorise them together**

## Costs of Option 5(c)

### *Monetised costs*

85. Given both proposals 5(a) and 5(b) impact those who would receive A7 awards, there would be an interaction effect of both options being implemented. This is because option 5(a) would reduce the number of applicants who would fall in the new longer-term category under option 5(b). The estimated total reduction in annual compensation to applicants is £0.40m.

### *Non-monetised costs*

86. There may be minimal administrative costs to the CICA in updating their internal guidance.

## Benefits of Option 5(d)

### *Monetised benefits*

87. The estimated reduction in annual compensation to applicants would result in a transfer from applicants to the CICA of £0.40m.

### *Non-monetised benefits*

88. The non-monetised benefits are as described under options 5(b) and 5(c) above.

## **Option 6: Simplifying the tariff of injuries Part A: Simplify language, reduce number of bands from 20 to 12, group injuries where appropriate and move to a matrix for brain injury**

### **Costs of Option 6**

#### *Monetised costs*

89. The consolidation and simplification of Part A of the tariff, through consolidating injury bands from 20 awards bands to 12 and grouping injuries together where appropriate, is estimated to lead to a reduction in annual compensation to applicants of approximately £1.42m. This reduction would not be distributed equally as it would be the case that some applicants would receive a higher award under this option while others would receive a lower award. It is anticipated that approximately 20% of successful applicants in personal injury cases would receive a higher primary award whilst approximately 60% would receive a lower primary injury award.

90. The costs associated with the new brain injury matrix as presented in the consultation have been calculated by mapping the injuries in the existing tariff to the new matrix, assuming that volumes remain the same, and applying the new award bands mapped to the matrix. This is estimated to lead to an annual reduction in compensation to applicants of £0.07m.

#### *Non-monetised costs*

91. This option would involve significant change to the tariff. There would be administrative costs to the CICA in training all staff on the new tariff and in updating internal guidance, processes and IT.

### **Benefits of Option 6**

#### *Monetised benefits*

92. The total estimated reduction in annual compensation to applicants would result in a transfer from applicants to the CICA of £1.49m.

#### *Non-monetised benefits*

93. This option would address the criticisms voiced by the previous Victims' Commissioner for England & Wales in her 2019 report by creating a Scheme which is easier for applicants to understand and navigate, while reducing administrative burdens on CICA staff. It is anticipated that fewer tariff bandings would mean less intrusive evidence-gathering, and fewer associated delays. Clearer descriptions and clear-cut distinctions between different injury bandings would also allow for more readily understood explanations of the CICA's decisions. The brain injury matrix would make this particularly complex and confusing aspect of the tariff clearer and easier for both applicants and CICA staff to understand.

## **Option 7: Simplifying the tariff of injuries Part B: Simplify injury descriptions, remove the distinction between under-18/adult lacking mental capacity and adults for sexual and physical abuse injuries, increase tariffs in bands for permanent disabling mental injury to align with Part A and move the fatal injury award (bereavement award) to the main body of the Scheme**

### **Costs of Option 7**

#### *Monetised costs*

94. Removing the distinction between under-18/adult lacking mental capacity and adults for sexual and physical abuse injuries would bring the adult tariff in line with the more generous under-18/adult lacking mental capacity tariff. In some cases, this would mean injuries which were not in scope for adults would now receive an award. In other cases, this would mean that injuries receive an award at a higher band. While the former would increase volumes, the latter simply redistributes existing volumes. Given the data necessarily does not give adult volumes for these additional categories, volumes have been estimated based on ratios of volumes of relevant injuries for under-18s/adults lacking mental capacity. The annual additional cost to the CICA is estimated to be £0.38m.

95. Increasing the tariff bands B13 and B15 by £3k each to ensure they align with changes made to DMI in Part A of the tariff is estimated to lead to an annual additional cost to the CICA of £0.02m.

### *Non-monetised costs*

96. This option would involve significant change to the tariff. There would be administrative costs to the CICA in training all staff on the new tariff and in updating internal guidance, processes and IT.

### **Benefits of Option 7**

#### *Monetised benefits*

97. The estimated annual cost to the CICA under this option would result in a transfer from the CICA to applicants of £0.40m.

#### *Non-monetised benefits*

98. The benefits include making the tariff more accessible and easier for applicants and CICA staff to understand and navigate.

### **Option 8: Fatal injury award (bereavement award): Introduce a single payment for bereavement awards of £8,000 each to all qualifying relatives.**

### **Costs of Option 8**

#### *Monetised costs*

99. At present, bereavement awards are £11,000 where there is only one qualifying relative and £5,500 each if there are multiple qualifying relatives. Under this option, all qualifying relatives would receive a single payment of £8,000.

100. The approximately 630 individuals annually who would have received a payment of £5,500 would now see an uplift of £2,500. The total additional annual cost to the CICA is estimated to be £1.55m.

101. The approximately 80 individuals annually who would have received a payment of £11,000 would now see a reduction of £3,000. The estimated reduction in annual payments to these applicants is estimated to be £0.24m.

#### *Non-monetised costs*

102. There may be minimal administrative costs to the CICA in updating their internal guidance.

### **Benefits of Option 8**

#### *Monetised benefits*

103. The estimated annual cost to the CICA due to the uplift to payments for multiple qualifying relatives would result in a transfer from the CICA to these applicants of £1.55m.

104. The estimated reduction in annual payments for single qualifying relatives would result in a transfer from these applicants to the CICA of £0.24m.

#### *Non-monetised benefits*

105. Moving to a single rate payment for all qualifying family members would make the process of applying less onerous for bereaved family members. It would also be easier for the CICA to administer and result in a swifter process for deciding claims. It would also respond to concerns about the current differentiation in value when there is one or more qualifying relative, in terms of the support available to bereaved families.

### **Option 9: Funeral payments: Move to a single, one off funeral payment of £4,500**

### **Costs of Option 9**

#### *Monetised costs*

106. The CICA data shows that the amount paid out in funeral payments has been increasing each year, in line with the wider trend for increasing funeral costs. Given this steady year-on-year increase, the analysis of this option is compared to a do-nothing scenario based on the average funeral payment

from the latest year of data available (2018) as it is a better reflection of the true additional costs. The volumes used remain an average of the three years of the dataset to account for any yearly fluctuations.

107. The average funeral payment in 2018 was approximately £3,800 – under this option, applicants would now all receive a single funeral payment of £4,500. In a few cases, applicants have their awards reduced for a variety of reasons. Taking this into account, the additional annual cost to the CICA compared to the do-nothing described above is estimated to be £0.21m.

*Non-monetised costs*

108. The 2018 data shows that 37% of applicants who were awarded a funeral payment received a funeral payment of over £4,500. Under this option, these applicants would receive a lower funeral payment. There is the possibility that this disproportionately affects applicants from regions such as London where the cost of funerals is higher. However, due to a lack of geographical data, we are unable to verify this.

**Benefits of Option 9**

*Monetised benefits*

109. The estimated additional annual cost to the CICA would result in a transfer from the CICA to applicants of £0.21m.

*Non-monetised benefits*

110. The 2018 data shows that 63% of applicants who were awarded a funeral payment received a funeral payment under £4,500. Under this option, these applicants would receive a higher funeral payment.

111. Moving to a single rather than discretionary payment would allow for a quicker and easier administrative process, leading to a reduction in administrative costs for the CICA, and placing less onus on applicants at a very difficult time.

**Option 10(a): Hardship fund: Changing the referral route to allow local victims support services to assess eligibility and make referrals in regions of England & Wales where Victim Support is no longer present**

**Costs of Option 10(a)**

*Monetised costs*

112. It has not been possible to identify any monetised costs associated with this option.

*Non-monetised costs*

113. Depending on the number of applications this option would increase the burden on the CICA of administering the fund. Local victims' services may not apply consistent levels of scrutiny required as part of the referrals process, which may lead to an additional administrative burden on the CICA. Local support services may be inconsistent with the information they provide to potential applicants.

**Benefits of Option 10(a)**

*Monetised benefits*

114. It has not been possible to identify any monetised benefits associated with this option.

*Non-monetised benefits*

115. Where victims have not been able to access the fund because Victim Support is no longer the main victims service provider in their local area they would be able to access the fund via their local support provider.

**Option 10(b): Hardship fund: Removing the referral mechanism to allow victims to make applications directly to the CICA**

## Costs of Option 10(b)

### Monetised costs

116. It has not been possible to identify any monetised costs associated with this option.

### Non-monetised costs

117. Depending on the number of applications, this option would increase the burden on the CICA of administering the fund, including in handling cases that have not been filtered as meeting the criteria by a victim support provider before coming to the CICA.

## Benefits of Option 10(b)

### Monetised benefits

118. It has not been possible to identify any monetised benefits associated with this option.

### Non-monetised benefits

119. Where victims have not been able to access the fund because Victim Support is no longer the main victims' services provider in their local area, they would be able to apply to the fund directly. This would improve accessibility of the fund for victims across England and Wales. If applicants can apply to the fund directly the CICA can use consistent messaging as part of the application process.

## Summary of the recommended options

Table 1: Summary of estimated annual transfers between applicants and the CICA

Policy Option	Transfer to applicants	Transfer to the CICA
<b>Option 1(a): Consent in sexual assault claims:</b> Maintain the current approach to those under the legal age of consent but change the language used on the face of the Scheme	n/a	n/a
<b>Option 2: Victims of terrorism:</b> Establish a new Scheme for victims of terrorism both domestic and overseas.	n/a	n/a
<b>Option 4: The 'same roof rule':</b> Remove the remaining element of the 'same roof rule' from the Scheme.	n/a	n/a
<b>Option 5(c): Compensating for disabling mental injury (DMI):</b> Revise the dividing line for DMI lasting between 28 weeks and 5 years from 2 to 3 years, and merge DMIs with a prognosis for recovery of over 3 years to categorise them together.	-£0.40m	+£0.40m
<b>Option 6: Approaches to simplifying the tariff of injuries Part A:</b> Simplify language, reduce number of bands from 20 to 12, group injuries where appropriate and move to a matrix for brain injury.	-£1.49m	+£1.49m
<b>Option 7: Approaches to simplifying the tariff of injuries Part B:</b> Simplify injury descriptions, remove the distinction between under-18/adult lacking mental capacity and adults for sexual and physical abuse injuries, increase tariffs in bands for permanent disabling mental injury to align with Part A and move the fatal injury award	+£0.40m	-£0.40m



(bereavement award) to the main body of the Scheme.		
<b>Option 8: Fatal injury award (bereavement award):</b> Introduce a single payment for bereavement awards of £8,000 each to all qualifying relatives.	+£1.31m	-£1.31m
<b>Option 9: Funeral payments:</b> Move to a single, one off funeral payment of £4,500 and consult on how the payment could be made.	+£0.21m	-£0.21m
<b>Option 10(b): Hardship fund:</b> Removing the referral mechanism to allow victims to make applications directly to the CICA	n/a	n/a
<b>SUBTOTAL</b>	<b>+£0.03m</b>	<b>-£0.03m</b>
<b>Option 3: Homicide abroad:</b> Introduce provisions for compensating for homicide abroad	+£0.94m-£1.41m	-£0.94m-£1.41m
<b>TOTAL</b>	<b>+£0.97m-£1.44m</b>	<b>-£0.97m-£1.44m</b>

120. Table 1 outlines the monetised costs and benefits estimated for the recommended options, presented as transfers between applicants and the CICA. The subtotal presents the total transfers between applicants and the CICA for the recommended options within the IA. The subtotal shows a transfer of £0.03m to applicants from the CICA. The proposals in this IA are therefore not anticipated to take money out of the Scheme.

121. As there is no recommended option for Homicide Abroad and any costs would not necessarily fall to the CICA, Option 3 of introducing provisions for compensating for homicide abroad is presented separately within the table.

122. Where monetised costs and benefits could not be identified for an option, it is down as n/a. However, this does not mean that there are no non-monetised costs and benefits. Further detail on the non-monetised costs and benefits associated with each option is provided throughout the Cost and Benefit Analysis section.

123. As the monetised costs and benefits are transfers, the total net economic cost is £0. NPVs have therefore not been calculated for the proposals within this IA.

## F. Monitoring and Evaluation

124. We are open to monitoring and evaluating the impact of the new Scheme to ensure there are no significantly adverse impacts.

## G. Wider Impacts

125. An Equalities Statement has been completed and will be published as an Annex to the consultation document alongside this Impact Assessment.

126. These proposals do not meet the definition of regulation under the Small Business Enterprise and Employment Act 2015. Any costs which arise will not score against the department's business impact target and will be met by the MoJ and relevant agencies.