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| Title: Criminal Injuries Compensation Scheme Review: Additional Consultation 2023 IA No: MoJ055/2023 RPC Reference No: Lead department or agency: Ministry of Justice Other departments or agencies: Criminal Injuries Compensation Authority (CICA), Scottish Government | Impact Assessment (IA) | |
| | Date: 21 June 2023 | |
| | Stage: Consultation | |
| | Source of intervention: Domestic | |
| | Type of measure: Secondary legislation | |
| | Contact for enquiries: cics-review@justice.gov.uk | |
| | Summary: Intervention and Options | |
| RPC Opinion: Not Applicable | | |

| Cost of Preferred (or more likely) Option (in 2023 prices) | | | |
|--|----------------------------|-------------------------------|---|
| Total Net Present Social Value | Business Net Present Value | Net cost to business per year | Business Impact Target Status Not a regulatory provision |
| N/A | N/A | N/A | |

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 and to the families and dependants of those killed by such crimes. To claim, a person must be a direct victim of the crime and the act – or omission – must have been done intentionally or recklessly. The Scheme requires victims to apply to the Criminal Injuries Compensation Authority (CICA) within two years of the date of the incident which resulted in the injury. CICA can consider claims made outside this limit in "exceptional circumstances" and where the claim can be resolved without further extensive enquiries. Separate provision exists for victims aged under 18 at the time of the injury.

There have been calls to expand the scope of the Scheme, including from the Independent Inquiry into Child Sexual Abuse ('the Inquiry'), as victims of serious non-contact offences, such as grooming, are not eligible for compensation. In addition, as the effects of trauma and long criminal proceedings can delay victims making a claim, the Inquiry recommended that the time limit be extended to seven years for applications related to child sexual abuse. In response, the Government committed to consulting on whether or not to make changes to the Scheme's scope and time limits. Government intervention is required because making any changes to the Scheme would require secondary legislation.

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

The objective of the consultation is to ensure that a final decision on whether the time limits and scope of the Scheme should be changed, and how, is informed by views of stakeholders and interested parties on a range of potential reforms.

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

The options considered in this consultation are laid out below.

- **Option 0** Do nothing. Maintain the Scheme's existing scope and time limits.
- **Option 1:** Amend the scope – either:
 - a) Amend the definition of a 'crime of violence' to include other forms of child sexual abuse, including online-facilitated sexual abuse; or
 - b) Amend the eligibility criteria to bring non-contact offences with equivalent effect, such as grooming, coercive control, revenge porn and stalking within the scope of the Scheme.
- **Option 2:** Amend the time limit – either:
 - a) Amend the time limit to seven years for child sexual abuse applicants who were children under the age of 18 on the date of the incident giving rise to the injury; or
 - b) Amend the time limit to seven years for all applicants to the Scheme; or
 - c) Amend the time limit to three years for all applicants who were children under the age of 18 on the date of the incident giving rise to the injury; or
 - d) Amend the time limit to three years for all applicants to the Scheme.

There is no preferred option at this stage.

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

| | | | | |
|---|-------------|----------------|--------------|--------------------|
| Is this measure likely to impact on international trade and investment? | | No | | |
| Are any of these organisations in scope? | Micro No | Small No | Medium No | Large No |
| What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent) | | Traded: N/A | | Non-traded: 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 SELECT SIGNATORY: _____ **Date:** _____

Summary: Analysis & Evidence

Policy Option 1(a)

Description: Amend the definition of a 'crime of violence' to include other forms of child sexual abuse, including online-facilitated sexual abuse.

FULL ECONOMIC ASSESSMENT

| Price Base Year 23/24 | PV Base Year 23/24 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|--------------------------|-----------------------|-------------------------|---------------------------------------|-----------|----------------------|
| | | | Low: N/A | High: N/A | Best Estimate: -17.6 |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--|---|-------------------------------|
| Low | N/A | N/A | N/A |
| High | N/A | N/A | N/A |
| Best Estimate | N/A | 2.1 | 17.6 |

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

Under this option, victims of non-contact child sexual abuse who previously would have been excluded from consideration for a claim of compensation under the Scheme would now be eligible. There would therefore be an increase in the number of awards paid out to claimants of these offences resulting in an estimated transfer from CICA to victims of between £8.6m and £15.6m per annum. There would also be an additional annual cost of £2.1m per annum to the CICA for expert reports to determine the outcome of Disabling Mental Injury (DMI) claims.

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

There would be administrative costs to the CICA due to an increased number of applications that they would need to process and the operational difficulties in establishing evidence. It has not been possible to quantify these costs.

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

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

The estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £8.6m and £15.6m.

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

This approach would implement the recommendation of the Inquiry and respond to stakeholder pressure to give victims of online-facilitated abuse entitlement to apply for compensation for the psychological impact they have suffered.

| Key assumptions/sensitivities/risks | Discount rate |
|--|---------------|
| <ul style="list-style-type: none"> To estimate the CICS application rates for sexual assault, the CICA data was compared to Police Recorded Crime (PRC) data. It is assumed that victims of non-contact sexual offences would apply to the scheme and be awarded compensation at the same rate as existing sexual assault claims. It is assumed that claims for these additional offences would solely be for DMI due to their non-contact nature. The CICA data was used to determine the distribution of DMI claims (across the four different DMI award bands available in the tariff ranging from £1,000 to £13,500) for physical assault and sexual assault. Due to a lack of evidence on what the distribution of claims/awards would be for the new offences, the physical assault distribution is used to provide a lower bound estimate and the sexual assault distribution is used to provide an upper bound estimate. | 3.5 |

BUSINESS ASSESSMENT (Option 1(a))

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

Summary: Analysis & Evidence

Policy Option 1(b)

Description: Amend the eligibility criteria to bring non-contact offences with equivalent effect, such as grooming, coercive control, revenge porn and stalking within the scope of the Scheme.

FULL ECONOMIC ASSESSMENT

| Price Base Year 23/24 | PV Base Year 23/24 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|--------------------------|-----------------------|-------------------------|---------------------------------------|-----------|----------------------|
| | | | Low: N/A | High: N/A | Best Estimate: -51.6 |

| COSTS (£m) | Total Transition (Constant Price) Years | | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|--|--|---|-------------------------------|
| Low | N/A | | N/A | N/A |
| High | N/A | | N/A | N/A |
| Best Estimate | N/A | | 6.2 | 51.6 |

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

Under this option, victims of non-contact offences who previously would have been excluded from consideration for a claim of compensation under the Scheme would now be eligible. There would therefore be an increase in the number of awards paid out to claimants of these offences resulting in an estimated economic transfer from CICA to victims of between £25.3m and £45.8m per annum. There will also be an additional annual cost of £6.2m per annum to the CICA for expert reports to determine the outcome of Disabling Mental Injury (DMI) claims.

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

There would be administrative costs to the CICA due to an increased number of applications that they would need to process and the operational difficulties in establishing evidence. It has not been possible to quantify these costs.

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

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

The estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £25.3m and £45.8m.

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

This option would mean that victims of a wide range of serious non-contact offences would be entitled to apply to the Scheme for compensation for the resulting psychological injury.

| Key assumptions/sensitivities/risks | Discount rate |
|--|---------------|
| <ul style="list-style-type: none"> To estimate the CICS application rates for sexual assault and physical assault, the CICA data was compared to Police Recorded Crime (PRC) data. It is assumed that victims of non-contact sexual offences would apply to the scheme and be awarded compensation at the same rate as sexual assault claims. It is assumed all other non-contact offences would apply and be awarded compensation at the same rate as physical assault claims. It is assumed that claims for these additional offences would solely be for DMI due to their non-contact nature. The CICA data was used to determine the distribution of DMI claims (across the four different DMI award bands available in the tariff ranging from £1,000 to £13,500) for physical assault and sexual assault. Due to a lack of evidence on what the distribution of claims/awards would be for the new offences, the physical assault distribution is used to provide a lower bound estimate and the sexual assault distribution is used to provide an upper bound estimate. | 3.5 |

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 | |
| | | | N/A |

Summary: Analysis & Evidence

Policy Option 2(a)

Description: Amend the time limit to seven years for child sexual abuse applicants who were children under the age of 18 on the date of the incident giving rise to the injury as recommended by IICSA.

FULL ECONOMIC ASSESSMENT

| Price Base Year 23/24 | PV Base Year N/A | Time Period Years N/A | Net Benefit (Present Value (PV)) (£m) | | |
|--|--|--------------------------|---|----------------------------------|--------------------|
| | | | Low: N/A | High: N/A | Best Estimate: N/A |
| COSTS (£m) | Total Transition (Constant Price) Years | | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) | |
| Low | N/A | | N/A | N/A | |
| High | N/A | | N/A | N/A | |
| Best Estimate | N/A | | N/A | N/A | |
| Description and scale of key monetised costs by ‘main affected groups’ Under this option, potential claimants who were discouraged by the current two-year time limit would now be encouraged to submit a claim, increasing the number of claims from victims of child sexual abuse. Based on different scenarios, the economic transfer from CICA to victims estimated to be between £2.7 and £8.2m per annum. | | | | | |
| Other key non-monetised costs by ‘main affected groups’ There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases. There are also operational complexities from applying different time limits based on different types of crime. These factors may also impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs. | | | | | |
| BENEFITS (£m) | Total Transition (Constant Price) Years | | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) | |
| Low | N/A | | N/A | N/A | |
| High | N/A | | N/A | N/A | |
| Best Estimate | N/A | | N/A | N/A | |
| Description and scale of key monetised benefits by ‘main affected groups’ Based on the scenarios, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £2.7m and £8.2m | | | | | |
| Other key non-monetised benefits by ‘main affected groups’ This option would mean that child victims of sexual abuse would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme criteria to extend the time limit. It may mean that fewer victims are put off from applying to the Scheme by the time limits and could mean that fewer may be refused for being out-of-time if they await the outcome of criminal proceedings. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances. | | | | | |
| Key assumptions/sensitivities/risks | | | | Discount rate | |
| Our assumption is that, given there is already room for discretion in the Scheme regarding late claims, most potential claimants would already be making a claim. As a result, the analysis for this option is based on different scenarios reflecting moderate percentage increases (5%, 10%, 15%) in the total paid out for Personal Injury claims for victims of child sexual abuse who were under the age of 18 on the date of the incident giving rise to their injury. | | | | N/A | |

BUSINESS ASSESSMENT (Option 2(a))

| 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 | |
| | | | N/A |

Summary: Analysis & Evidence

Policy Option 2(b)

Description: Amend the time limit to seven years for all applicants to the Scheme.

FULL ECONOMIC ASSESSMENT

| Price Base Year 23/24 | PV Base Year N/A | Time Period Years N/A | Net Benefit (Present Value (PV)) (£m) | | |
|--------------------------|---------------------|--------------------------|---------------------------------------|-----------|--------------------|
| | | | Low: N/A | High: N/A | Best Estimate: N/A |

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

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

Under this option, it is possible that potential claimants who were discouraged by the current two-year time limit would now be encouraged to apply, increasing the number of claims. Based on different scenarios, the economic transfer from CICA to victims is estimated to be between £6.4 and £19.2m.

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

There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases.

These factors may impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs.

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

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

Based on the scenarios, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £6.4m and £19.2m.

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

This option would mean that all victims of violent crime would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme requirements to extend the time limit. It would apply a consistent rule for all applicants, including victims of other traumatic and hard-to-disclose offence types such as rape and domestic abuse. It may mean that fewer victims are put off from applying to the Scheme by the time limits and could mean that fewer may be refused for being out-of-time if they await the outcome of criminal proceedings. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances.

| Key assumptions/sensitivities/risks | Discount rate |
|---|---------------|
| Our assumption is that, given there is already room for discretion in the Scheme regarding late claims, most potential claimants would already be making a claim. As a result, the analysis for this option is based on different scenarios reflecting moderate percentage increases (5%, 10%, 15%) in the total paid out for Personal Injury claims for all victims. | 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 | |
| | | | N/A |

Summary: Analysis & Evidence

Policy Option 2(c)

Description: Amend the time limit to three years for all applicants who were children under the age of 18 on the date of the incident giving rise to the injury.

FULL ECONOMIC ASSESSMENT

| Price Base Year 23/24 | PV Base Year N/A | Time Period Years N/A | Net Benefit (Present Value (PV)) (£m) | | |
|--------------------------|---------------------|--------------------------|---------------------------------------|-----------|--------------------|
| | | | Low: N/A | High: N/A | Best Estimate: N/A |

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

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

It is possible that potential claimants who were discouraged by the current two-year time limit would now be encouraged to submit a claim, increasing the number of claims to the Scheme. Based on different scenarios, the economic transfer from CICA to victims is estimated to be between £1.4 and £4.8m per annum.

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

There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases.

These factors may impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs.

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

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

Based on the scenarios, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £1.4m and £4.8m.

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

This option would mean that all applicants who were victims of a violent crime when they were under 18 would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme requirements to extend the time limit. It may mean that fewer victims are put off from applying to the Scheme by the time limits and could mean that fewer may be refused for being out-of-time if they await the outcome of criminal proceedings. It would harmonise the time limits for applications to the Scheme with those for personal injury claims in the civil courts and align with common data retention timescales. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances.

| Key assumptions/sensitivities/risks | Discount rate | N/A |
|--|---------------|-----|
| Our assumption is that, given there is already room for discretion in the Scheme regarding late claims, most potential claimants would already be making a claim. As a result, the analysis for this option is based on different scenarios reflecting moderate percentage increases (2%, 5%, 7%) in the total paid out for Personal Injury claims for victims under the age of 18 on the date of the incident giving rise to their injury. As the time limit would only be extended by one year, the scenarios presented reflect lower percentage increases than for Options 2(a) and 2(b). | | |

BUSINESS ASSESSMENT (Option 2(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 | |
| | | | N/A |

Summary: Analysis & Evidence

Policy Option 2(d)

Description: Amend the time limit to three years for all applicants to the Scheme.

FULL ECONOMIC ASSESSMENT

| Price Base Year 23/24 | PV Base Year N/A | Time Period Years N/A | Net Benefit (Present Value (PV)) (£m) | | |
|--------------------------|---------------------|--------------------------|---------------------------------------|-----------|--------------------|
| | | | Low: N/A | High: N/A | Best Estimate: N/A |

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

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

It is possible that potential claimants who were discouraged by the current two-year time limit would now be encouraged to submit a claim, increasing the number of claims to the Scheme. Based on different scenarios, the economic transfer from CICA to victims is estimated to be between £2.6 and £8.9m per annum.

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

There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases.

These factors may impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs.

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

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

Based on the scenarios, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £2.6m and £8.9m.

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

This option would mean that all victims of violent crime would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme criteria to extend the time limit. It would apply a consistent rule for all applicants, including victims of other traumatic and hard-to-disclose offence types such as rape and domestic abuse. It may mean that fewer victims are put off from applying to the Scheme by the time limits and could mean that fewer may be refused for being out-of-time if they await the outcome of criminal proceedings. It would also harmonise the time limits for applications to the Scheme with those for personal injury claims in the civil courts and align with common data retention timescales. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances.

| Key assumptions/sensitivities/risks | Discount rate | N/A |
|--|---------------|-----|
| Our assumption is that, given there is already room for discretion in the Scheme regarding late claims, most potential claimants would already be making a claim. As a result, the analysis for this option is based on different scenarios reflecting moderate percentage increases (2%, 5%, 7%) in the total paid out for Personal Injury claims for all victims. As the time limit would only be extended by one year, the scenarios presented reflect lower percentage increases than for Options 2(a) and 2(b). | | |

BUSINESS ASSESSMENT (Option 2d)

| 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 | N/A |

Evidence Base

A. Background

The Criminal Injuries Compensation Scheme

1. 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 the dependants of victims killed by a crime of violence. To do this effectively and fairly the Scheme balances the consideration of individual applicants' needs within a universal and transparent set of rules and eligibility criteria. The principle that the Scheme should make compensation available to victims of violent crime has been part of the Scheme since its inception and reiterated numerous times over the years, including when the Scheme was put on a statutory footing in 1995.
2. The Scheme provides that a person "may be eligible for an award under this Scheme if they sustain a criminal injury which is directly attributable to their being a direct victim of a crime of violence committed in a relevant place". The meaning of "crime of violence" is defined in Annex B of the scheme as a crime which involves a physical attack; any other act or omission of a violent nature which causes physical injury to a person; a threat against a person, causing fear of immediate violence in circumstances which would cause a person of reasonable firmness to be put in such a fear; a sexual assault to which a person did not in fact consent; or arson or fire-raising.
3. A person may also be eligible for an award "if they sustain a criminal injury which is directly attributable to their taking an exceptional and justified risk in the course of apprehending an offender or suspected offender, preventing a crime, containing or remedying the consequences of a crime, or assisting a constable"; or "if they sustain a criminal injury which is directly attributable to their being present at and witnessing an incident, or the immediate aftermath of an incident, as a result of which a loved one sustained a criminal injury".
4. The Scheme also requires those who wish to claim compensation to submit an application to the Criminal Injuries Compensation Authority (CICA) as soon as reasonably practicable and within two years of the date of the incident which resulted in the relevant injury. Claims made outside of the two-year limit can be considered by the CICA in "exceptional circumstances" and where the evidence provided means that the CICA will not have to make further extensive enquiries to resolve the claim.
5. Separate provision is made within the current Scheme for those who were under the age of 18 at the time the relevant injury was sustained, allowing them until the day of their 20th birthday to apply if the crime was reported while they were child, or within two years of the first report to the police if reported on or after their 18th Birthday. It is important for the Scheme to operate a time limit to ensure that victims are supported to progress their recovery, that the CICA is able to gather sufficient evidence to determine compensation claims, and to ensure the financial sustainability of the Scheme.

Problem Under Consideration

6. In recent years there have been calls to expand the scope of the Scheme – including from the Independent Inquiry into Child Sexual Abuse ('the Inquiry'), which published its final report in October 2022 – as victims of serious non-contact offences, such as grooming, stalking, coercive control and intimate image offences are not eligible for compensation through the Scheme. The Inquiry expressed a view that the current scope 'does not take account of the extent of the harm and damage that can be caused by different forms of non-contact child sexual abuse' and that the focus on crimes of violence is outdated due to technological advances. The Inquiry recommended that the scope be expanded to cover other forms of child sexual abuse, including online-facilitated sexual abuse.
7. As with the scope of the Scheme, there have been calls for change to the time limits of the Scheme. The Inquiry claimed that the current time limits were inappropriate for victims and survivors of sexual abuse due to the effects of trauma and the length of time it often takes to report such offences. It recommended that the time limit for child sexual abuse applications be increased so that applicants have seven years to apply from the date the offence was reported to the police; or from the age of 18, where the offence was reported whilst the victim was a child; and in either circumstance, the claims

officer retains the discretion to extend the time limit further. Other groups have made a similar case for extending the time limit for other types of sexual violence and abuse.

8. In 2020, the Ministry of Justice published the Criminal Injuries Compensation Scheme Review consultation, in which both the scope and time limits of the scheme were examined. This gave a rationale for retaining both unchanged, based on the consultation's findings that the scope gave good effect to the Scheme's purpose and that CICA data supported a conclusion that the time limits were working well, with CICA's discretion being used effectively to assess late applications for compensation for sexual assaults.
9. In August 2021, the High Court declared that the cross-government Victims Strategy (published September 2018) had created a legitimate expectation of consulting on the recommendations of the Inquiry for the Scheme. The court ordered that a further consultation take place on whether the unspent convictions eligibility rule should be revised in line with the Inquiry's recommendation, and that a decision on changes to the rule be taken only once this was completed.
10. Between 9 June and 5 August 2022, we conducted a supplementary consultation on the unspent convictions rule. On 20 October 2022, the Inquiry published its final report which included further recommendations for changes to the scope and time limits of the Scheme. In order to give due consideration to the recommendations of the Inquiry, we are therefore conducting this consultation on the scope and time limits of the Scheme to collect further views and evidence before making a final decision regarding any changes to the Scheme.
11. This Impact Assessment (IA) assesses the two approaches to reforming the scope of the Scheme and the four approaches to reforming its time limits considered in the consultation, views on which will inform the final decision on the future of the Scheme.

B. Policy Rationale and Objectives

Policy Rationale

12. 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).
13. The rationale for consulting on the scope and time limits of the Scheme is equity. The Government needs to ensure that the eligibility rules and requirements of the Scheme apply fairly and are proportionate in the wider context of the Scheme.

Policy Objective

14. The objective of the consultation is to ensure that a final decision on whether the time limits and scope of the Scheme should be changed, and how, is informed by views of stakeholders and interested parties on a range of potential reforms.

C. Affected Stakeholder Groups, Organisations and Sectors

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

- Victims of violent crime and child sexual abuse when they apply for compensation; and, where applicable, their qualifying relatives eligible for an award under the existing 2012 Scheme;
- CICA, funded by Ministry of Justice (MoJ) and Scottish Government, HM Courts and Tribunals Service (HMCTS)

D. Description of Options Considered

16. The following options are considered in this IA:

- **Option 0** Do nothing. Maintain the Scheme's existing scope and/or time limits.
- **Option 1:** Amend the scope – either:
 - a) Amend the definition of a 'crime of violence' to include other forms of child sexual abuse, including online-facilitated sexual abuse; or
 - b) Amend the eligibility criteria to bring non-contact offences with equivalent effect, such as grooming, coercive control, revenge porn and stalking within the scope of the Scheme.
- **Option 2:** Amend the time limit – either:
 - a) Amend the time limit to seven years for child sexual abuse applicants who were children under the age of 18 on the date of the incident giving rise to the injury as recommended by IICSA; or
 - b) Amend the time limit to seven years for all applicants to the Scheme; or
 - c) Amend the time limit to three years for all applicants who were children under the age of 18 on the date of the incident giving rise to the injury; or
 - d) Amend the time limit to three years for all applicants to the Scheme.

17. There is no preferred option at this stage.

Option 0

18. This option would maintain the current scope and time limits of the Scheme unchanged.

19. Option 1(a): Amend the definition of a 'crime of violence' to include other forms of child sexual abuse, including online-facilitated sexual abuse. This option would implement the Inquiry's recommendation to make victims of non-contact child sexual abuse, such as online grooming and image offences eligible to apply to the Scheme for compensation. Under this option, the definition of a crime of violence would be amended to include other forms of child sexual abuse, including online-facilitated sexual abuse.

Option 1(b): Amend the eligibility criteria to bring non-contact offences with equivalent effect, such as grooming, coercive control, revenge porn and stalking within the scope of the Scheme

20. This option would add a new category of non-contact offences, such as online-facilitated abuse, grooming, coercive control, revenge porn and stalking, to the eligibility criteria of the Scheme. This would deliver on the Inquiry's recommendation, but by bringing a coherent group of similar non-contact offences into scope and seeking to avoid arbitrariness in the cohort of victims affected. This option would bring crimes into scope for compensation that are not violent in nature or involve touching and physical contact or threat of immediate violence.

Option 2(a): Amend the time limit to seven years for child sexual abuse applicants who were children under the age of 18 on the date of the incident giving rise to the injury as recommended by IICSA

21. This option would adopt the recommendation of the Inquiry to increase the time limit for applications in relation to incidents of child sexual abuse so that applicants have seven years to apply from the date the offence was reported to the police or the age of 18, where the offence was reported while the victim was a child. The CICA would retain discretion to extend this time limit in exceptional circumstances.

Option 2(b): Amend the time limit to seven years for all applicants to the Scheme

22. This option builds on the recommendation of the Inquiry and would extend the time limit to seven years for all applicants, rather than restricting the extension to applications in relation to incidents of child sexual abuse. For applicants under the age of eighteen at the time of the incident, the seven years would run from either the date that the offence was reported to the police or the age of 18, where the offence was reported while the victim was a child. The CICA would retain discretion to extend the time limit where the Scheme criteria is satisfied.

Option 2(c): Amend the time limit to three years for all applicants who were children under the age of 18 on the date of the incident giving rise to the injury

23. This option is a modification of the Inquiry's recommendation. It would extend the time limit for all applicants who were children on the date of the incident giving rise to the injury. The time limit would be extended to three years from the date that the offence was reported to the police or the age of 18, where the offence was reported while the victim was a child. This three-year limit would align with that which applies to personal injury claims in the civil courts. The CICA would retain discretion to extend the time limit where the Scheme criteria is satisfied.

Option 2(d): Amend the time limit to three years for all applicants to the Scheme

24. This option would extend the time limit to three years for all applicants to the scheme. For applicants under the age of eighteen at the time of the incident, the three years would run from either the date that the offence was reported to the police or the age of 18, where the offence was reported while the victim was a child. The CICA would retain discretion to extend the time limit where the Scheme criteria is satisfied.

E. Cost Benefit Analysis

25. This IA follows the procedures and criteria set out in the Impact Assessment Guidance and is consistent with the His Majesty's Treasury Green Book.

26. 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.

27. The costs and benefits of the options for each policy area are compared to Option 0, the counterfactual or 'do nothing' option. The costs and benefits of each option are considered in isolation – were multiple options to be implemented, there would be interactive effects. As the counterfactual is compared to itself, the costs and benefits are necessarily zero, as is its net present value (NPV).

28. The costs and benefits set out below which relate to the amount of compensation awarded are economic transfers – that is to say, they involve the transfer of resources between groups and do not involve the consumption of resources. They are therefore not included in the NPV.

29. Where there are actual monetised economic costs, such as administrative costs, an NPV has been calculated. These impacts have been estimated as follows:

- Price base year of 2023/24
- 10-year appraisal period beginning of 2023/24
- Discounting base year of 2023/24

Data

30. The principal dataset used to carry out the analysis presented in this IA is claims data provided by the CICA. The data covers approximately 91,000 claims resolved by the CICA over three financial years (between 1 April 2020 and 31 March 2023).

Option 1(a): Amend the definition of a 'crime of violence' to include other forms of child sexual abuse, including online-facilitated sexual abuse.

Costs of Option 1(a)

Monetised Costs

31. Under this option, victims of non-contact child sexual abuse who would previously have been excluded from consideration for a claim of compensation under the Scheme, would now be eligible. There would therefore be an increase in the number of awards paid out to claimants of these offences.
32. Since this option would introduce new offences into the CICS, it is not possible to know the number of claims which would be made for injury from these crime types and the number that would be awarded compensation. Therefore, the CICA data was compared to Police Recorded Crime (PRC) data (2019/20-2021/22) to estimate the CICS application rate for sexual assault (i.e. the proportion of total eligible sexual assault victims putting in a claim). The data was also used to calculate the proportion of these claimants awarded compensation.

| Table 1: CICS Sexual Assault Claims compared to PRC data | | |
|---|-------------------------|-------------------|
| | Application Rate | Award Rate |
| Sexual Assault | 5.6% | 68% |

33. These rates were applied to PRC data for other forms of child sexual abuse (i.e. sexual grooming and child related obscene publications) to estimate the additional number of applications to the CICS and the number of these which would go on to receive an award.
34. It is assumed that claims for these additional offences would solely be for Disabling Mental Injury (DMI) due to their non-contact nature. The CICA data was used to determine the distribution of DMI claims (across the four different DMI award bands available in the tariff ranging from £1,000 to £13,500) for physical assault and sexual assault. Sexual assault claims were skewed towards the highest band (£13,500), while the majority of physical assault claims were in the middle two bands (£2,400 and £6,200). Due to a lack of evidence on what the distribution of claims/awards would be for the new offences, the physical assault distribution is used to provide a lower bound estimate and the sexual assault distribution is used to provide an upper bound estimate. The additional annual cost to the CICA is estimated to be between £8.6m and £15.6m.
35. To allow an award for DMI, the CICA require an expert report. A report will be asked for where the available evidence for a claim suggests it is necessary. Therefore, at a minimum, all successful DMI claims will require an expert report. As the CICA does not have the in-house capacity to produce the additional reports under this option, it is assumed that they would be provided by a contracted provider. Expert reports produced by the current contracted provider have an average cost of approximately £1,500 per report. Applying this unit cost figure to the number of additional successful DMI claims under this option results in an estimated additional cost of £2.1m per year.
36. The NPV of the additional cost of expert reports over a 10-year period is estimated to be -£17.6m.

Non-Monetised Costs

37. There would be administrative costs to the CICA due to an increased number of applications that they would need to process and the operational difficulties in establishing evidence. It has not been possible to quantify these costs.

Benefits of Option 1(a)

Monetised Benefits

38. The estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £8.6m and £15.6m.

Non-Monetised Benefits

39. This option would implement the recommendation of the Inquiry and respond to stakeholder pressure to give victims of online-facilitated abuse entitlement to apply for compensation for the psychological impact they have suffered.

Option 1(b): Amend the eligibility criteria to bring non-contact offences with equivalent effect, such as grooming, coercive control, revenge porn and stalking within the scope of the Scheme.

Costs of Option 1(b)

Monetised Costs

40. Under this option, victims of non-contact offences who would previously have been excluded from consideration for a claim of compensation under the Scheme, would now be eligible. There would therefore be an increase in the number of awards paid out to claimants of these offences.
41. As in Option 1(a), Option 1(b) would introduce new offences into the Scheme, however, it is not possible to know the number of claims which would be made for injury from these crime types and the number that would be awarded compensation. The same methodology is therefore used here to estimate the additional costs, looking at physical assault as well as sexual assault given the broader nature of these non-contact offences.

| Table 2: CICS Claims compared to PRC data | | |
|--|-------------------------|-------------------|
| | Application Rate | Award Rate |
| Physical Assault | 3.5% | 36% |
| Sexual Assault | 5.6% | 68% |

42. These rates were applied to PRC data for non-contact offences. The physical assault rates were applied to the stalking and coercive control offences, whilst the sexual assault rates were applied to all sexual offences (i.e. sexual grooming, revenge porn, obscene publication, and exposure and voyeurism) to estimate the additional number of applications to the Scheme and the number of these which would go on to receive an award. As before, it is assumed that claims for these additional offences would solely be for DMI due to their non-contact nature. The physical assault distribution of DMI claims is used to provide a lower bound estimate and the sexual assault distribution is used to provide an upper bound estimate. The additional annual cost to the CICA is estimated to be between £25.3m and £45.8m.
43. To allow an award for DMI, the CICA require an expert report. A report will be asked for where the available evidence for a claim suggests it is necessary. Therefore, at a minimum, all successful DMI claims will require an expert report. As the CICA does not have the in-house capacity to produce the additional reports under this option, it is assumed that they would be provided by a contracted provider. Expert reports produced by the current contracted provider have an average cost of approximately £1,500 per report. Applying this unit cost figure to the number of additional successful DMI claims under this option results in an estimated additional cost of £6.2m per year.
44. The NPV of the additional cost of expert reports over a 10-year period is estimated to be -£51.6m.

Non-Monetised Costs

45. There would be administrative costs to the CICA due to an increased number of applications that they would need to process and the operational difficulties in establishing evidence. It has not been possible to quantify these costs.

Benefits of Option 1(b)

Monetised Benefits

46. The estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £25.3m and £45.8m.

Non-Monetised Benefits

47. This option would mean that victims of a wide range of serious non-contact offences such as online-facilitated abuse, grooming, coercive control, revenge porn and stalking, would be entitled to apply to the Scheme for compensation for the resulting psychological injury. This would surpass the recommendation of the Inquiry and respond to wider stakeholder calls for compensation to be made available through the Scheme for such offences, given the impact that they can have on victims' lives.

Option 2(a): Amend the time limit to seven years for child sexual abuse applicants who were children under the age of 18 on the date of the incident giving rise to the injury as recommended by IICSA.

Costs of Option 2(a)

Monetised Costs

48. This option would only extend the time limit to seven years for those under the age of 18 on the date of the incident giving rise to the injury and is restricted to victims of child sexual abuse. It is possible that potential claimants who were discouraged by the current two-year time limit would now be encouraged to submit a claim, increasing the number of claims from victims of child sexual abuse.
49. There is a lack of evidence on the impact of time limits on claimants - while we can determine the number of claims rejected due to the current time limit, we cannot know the number who were discouraged from putting in a claim in the first place. Our assumption is that, given there is already room for discretion in the Scheme regarding late claims, most potential claimants would already be making a claim. As a result, the analysis for this option is based on different scenarios reflecting moderate percentage increases in the total paid out for Personal Injury claims for victims of child sexual abuse who were under the age of 18 on the date of the incident giving rise to their injury.
50. The range of estimated additional annual costs to the CICA are presented in the table below:

| Table 3: Annual cost estimates for Option 2(a) | | |
|---|------------------------------|-------------------|
| Scenarios | Percentages Increases | Costs (£m) |
| Low | 5% | 2.7 |
| Central | 10% | 5.5 |
| High | 15% | 8.2 |

Non-Monetised Costs

51. There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process and progress to evidence gathering. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases. There would also be operational complexities from applying different time limits based on different types of crime. It has not been possible to quantify these costs.
52. Both of these factors may impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs.

Benefits of Option 2(a)

Monetised Benefits

53. Based on the scenarios above, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £2.7m and £8.2m.

Non-Monetised Benefits

54. This option would mean that child victims of sexual abuse would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme criteria to extend the time limit. It may mean that fewer victims are put off from applying to the Scheme by the time limits could mean that fewer may be refused for being out-of-time if they await the outcome of criminal proceedings. It would implement the recommendation of the Inquiry and respond to the calls from stakeholders seeking an extension to the

time limit for victims of child sexual offences. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances.

Option 2(b): Amend the time limit to seven years for all applicants to the Scheme.

Costs of Option 2(b)

Monetised Costs

55. This option would extend the time limit to seven years for all applicants to the Scheme. It is possible that potential claimants who were discouraged by the current two-year time limit would now be encouraged to apply, increasing the number of claims.
56. As the extension to the time limit would be the same in both Options 2(a) and 2(b), the same scenarios are used to estimate the additional costs to the CICA. Given this option would amend the time limit for all applicants, the percentage increases are applied to the total paid out for Personal Injury claims for all victims.
57. The range of estimated additional annual costs to CICA are presented in the table below:

| Table 4: Annual cost estimates for Option 2(b) | | |
|---|----------------------------|-------------------|
| Scenarios | Percentage Increase | Costs (£m) |
| Low | 5% | 6.4 |
| Central | 10% | 12.8 |
| High | 15% | 19.2 |

Non-Monetised Costs

58. There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process and progress to evidence gathering. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases. It has not been possible to quantify these costs.
59. These factors may impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs.

Benefits of Option 2(b)

Monetised Benefits

60. Based on the scenarios above, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £6.4m and £19.2m.

Non-Monetised Benefits

61. This approach would mean that all victims of violent crime would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme requirements to extend the time limit. It would apply a consistent rule for all applicants, including victims of other traumatic and hard-to-disclose offence types such as rape and domestic abuse. It may mean that fewer victims are put off from applying to the Scheme by the time limits and fewer would be refused for being out-of-time as claimants could, for example, await the outcome of criminal proceedings or recover more fully before applying. It would implement and go beyond the recommendation of the Inquiry and respond to the calls from stakeholders

seeking an extension to the time limit for victims of rape, serious sexual offences, domestic abuse and other traumatic crimes. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances.

Option 2(c): Amend the time limit to three years for all applicants who were children under the age of 18 on the date of the incident giving rise to the injury.

Costs of Option 2(c)

Monetised Costs

62. This option would only extend the time limit to three years for those under the age of 18 on the date of the incident giving rise to the injury. It is possible that potential claimants who were discouraged by the current two-year time limit would now be encouraged to submit a claim, increasing the number of claims to the Scheme.

63. Options 2(c) would extend the time limit to three years, therefore the scenarios presented for this option reflect lower percentage increases than for Options 2(a) and 2(b) which would extend the time limit to seven years. As the time limit would only be extended by one extra year, it is assumed that we are less likely to see behaviour change under this option. Given this option would only amend the time limit for applicants who were children under the age of 18 on the date of the incident giving rise to the injury, the percentage increases are applied to the total paid out for Personal Injury claims for these victims.

64. The range of estimated additional annual costs to CICA are presented in the table below:

| Table 5: Annual cost estimates for Option 2(c) | | |
|---|----------------------------|-------------------|
| Scenarios | Percentage Increase | Costs (£m) |
| Low | 2% | 1.4 |
| Central | 5% | 3.4 |
| High | 7% | 4.8 |

Non-Monetised Costs

65. There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process and progress to evidence gathering. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases. It has not been possible to quantify these costs.

66. These factors may impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs.

Benefits of Option 2(c)

Monetised Benefits

67. Based on the scenarios above, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £1.4m and £4.8m.

Non-Monetised Benefits

68. This option would mean that all applicants who were victims of a violent crime when they were under 18 would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme requirements to extend the time limit. It may mean that fewer victims are put off from applying to the

Scheme by the time limits, and fewer may be refused for being out-of-time if they await the outcome of criminal proceedings. It would harmonise the time limits for applications to the Scheme with those for personal injury claims in the civil courts and align with common data retention timescales. Its implementation would go some way to meeting the recommendation of the Inquiry and would respond to the calls from stakeholders seeking an extension to the time limit for victims of offences while they were children, including child sexual offences. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances.

Option 2(d): Amend the time limit to three years for all applicants to the Scheme.

Costs of Option 2(d)

Monetised Costs

69. This option would extend the time limit to three years for all applicants to the Scheme. It is possible that potential claimants who were discouraged by the current two-year time limit would now be encouraged to submit a claim, increasing the number of claims to the Scheme.

70. As the extension to the time limit would be the same in both Options 2(c) and 2(d), the same scenarios are used to estimate the additional costs to the CICA. Given this option would amend the time limit for all applicants, the percentage increases are applied to the total paid out for Personal Injury claims for all victims.

71. The range of estimated additional annual costs to CICA are presented in the table below:

| Table 6: Annual cost estimates for Option 2(d) | | |
|---|----------------------------|-------------------|
| Scenarios | Percentage Increase | Costs (£m) |
| Low | 2% | 2.6 |
| Central | 5% | 6.4 |
| High | 7% | 8.9 |

Non-Monetised Costs

72. There would be additional administrative costs to the CICA due to an increased number of applications that it would need to process and progress to evidence gathering. This would increase operational costs and increase the time and resource burden as a result of the difficulties of gathering evidence in non-recent cases. It has not been possible to quantify these costs.

73. These factors may impact overall service levels and increase the propensity for dissatisfaction with the claims process, for example, where claims take longer to decide due to challenges in securing the evidence needed from third parties. It may also make it more difficult for the CICA to make awards of compensation in some cases where evidence is not available to support the application due to the passage of time. This would likely lead to an increase in requests for internal reviews and appeals made to the First-tier Tribunal, leading to additional costs.

Benefits of Option 2(d)

Monetised Benefits

74. Based on the scenarios above, the estimated additional annual cost to the CICA due to the increase in the number of awards paid out would result in a transfer from the CICA to claimants of between £2.6m and £8.9m.

Non-Monetised Benefits

75. This option would mean that all victims of violent crime would have more time to apply to the Scheme for compensation without the need to satisfy the Scheme criteria to extend the time limit. It would apply a consistent rule for all applicants, including victims of other traumatic and hard-to-disclose offence types such as rape and domestic abuse. It may mean that fewer victims are put off from applying to the Scheme by the time limits and could mean that fewer may be refused for being out-of-time if they await the outcome of criminal proceedings. It would also harmonise the time limits for applications to the Scheme with those for personal injury claims in the civil courts and align with common data retention timescales. Its implementation would go some way to meeting the recommendation of the Inquiry and would respond to the calls from stakeholders seeking an extension to the time limit for victims of rape, serious sexual offences and domestic abuse. For applications submitted within this extended time limit, the CICA would not be required to request evidence to establish whether there are exceptional circumstances.

Summary

76. The policy options are summarised in the table below. As the monetised costs and benefits are transfers, the total net economic cost is £0. NPVs have therefore not been calculated for the options. There is no recommended option.

| Table 7: Summary Table | | | |
|--|--------------------------------------|------------------------------------|--------------------|
| Policy Option | Annual Transfer to applicants | Annual Transfer to the CICA | 10-year NPV |
| Option 0: Do nothing | N/A | N/A | N/A |
| Option 1(a): Amend the definition of a 'crime of violence' to include other forms of child sexual abuse, including online-facilitated sexual abuse. | Low: +£8.6m High: +£15.6m | Low: -£8.6m High: -£15.6m | -£17.6m |
| Option 1(b): Amend the eligibility criteria to bring non-contact offences with equivalent effect, such as grooming, coercive control, revenge porn and stalking within scope of the scheme. | Low: +£25.3m High: +£45.8m | Low: -£25.3m High: -£45.8m | -£51.6m |
| Option 2(a): Amend the time limit to seven years for child sexual abuse applicants who were children under the age of 18 on the date of the incident giving rise to the injury as recommended by IICSA. | Low: +£2.7m High: +£8.2m | Low: -£2.7m High: -£8.2m | N/A |
| Option 2(b): Amend the time limit to seven years for all applicants to the Scheme. | Low: +£6.4m High: +£19.2m | Low: -£6.4m High: -£19.2m | N/A |
| Option 2(c): Amend the time limit to three years for all applicants who were children under the age of 18 on the date of the incident giving rise to the injury. | Low: +£1.4m High: +£4.8m | Low: -£1.4m High: -£4.8m | N/A |

| | | | |
|--|-----------------------------|-----------------------------|-----|
| Option 2(d): Amend the time limit to three years for all applicants to the scheme | Low: +£2.6m High: +£8.9m | Low: -£2.6m High: -£8.9m | N/A |
|--|-----------------------------|-----------------------------|-----|

F. Risks and Assumptions

77. The key assumptions specific to each of the options are described below. There is a risk that, if the assumptions do not hold, the costs and benefits presented in this IA could be higher or lower.

Option 1

78. To estimate the CICS application rates for sexual assault and physical assault (i.e. the proportion of total eligible victims putting in a claim), the CICA data was compared to Police Recorded Crime (PRC) data (2019/20-2021/22). Table 9 shows how the CICS crime types were mapped to the PRC data.

| Table 8 CICS Crime Types mapped to PRC Offences | | |
|---|--------------------------|--|
| Category | CICS Crime Types | PRC Offences |
| Physical Assault | Assault | Violence with Injury |
| | Assault using a weapon | |
| | Domestic/Family violence | |
| Sexual Assault | Sexual Assault | Rape |
| | | Buggery |
| | | Indecent Assault on a male |
| | | Sexual assault on a male aged 13 and over |
| | | Sexual assault on a male child under 13 |
| | | Indecent Assault on a female |
| | | Sexual assault on a female aged 13 and over |
| | | Sexual assault on a female child under 13 |
| | | Sexual activity involving a child under 13 |
| | | Sexual activity involving a child under 16 |
| | | Causing sexual activity without consent |
| | | Incest or familial sexual offence |
| | | Sexual activity with a person with a mental disorder |
| | | Abuse of position of trust of a sexual nature |
| | | Other sexual offences |

79. The CICS crime types; assault, assault using a weapon and domestic/family violence were combined to form a physical assault group of offences, which was compared to violence with injury offences in the PRC data.

80. As the ONS does not break down obscene publication offences into child-related offences beyond 2018/19, the average proportion of child-related incidents between 2015/16 and 2018/19 was used to estimate the number of child-related obscene publications for year 2021/22.

81. It is assumed that victims of non-contact sexual offences would apply to the scheme and be awarded compensation at the same rate as sexual assault claims. It is assumed all other non-contact offences

would apply and be awarded at the same rate as physical assault claims. The rates that were used in our estimations are presented below.

| Table 9 CICS Claims compared to PRC data | | |
|---|-------------------------|-------------------|
| | Application Rate | Award Rate |
| Physical Assault | 3.5% | 36% |
| Sexual Assault | 5.6% | 68% |

82. It is assumed that claims for non-contact offences will be for disabling mental injury awards due to their non-contact nature. Using CICA data, the additional costs are estimated using the current distribution of DMI claims (across the four different DMI award bands available in the tariff ranging from £1,000 to £13,500) for physical assault and sexual assault as described below.

| Table 10: DMI award distributions | | |
|--|-------------------------|-----------------------|
| | Physical Assault | Sexual Assault |
| Disabling Mental Injury Level A1 | 5% | 0.4% |
| Disabling Mental Injury Level A4 | 34% | 5% |
| Disabling Mental Injury Level A7 | 36% | 14% |
| Disabling Mental Injury Level A9 | 26% | 80% |

Option 2

83. As time limits have not been raised as an issue in relation to claims by bereaved family members, it is assumed that fatal claims will not be affected by a change in time limits. Estimated additional costs are therefore based on percentage increases to awards paid out for personal injury claims only.
84. Given there is already room for discretion in the Scheme regarding late claims, it is assumed that most potential claimants would already be making a claim. In the absence of any robust evidence on the impact of time limits on claimants, the analysis is therefore based on different scenarios reflecting moderate percentage increases in the total paid out.

G. Wider Impacts

Equalities

85. An Equality Impact Statement has been completed and will be published alongside this IA.

Better Regulation

86. These proposals do not meet the definition of regulation under the Small Business Enterprise and Employment Act 2015. Any costs which arise will not count towards the department's Business Impact Target.

Environmental Impact

87. There is no direct environmental impact from the policy options presented in this IA.

H. Monitoring and Evaluation

88. We will monitor and evaluate the impact of the time limits and scope in any new Scheme as part of our wider monitoring and period reviews of the Scheme's effectiveness, to ensure there are no significantly adverse impacts.