

Title: Removal of the Requirement to surrender a driving licence for endorsement Click here to enter text. IA No: DfT00372. RPC Reference No: N/A. Lead department or agency: Driver and Vehicle Licensing Agency. Other departments or agencies: N/A.	Impact Assessment (IA)			
	Date: 01/08/2016			
	Stage: Development/Options			
	Source of intervention: Choose an item.			
	Type of measure: Choose an item.			
Contact for enquiries: Natalie Amphlett Natalie.Amphlett@dvla.gsi.gov.uk				
Summary: Intervention and Options				RPC Opinion: N/A

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
£15.84m	n/a	Nil	Not in scope	Non qualifying provision

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

When drivers elect to pay a fine or fixed penalty for a motoring offence they are required to surrender their driving licence to show that they are qualified to have been driving. Enforcement authorities can now make this check via on-line links and, since the abolition of the paper driving licence counterpart in 2015; this requirement achieves nothing and imposes unnecessary costs on public services and motorists.

Government intervention is necessary to remove the current legal provisions requiring the surrender of licences for endorsement.

What are the policy objectives and the intended effects?

To remove the requirement for individuals to produce a driving licence where they do not attend court and to remove the requirement to surrender a driving licence as part of the fixed penalty process. This will reduce costs for motorists, the police and the Central Ticket Offices (CTOs) and Fixed Penalty Offices (FPOs). The change will also allow the Police, the Court Services and the Driver and Vehicle Standards Agency (DVSA) to further digitalise their administrative processes and to reduce costs by making greater use of on-line payment processes.

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

Do nothing – this option has been discounted as it would not remove the unnecessary burden currently imposed on motorists and the public bodies involved in the processing of offences.

Option 1- This is the only option under consideration. Amend primary and secondary legislation to help facilitate more efficient fixed penalty and court processes for the police, CTOs, FPOs and Court Services. This will help to streamline the process for drivers who accept an endorseable fixed penalty allowing them to pay on-line/by telephone and retain their driving licence. In addition drivers who have committed minor traffic offences will not be required to produce their licence at court unless they attend the hearing.

Will the policy be reviewed? It will not be reviewed. If applicable, set review date: N/A

Does implementation go beyond minimum EU requirements?				N/A		
Are any of these organisations in scope?			Micro No	Small No	Medium No	Large No
What is the CO₂ equivalent change in greenhouse gas emissions? (Million tonnes CO₂ 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 : _____ Enter a date

Summary: Analysis & Evidence

Policy Option 1

Description: Remove the current legislative requirement to surrender a driving licence when paying a fine or a fixed penalty

FULL ECONOMIC ASSESSMENT

Price Base Year: 2015	PV Base Year: 2017	Time Period Years: 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: £15.84m

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	2017	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	£460,000		£30,000	£0.76m

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

DVLA - none
 Drivers - none
 IT suppliers for the police and the courts in England and Scotland have identified one-off costs of £460,000 to implement the necessary systems changes. There will a small IT management charge of about £30,000 pa.

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

Some drivers will have to familiarise themselves with the new procedures, but as many would have to do that currently.

DVLA and staff in other enforcement agencies will have some familiarisation training requirements. These are unlikely to be significant and should be covered in existing budgets. Adjustments and write off of existing leaflets and forms will also be covered by existing budgets.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Insert	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	nil		£2m	£16.6m

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

Drivers - reduction in postage costs - £½ m pa.
 Other Government Departments - Cost and efficiency savings (wages and postage) of nearly £1½m pa as fewer FTEs will be required to process driving licences.

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

940,000 drivers- will be saved the wasted time of surrendering their driving licence.
 DVLA - savings from no longer have to issue free replacements when licences lost at court or in the post.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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Key assumptions are that the police, Her Majesty's Court and Tribunal Service (HMCTS) and Scottish Courts Tribunal Service (SCTS) will absorb any changes needed to systems and processes. England and Wales fixed penalty process already has ability to accept on-line/telephone payments.

BUSINESS ASSESSMENT (Option 1)

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

Evidence Base

This document assesses the impacts of a proposal to remove the current legislative requirement to surrender a driving licence when paying a motoring fine or fixed penalty. It is estimated that this could save enforcement authorities about £2m per annum and provide a more convenient service for the motoring public. The assessment is based on the premise that current automated procedures and access to the DVLA drivers' register allow the enforcement authorities to check the licensing status of individual motorists without the need to see the licence at the time the penalty is paid, thereby removing the need for it to be surrendered as part of the payment process.

Background

Most motoring offences are now detected by strategically placed roadside cameras and, unless the circumstances are disputed or more serious, they are likely to be settled by way of a Fixed Penalty paid in lieu of court proceedings. The process is administered by a network of Central Ticket Offices (CTOs), working with the police forces, and Fixed Penalty Offices (FPOs) attached to the courts system. More serious offences, and contested cases, are dealt with by the courts. In these cases, judges and magistrates are able to take the circumstances of cases into account and hear representations from individual motorists. They can also impose more severe penalties if these are considered appropriate.

There are a number of different enforcement scenarios:

About $\frac{3}{4}$ of a million (739,200 in 2015) of the camera offences detected each year in England and Wales result in the issue of a fixed penalty. When the offence is detected, the CTO sends the registered keeper of the vehicle a Notice of Intended Prosecution (NIP), asking them to confirm who was driving the vehicle at the time. The CTO checks that the acknowledged driver (most often the registered keeper) was entitled to have been driving and, if eligible for a fixed penalty, they will issue a Conditional Offer (CO) to make a penalty payment. At the same time, the CTO will inform the relevant FPO that a penalty is outstanding.

If the Penalty offer is accepted, drivers must surrender their driving licence at the same time as making the payment to the FPO. When the Penalty is paid by cheque, the licence is sent with the payment. About 80% of Penalties are now paid over the telephone or on-line and the licence must be surrendered separately by post. The FPOs process the payments and enter the penalty points onto their system, which in turn updates the DVLA record, and return the licences to the drivers.

Each year in England and Wales, about 100,000 (100,800 in 2015) Fixed Penalty Notices (FPNs) are issued directly to the driver by a police officer or traffic examiner at the roadside at the time of the offence. In these circumstances, the enforcing officers can ask to see the driver's licence and if the licence can be verified at the time, a fixed penalty requiring payment within 28 days can be issued straightaway. The driving licences are retained and passed to the CTO. But if, as is frequently the case, the licence is not available at the time of the alleged offence, the driver is required to produce it at a designated police station within 7 days. The police station checks the driver's details and provided the driver is eligible for a fixed penalty, issues them with a FPN. The police retain the licence and the driver has 28 days to pay the fine. The licence is transferred to the FPO until payment is made. When the penalty is paid, the FPO updates their system which in turn updates the DVLA driver record and the FPO return the licence to the driver.

There is a slightly different procedure under Scottish law in that there is no roadside fixed penalty scheme. All fixed penalty offences are dealt with via the conditional offer process. About 100,000 fixed penalties were issued in Scotland in 2015.

Some offences still have to be dealt with by the courts. This may be because the circumstances of the offence are considered too serious for a fixed penalty; because the offender is liable to

disqualification under the totting up procedure; or because the registered keeper has failed to reply to the NIP. Defendants can also elect to proceed to a court hearing.

There is a statutory requirement for an accused motorist to produce their licence to the court; either posted to the court ahead of the hearing or presented on the day. Although, a driver is required to attend the court if they are liable to be disqualified, if they fail to do so, the case can proceed in their absence, if the court chooses to do so. If a driver is disqualified and the licence is made available to the court, they will forward it to the DVLA. However, if the licence is not available at the time of the hearing, DVLA writes to the driver requesting its return.

Problem under consideration

The problem relates to the legislative requirement to surrender a photocard driving licence although there is no longer any practical purpose for that requirement.

Driving penalties are recorded on the electronic record held by the DVLA and this information is made available to the police to underpin their road safety and law enforcement function. Until 1998, the UK driving licence was a paper document, which also displayed details of any fines and penalties for traffic offences ordered by a court, or as the result of a fixed penalty. This required the surrender of the licence to allow the penalty details to be recorded. The police had access to a copy of the DVLA record to allow them to check that a driver was qualified to drive, but drivers demonstrated their licensing status to an insurer or to a car hire company by producing the actual licence.

From 1998, the DVLA issued photocard driving licences that showed a picture of the driver, and set out the categories of vehicle that could be driven, but no longer showed the penalty endorsements. These were recorded on a paper counterpart and the law was amended to include reference to the surrender of the counterpart, as well as the licence, to record penalties. The counterpart became the means by which a driver was able to show the number of endorsements on his or her record.

The paper counterparts were frequently mislaid by motorists, who were required to pay for the issue of a replacement. However, by 2015, DVLA had developed automated procedures whereby individual motorists, the police, insurers and car-hire companies (with a motorist's consent) could have affordable real-time access to the driver register. As a result, it was possible to abolish the paper counterpart from 8 June 2015. Legislation was amended to remove the requirement to surrender the counterpart driving licence for endorsement, but the requirement to return the actual photocard remained.

The abolition of the counterpart was implemented by the activation of clauses in the Road Safety Act 2006. There was no provision in that Act for removing the requirement to surrender a driving licence because the automation of the police and court services computer systems were not at that point able to accommodate that change. However, both services are now content that they have accurate and prompt online access to the DVLA driver register and the current requirements to surrender and return a photocard are a waste of valuable resources. The police and courts service do not do anything with the licences other than to log them as received and return them to the driver.

Before June 2015, surrendering the licence along with the paper counterpart did not represent a significant extra burden on motorists or the various enforcement agencies. The counterpart had to be endorsed and posted back to the driver, so including the photocard as part of this process was not overly burdensome. However, endorsement details are now recorded and stored electronically, and the need to surrender a photocard with a fixed penalty payment does create an extra, and unnecessary, transaction - with considerable postage costs.

Rationale for intervention

The rationale for the intervention is to effect a reduction in public sector costs and to remove an unnecessary burden on private motorists.

Policy objective

The policy objective is to maximise the benefits of abolition of the counterpart by removing the legislative requirement to surrender the driving licence for endorsement. This will reduce costs for the police and the courts services and remove an unnecessary burden on the motoring public by nearly £2m per annum.

Options Considered

Option 0 - Do Nothing - Discounted

The 'does nothing' option has been discounted, as it would ignore the opportunity to reduce the burden on the taxpayer and to provide a more convenient service for motorists.

Option 1 – Amending Primary and Secondary legislation to remove the requirement to surrender a licence for endorsement

This option removes the legislative requirement for motorists to surrender their driving licence when they are paying a fixed penalty, or a fine imposed by a court. Enforcement bodies and the police are now able to make an on-line check of an individual's licensing status. Drivers will be saved the inconvenience of wasted time and the postage costs involved in the current process, the police and the courts will make administrative and postage savings in handling licences unnecessarily.

This will save about £2m (£2,017,369) per annum.

COSTS AND BENEFITS

Monetised Costs

Ongoing Running Costs

England and Wales anticipate an annual service management cost of using the service of £14,525.

Scotland anticipates annual running costs of £14,400 to operate the new system/link with the DVLA drivers register.

The total annual running costs are:

£28,925pa

One-off transitional costs

Systems and development costs of £460,000 have been identified.

In England and Wales, the Police's IT supplier has estimated that it will cost £400,000 (£397,136) to cater for the legislative and automation changes to their PentiP Fixed penalty Payments system, and the re-allocation of the resources required. In Scotland, the Scottish Courts and Tribunal Service have estimated that it will cost £50,000 to implement systems changes to allow them to receive fixed penalty payments on-line. They also anticipate one-off costs of £10,000 to cover systems changes in the Scottish courts.

There will be no additional costs to DVLA or drivers as a result of this change. Training and awareness costs will be met through existing budgets.

Non Monetised Costs

The public will have to familiarise themselves with the new arrangements. This may lead to an increase in calls to the police and courts if drivers are seeking clarity on the new process. It is expected that any such calls would diminish after the first year.

Non -receipt of the photocard licences slightly increases the risk of a driver deliberately providing someone else's driver details.

These costs will be minimal and any attempt at a precise calculation would not be a proportionate exercise.

Monetised Benefits

Amending legislation to remove the requirement to surrender a licence for endorsement would benefit the police, CTOs, FPOs and DVSA who between them deal with approximately 940,000 endorseable fixed penalties every year.

The changes will also benefit individual motorists by reducing their postage costs and the amount of their leisure time involved in posting their licences and attending police stations. The assessment makes the assumption that motorists will always be acting as private citizens and no attempt has been made to assess the value of time saved.

The monetised benefits arise from the savings in the postage costs and the time taken to administer the processing of licences in police stations, CTOs and FPOs. These total just over £2m pa, made up as follows: [More detailed explanations of the calculations are set out in annex A];

Postage savings for drivers not surrendering their licences in England and Wales	£473,088
Savings to Fixed Penalty Offices	£1,071,840
Administrative and postage savings for CTO/FPOs re roadside FPs	£230,832
Administrative and postage savings to courts in England & Wales	£111,100
Postage savings for drivers not surrendering their licences in Scotland	£38,400
Postage savings for fixed penalty process in Scotland	£71,400
Administrative and postage savings to courts in Scotland	£10,629
Total Annual Benefits:	£2,007,289

Net Present Value

For the purposes of this assessment:

The wage rates provided by stakeholders were applicable in 2015

The PV base year is 2017, (discounted from April 2017)

Benefits apply to public bodies and to motorists in their role as private citizens. Therefore, the proposal has no impact on business and falls outside the scope of the Business Impact Target.

The annual benefits have been discounted at a rate of 3.5% pa over 10 years as follows:

Base figure: £2,007,289 pa.

2017/18	£1,937,034
2018/19	£1,869,238
2019/20	£1,803,814
2020/21	£1,740,681
2021/22	£1,679,957
2022/23	£1,620,966
2023/24	£1,564,232
2024/25	£1,509,484
2025/26	£1,456,652
2026/27	£1,405,669

PV Benefits: £16,587,527 (£16.6m)

Non-monetised Benefits

Individual motorists will make leisure-time savings as they will no longer be required to present their driving licences to a police station or take time to visit a post box. These have been recorded as non-monetised benefits because although it may be possible to estimate the savings, there would be some uncertainty around the figures. Therefore, it would not be proportionate to make a more precise analysis of the amount and the value of time saved.

DVLA will be saved the cost of replacing those licences that are mislaid or go astray during the processes as they pass between the police, CTOs, FPOs and the Agency.

Expected level of business impact

These proposals will benefit individual drivers and are not expected to have any impacts on business. Although many motoring offences are committed during the conduct of business activity, the offender is personally liable for the resulting penalty. As there is no impact on business, there are no plans for the legislation to include a statutory post implementation review.

Direct costs and benefits to business calculations (following OI3O methodology);

This proposal is outside the scope of OI3O as regulation does not impact solely on business or civil society organisations. However, this could be considered an OUT as it removes a Regulatory burden from the public.

ANNEX A – Detailed Breakdown of Costs and Benefits

Conditional Offers – When a motoring offence is detected by camera, the registered keeper of the vehicle is issued with a Notice of Intended Prosecution (NIP). The keeper is required to send details of who was driving the vehicle at the time of the offence to the CTO.

Once the CTO has carried out checks to ensure the driver is eligible for a fixed penalty (including checking the DVLA Drivers Register to ensure that the driver has a valid driving licence and would not be subject to a totting disqualification) a conditional offer (CO) is sent to them. This process will not change when the new legislation is introduced. If the driver chooses to accept the CO they can do so either by telephone, on-line or in writing. At the moment 80% of drivers who receive a CO offer accept by telephone or on-line.

In accepting a CO, the driver is currently required to surrender his or her licence at the same time as making a payment. In effect, the driver accepts the fixed penalty and makes the payment by telephone or on-line and then has to forward the photocard driving licence to the FPO to satisfy the legislative requirement, although no use is made of the driving licence.

Removing the requirement to surrender the driving licence will save the driver time and the postage cost of forwarding the licence. It will also save the FPO the administrative costs of handling the licence and returning it to the driver.

ENGLAND AND WALES

COSTS

The IT supplier for the Police in England and Wales has estimated that the total cost of the proposed change will be £397,136. This is made up of £275,636 for the automated endorsement system development and £121,500 to secure allocation of resources to make the system changes.

They also anticipate an ongoing annual running cost of £14,525.

BENEFITS

Figures from the 'Police Powers and Procedures England and Wales' suggest that about 740,000 (739,200) COs were issued in 2015.

<u>Savings to drivers of not having to surrender the licence when accepting a fixed penalty</u>			
Activity	Cost of Activity	Number of Transactions	Cost/Saving
Postage (1st class)	£0.64	739,200	£473,088

Current cost to fixed penalty office of processing fixed penalty

Activity	Time Taken	Number of Transactions per annum	Unit Cost	Cost
Opening mail, checking and returning licence, processing fixed penalty.	4mins 30 seconds (Timing provided by HMCTS)	739,200	£1.13p (41.55 FTEs at £20,177pa 30 hr week)	£835,296
Cost per item postage (envelope and 2nd class)		739,200	67p	£495,264
			Total Cost	£1,330,560

Future cost to fixed penalty office of processing fixed penalty				
Activity	Time Taken	Number of Transactions	Unit Cost	Cost
Processing fixed penalty	1 min 30 seconds	739,200	£0.35 (12.86 FTEs at £20,177 pa based on MOJ figures of 68% staff reduction)	£258,720
			Total Saving	£1,071,840

Roadside Fixed Penalties

There are approximately 100,800 Fixed Penalty Notices (FPNs) issued every year in England and Wales. A FPN is issued by a police officer or vehicle examiner directly to the driver at the time that the offence takes place. The driver will be expected to give up their driving licence. In the case of police officer issued fixed penalties this can be issued either at the roadside or at a police station nominated by the motorist. Once the driving licence has been surrendered, it must be forwarded to the CTO in order for the licence details to be input into the system. If the driver surrenders the licence at the roadside they are issued a receipt and the police officer transfers the licence to the CTO. If the licence is surrendered at the police station it is passed to back office staff to deal with, who then forward it on to the CTO. The CTO does not deal with payments for traffic offences so the licences then have to be batched up and forwarded on to the FPO.

The time for dealing with a roadside issued fixed penalty is approximately 19½ minutes per transaction. This timing is based on the police estimate of 15 minutes for dealing with the driving licence at the police station and 4½ minutes for dealing with the licence at the FPO. This increased handling time takes account of the fact the clerk at the police station will have to go to a back office to carry out a driving record check for each driving licence. They will have to access the PNC on a case by case basis. There will also be further handling of the licence by both the CTO and the FPO.

In the case of vehicle examiner fixed penalties, the licence must currently be forwarded to the FPO. If surrendering the licence was no longer required it would mean the FPO would not have to process the driving licence, nor return it to the driver.

Current cost to FPO/CTO of dealing with roadside fixed penalty				
Activity	Time Taken	Number of Transactions	Unit Cost	Cost
Checking driving licence and record at police station. Dealing with licence at CTO. Forwarding to FPO.	Police Station/CTO 15 mins	100,800	£2.20 (4 per hour at £17,000pa 37 hr week)	£221,760
Opening mail, checking and returning licence, processing fixed penalty.	FPO – 4 ½ mins		97p (£20,177pa 30 hr week)	£97 776
Cost per item postage (envelope and 2nd class)		100,800	67p	£67,536
				£387 072

Future cost to FPO/CTO of dealing with roadside fixed penalty				
Activity	Time Taken	Number of Transaction	Unit Cost	Cost

		s		
Police corroborate driver details by checking DVLA's Driver Register	5 mins	100,800	£1.20 (£30,000 pa 40hr week)	£120,960
Processing fixed penalty	1 ½ mins 30 seconds	100,800	0.35	£35,280
				£156,240
Total Saving				£230,832

Motoring offences dealt with at Court

There is a statutory requirement for an individual to produce their driving licence when they are summonsed to court for a road traffic offence. The licence can be posted to the court ahead of the hearing, usually when the offender intends to plead guilty in their absence, or handed over on the day of the hearing.

HMCTS propose retaining the requirement to produce the licence when an individual attends court as this usually covers more serious offences with more severe penalties. However, licences will no longer need to be submitted prior to a hearing. This has the potential to save the courts about £110,000 (£111,100) per annum in postage and administration costs.

Drivers

We have presumed there will be no savings to drivers as they will still have to go through a process to plead guilty/not guilty to the offence, which will include the time and postage costs to submit other documentation.

Courts

Figures provided by HMCTS, taken from the LIBRA system, which records driving licence information exchange between the Courts and DVLA, show that there were approximately 450,000 court notifications of endorsements to DVLA in 2015. Of these, around 140,000 driving licences were submitted to the court by drivers who had either received an endorsement or been disqualified. This equates to around 30% of drivers handing their licence in to court. Therefore, the assessment presumes that future savings will apply only to those 30% of drivers who currently surrender their licences.

Current cost to Court of dealing with driving licences produced for road traffic offences			
Activity	Cost of Activity	Number of Transactions	Cost
Handling driving licence	£0.46 4.3 FTE at cost of £65	140,000	£64,400

Sending driving licence to DVLA	£0.55	140,000	£77,000
			£141,400

In the future only drivers who have received a disqualification will have to surrender their driving licence to the court. Around 100,000 drivers were disqualified by the courts in 2015. The following table applies the 30% licence surrender figure to future driving disqualifications.

Future cost to Court of dealing with driving licences produced for road traffic offences			
Activity	Cost of Activity	Number of Transactions	Cost
Handling driving licence	£0.46 4.3 FTE at cost of £65	30,000 (100,000x30%)	£13,800
Sending driving licence to DVLA	£0.55	30,000	£16,500
			£30,300
Total Saving			£111,100

SCOTLAND

The system in Scotland differs from England and Wales as they do not currently operate a roadside fixed penalty scheme. Instead they rely solely on the conditional offer scheme for fixed penalties. There are approximately 100,000 endorseable fixed penalties in Scotland per annum.

COSTS

Conditional Offers of Fixed Penalties

The Scottish Courts and Tribunal Service (SCTS) have provided costs detailing the systems changes that will be needed to enable them to receive payments for fixed penalty offences online. They estimate there will be a one off fee of £50,000 to set up the system and then annual running costs of £14,400.

Motoring Offences Dealt with at Court

SCTS have estimated that the system changes to the court process will be around £10,000. This is a one off cost. Staff guidance will be minimal and will be absorbed in current resource.

The Crown Office has indicated that any costs associated with non-surrender will be minimal. Police Scotland have confirmed that no I.T. will be required as a result of the changes and they will be able to put in place an interim process until their forms have been updated, this will be at a “nil” cost.

BENEFITS

Figures provided by SCTS suggest that about 100,000 COs were issued in Scotland in 2015.

Currently all drivers are required to surrender their licence at the same time as making a payment. SCTS estimate that once they have an online payment facility, 60% of drivers will move to making online payments.

Drivers

Current cost to driver of accepting a fixed penalty			
Activity	Cost of Activity	Number of Transactions	Cost
Postage (1st class)	£0.64	100,000	£64,000

Future cost to driver of accepting a fixed penalty			
Activity	Cost of Activity	Number of Transactions	Cost
Postage (1st class)	£0.64	40% drivers still using post = 40,000	£25,600
		Total Saving	£38,400

Conditional Offers of Fixed Penalties

There will be savings to SCTS as a result of removing the requirement for the surrender of a driving licence for endorsement. Currently, 100,000 COs are issued in Scotland. Of these, 60,000 are paid by post with the driver including their driving licence with the payment. The remaining 40,000 COs are paid in person at the court and the licence is returned to the driver at the same time. All driving licences sent by post are returned by recorded delivery. In the future, there will be no requirement to surrender the licence and SCTS will merely issue a receipt that the payment has been made by second class post.

Current cost to SCTS of processing Fixed Penalties			
Activity	Unit cost saving	Number of transactions pa	Costs
Postage costs (to return licence)	£1.74 (Recorded Delivery)	60,000	£104,400

Future cost to SCTS of processing Fixed Penalties			
Activity	Cost of Activity	Number of Transactions	Cost
Postage costs (to issue receipt of payments made by post)	£0.55 (Second Class Post)	60,000	£33,000
Total Saving			£71,400

Motoring Offences Dealt with at Court

The benefits in Scotland to SCTS of removing the requirement for production of the Driving Licence in court will be in the saving of administrative, judicial court time as a result of the removal of the receipt and return licences lodged at court by letter along with guilty pleas, and of the need for court cases being continued to allow drivers to produce their licences to the court before sentence. This is based on the strict requirement in Scotland to surrender a licence before a sentence can be handed down.

SCTS Court Costs/Savings				
Activity	Current Unit cost of admin and 2 court hearings for production of D/L as required	Unit cost of 1 court appearance if D/L not required.	Number of cases continued for production of a DL	Saving
Judicial and staff costs in continuing cases in court to additional court hearing for production of a DL.	£8.12	£5.23 (<i>diff - £2.89</i>)	1350 pa	£3910 pa
Activity	Current cost	Cost if D/L not required.	Number of transactions pa	Savings
Postage costs in intimation of new continued court date.	£0.64	Nil	1350	£ 864 pa
Activity	Current cost	Cost if D/L not required and produced	Number of transactions pa	Savings
Postage costs in cases where plea of guilty is by letter	£1.74 RD	£0.55p (2 nd class) (<i>diff £1.19</i>)	Sheriff and JP courts. Total of	£5855 pa

and licences are returned where disqualification has not been imposed. (Letter advising of court penalty would be sent 2 nd class post if licence was not returned)			letter pleas endorsed= 6150 pa. Est 80% enclose licence = 4920 pa	
Total savings				£10,629 pa

Potential savings for online transactions enabled by removal of requirement to produce DL:

DVLA have discussed the possibility of giving SCTS access to a faster link to its drivers register. This will give SCTS the opportunity to move to online transactions for an increased number of Fixed Penalty payments and to make changes to the overall court process.