

## VPF/ VPI – Post Phase 1 work plan

### a) Response to final report recommendations

<i>Recommendation</i>	<i>Recommended timing</i>	<i>DfT response</i>	<i>Action</i>	<i>Timing</i>
<b>Property damage (no-claim accidents):</b> Consideration should be given to how best to establish a source of information on the numbers and costs of <i>no-claim</i> road accidents, via one of the national surveys or otherwise, and action then taken to obtain this data.	Immediate	Agreed	<b>XXXX</b> to discuss with XXXX and develop options for obtaining necessary data from insurance companies. This action is linked to other actions.	By the next project board meeting
<b>Damage only accidents:</b> The Department should make new estimates of the numbers of damage-only accidents. These estimates should take into account the effect of the underreporting of injuries in STATS19 and new data on accident involvement available from the NTS.	Immediate	Agreed	<b>XXXX</b> to discuss with XXXX and develop options for obtaining necessary data from insurance companies. This action is linked to other actions.	By the next project board meeting
<b>Presentation of the VPF components:</b> The Department should undertake in principle to update the presentation of the VPF components, so as to present and reveal the elements from which the total is derived.	Immediate	Agreed	<b>XXXX</b> to speak to XXXX to understand current presentation of VPF components and any barriers to change.	By the next project board meeting
<b>Procedures for updating the GDP per head index:</b> These procedures should be adapted to the demise of HEN 1. We recommend that updated casualty cost and accident cost figures should be published (as to some extent they are now, but only partially) in the annual RRCGB, in an article written by the relevant economist, with a cross reference to RRCGB in WebTAG.	Immediate	Undecided	<b>XXXX</b> to speak to XXXX to understand the issue and the specific changes this recommendation asks for.	By the next project board meeting
<b>Identification of public expenditure costs and revenues:</b> A decision in principle should be made as to whether or not the published aggregate costs	Immediate	Undecided	<b>XXXX</b> to speak to XXXX to understand the issue and the specific changes this recommendation asks for.	By the next project board meeting

of road accidents should include an estimate of the cost to the government / taxpayers.				
<b>Basic approach to WTP valuation:</b> The Department for Transport should explicitly decide to maintain its preference for the SP approach to valuing the WTP element of fatality and injury risks.	Immediate	Disagreed – unnecessary and constrains future changes	None	n/a
<b>Lost net output for road fatalities:</b> This should be assumed to be negligible.	On full update of VPF	Agreed	No immediate action	n/a
<b>Lost gross output for non-fatal injuries:</b> The discount rate used to estimate this lost output should be updated.	On full update of VPF	Agreed	No immediate action	n/a
<b>Police costs</b> should be updated when the current Police data collection exercise has been completed. This updating might readily be done by the Department in-house.	Following further research	Agreed	XXXX is leading this exercise. May have full set of information end-February. XXXX to update when information is available.	March
<b>Insurance administration costs:</b> If and when the Department establishes arrangements with an insurance company or companies to update the property damage costs, as we recommend below, it should also investigate whether the companies would give sufficient access to information to update the estimates of insurance administration costs.	Following further research	Agreed	XXXX to discuss with XXXX and develop options for obtaining necessary data from insurance companies. This action is linked to other actions.	By the next project board meeting
<b>Medical and ambulance costs:</b> Research specifications should be drafted for work that largely repeats, but with current data, the work that was undertaken on medical and ambulance costs by the “Manchester studies” in the early 1990s and interpreted as described in Hopkin and Simpson (1995, Appendix B). Department of Health or other sources should be used to tie the unit costs to national average rather than much more localised costs.	Following further research	Disagreed – cost of repeating these studies is too high	XXXX to follow up on an existing relevant pilot study and consider whether newly-accessible DoH inpatient data can be used to update costs.	By the next project board meeting
<b>Lost output from non-fatal injuries:</b> Research specifications should be drafted for work that	Following further research	Disagreed – cost of	None	n/a

largely repeats, but with current data, the work that was undertaken on lost output by the “Manchester studies” in the early 1990s and interpreted as described in O’Reilly (1993).		repeating these studies is too high		
<b>Property damage (insurance data):</b> The obstacles to Government access to insurance company data, and the precise data needed should be closely analysed. The data needs include the costs of damage-only accidents; the property damage costs of serious and slight injury accidents, the ratio of damage-only accidents to serious and slight injury accidents (or whatever categorisation is to be used for STATS 19 data) by class of road; and average administration costs for each level of accident. When these issues are clarified access to such data should be established as a high priority.	Following further research	Agreed	<b>XXXX</b> to discuss with <b>XXXX</b> and develop options for obtaining necessary data from insurance companies. This action is linked to other actions.	By the next project board meeting
<b>Stated preference methodology:</b> More methodological research should be undertaken on SP techniques.	Following further research	Undecided – but will not take place solely with DfT funding	<b>XXXX</b> to get in contact with <b>XXXX</b> at HSE to understand their ongoing work, and to consider OGD’s interest. <b>XXXX</b> to follow up with contacts on possible collaboration.	By the next project board meeting

## b) Other actions

<i>Action</i>	<i>Timing</i>	<i>Who</i>
Include <b>XXXX</b> in email circulation and invite to future project boards	Immediate	<b>XXXX</b>
To review the New Zealand Ministry of Transport technical paper and establish the years in which comparable international studies were undertaken	By the next project board meeting	<b>XXXX</b>
To check the conclusions and recommendations sections of the report to ensure that accurate and consistent phrasing is used, and set out a short note on proposed changes	By the next project board meeting	<b>XXXX</b>
To produce a draft Q&A, which would accompany submissions to Press Office/ Ministers and during publication	By the next project board meeting	<b>XXXX</b>
To keep tabs on developments in discussions with DoH on age-variation of values, and consider the implications for the report and for DfT values	Ongoing	<b>All</b>

### **c) Timetable**

- w/c 14<sup>th</sup> March - Project Board meeting – update on actions, agree detailed next steps, agree DfT response to final report and Q&A
- w/c 21<sup>st</sup> March – Ministerial submission, agree Q&A with Press Office
- end-March – Publish final report along with Q&A
- April to July – Complete all actions for updating values as agreed at March project board
- August – Paper to WebTAG Governance Board on changes to TAG Unit 3.4.1
- September – Changes to TAG Unit 3.4.1 put out on WebTAG ‘In Consultation’/ Changes to RRCGB incorporated into 2010 Annual Report