

Title: Automatic online convictions/standard statutory penalty IA No: MoJ022/2016 RPC Reference No: N/A Lead department or agency: Ministry of Justice Other departments or agencies: HM Courts and Tribunals Service	Impact Assessment (IA)			
	Date: 22/02/2017			
	Stage: Final			
	Source of intervention: Domestic			
	Type of measure: Primary legislation			
	Contact for enquiries: general.enquiries@justice.gsi.gov.uk			
Summary: Intervention and Options				RPC Opinion: Not Applicable

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANDCB in 2014 prices)	One-In, Three-Out?	Business Impact Target Status
£1M	N/A	N/A	Not in scope	N/A

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

The majority of cases in the magistrates' court involve summary-only, non-imprisonable offences with no individual victim. Many of these are eligible for the Single Justice Procedure (in place since 2015) where one magistrate handles the case on the papers rather than at a hearing. However, in the simplest cases, and where the defendant pleads guilty, the government believes this is still a disproportionate use of magistrates' and legal advisors' time. Under these proposals, a subset of these cases could progress through an online automated process. Initially this would cover a small number of low-level offences (failure to produce a ticket for travel on a train or tram and fishing without a licence). The defendant would need to go online to confirm their choice to plead guilty: he or she would be informed of the prospective penalty and any other consequences of the conviction before confirming their acceptance of an automatic online conviction and resulting penalty. This would result in an instant conviction and a penalty being imposed by operation of legislation without the involvement of a magistrate. Government intervention is required to implement this

What are the policy objectives and the intended effects?

The policy objectives are to provide a more efficient, quick and digitised service to defendants and prosecutors for certain low-level cases (offences will be specified in regulations). The process would allow defendants to resolve their cases entirely online, faster and more easily, with certainty of the penalty imposed and the ability to pay it immediately. Magistrates and legal advisors would spend less time on this routine work, allowing their time to be focused on more serious and complex cases and permitting more effective use of space in court buildings. The policy also reflects broader departmental objectives of digitising services, empowering users by giving them quick and easy online access to information about their cases and resolving certain suitable cases entirely online.

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

- Option 0: Do nothing (base case) – channelling all eligible cases through the Single Justice Procedure.
- Option 1: Implementing the automatic online conviction/standard statutory penalty proposals for appropriate cases (eligible offences will be specified in regulations).

Option 1 is the preferred option as it best meets the policy objectives.

Will the policy be reviewed? It will be reviewed. Initially it will be applied to a small number of offences (failure to produce a ticket for trains and trams, unlicensed rod and line fishing, as set out in the consultation paper.) If applicable, set review date: no later than 24 months after implementation (implementation planned from July 2018)

Does implementation go beyond minimum EU requirements?	N/A			
Are any of these organisations in scope?	Micro N/A	Small N/A	Medium N/A	Large N/A
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 Minister:  Date: 22/02/2017

Summary: Analysis & Evidence

Policy Option 1

Description: Automatic online convictions/standard statutory penalty

FULL ECONOMIC ASSESSMENT

Price Base Year 14/15	PV Base Year 16/17	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: -1

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0		
High			
Best Estimate		1	1

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

The MoJ would experience a reduction in impositions as offenders who as a consequence of individual means testing under the SJP would have paid an above average fine opting into the automated system and paying a standard average fine.

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

These include the costs to HMCTS associated with the development and maintenance of the automatic online conviction/standard statutory penalty supporting IT and the ongoing costs of defendant support i.e. Assisted Digital. These costs have not been quantified because they cannot be disaggregated from the wider costs of digitising services across the wider court reform landscape.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		
High			
Best Estimate		0.04	0.30

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

HMCTS would make efficiency savings from the reduction in magistrates' and court staff's workload.

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

HMCTS would benefit from reductions in estate space required for hearings enabling remaining cases to be dealt with more quickly. HMCTS would also benefit from improved collection rates/reduced enforcement costs and a reduced need to process statutory declarations and other queries/review applications as a result of higher engagement from defendants. Defendants would benefit from an improved user experience, speed of process and certainty of outcome.

Key assumptions/sensitivities/risks

It has been assumed that the fine imposed for each offence will be the current average fine level for that offence. Assumptions were also been made concerning the percentages of cases where defendants opt in or out of the automated process. However, no assumptions have been made about the percentage of cases in which a defendant claims mitigating circumstances or the percentage of cases where prosecutors filter out aggravated cases e.g. for repeat offending.

Discount rate

3.5%

BUSINESS ASSESSMENT (Option 1)

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

Evidence Base

A. Background

1. The Government is investing close to £1 billion to transform the courts and tribunals system. We will deliver a service that is just, proportionate, accessible to all and works better for everyone, from judges and legal professionals, to witnesses, litigants and victims of crime. This measure is part of a wider legislative package that underpins the court reform programme and collectively contributes to benefits of £252 million at steady state from 2023-24. While most of the measures in the Bill produce significant direct savings, some do not. However, the measures are interdependent and all contribute to wider, indirect savings by streamlining processes, enabling more flexibility in judicial deployment, digitalisation, reducing staff numbers and reducing the estate footprint. In short, each measure is vital for us to deliver the reform programme and associated savings as planned.
2. In line with the HM Courts and Tribunals Service (HMCTS) Reform programme's efforts to simplify and digitise the criminal justice system, many cases have been identified as relatively simple and suitable for resolution outside a physical court room, saving time and effort for the defendant and alleviating pressure on the court system. In turn this would allow the judiciary and court staff to focus on more serious and complex cases.
3. Approximately 890,000 cases a year in the magistrates' court involve summary-only, non-imprisonable offences where there is no identifiable individual victim. This is half of all cases heard in the magistrates' courts. Many defendants already choose to enter their guilty plea by post or online.
4. Since 2015 defendants across England and Wales have been able to have offences of this type dealt with via the Single Justice Procedure (SJP) where a single magistrate can proportionately deal with routine cases on the papers without the need to sit in open court. Under the SJP, fines are set on the basis of defendants' means, as they are in the full magistrates' court. The SJP can take into account any information offered as mitigation. The SJP also allows for prosecutors' costs and compensation to be altered should the magistrate see fit.
5. It is proposed to further digitise this area so that some of these cases would be in-scope to progress through an entirely automated process where the defendant actively pleads guilty and opts in to this process. This would issue a predetermined standard penalty on entering a guilty plea. Cases will be routed out of the automated process and to the SJP or a full court, if for any reason the automated process cannot deal with the case: for example: where defendants do not engage, or do not wish to be dealt with via the automated process, where defendants plead not guilty, where defendants offer mitigation.
6. The government has consulted on these proposals – consultation closed in November 2016. The consultation paper can be found at <https://consult.justice.gov.uk/digital-communications/transforming-our-justice-system-assisted-digital/> and a summary of respondents' comments, together with the Government response, can be found at [link].

B. Policy Rationale and Objectives

7. The conventional economic rationales for Government intervention are based on efficiency or equity arguments. Government intervenes if there is a perceived failure in the way a market operates ("market failures") or to correct existing institutional distortions ("government failures"). Government also intervenes for equity ("fairness") reasons.
8. The proposal to introduce an automatic online conviction and standard statutory penalty process is based on the rationale of efficiency/proportionality because it would reduce the burdens on magistrates' time and on HMCTS estates. Although it is not currently possible to quantify all the

potential benefits, the government believes that we are not currently providing the most efficient and proportionate process for the simplest prosecutions, and that these proposals offer the potential to do so.

9. The policy objectives are to provide a more efficient, quick and digitised service to defendants and prosecutors in low-level cases: the process would allow defendants to resolve their cases entirely online, faster and more easily, with certainty of the penalty imposed and the ability to pay it immediately. Magistrates and legal advisors would spend less time on this routine work, allowing their time and space in court buildings to be focused on more complex cases.

C. Affected Stakeholder Groups, Organisations and Sectors

10. Below is a list of the main parties most affected by the options considered in this Impact Assessment (IA):

- The Ministry of Justice (MoJ) – which receives income from fines in criminal cases
- HMCTS - which administers the criminal justice system.
- Magistrates – individuals who administer justice in Magistrate’s Courts
- Legal Advisers – Individuals who advise magistrates on the law.
- Defendants – individuals accused of committing a criminal act.
- Prosecutors – those who prosecute criminals on behalf of public bodies or private businesses, including the police.

D. Description of Option Considered

11. In order to meet the policy objectives, two options are considered in this IA.

- **Option 0 “Do nothing” – all relevant cases would be prosecuted via the Single Justice Procedure.**
- **Option 1 – implement automated online convictions and standard statutory penalty proposals**

Option 0 “Do nothing” – all relevant cases would be prosecuted via the Single Justice Procedure.

12. Under this option, applicable cases would still be dealt with through the SJP.

13. The SJP has been in place in England and Wales since 2015 (following a trial and phased implementation). The SJP allows authorised prosecutors to process summary non-imprisonable cases through a system that avoids in-person court hearings.

14. SJP cases are decided “on the papers” by a single magistrate. The magistrate ensures the prosecutor has submitted appropriate evidence to prove the charge alleged and that the defendant has either pleaded guilty or failed to respond to the charge.

15. The magistrate then decides the appropriate sentence, with oversight from a legal advisor (taking into account any mitigation the defendant may offer, any apparent aggravating circumstance, and based on any means information the defendant may have submitted as requested¹) which will be entered into HMCTS systems and administered to the defendant.

¹ If no means information is submitted sentencing guidelines provide magistrates with clear instructions on how to proceed.

16. Defendants who plead not guilty are not dealt with by the SJP and are instead listed for trial. Magistrates can also list cases that come to them via the SJP for a court hearing should they deem it appropriate.

Option 1 – implement automated online convictions and standard statutory penalty proposals

17. Under this option, all relevant cases would be commenced in the same way as a SJP case. If the offence had been specified as suitable for the automated process - and the prosecutor thought the individual case was appropriate - the defendant would be offered the option of resolving their case via the automated process.
18. The defendant would then need to progress through a decision tree to confirm that he/she was pleading guilty; was content to have their case resolved via the automated process; and would confirm they understood the financial implications of taking this option. Those financial implications stem from the standardised nature of the penalties imposed by this procedure. Standard penalties are likely to mean that lower-income defendants would benefit from opting out of the automated process, as the SJP or open court would be able to take their means into account when determining the penalty: the differences between the way in which penalties would be set under this process, and under the court process, would be made clear to the defendant in the course of the process.
19. The defendant would then have to confirm they were content with any other implications of conviction/penalty (e.g. disclosure requirements). At any point the defendant would be able to opt out² of the automated process and have the case dealt with by the SJP or a full court as appropriate
20. Because this approach does not allow for means-testing, it may not be suitable for defendants on low incomes who might be eligible for a reduced fine. Defendants, as they interact with the system, will be given a figure for the standard penalty and clear information about how fines are set by the court so they are informed about the likely outcome for them depending on whether they opt for the SJP or the automatic online conviction process. We anticipate that lower-income defendants will be likely to opt for the means-tested process. Distribution of fine amounts varies between offences, but generally well over half of defendants who engage with the court process are likely to get a lower than average fine and are therefore likely to opt out . There is more detail in respect of the proposed initial offences from para 28 onwards.
21. This is the preferred option as it would test a new way of administering criminal justice and constitute one of the initiatives which will contribute to modern, quick, digitised justice services. This option would also provide a more proportionate way of dealing with the lowest level prosecutions in the criminal justice system. There would also be a benefit to citizens who would be able to resolve their cases entirely online resulting in an improved user experience.

E. Costs and Benefits Analysis

22. This IA identifies both monetised and non-monetised impacts of the options considered on individuals and groups in the UK. The costs and benefits of the proposed change is compared to the “do nothing” option. As the ‘do nothing’ option is the base case, the costs and benefits are necessarily zero, as is its Net Present Value (NPV). The costs and benefits of the other options are then measured relative to those of the ‘do nothing’ option.
23. IAs place a strong emphasis on valuing costs and benefits in monetary terms. However, there are important aspects that cannot readily be monetised – e.g., the effects on particular groups of society or changes in equity and fairness.
24. It has only been possible to monetise *some* of the costs and/or benefits associated with Option 1 and, where this has not been achieved, reasons have been provided. Due to this, Option 1 is currently

² The system will inform users that this procedure is unlikely to be in their best interests if they have a low income.

estimated to result in a net economic cost. This should, however be considered against the benefits which, although currently non-monetised, could result from savings for the MoJ. These are articulated later in the following analysis.

25. Future application of this policy would also depend on an assessment of how the process has worked for the initial offences to which it will be applied. Therefore, at this stage, it is not possible to quantify all the cases types, and the associated costs and benefits, from full implementation. Instead, we provide an assessment of the outcomes for the initial offences proposed in the consultation paper³.
26. Unless stated otherwise, all monetised costs and benefits in this IA are in 2014/15 prices and, where necessary, have been re-based using HM Treasury's published GDP deflator series.⁴
27. Estimates of the costs and benefits of the policy are presented in this IA as the NPV over a 10 year horizon from 2016/17, assuming an implementation of the policy from April 2018⁵. A 15% optimism bias has been applied to costs and benefits.

Option 1 – implement automated online convictions and standard statutory penalty proposals

Methodology

28. For the purpose of this IA, the following offences have been chosen to provide an order of magnitude estimate for the potential economic impacts from implementing the proposed reform:
 - Rail Fare Evasion⁶
 - Tram Fare Evasion
 - Unlicensed rod and line fishing offences
29. These offences were considered not to have identifiable individual victims. Estimates of the number of cases going through the automated system are based on 2014/15 sentencing volumes. In 2014/15 approximately 8,000 defendants pleaded guilty and were convicted for the offences listed above. This consisted of 6,400 rail fare evasion cases, 600 tram fare evasion cases and 1,300 fishing offence cases.
30. For the purpose of estimating the economic impact on impositions, the following assumptions have been made:
 - Offenders who currently do not engage with the SJP would not engage with the automated system.
 - Those offenders who do currently engage with the SJP would behave in a rational manner and are aware of the likely fine they could pay if they opted for the means-tested court system. The system will advise defendants of how the traditional court (including the SJP) means-tests and sets fines, enabling defendants to make an informed decision in relation to their own means (although because a court has discretion, it will not be possible to guarantee what fine a court would set) .
 - Standard penalties will be set with reference to the overall average of fines imposed for each offence⁷. This fine level is assumed to remain constant throughout the period of analysis. Table 1 below shows the average fine level for the three offences:

³ https://consult.justice.gov.uk/digital-communications/transforming-our-courts-and-tribunals/supporting_documents/consultationpaper.pdf

⁴ <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>

⁵ 2013/14 prices.

⁶ Economic impact therefore starts in FY2018/19.

⁷ Data includes TFL fare evasion.

⁷ Average of both non-respondents and respondents for each offence.

Table 1 - Average Fine Imposed, by offence (2016)⁸

Offence	Rail Fare Evasion	Fishing Offences	Tram Fare Evasion
Average Fine (£)	£195	£150	£90

- Those engaged offenders currently paying a fine lower than the assumed standard penalty would opt-out of the automated system and receive a 'means tested fine' via the SJP (as the system would advise them that opting in may not be in their best financial interests).
 - All defendants (who currently engage) currently paying a fine equal to or more than the assumed standard penalty would opt-in to the automated system instead of paying a 'means tested fine' via the SJP.
31. As each offence would have a different distribution of fine levels, the proportion of fines that fall above, or below, the average fine would differ for each offence. Consequently, the proportion of responders that opt-in or opt-out of the automated system would also differ according to the offence.
32. Table 2 below presents the estimated opt-in rates for offenders that engage using the above assumptions and methodology.

Table 2 - Offender Opt-in Rates

Offence	Rail Fare Evasion	Fishing Offences	Tram Fare Evasion
Opt-in Rate	25%	20%	15%

Costs of Option 1

Monetised

MoJ

33. Under this option offenders who might receive an above average fine under the SJP would opt-in to the automated system and receive a lower average fine. Those who opt-out are assumed to continue to go through the SJP and to receive the fine they otherwise would have done (i.e. one lower than the average for the offence). This represents a potential loss in the total value of impositions for the MoJ.
34. Table 3 below presents the estimated loss in the total value of impositions for each offence:

Table 3 - Estimated Imposition Loss, by offence, 10 Year NPV (2014/15 prices)

Offence	Rail Fare Evasion	Fishing Offences	Tram Fare Evasion
Imposition Loss (£)	471,000 (-1%)	167,000 (-8%)	655,000 (-6%)
Total Imposition Loss (£)	1,294,000 (-2%)		

35. In practice a number of defendants currently paying a lower fine, within a certain margin of the assumed standard penalty, might opt in because they are prepared to pay a certain margin for speed and certainty. If this were to occur, the loss of impositions to the MoJ would decrease. The extent of this number is an unknown.
36. To explore this further, a sensitivity analysis of these estimates is included in section F of this IA.

⁸ HMCTS fines transactions data

Non-Monetised

HMCTS

37. HMCTS would incur the development costs of the new supporting IT, including project and procurement costs. HMCTS would also incur the ongoing maintenance and operating cost of the system, including the ongoing costs of defendant support (i.e. Assisted Digital). However, these costs have not been quantified because they cannot be disaggregated from the wider costs of digitising services across the court reform landscape.

Benefits of Option 1

Monetised

HMCTS

38. Efficiency savings, in the form of reduced staff costs, are expected as a result of sentencing approximately 2,000 offenders annually via the automated system instead of the SJP for the initial three offences.

39. The time saved for magistrates and legal advisors from no longer processing these offenders through the SJP, is estimated to result in a 10-Year NPV saving of approximately £0.03m⁹.

Non-Monetised

HMCTS

40. Online convictions and standard penalties would enable defendants to resolve cases entirely online. This would lead to a reduction in demand for magistrates' court estate space required for hearings. This would enable remaining cases to be dealt with more quickly.

41. HMCTS, as a result of higher engagement from defendants, would benefit from improved collection rates and reduced enforcement costs; and from a reduced need to process statutory declarations and other queries/review applications. It has not been possible to quantify this benefit.

Defendants

42. The process would allow defendants to resolve their cases entirely online more easily due to the greater certainty of the penalty imposed and the ability to pay fines (and other financial elements of the penalty) immediately.

Net Impact of Option 1

43. Based on the three illustrative offences¹⁰, implementing this option would be expected to result in approximately 2,000 offenders annually being sentenced by the automated system instead of the SPJ.

44. As a consequence, it has been estimated that the MoJ could lose up to approximately £1.3m in impositions over a 10-year period. However this loss would be partially offset by an estimated staff saving, over the same period, of approximately £0.03m. The current estimate for the net economic impact of the policy, excluding optimism bias, is therefore an economic cost of up to £1.3m¹¹.

45. In addition to the monetised staff savings, this option is expected to produce non-monetised savings in the form of reduced collection costs and improved rates of fine collection. The net economic impact

⁹ Based on assumed time saving per SJP case for magistrates and legal advisors.

¹⁰ Rail Fare Evasion, Tram Fare Evasion and Fishing Offences.

¹¹ All economic impact estimates in NPV terms.

of this policy is therefore expected to be greater than that stated above, although this would itself be offset by non-monetised costs e.g. implementation costs.

This publication was archived in June 2017.

F. Risks, Assumptions and Sensitivities

Assumptions and Risks

46. A description of key assumptions underpinning the analysis and a summary of the related risks are provided in Table 4 below:

Table 4 - Risks and Assumptions

Assumption	Risk
<p>Fine Levels. Standard penalties will be set at the overall average of fines imposed for each offence. Furthermore the level of fines is assumed to remain constant throughout the period of analysis.</p>	<p>If the average fine level were to be higher, the average fine income would increase, reducing the losses to fine income.</p> <p>However, higher fines may induce more offenders to opt-out of the automated process, meaning any benefits accrued through diverting them through the automated process are lost. The scale of this depends on the importance to offenders of additional certainty/quicker case resolution against their willingness to pay higher fines.</p>
<p>Sentencing volumes compared to 2014/15. The analysis and figures presented are in 2014/15 prices using 2014/15 baseline volumes. This assumes that volumes will remain constant.</p>	<p>There is a risk that volumes may change. However, published statistics show that whilst receipts volumes may fluctuate from year to year, as an average over a longer period they have remain reasonably constant. The NPV figure presented uses a period of 10 years to mitigate this risk.</p>
<p>Offender Behaviour. Currently assume that users will opt in if their original fine was above the average and opt out if below. However, some users may value speed and certainty and be prepared to accept a small financial loss, or make their opt-in/opt-out decision on other grounds.</p> <p>It is assumed that offenders who currently do not engage with the SJP would not engage with the automated system.</p>	<p>If offender behaviour differs to that which has been assumed, i.e. if more/less offenders opt-in then the economic impact of the measure would differ to those estimated in this impact assessment. For example, a lower opt-in rate would reduce the imposition loss to the MoJ, but equally would result in lower non-monetised benefits.</p> <p>If offenders who currently do not engage decide to engage with the automated system, there may be a higher opt-in rate and higher non-monetised benefits, but increased imposition loss.</p>
<p>Impositions Data. There is no flag in the impositions data to identify whether an offender has responded or not to proceedings against him/her. As a proxy, it is assumed offenders who receive fines which are multiples of £110 up to £770 have failed to respond, and those with other amounts have responded. (This is because sentencing guidelines tell courts to assume weekly income of £440 for non-responders, resulting in an imposition which is a multiple of £110 (the</p>	<p>Anyone with an assumed weekly income and a guilty plea discount will be treated as a respondent. The number of respondents may therefore be different from that which has been assumed. This would result in a smaller pool of offenders who may or may not opt-in to the automated system instead of the SPJ.</p>

Assumption	Risk
guidelines set fines as fractions or multipliers of weekly income.))	
Implementation Costs. These are included as a non-monetised cost in this impact assessment. The costs associated with implementing this policy are embedded within the technology costs for the broader HMCTS Reform programme. It has not been possible to isolate the costs associated with this particular measure.	Though non-monetised, if the implementation costs of this policy lead to higher overall implementation costs for HMCTS Reform the net economic impact of the policy will fall.
Collection Rates. These are included as a non-monetised benefit in this impact assessment.	Though non-monetised, if the total number of collected fines rises as a result of this policy the net economic impact of the policy will rise.
Optimism Bias. There is a tendency in any estimation work to overstate benefits and understate costs. A 15% optimism bias has been applied to the total costs and benefits in this IA and included in the calculation of the Net Present Value figure to mitigate this risk.	Optimism bias accounts for a tendency to over-estimate the benefit and/or under-estimate the cost of a policy. It is possible that even after the application of the bias, benefits/costs associated with the policy could be lower/higher than estimated.

Sensitivity Analysis

47. As there is always an element of risk attached to the above assumptions, sensitivity analysis has been conducted on the offences proposed above, to estimate the impact on imposition loss if defendants currently receiving a lower fine than the average were to opt-in to the automated process and receive the average fine.
48. By changing the behavioural assumptions made in section E, the opt-in rates under each offence would also change. Table 5 below shows how reducing the threshold above which offenders opt-in to the automated system would increase the opt-in rate for each offence:

Table 5 - Estimated Opt-in Rates following Assumed Change in Behaviour

Offence / Reduction in Fine Threshold ¹²	Rail Fare Evasion	Fishing Offences	Tram Fare Evasion
£0	25%	20%	15%
-£10	30%	30%	15%
-£30	30%	35%	15%
-£50	45%	50%	60%

49. Table 6 below illustrates the effect this would have on the possible loss in the total values of impositions:

Table 6 - Sensitivity Analysis: Imposition Loss from Lower Opt-in Fines, 10 Year NPV (2014/15 prices)

Opt-in Fine Reduction	£0	-£10	-£30	-£50
Total Imposition Loss (£)	1,294,000 (-2%)	1,290,000 (-2%)	-1,194,000 (-2%)	-541,000 (<-1%)

¹² Relative to the average fines presented for each offence in Table 1.

50. As can be seen above, adjusting the behavioural assumption by lowering the fine level at which offenders opt-in to the automated process, but keeping the fine level received by all offenders that opt-in at the average fine level, would reduce the loss in the total value of impositions.
51. This is due to the fact that some of the imposition loss from those offenders opting-in above the average fine would be partially offset by the additional imposition from those opting-in below the average fine.

G. Implementation

52. The provisions for the preferred option would be commenced by order of the Secretary of State. Only offences committed after implementation would be eligible for the online conviction/standard penalty.
53. At commencement, SIs would take effect setting out the initial tranche of offences, and the penalties pertaining to them. We anticipate that any required IT would be in place by mid-2018.
54. Initial offences would be those suggested in the consultation document: rail and tram fare evasion and unlicensed fishing offences.
55. This automated process would be reviewed after it had been in operation up to a maximum of 24 months. It is envisaged that, subject to our review of the operation of the process with the initial offences, we would seek to add a wider range of summary-only non-imprisonable offences through secondary legislation. We envisage that many of the cases that are eligible for the Single Justice Procedure would be eligible for this process.
56. However, some offences would be unsuitable for a range of reasons including particularly:
- There is an identifiable individual victim
 - The offence is complex to prove
 - Current sentencing shows a wide use of judicial discretion, including the likelihood of cases involving problem-solving approach and/or complex ancillary orders;
 - Very low volume offences may not show sufficient sentencing data to enable a proportionate approach to fine-setting.

G. Monitoring and Evaluation

57. We have taken responses to the consultation on this matter into account and have used this feedback to help determine appropriate offences, and to help ensure our safeguards are effective.
58. We will assess the performance of the provision with the first tranche of offences before proceeding to introduce new offences to the scheme, including looking carefully at outcomes for defendants, and impact on fine income.