

Title: Proposal to Authorise Motor Sport Events on Public Roads: Regulations IA No: DfT00382 RPC Reference No: Lead department or agency: DfT Other departments or agencies: DCMS, DEFRA	Impact Assessment (IA)			
	Date: 09/02/2017			
	Stage: Final			
	Source of intervention: Domestic			
	Type of measure: Secondary legislation			
Contact for enquiries: Charlotte Bradford x2117				
Summary: Intervention and Options			RPC Opinion: Awaiting scrutiny	

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
-£3.02	-£0.5	£0.1	In scope	£0.5

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

The Road Traffic Act 1988 prohibits racing and trials of speed by motor vehicles on roads in England, Wales and Scotland. Races or Trials of Speed on public roads can only be permitted by Parliament through the Private Bill procedure for specific events. The Deregulation Act 2015 contains provisions amending the Road Traffic Act 1988 to legalise motorsport on public roads, which would allow local authorities to authorise motor races jointly with the Motor Sport Association (MSA) or the Auto Cycle Union (ACU), potentially unlocking benefits at local level. To give the amendments force the relevant sections of the Act need to be commenced and Regulations made to name the motor sport governing bodies able to issue permits.

What are the policy objectives and the intended effects?

1) To have a more efficient and accessible process for enabling local road events.
2) To promote British motor sport by enabling events currently not viable because of the necessity of seeking a Private Bill.

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

Option 0 - Status Quo (Do Nothing).
Option 1: Commence the provisions in the Deregulation Act and make Regulations for England naming the bodies able to issue permits and repealing any local Acts
Option 2: Also include in the Regulations a description of the types of races allowed and/or additionally provide for a governing body to cease being able to issue permits in certain circumstances.
Our preferred option is 1.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: April 2022

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 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 Minister: _____ **Andrew Jones** _____ Date : _____ 8th March 2017 _____

Summary: Analysis & Evidence

Policy Option 1

Description: Commence the provisions in the Deregulation Act; make Regulations for England naming the bodies able to issue permits; and repeal any local Acts

FULL ECONOMIC ASSESSMENT

Price Base Year: 2016	PV Base Year: 2017	Time Period Years: 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -5.75	High: -0.35	Best Estimate: -3.02

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0	0.3	2.6
High	0.0	0.7	6.1
Best Estimate	0.0	0.5	4.3

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

One type of costs from this proposal that can be monetised takes the form of delays to travel caused by road closures. These costs are based on the assumption that additional events would take place on weekends and predominantly on rural roads with usually light traffic. Other costs that can be monetised are based on the losses due to injuries and fatalities caused by races.

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

Non-monetised costs include externalities caused by noise and pollution from additional races affecting local residents. However, existing guidance and consultations with Defra suggest that these costs would be too small to be meaningfully monetised. There are also potential losses to local businesses that have to close for an event to take place, which are not expected to be additional to the national economy. In other words, some (but probably not all) losses by individual businesses due to new events would accrue as benefits to other businesses or to the same business at a different time. However, small businesses in the areas hosting new events are likely to profit from the events on average.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0	0.0	0.4
High	0.0	0.3	2.2
Best Estimate	0.0	0.1	1.2

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

From a national perspective, the main benefit of this proposal that can be monetised takes the form of additional foreign visitors attending additional motor sport events. These benefits would be concentrated on larger events which are able to draw a share of international visitors. Even for large events, however, international visitors would form only a small part of all visitors to the event. These benefits are considered indirect benefits to UK plc and have not been included for OITO or NPV to business figures.

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

There are various benefits from these measures that are either non-economic in nature or cannot be monetised. These include benefits to the motor sport industry as well as social and well-being benefit from the additional events themselves, volunteering around the organisation of the events and improvements in local engagement and sense of community due to the changed authorisation procedure.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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Assumptions had to be made with regard to the number of events that will take place as a result of these proposals, as well as the scale of these events, which types of roads will have to be temporarily closed for them to take place and how many minutes of delays these road closures would cause to the average journey. While cost assumptions made tend to be conservative, the headline results in this assessment are sensitive to changes in these assumptions.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:	Score for Business Impact Target (qualifying provisions only) £m: n/a
Costs: 0.1 Benefits: 0.0 Net: -0.1	

Summary: Analysis & Evidence

Policy Option 2

Description: Carry out changes in option 1 and add to the Regulations a description of the types of races in respect of which each listed governing body may issue permits and a provision that a listed motor sport governing body ceases to be authorised to issue permits if the rules of the governing body do, or do not, include provision of a kind specified in the regulations

FULL ECONOMIC ASSESSMENT

Price Base Year: 2016	PV Base Year: 2017	Time Period Years: 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -5.39	High: -0.89	Best Estimate: -3.3

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0	0.3	2.3
High	0.0	0.7	5.7
Best Estimate	0.0	0.4	3.8

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

One type of costs from this proposal that can be monetised takes the form of delays to travel caused by road closures. These costs are based on the assumption that additional events would take place on weekends and predominantly on rural roads with usually light traffic. Other costs that can be monetised are based on the losses due to injuries and fatalities caused by races.

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

Non-monetised costs include externalities caused by noise and pollution from additional races affecting local residents. However, existing guidance and consultations with Defra suggest that these costs would be too small to be meaningfully monetised. There are also potential losses to local businesses that have to close for an event to take place, which are not expected to be additional to the national economy. In other words, some (but probably not all) losses by individual businesses due to new events would accrue as benefits to other businesses or to the same business at a different time. However, small businesses in the areas hosting new events are likely to profit from the events on average.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0	0.2	0.3
High	0.0	0.2	1.5
Best Estimate	0.0	0.1	0.5

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

From a national perspective, the main benefit of this proposal that can be monetised takes the form of additional foreign visitors attending additional motor sport events. These benefits would be concentrated on larger events which are able to draw a share of international visitors. Even for large events, however, international visitors would form only a small part of all visitors to the event. These benefits are considered indirect benefits to UK plc and have not been included for OITO or NPV to business figures.

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

There are various benefits from these measures that are either non-economic in nature or cannot be monetised. These include benefits to the motor sport industry as well as social and well-being benefit from the additional events themselves, volunteering around the organisation of the events and improvements in local engagement and sense of community due to the changed authorisation procedure.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
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Assumptions had to be made with regard to the number of events that will take place as a result of these proposals, as well as the scale of these events, which types of roads will have to be temporarily closed for them to take place and how many minutes of delays these road closures would cause to the average journey. The inclusion of a description of the type of races which each listed governing body may issues permits for is assumed to reduce the number of very large events that take place. While cost assumptions made tend to be conservative, the headline results in this assessment are sensitive to changes in these assumptions.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m: Costs: 0.0	Benefits: 0.0	Net:0.0	Score for Business Impact Target (qualifying provisions only) £m: n/a
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Evidence Base (for summary sheets)

1. Purpose and intended effect of measure

Commencing the provisions in the Deregulation Act which amend section 12 of the Road Traffic Act 1988¹ to simplify the authorisation of closed road motor racing and trials of speed on public roads, and making the associated Regulations for England (Wales and Scotland would make their own Regulations), would reduce the burden on local authorities and motoring organisations when organising an on-road motorsport event. Legalising motor racing and trials of speed on public roads should also help to expand some sectors of the national economy, especially with regard to overseas tourism and the motorsport engineering industry (which in 2012 had a turnover value estimated at £9 billion, with a large export share, and UK employment generated by motorsport engineering activity of over 41,000). It will also support local accountability by allowing local authorities to make decisions that unlock benefits to the local economy and community directly at the local level, rather than through the Private Bill procedure. Moreover, allowing motor racing and/or trials of speed on public roads will aid the development of the sport and put the UK on an equal footing with other European countries.

2. Background

The Motor Sports Association (MSA) and the Auto Cycle Union (ACU) are national governing bodies for motor sports and motorcycle sport respectively. The UK hosts around 5,000 motor sport events each year organised by MSA member clubs, as well as 4,000 motor cycle events organised by ACU member clubs. The vast majority take place at purpose built venues or in remote rural off-road locations. In addition, Parliament introduces legislation on an event by event basis to allow “on road” motor racing, hill climbs and speed trials, including the Jim Clark Rally and the Tour of Mull.

The MSA and ACU have estimated demand for new motor races and trials of speed on closed roads to be at over 100 events per year, with most of this figure consisting of very small events that would often form part of larger local festivals and events. The events could include stage rallies, hill-climbs, races and speed trials (sprints). The term “motor sport event” is being used in this Impact Assessment to cover any of these.

3. Rationale for intervention

Section 12 of the Road Traffic Act 1988 prohibits racing and trials of speed by motor vehicles on a highway or public road. Racing on public roads can be permitted by Parliament through the Private Bill procedure for specific events. A Private Bill is promoted by an individual or organisation outside of the Houses of Parliament, typically a local authority, to obtain powers or benefits which are either in excess of, or in conflict with, the general law. These powers will only apply to the body that promotes the Private Bill.

Until the legislative provisions are commenced and the Regulations made this remains the only option for any new on-road rallies, but it is cumbersome and has thus been used infrequently. The process can take up to 18 months and needs the approval of both Houses of Parliament. The legislation has also tended to be time limited, so that if the race is not held one year then the legislation would cease to have an effect. An example of a rally still in existence by such legislation is the An example of a rally still in existence by such legislation is the Tour of Mull Rally in Scotland (authorised by the Strathclyde Regional Council Order Confirmation Act 1990)^[2] which has been held annually in Scotland since 1990.

Government intervention is required as Section 12 of the Road Traffic Act (RTA) acts as a regulatory barrier to viable but smaller road races going ahead because of the uncertain and burdensome procedure

¹ <http://www.legislation.gov.uk/ukpga/1988/52/section/12>

^[2] http://www.legislation.gov.uk/ukla/1996/12/pdfs/ukla_19960012_en.pdf

of needing a specific Act of Parliament before any new race can be held. Commencing the provisions and making Regulations would remove this burdensome process in favour of a more efficient procedure to authorise closed road motor sport events on public roads.

4. Policy objective

The overarching policy objective for Government intervention is to reduce the burden on **event organisers** (notably local authorities) when working with an authorising body to organise on-road motorsport events.

At the same time, the government's aim is to ensure that authorised closed road motor sport events remain viable and that health and safety provisions remain ensured under the new authorisation procedure.

5. Options considered

Provisions in the Deregulation Act 2015 amend the Road Traffic Act 1988 and the Road Traffic Regulation Act 1984 to permit motor races trials of speed, subject to a permit being granted by a motor sport governing body named in Regulations and a Motor Race Order made by the relevant local authority. These provisions state that the Regulations must name the bodies able to issue permits, and may specify the kinds of races allowed, provide for a governing body to cease being able to issue permits in certain circumstances, specify what information might be in a motor race order and repeal local Acts.

The options now are to commence the provisions in the Deregulation Act and make Regulations for England naming the bodies able to issue permits and repealing any local Acts (option 1); or additionally to include in the Regulations a description of the types of races allowed and/or additionally provide for a governing body to cease being able to issue permits in certain circumstances (option 2) or not to make Regulations (option 0). Our preferred option is 1.

Option 0 - Status Quo.

Do nothing. Organisations would continue to use the Private Bill procedure for specific events. This option is cumbersome as the process can take up to 18 months and needs the approval of both Houses of Parliament. The legislation has also tended to be time limited, so that if the race is not held within one year then the legislation would cease to have an effect. Informal consultation suggests that under the current system the Private Bill procedure acts as a barrier against motorsport being held on public roads. The legal, administrative and financial implications are such that organisers are unwilling or unable to undertake them.

Unless the relevant sections of the Deregulation Act 2015 were commenced Scotland and Wales would not be able to make use of the provisions to allow motor racing on their roads.

Option 1 - Commence the provisions in the Deregulation Act: make Regulations for England naming the bodies able to issue permits; and repeal any local Acts

The proposal is to commence the measures which allow a local authority to suspend the speed limit and applicable traffic regulations for a race or trial of speed event, as long as the event has been approved by the authorising body. A number of legislative requirements in relation to drivers and their vehicles would be dis-applied in relation to authorised events – for example:

- prohibiting, restricting or regulating traffic;
- restricting the speed of vehicles;
- regulating the manner of driving vehicles;
- regulating the construction, use, maintenance or lighting of vehicles;

- requiring a policy of insurance or security to be in force in relation to the use of any vehicle;
- relating to the duty chargeable on, and the licensing and registration of, vehicles;
- requiring the driver of a vehicle to hold a licence authorising him or her to drive the vehicle;

The measures would be available to any local authority which wanted to support a motor sport event in their area, subject to local consultations and consideration of other relevant local issues, including the impact on the local community, as well as the potential local benefits in terms of tourism and the benefit to the local economy.

It is proposed that the MSA, as recognised by the world governing body for motor sport, the Fédération Internationale de l'Automobile (FIA) and named in the Regulations (The Motor Vehicles Competitions and Trials Regulations 1969 as amended), or the ACU, as recognised by the world governing body for motorcycle sport, the Fédération Internationale de Motocyclisme (FIM), would be responsible for authorising motor sport events on the public highway through issuing an event permit.²

The Motor Sports Association and the Auto Cycle Union already have considerable experience of authorising events, including taking into account the needs of residents and communities when planning events. They issue skill-related competition licences for various types and classes of motor sport events and there are ranges of safety requirements that competitors must comply with in order to take part in events. They would be required to licence the participating drivers and vehicles, as well as approve the route.

The proposal that MSA and ACU should be the bodies able to issue motor sport permits was the subject of one of the questions in DCMS's consultation in spring 2014: it was overwhelmingly accepted.

It is proposed to repeal the Birmingham City Council Act 1985 (which lapsed after 1990), which governed the Birmingham Superprix. Birmingham City Council is content that this legislation should be repealed. Any future race would be able to be held under the new provisions. The other known local Acts are Scottish and would be for the Scottish Government to repeal.

Option 2 – Carry out 1 and add to the Regulations a description of the types of races in respect of which each listed governing body may issue permits and/or a provision that a listed motor sport governing body ceases to be authorised to issue permits if the rules of the governing body do, or do not, include provision of a kind specified in the regulations

It is intended that the legislation should cover all sorts of on-road races – for example, stage rallies, hill-climbs, races and speed trials (sprints) (ref: para 6 of the consultation document). We consider that to list in Regulations the types of race permitted could inadvertently limit what was permissible and not allow for change except by amending the Regulations. To limit the kind of race for which each governing body could issue a permit could have the same effect. And while it is likely that the races for which MSA and ACU would normally issue permits would be different and capable of being defined in the regulations, there could be circumstances when one of the two bodies should be able, having satisfied themselves that all reasonable safety provisions were in place, to issue a permit for a race for which the other body would usually issue the permit. We note that MSA is currently the only authorising body for the on-road events which are currently allowed, including for two-wheeler events. The motorsport governing bodies MSA and ACU already have stringent rules about different kinds of races.

To list in advance the types of provision that the rules of a motorsport governing body must (or must not) include could, by specifying a finite number of options leading to the withdrawal of an authorisation to issue permits, limit the range of circumstances in which a motor sport governing body may cease to be

² The Motor Vehicles (Competitions and Trials) Regulations 1969

authorised to issue permits. In practice, such an event would be dealt with it by negotiation and in the last resort by amending the Regulations. Care would need to be taken not to adversely affect upcoming events if a motorsport body were to be required to stop issuing permits. The legislation as worded only allows for regulation about what might be a problem, and not how to minimise the repercussions. We consider that the proposed regulations are sufficiently robust without these measures.

If the proposed Regulations were to list the types of races allowed, or specify the types of provision that a motor sport body must, or must not, include, further consultation would probably be needed.

6. Costs and benefits of potential options

Option 1 - Commence the provisions in the Deregulation Act; make Regulations for England naming the bodies able to issue permits; and repeal any local Acts

The primary benefits from this option are:

1. Additional expenditure in the locality hosting the race
2. Additional income for the motor sports industry
3. Non-economic benefits in the form of well-being and social benefits resulting from events

The primary costs include:

1. Costs borne by the national economy through road closures, particularly in the form of delays.
2. Costs due to a very limited number of casualties resulting from events.
3. Minor costs to local residents in the form of pollution and noise.

To calculate the total costs and benefits for this option, we require a forecast of the likely number of events that would be held each year, and the unit costs and benefits. We have sought information, through the consultation, regarding the number of races that could potentially be held each year. However, consultation responses received focused overwhelmingly on the first five questions of the consultation, including general support for the proposal and event safety.

Forecast Number of Races

The number of races per year would be determined by a combination of commercial viability and local appetite for hosting such an event. The consultation has sought responses on the number of races which are likely to be held each year.

There is currently only a very limited evidence base on the potential number of closed road events that would occur annually after the adoption of these proposals. Current estimates tend to be based on a 2010 study by SIRC.³ However, this study uses a simulation based on hypothetical numbers, and only includes events that are relatively significant to the local economy.

After consulting with the MSA and the ACU, we believe that the following provides a more realistic estimate of the types of events to be expected if the legislation allows for an unlimited number of races.

Table 1: Estimated number of additional 2 wheel and 4 wheel events in England

	4 Wheel: Low Estimate	4 Wheel: High Estimate	4 Wheel: Best Estimate	2 Wheel: Low Estimate	2 Wheel: High Estimate	2 Wheel: Best Estimate
Very large scale (comparable to	0	2	1	0	0	0

³ SIRC (2010). The Benefits of 'Closed Road' Motor Sport Events to Host Communities.

Tour of Mull Rally).						
Large events, comparable to National A category in SIRC research.	3	7	5	2	5	3
Very small scale events. These would include motor sport activities that form part of larger events without a focus on motor sport.	35	70	55	5	15	8

Source: MSA / ACU

For the smallest category of events, we would expect an economic impact well below that of the smallest category (Clubmans) in the SIRC study, which is in line with an assumption of little impact per event on the national level, and limited road closures. Costs, benefits and scale for the largest category are derived based on already existing events falling into this category.

In theory this legislation could be used to stage events that go beyond the largest category considered here, such as staging Formula 1 Grand Prix in city centres. However, while the Private Bill procedure is relatively burdensome to smaller events and therefore acts as a barrier, for an event of such scale and national and international significance as a Formula 1 Grand Prix it would not be such a significant obstacle. Therefore such hypothetical events are just as likely under existing provisions and would not be considered additional.

Costs and Benefits

Unless stated otherwise, all figures are presented in 2016 prices.

There is a degree of uncertainty on the impact of these proposals, both due to a lack of evidence on impacts at the national level, and due to the impossibility of predicting the exact design and location of any new events. The following presents the best possible estimate based on consultations with government departments as well as the MSA and the ACU, guidance by the Defra, the design of already existing events, and available research.

Benefits from Visitors

Sheffield Hallam University's report detailed the expected additional expenditure from hosting motor sport events, based on the experience of other motor sport events in the UK. The estimates range from £0.027m to £1.02m for a Clubmans (a front engine, rear wheel drive race) and an international race that is not part of the World Rally Competition (WRC) respectively (see Table below).

Table 2: SIRC Estimates of Economic Impact of Stage Rallies, Hill Climbs and Sprints⁴

Event Status	Economic Benefit per Event
<i>Stage Rallies</i>	
Clubmans	£0.027m
National B	£0.136m
National A	£0.348m
International (Non World Rally Championship)	£1.030m
<i>Hill Climbs</i>	
Clubmans	£0.027m
National B	£0.054m
National A	£0.136m

Source: SIRC (2010)

These estimates of economic impacts include, "the additional visitor and organisational expenditure in the host economy that can be directly attributable to the staging of an event." The estimates include neither the expenditure by local residents nor expenditure by non-residents not attending the event.

There are, however, a number of issues with respect to the figures quoted in Table 2, which should be adequately answered before these estimates can be used to advise policy decisions.

1. The economic impacts estimated are additional to the local economy, but it is doubtful that they are entirely additional to the national economy. If the local benefits are simply the result of redistributing expenditure from one locality to another, analysis based solely on the above estimates would exaggerate the overall economic impacts at the national level.
2. The economic impacts in Table 2 have been estimates from data primarily relating to off-road events. Given that on-road events are anticipated to draw larger crowds, total numbers of visitors, and thus expenditure, are likely to be slightly larger than for otherwise similar off road events.
3. The study by SIRC focused on the benefits of additional consumer spending and did not make reference to costs as a result of road closures.

It is thus necessary to make adjustments for these factors, in addition to including the more nuanced estimate of the likely number of races outlined above.

Benefits from Domestic Visitors

The evidence available⁵ suggests that the overwhelming majority of visitors to new events will be domestic, and they thus constitute the bulk of benefits from visitor expenditure SIRC estimates for the

⁴ SIRC (2010). The Benefits of 'Closed Road' Motor Sport Events to Host Communities.

⁵ Hassan, D. & McCulloch, D. (2007). An Economic Impact Study of Round 15 of the World Rally Championship 2007: Rally Ireland. *Ulster University*.

local economy. However, it cannot be assumed that this expenditure would be additional at the national level. Our best estimate of the economic benefits to the national economy from domestic visitors to new events is thus zero. While there is a possibility that some domestic visitors will attend new events in the UK instead of attending events abroad, thereby benefiting the national economy, we are not able to quantify this impact and expect it to be negligible at the national level.

Benefits from International Visitors

Spending by foreign visitors attending closed road events will be a benefit to the national economy. However, the share of foreign visitors is likely to be relatively small, even for large events. Based on the impact study for the WRC event in Northern Ireland by Hassan & McCulloch, we estimate that for the 'very large' category of events, 7.5% of spending would be generated by overseas visitors. For the 'large' category, we estimate half of this share at 3.75%. For the 'very small' category it is not assumed that the event will lead to additional international visitors.

In line with the study by SIRC, it appears realistic to assume that visitor numbers for 'large' events would be lower in the first year due to the more national and international reputation of the event. However, consultations with the MSA suggest that it would be unrealistic to assume that new events will develop to the levels of international non WRC events over a period of five years, as is assumed in the assessment by SIRC. Hence, we estimate that new 'large' events would have the profile of National B events in Year 0 and of National A events in Years 1-9. We also assume that events would be evenly distributed between stage rallies and hill climbs / sprints. Estimates of total benefits from international visitors per year are summarised in Table 3.

Table 3: Annual Benefits from International Visitors

	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Best Estimate	£105,817	£149,894	£149,894	£149,894	£149,894	£149,894	£149,894	£149,894	£149,894	£149,894
Low No of Races	£17,855	£45,404	£45,404	£45,404	£45,404	£45,404	£45,404	£45,404	£45,404	£45,404
High No of Races	£197,350	£263,466	£263,466	£263,466	£263,466	£263,466	£263,466	£263,466	£263,466	£263,466

Source: DfT Calculations based on Table 2 and Hassan & McCulloch (2007)

While it is assumed that only one 'very large' event will take place annually as a consequence of these proposals, Table 3 shows that the higher visitor numbers and higher share of international visitors mean that any benefits to the national economy will be sensitive to the amount of very large scale events with an international profile that are going to take place as a consequence of the legislation. Calculations for the best estimate are summarised in Table 4. These benefits are considered indirect benefits to UK plc and have not been included for OITO or NPV to business figures.

Table 4: Best Estimate of Benefits from International Visitors (Calculus)

	Stage Rallies	Hill Climbs/Sprints	International non-WRC	Total
Year 0	4*0.0375*£0.136m	4*0.0375*£0.054m	0.075*£1.030m*1	£105,817
Year 1-9	4 * 0.0375 * £0.348m	4 * 0.0375 * £ 0.136m	0.075 * £1.030m * 1	£149,894

Source: DfT Calculations based on Table 2 and Hassan & McCulloch (2007)

Key non-monetised benefits

Additional Income for Motor-Sport Industry

The motor-sport industry in the UK is currently estimated to have a turnover of around £9bn. Given the commercial nature of motor racing, we have assumed that the motorsports industry will not host events which are not profitable, although these benefits for the industry are likely to constitute displacement within the national economy. Furthermore, there may be some wider gains to the motor sport industry due to improvements in its international profile, economies of scale as a result of additional events and similar benefits. While a relatively small proportionate gain to the motor-sport industry could lead to significant economic gains to the national economy compared to other costs and benefits in this Impact Assessment, it is not possible to make an estimate of these benefits at this point.

Social and Well-Being benefits

Beyond providing some economic benefits, particularly from the perspective of local economies, attending motor sport events is a source of well-being for residents of the local community as well as visitors. This is particularly the case as motor sport events can often be attended free of charge, meaning that benefits in terms of well-being will not be mitigated by entry fees for the event itself. The value of participating in sport and culture in terms of subjective well-being has been demonstrated by DCMS's CASE research reports.⁶

Similar to other forms of sport, motor sport events also provide opportunities for volunteering. As the proposals will give local authorities an additional opportunity to engage with residents in the organisation of events, there is a potential that these proposals will foster a sense of belonging and cohesion among local communities. These positive impacts at the local community have been found in studies such as the meta-evaluation of the 2012 Olympics in London.⁷

⁶ DCMS (2010). Understanding the drivers, impact and value of engagement in culture and sport. An over-arching summary of the research. <https://www.gov.uk/government/publications/case-programme-understanding-the-drivers-impacts-and-value-of-engagement-in-culture-and-sport>

⁷ DCMS (2013). Report 5: Post Games Evaluation. Summary Report. <https://www.gov.uk/government/publications/report-5-post-games-evaluation-meta-evaluation-of-the-impacts-and-legacy-of-the-london-2012-olympic-and-paralympic-games>

Costs of Road Closures

From the perspective of the national economy as a whole, delays caused by road closures and resulting congestion and detours are likely to present the largest impact of these proposals. The main reason for this is that compared to other potential costs and benefits, these costs are likely to be additional from a national perspective. Our best estimate of these costs is **£151,098** annually and a cost to business of **£58,146**.

Key assumptions:

Based on consultations with the MSA and the ACU as well as information on existing events such as the Jim Clark Rally, the Ulster Rally and smaller Hill Climbs, it is assumed that additional events would take place on weekends, and largely on small rural roads. It is also assumed that events will usually take place during the day, although road closures from the 2013 Jim Clark Rally suggest that events after 8pm cannot be ruled out. Road closures to accommodate new events will thus affect traffic more strongly than their mere share out of a 24 hour day would suggest. In line with information provided on existing events in Northern Ireland, it is assumed that local authorities and event organisers would try to organise events in a way that minimises disruptions to local businesses and residents.

Estimated Traffic Flow by Type of Road:

Estimates of traffic flows are based on statistics on vehicle flows published by DfT⁸, in combination with analysis from a previous Impact Assessment by DfT⁹, which provides a breakdown of vehicle types by class of road.

Table 5: Average Traffic Flows by Type of Road

Type of Road	Number of Vehicles per Day (AADT)	Cars/Light Vans	Light Vans	Buses/Coaches	Goods Vehicles
Major Rural	10800	80%	14%	1%	5%
Minor Rural	800	80%	16%	1%	3%
Major Urban	19300	82%	13%	2%	3%
Minor Urban	2100	84%	13%	2%	1%

Source: DfT (2012). Street Works (Charges for Unreasonably Prolonged Occupation of the Highway) (England) Regulations 2011, p. 24; DfT Statistics (2013). Motor vehicle flow by road class in Great Britain, annual from 1993.

Table 5 indicates the estimated Annual Average Daily Traffic (AADT) by type of road, using DfT's distinctions of major/minor and urban/rural roads. While DfT also provides AADT statistics for motorways, the evidence available does not make their inclusion into our estimate seem feasible. Furthermore, while data in Table 5 includes average daily traffic flows over an entire year, the timing of motor sport events on weekends is likely to further reduce disrupted traffic flows in practice.

Estimated Number and Duration of Road Closures and Delays by Event Size:

The estimated number and duration of road closures by event is based on information about existing events for each category, namely the Jim Clark Rally in Scotland¹⁰ ('very large'), as well as the Ulster Rally ('large') and the Spamount-Omagh Hill Climb ('very small') in Northern Ireland.

Estimates for the Jim Clark Rally are based on a map of road closures and times provided to local residents,¹¹ while information on the other two events has been provided by the MSA. Tables 6-8 summarise the number of roads that need to be closed for each event, in combination with the duration of the closure in equivalent days and estimated delays in minutes to the average journey. As indicated

⁸ <https://www.gov.uk/government/statistical-data-sets/tra03-motor-vehicle-flow>

⁹ DfT (2012). Street Works (Charges for Unreasonably Prolonged Occupation of the Highway) (England) Regulations 2011

¹⁰ <http://www.dft.gov.uk/traffic-counts/cp.php?la=Scottish+Borders#11014>

¹¹ <https://www.google.co.uk/url?q=http://www.jimclarkrally.com/wp-content/uploads/2013/03/PR1-to-print.pdf&sa=U&ei=hwYnU829OMSUhQe4oYDICg&ved=0CCQQFjAB&usq=AFQjCNFwZb7RNT8nPAILVNBAE1SyUQiaQ>

above, equivalent days were derived by dividing the duration of closures over 16h rather than 24h. As the tables indicate, the duration of road closures may well be inversely proportionate to the size of the event, based on the information available. While this may seem counter-intuitive, a possible reason is that there is a greater pressure to be efficient for the organisers of larger events which cause potentially greater disruptions.

Table 6: Road Closures for Very Large Events

Type of Road	Number of Roads	Number of Vehicles per Day (AADT)	Duration of Closure (Equivalent Days)	Delays to Travel (Minutes)
Major Rural	1	10800	0.3125	15
Minor Rural	41	800	0.3125	4
Minor Rural	12	800	0.25	4
Minor Rural	12	800	0.1875	4
Minor Rural	3	800	0.15625	4
Major Urban	0	19300	0.3125	10
Minor Urban	1	2100	0.3125	3

Source: MSA, DfT Calculations, Jim Clark Rally Information for Residents¹²

Table 7: Road Closures for Large Events

Type of Road	Number of Roads	Number of Vehicles per Day (AADT)	Duration of Closure (Equivalent Days)	Delays to Travel (Minutes)
Major Rural	1	10800	0.375	10
Minor Rural	24	800	0.375	4
Major Urban	0	19300	0.375	8
Minor Urban	5	2100	0.375	3

Source: MSA, DfT Calculations

Table 8: Road Closures for Very Small Events

Type of Road	Number of Roads	Number of Vehicles per Day (AADT)	Duration of Closure (Equivalent Days)	Delays to Travel (Minutes)
Major Rural	0	10800	0.5	10
Minor Rural	3	800	0.5	4
Major Urban	0	19300	0.5	8
Minor Urban	0	2100	0.5	3

Source: MSA, DfT Calculations

While delays to the typical journey due to road closures in minutes need to be estimated to quantify the cost of road closures, the uncertainty about the location and design of new events makes estimating delays difficult. The estimates in Tables 6-8 thus represent upper estimates of delays to the typical journey. In his analysis of the cost of congestion caused by street works, Goodwin¹³ discusses various methods to simulate the delays experienced by drivers. While it is not possible to recreate the same methodology in this assessment, Goodwin estimated delays of between 19 seconds for small rural roads with light traffic, up to 3.6 minutes for large works on the busiest rural roads, with urban roads falling in between. Contrary to Goodwin's analysis, road closures for additional motor sports events would require drivers to make detours, rather than to queue at a construction site, which is reflected in the longer delays estimated here. However, delays will be mitigated to a degree by events being held on weekends

¹² <http://www.dft.gov.uk/traffic-counts/cp.php?la=Scottish+Borders#11014>

¹³ Goodwin, P. (2005). Utilities' Street Works and the Cost of Traffic Congestion. <http://www.njug.org.uk/wp-content/uploads/93.pdf>

and on smaller roads, which will mean lower volumes of traffic, as well as the requirement on organisers to plan and communicate any delays and suggested diversions well in advance.

Economic Cost of Delays:

DfT's Transport Analysis Guidance (webTAG)¹⁴ provides average values for the typical vehicle journey per hour on weekends, by category of vehicle. Table 9 provides a summary of these costs in 2016 prices. It also provide the share of business and non-business.

Table 9: Cost per Hour and Vehicle Type and Business and Non-business share

£	Cars	Light Transport	Buses/Coaches	Goods Vehicles
Non-Business	12.48	15.97	N/A	N/A
Share	98.30%	12.17%	0.00%	0.00%
Business	25.28	16.70	16.67	15.62
Share	1.70%	87.83%	100.00%	100.00%

Source: DfT WebTAG 3.5.6, DfT Calculations

Combining the information included in Tables 1 and Tables 5-9 yields the annual cost figures summarised in Table 10, including a best estimate for the total cost of delays of **£151,098** and **£58,146** to business. The full model for every category of event is included in **Annex A**.

Table 10: Total Cost of Delays due to Road Closures.

Cost to general public

	Low Estimate: Number	High Estimate: Number	Best Estimate: Number	Low Estimate: Total Cost	High Estimate: Total Cost	Best Estimate: Total Cost
Very Large Races	0	2	1	£0.00	£31,693	£15,846
Large Races	5	12	8	£57,739.41	£138,575	£92,383
Very Small Races	40	85	63	£27,218.18	£57,839	£42,869
Total				£84,957.59	£228,106.02	£151,098

Cost to business

	Low Estimate: Number	High Estimate: Number	Best Estimate: Number	Low Estimate: Total Cost	High Estimate: Total Cost	Best Estimate: Total Cost
Very Large Races	0	2	1	£0.00	£12,401	£6,201
Large Races	5	12	8	£21,988.01	£52,771	£35,181
Very Small Races	40	85	63	£10,644.14	£22,619	£16,765
Total				£32,632.15	£87,791.10	£58,146

Source: DfT Calculations

¹⁴ DfT (2014). Values of Time and Vehicle Operating Costs. TAG Unit 3.5.6 <http://www.dft.gov.uk/webtag/documents/expert/unit3.5.6.php>

Risks of Accidents and Fatalities

Potential accidents and / or casualties are a key risk, for which appropriate and adequate measures of mitigation / prevention are required within the proposal.

Forecast:

To create a forecast of the potential additional casualties which might occur as a result of additional on-road races, we require a forecast of the number of casualties per race and the number of races. For the number of casualties per race we can use outturn data from previous years.

Outturn data from previous years suggests approximately 0.16 fatalities per 100 races per annum for the period 2002 to 2011, see Table 11. We currently do not have data for the total number of serious and slight injuries. However, figures for injuries to drivers and staff can be derived by assuming that the ratio between spectators and drivers/staff will be the same as in the case of fatalities.

Table 11: Casualties per 100 races (spectators, event personnel and racing drivers)

Year	Fatalities (per 100 races)	Serious (per 100 races)	Slight (per 100 races)
2002	0.24	Data for the total number of casualties either seriously or slightly injured is currently unknown.	
2003	0.18		
2004	0.24		
2005	0.28		
2006	0.25		
2007	0.06		
2008	0.00		
2009	0.13		
2010	0.19		
2011	0.00		
Average 2002-11	0.16		

Source: MSA¹⁵

Table 12: Casualties per 100 races (spectators only, excluding event personnel and racing drivers)

Year	Fatalities (per 100 races)	Serious and Slight (per 100 races)
2002	0.00	0.30
2003	0.00	0.06
2004	0.00	0.00
2005	0.00	0.06
2006	0.06	0.00
2007	0.00	0.06
2008	0.00	0.13
2009	0.06	0.57
2010	0.00	0.26
2011	0.00	0.06
Average	0.01	0.16

Source: MSA

Existing authorisation procedures ensure that safety standards are adhered to for each event and therefore the casualty figures provided above are relatively low. The Motorsports Association or Auto Cycle Union assesses each event through supplying a licensed Scrutineer of the appropriate grade for the level of race to take charge of the scrutineering team for each race to assess the following:

1. The skills of the driver
2. Safety of the equipment and proper preparation of the vehicle or motorcycle

¹⁵ This data includes casualty data from England and the Isle of Man while the change in regulation will apply only to England. Additionally within the Isle of Man motor sport events are already authorised on public roads which may affect its casualty rate. Any error in the data due to this is likely to be minimal due to the small relative size of the Isle of Man.

3. Preparation of the venue
4. The skills of the race organiser

Organisation of an event is usually delegated to a local Motor Club. Motor Clubs have a permit to organise an event issued by the appropriate Governing Body for a certain level of event - the Governing bodies would not allow a new motor club to organise an event. Clubs are awarded high level events based on their experience of organising events. The MSA has race liability cover for each race for up to £65 million, whilst the ACU has liability cover for up to £30 million per race. Liability cover is only in place if a club is operating to a permit (issued by the authorising body), satisfies the safety conditions (set out in the yearbook) and supplementary technical regulations covering all aspects of the event have been checked prior to a permit being issued.

We would therefore expect the risk of potential casualties to be comparable to existing races.

Cost of Casualties and Injuries:

To value the cost of preventing a casualty, we use the Accidents Sub-Objective of WebTAG. The costs of fatalities and injuries are presented in Table 13.

Table 13: The Economic Cost of a Casualty

Injury Type	Lost Output	Human Costs	Medical and Ambulance	Total
Fatal	£582,236	£1,110,465	£1,000	£1,693,702
Serious	£22,432	£154,304	£13,589	£190,325
Slight	£2,371	£11,296	£1,006	£14,672

Source: Table 1, WebTAG 3.4.1: The Accidents Sub-Objective

The cost a casualty in Table 13 can be combined with the forecast of races in Table 1 and the estimated number of casualties in Table 11 to derive the total economic cost of casualties, per year, which is estimated at **£286,911** per annum, based on 132 additional events per year leading to one fatality every five years.

In order to derive the cost of serious and slight injuries, assumptions have to be made about the number of injuries to drivers, as well as about the distribution between serious and slight injuries. For the number of injuries to drivers, it is assumed that the distribution will follow the same pattern as that of casualties indicated in Tables 11 and 12, meaning that drivers and event staff will be 15 times as likely to suffer injuries as spectators. For the distribution of injuries, it is assumed that 80% of injuries will be slight¹⁶. On the basis of these assumptions, the total cost of injuries per year is estimated at **£91,796**, based on 132 additional events per year. Assuming safety procedures and resulting fatalities and injuries will resemble current patterns, total annual costs from fatalities and injuries are thus estimated at **£286,911**. Adjusting for the high and low estimates of the number of races, high and low estimates for the annual cost of injuries and fatalities are £394,502 and £179,319 respectively. Calculations are summarised in Table 14.

Table 14: Annual Cost of Fatalities and Casualties (Calculus)

	Drivers and Event Personnel	Spectators	Total
Injuries	$(132 * 0.16 * (0.2 * £154,304 + 0.8 * £11,296) * 0.01) * 15$	$(132 * 0.16 * (0.2 * £154,304 + 0.8 * £11,296) * 0.01)$	£91,796
Fatalities	$132 * 0.16 * £1,693,702 * 0.01$		£195,114

Source: DfT Calculations

¹⁶ This assumption for the distribution of injuries is confirmed by the MSA.

Key non-monetised costs

Noise and Pollution:

Holding additional motor sport races and trials of speed on closed public roads will inevitably lead to externalities in the form of noise and emissions resulting from the race itself, its organisation as well as visitors to the event. However, consultations with Defra and existing guidance suggest that these costs would be negligible in comparison to other costs and benefits in this Impact Assessment, and that existing guidance is not suitable for monetising these costs.

For the cost of emissions, existing guidance by Defra¹⁷ provides costs per tonne for different types of pollution. Based on these estimates, the number of additional events estimated here is unlikely to make a significant difference to the overall costs based on these estimates. The primary risk resulting from additional motor sport events on closed roads is that they would tip daily or hourly average pollution levels over current limit values in areas which are currently at risk of breaches. However, this is highly unlikely to occur as additional events are expected to take place overwhelmingly in rural areas which currently have limited traffic and congestion and on weekends.

Defra also provides guidance on the cost of increased noise levels to local residents.¹⁸ However, the annual cost of noise levels to residents affected does not exceed £150 annually in 2010 prices, meaning that increased noise for a number of hours per year does not have an impact that can be reasonably quantified. It is however worth pointing out that the proportionate increase in noise levels would be larger in the rural areas in which events are predominantly expected to take place, although fewer households will be affected in rural areas. For urban environments, changes in noise levels have been modelled in an evaluation of the Baltimore Grand Prix¹⁹ and found to be substantial, but were not monetised.

Potential Losses to Local Business:

There is a potential for losses to some local businesses that would have to close for a number of hours on the day of the event. However, we do not expect these closures to impose significant costs on local businesses or to be additional to the national economy. Due to the expected nature of additional motor sport events, we expect only very few businesses to be located along the race course. More importantly, any income lost to individual businesses on the day of the event is expected to lead to gains to other businesses in the local area on the day of the event, or to the same business during different time periods. This is due to the additional amount of people in the local area around the time of the event, and the necessity to inform residents about the event well in advance, which will allow for the planning of delayed purchases from local businesses. Any losses would thus lead to displacement rather than costs for the national economy overall, and it is unlikely that there would be a net loss to local businesses overall.

¹⁷ <https://www.gov.uk/air-quality-economic-analysis#damage-costs-approach>

¹⁸ <https://www.gov.uk/noise-pollution-economic-analysis>

¹⁹ http://www.hmmh.com/cmsdocuments/Baltimore_Grand_Prix_Noise_Study.pdf

Total Cost over 10 Year Period

Table 15 indicates annual costs and benefits over a 10 year period for the best estimate as well as the high and low number of races.

Table 15: Total Annual Cost and Benefit

£m		Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Best Estimate	Cost	0.438	0.438	0.438	0.438	0.438	0.438	0.438	0.438	0.438	0.438
	Benefit	0.106	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Low No of Races	Cost	0.264	0.264	0.264	0.264	0.264	0.264	0.264	0.264	0.264	0.264
	Benefit	0.018	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045
High No of Races	Cost	0.623	0.623	0.623	0.623	0.623	0.623	0.623	0.623	0.623	0.623
	Benefit	0.197	0.263	0.263	0.263	0.263	0.263	0.263	0.263	0.263	0.263

Source: Tables 1-14, DfT Calculations

Over a 10 year period, our best estimate of the Net Present Value (2016 prices) of the proposal is **-£3.02m**. High and low estimates of the NPV are -£0.35m and -£5.75m respectively.

Intuitively, this negative NPV result is driven by costs that are additional at a national level in combination with benefits that tend to be only additional at a local level. In other words, while additional motor sport events are likely to be beneficial to local economies, the national economy does not benefit in the same way from consumers spending their money on attending motor racing events instead of other things, since the alternative would likely not require road closures or entail injuries and fatalities.

OITO

The measure is covered by One In Three Out and counts as an IN. Costs and benefits to business under the OITO methodology are summarised in Table 16.

Table 16: Business Cost and Benefit

£m		Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Best Estimate	Cost	0.058	0.058	0.058	0.058	0.058	0.058	0.058	0.058	0.058	0.058
	Benefit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Low No of Races	Cost	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
	Benefit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
High No of Races	Cost	0.088	0.088	0.088	0.088	0.088	0.088	0.088	0.088	0.088	0.088
	Benefit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: DfT WebTAG 3.5.6, DfT Calculations

Guidance provided by DfT enables us to make a best estimate of the share of total costs from delays due to road closures that would be borne by business. Specifically, DfT's webTAG guidance provides data on the share of traffic on weekends that is related to work, which is relatively low and drives the low share of business costs within total costs, as well as on the value of work related journeys per hour that would be lost by business, which is higher than for other journeys.

On the benefits side, we expect all gains from spending by international visitors in the local area to go to business, which would be additional on the national level. However, these benefits would be a consequence of behaviour change that is considered indirect, and thus not fall within the scope of OITO. Hence, benefit figures in Table 16 are equal to zero. Overall, these figures lead to an Equivalent Annual Net Cost to Business (EANCB) of **£0.1** over a 10 year period in 2014 prices, meaning a small net cost to business. The full model for the cost to business per event is summarised in **Annex A**.

Key Assumptions and Sensitivities

The NPV figure is sensitive to our assumptions concerning additionality, particularly around the displacement of benefits, as indicated by the difference between the £40m benefit over five years from additional visitors in SIRC’s simulation, compared to our best estimate of average annual benefits of £0.1m. However, there is no indication that spending by domestic visitors would be additional to the national economy.

Furthermore, the model used in the Impact Assessment necessarily rests on a number of assumptions concerning the number, timing and design of new motor sport events, and is sensitive to changes in these assumptions. For example, cost figures would change proportionately to changes in the expected duration of delays and the estimated amount of traffic on closed roads. Our estimates for these values represent conservative but reasonable cost assumptions based on the evidence available.

Small and Micro Business Assessment

As this measure does not directly regulate the majority of businesses affected, it is not possible to exempt small and micro businesses from the proposal.

Based on the expected nature of additional closed road motor sport events, we expect small businesses in rural areas in which the event typically takes place to be affected by a large share of both the costs and the benefits of this measure. In addition to the considerations for the national level outlined above, there is a potential for some redistribution of spending by domestic visitors towards local small businesses in areas where additional events take place, for example in the hospitality sector. Overall, the net impact on small business is thus uncertain, but likely to be small, in line with our estimates of the impact on business overall.

Social Impact

As set out under the section on non-monetised benefits, we expect the proposed measure to have positive social impacts, in the form of well-being, increased local engagement and engagement with the sport such as volunteering, and an improved sense of community as a result of authorising events at the local level.

Competition Impact

We **do not expect an impact**, either directly or indirectly, on the number and range of suppliers, or their ability or incentive to compete. Any benefits to the motor sport industry are not expected to reduce competition.

Option 2 – Carry out 1 and add to the Regulations a description of the types of races in respect of which each listed governing body may issue permits, and/or a provision that a listed motor sport governing body ceases to be authorised to issue permits if the rules of the governing body do, or do not, include provision of a kind specified in the regulations

Forecast Number of Races

The inclusion of a description of the type of races which each listed governing body may issue permits for is likely to reduce the number of very large events that take place. It is assumed that option 2 will reduce the number of very large and large races by 1 per year in each scenario shown below.

Table 17: Estimated number of additional 2 wheel and 4 wheel events

	4 Wheel: Low Estimate	4 Wheel: High Estimate	4 Wheel: Best Estimate	2 Wheel: Low Estimate	2 Wheel: High Estimate	2 Wheel: Best Estimate
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Very large scale (comparable to Tour of Mull Rally).	0	1	0	0	0	0
Large events, comparable to National A category in SIRC research.	2	6	4	1	4	2
Very small scale events. These would include motor sport activities that form part of larger events without a focus on motor sport.	35	70	55	5	15	8

Source: MSA / ACU

Costs and Benefits

Reducing the total number of races does not change the estimated benefits or costs that occur per race since the costs of casualties and delays and the benefits of tourism are estimated on a per race basis. The total annual costs and benefits are estimated below.

Table 18: Total Annual Cost and Benefit

£m		Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Best Estimate	Cost	0.399	0.399	0.399	0.399	0.399	0.399	0.399	0.399	0.399	0.399
	Benefit	0.025	0.064	0.064	0.064	0.064	0.064	0.064	0.064	0.064	0.064
Low No of Races	Cost	0.245	0.245	0.245	0.245	0.245	0.245	0.245	0.245	0.245	0.245
	Benefit	0.014	0.036	0.036	0.036	0.036	0.036	0.036	0.036	0.036	0.036
High No of Races	Cost	0.583	0.583	0.583	0.583	0.583	0.583	0.583	0.583	0.583	0.583
	Benefit	0.117	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.177

Source: DfT Calculations

The best estimate NPV is -£3.33m, this is lower than the NPV for option 1 of -£3.02m. The NPV falls due to loss of spending from international tourists. International tourist are assumed to contribute to 7.5% of spending in very large events, 3.75% in large events and 0% for small. For each very large events this is estimated at £77,249. If under option 2 these very large events no longer take place this benefit is lost.

Annex A: Cost of Delays per Event

Very Large Race Category:

Type of Road	Number of Roads	Number of Vehicles per Day (AADT)	Duration of Closure (Equivalent Days)	Delays to Travel (Minutes)	Vehicle Shares Cars/Light Vans	Light Vans	Buses/Coaches	Goods Vehicles	Cost per Road	Cost per Road, Business
Major Rural	1	10800	0.3125	15	80%	14%	1%	5%	£7,148.95	£2,822.57
Minor Rural	41	800	0.3125	4	80%	16%	1%	3%	£5,812.22	£2,272.97
Minor Rural	12	800	0.25	4	80%	16%	1%	3%	£1,360.91	£532.21
Minor Rural	12	800	0.1875	4	80%	16%	1%	3%	£1,020.68	£399.16
Minor Rural	3	800	0.15625	4	80%	16%	1%	3%	£212.64	£83.16
Major Urban	0	19300	0.3125	10	82%	13%	2%	3%	£0.00	£0.00
Minor Urban	1	2100	0.3125	3	84%	13%	2%	1%	£291.00	£90.49
Total Cost									£15,846.40	£6,200.54

Source: MSA, DfT, DCMS Calculations, Jim Clark Rally Information for Residents

Large Race Category:

Type of Road	Number of Roads	Number of Vehicles per Day (AADT)	Duration of Closure (Equivalent Days)	Delays to Travel (Minutes)	Vehicle Shares Cars/Light Vans	Light Vans	Buses/Coaches	Goods Vehicles	Cost per Road	Cost per Road, Business
Major Rural	1	10800	0.375	10	80%	14%	1%	5%	£5,719.16	£2,258.05
Minor Rural	24	800	0.375	4	80%	16%	1%	3%	£4,082.73	£1,596.62
Major Urban	0	19300	0.375	8	82%	13%	2%	3%	£0.00	£0.00
Minor Urban	5	2100	0.375	3	84%	13%	2%	1%	£1,745.99	£542.93
Total Cost									£11,547.88	£4,397.60

Source: MSA, DfT

Very Small Race Category:

Type of Road	Number of Roads	Number of Vehicles per Day (AADT)	Duration of Closure (Equivalent Days)	Delays to Travel (Minutes)	Vehicle Shares Cars	Light Vans	Buses/Coaches	Goods Vehicles	Cost per Road	Cost per Road, Business
Major Rural	0	10800	0.5	10	80%	14%	1%	5%	£0.00	£0.00
Minor Rural	3	800	0.5	4	80%	16%	1%	3%	£680.45	£266.10
Major Urban	0	19300	0.5	8	82%	13%	2%	3%	£0.00	£0.00
Minor Urban	0	2100	0.5	3	84%	13%	2%	1%	£0.00	£0.00
Total Cost									£680.45	£266.10

Source: MSA, DfT

Post Implementation Review (PIR) Plan

1. **Review status:** Please classify with an 'x' and provide any explanations below.

<input type="checkbox"/>	Sunset clause	<input type="checkbox"/>	Other review clause	<input type="checkbox"/>	Political commitment	<input checked="" type="checkbox"/>	Other reason	<input type="checkbox"/>	No plan to review
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2. **Expected review date** (month and year, xx/xx):

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Rationale for PIR approach:

Describe the rationale for the evidence that will be sought and the level of resources that will be used to collect it.

Will the level of evidence and resourcing be low, medium or high? (See Guidance for Conducting PIRs)

- The post implementation review will follow a low evidence approach. This is proportionate given that the expected impacts on sports, distribution of traffic and tourism are relatively small. The estimated net cost to business is £0.14m.

What forms of monitoring data will be collected?

- The data will be collected from the MSA, the ACU and relevant local authorities that have hosted motor races.
- The following questions could be asked:
 - How many applications were there to the MSA and the ACU? Of these applications how many were successful and how many were aborted?
 - How many applications were outside the capacity of the legislation?
 - Has the system worked well? Do you consider the MSA and the ACU the right authorising bodies?
 - Are there instances where we should have prescribed the type of race?
 - Would you have liked to lift other driving regulations?
- The data to collect will be:
 - Number of races by type of race
 - Number of international visitors
 - Casualties by type
 - Level of distribution on local roads
- What evaluation approaches will be used? (e.g. impact, process, economic)

Assessing the impact in terms of.

 - Outcome evaluation – did more races occur because of the policy change
- How will stakeholder views be collected? (e.g. feedback mechanisms, consultations, research)
 - Views will be collected from the MSA and ACU, relevant local authorities and off road organisations.