

 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact Assessment (IA)</b>	Funding the interconnection of the National Register of licensed operators of goods vehicles, buses and coaches	
<b>Lead Department/Agency</b>	Department for Transport	
<b>Stage</b>	Final	
<b>IA number</b>	DFT00164	
<b>Origin</b>	European	
<b>Expected date of implementation (and SNR number)</b>	SNR7	
<b>Date submitted to RPC</b>	28/01/2014	
<b>RPC opinion date and reference</b>	21/02/2014	RPC12-DFT-1444(3)
<b>Overall assessment</b>	<b>GREEN</b>	
<p><b>RPC comments</b></p> <p>The IA is fit for purpose. The IA has set out adequately the rationale, costs and benefits of the proposals. The OITO assessment is robust. As such, the RPC can confirm an EANCB of £0.07 million for this proposal that derives from a European requirement and is therefore out of scope of OITO.</p>		
<p><b>Background (extracted from IA)</b></p> <p><b>What is the problem under consideration? Why is government intervention necessary?</b></p> <p><i>Operators of buses, coaches and goods vehicles (lorries) are licensed to ensure road safety and fair competition. To achieve consistency across Member States, rules on operator licensing are set in European Union (EU) regulations. One element in support of that process required the creation, sharing and use of a National Register (NR) of operators, their transport managers and serious offences. This has been completed and intervention at UK level has already taken place to create our NR. Further UK intervention is necessary to continue to provide the NR to facilitate the sharing of information across Member States as required by EU law.</i></p> <p><b>What are the policy objectives and the intended effects?</b></p> <p><i>The objective of the original EU intervention was to ensure that consistent standards are applied and enforced across the EU. The intended effects are to create a more level playing field for transport operations across the EU and reduce distortion of competition; raise the professional standards of transport managers; reduce the administrative burdens on regulators, enforcers and operators; and enhance compliance with safety and other rules. The continued running of the NR supports this aim by providing standardised information to facilitate monitoring of operators and intervention by their home state where serious infringements are found. The specific objective dealt with in this IA is to fund the GB running costs of interconnection.</i></p> <p><b>What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)</b></p> <p><i>Doing nothing would not implement the interconnection of the NR requirement and</i></p>		

would risk infraction proceedings.

*Option 1: The preferred option is to fund the running cost of the interconnection of the NR by increasing fees for bus, coach and lorry operator's licences. This option spreads the cost over all licences.*

### **Comments on the robustness of the OITO assessment**

The IA says “*The interconnection of the NR is being created to comply with EU law and the fee increases proposed are to meet the cost of complying with that law with no “gold plating”. As such, it is out of scope of OITO.*” (Paragraph 19).

This proposal is of European origin. There is no evidence that the increase in regulation would go beyond minimum requirements or that the Department is failing to take advantage of available derogations that would reduce the costs to business. As a result, the RPC can confirm the proposal is out of scope of One-in, Two-out in accordance with paragraph 1.9.8. ii of the Better Regulation Framework Manual (July 2013). The RPC can confirm an EANCB of £0.07 million for this proposal.

### **Comments on the robustness of the small & micro-business assessment (SaMBA)**

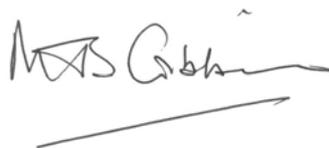
The proposals are European in origin, so a SaMBA is not required. However, the IA provides an assessment of the impact on small businesses (paragraphs 20 and 44-46).

### **Quality of the analysis and evidence presented in the IA**

The IA has set out adequately the rationale, costs and benefits of the proposals. Without interconnection of the National Register, its international benefits cannot be obtained.

The IA estimates the cost of running and maintaining the interconnection of the National Register at around £0.1 million each year (from which the EANCB is derived). A small amount (£0.007 million) of this is accounted for by VOSA staff costs. The IA presents the estimated number of hours on which this is based. The IA would be improved by including the hourly pay rates used and a justification for them.

**Signed**



**Michael Gibbons, Chairman**