Title: Amendments to the Driving Licence Regulations to introduce changes required by EU legislation for vehicles used for taking driving tests. **IA No:** DfT00221 **Lead department or agency:** DSA **Other departments or agencies:** DVLA/DfT	Impact Assessment (IA) **Date:**09/05/2013 **Stage: Final** **Source of intervention:**EU **Type of measure:** Secondary legislation **Contact for enquiries:** Mandy Lynch 0115 9366097

Summary: Intervention and Options

RPC Opinion: RPC Opinion Status

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year**(EANCB in 2009 prices)	**In scope of One-In, One-Out?**	**Measure qualifies as**
NQ	NQ	NQ	No	NA

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

This IA assesses EU Directive 2012/36/EU which introduces changes to the statutory requirements for vehicles that can be used for taking driving tests. Manufacturers are phasing out production of older vehicles which are currently required to be used for taking the driving test, making it difficult for trainers to find suitable test vehicles. The power rating between medium and large motorcycles currently used for the test is not distinct enough and is not considered representative of the types of motorcycles a rider will have access to once they have passed their test. Government intervention is necessary as legislative change is required to introduce the EU changes, the majority of which were sought by the UK.

What are the policy objectives and the intended effects?

The objectives of the EU legislation are:

- to simplify the the minimum standards applied to vehicles used for taking driving tests (lorries, buses and motorcycles) and thereby provide a wider choice of vehices for use by persons taking such tests; and
- that the large motorcycle test is taken on a vehicle that is more representative of the type of vehicle a person can ride once they have passed their test.

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

Do Nothing. Not implementing the changes to vehicles used for driving tests would mean not taking advantage of the benefits offered by the amendments. UK would also face infraction fines from the EU for non-implementation.

Policy Option 1 - Introduce the changes to vehicles used for taking driving tests and implement the Directive in a cost-effective way, taking advantage of any of the benefits offered, that were sought by the UK.

Alternatives to regulation have been discounted as vehicles used for driving tests are covered by legislation. Regulatory changes would be required to enable trainers to take advantage of any of the benefits of different vehicle standards, otherwise a court of law could invalidate the driving test on the grounds that vehicles were not in accordance with regulation.

We invited comments on the benefits of the changes during consultation – none were received.

Will the policy be reviewed? It willbe reviewed. **If applicable, set review date:** 12/2018

Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro** Yes	**< 20** Yes	**Small** Yes	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** NQ	**Non-traded:** NQ	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: ---------- Date: ----------

Summary: Analysis & Evidence

Policy Option 1

Description: Implement the requirements of EU Directive 2012/36/EU which introduces changes to the statutory requirements for vehicles that can be used for taking driving tests.

FULL ECONOMIC ASSESSMENT

Price Base Year NA	**PV Base Year** NA	**Time Period Years** NA	**Net Benefit (Present Value (PV)) (£m)**		
			Low: NQ	**High:** NQ	**Best Estimate:** NQ

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

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

Given the limitations of the available evidence base, it has not been possible to monetise any of the costs of Option 1 that have been identified in this Impact Assessment.

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

The key non-monetised costs of Option 1 that have been identified in this Impact Assessment are that there may be some difference in costs for motorcycle trainers between the purchase price of machines below 50kw that are currently used for the driving test and the purchase price of machines to meet new slightly higher requirements of 50kw or above from 2018 (see Section 6.3).

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

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

Given the limitations of the available evidence base, it has not been possible to monetise any of the benefits of Option 1 that have been identified in this Impact Assessment.

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

The key non-monetised benefits of Option 1 that have been identified in this Impact Assessment are that there would be flexibility to allow a wider range of vehicles to be used for motorcycle and large vehicle tests. This change would allow trainers a greater number of options when presenting vehicles for test as it relaxes currrent standards. In particular it will allow Large Goods Vehicle (LGV) trainers to use more readily available, energy efficient vehicles.

Key assumptions/sensitivities/risks **Discount rate (%)** NA

That the affected sectors will welcome the majority of the changes.
Motorcycle trainers may incur costs when replacing their current vehicles used for driving tests with slightly more powerful vehicles that will be required to be used for the test from 2018.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			**In scope of OIOO?**	**Measure qualifies as**
Costs: NQ	**Benefits:** NQ	**Net:** NQ	No	Zero net cost

Evidence Base (for summary sheets)

1. Background

1.1 Driver licensing and driving tests are regulated activities covered by European legislation. Directive 2006/126/EC (*the 3rd Directive*) provides for mutual recognition of driving licences between EU states, the harmonisation of the driving licence categories and harmonisation of driving test standards. The requirements of the 3rd Directive were implemented across the EU from 19 January 2013.

1.2 Directive 2012/36/EU amends the 3rd Directive and introduces changes to driver licensing and the vehicles that can be used to take the driving test. Those affected will be persons wishing to take a motorcycle, lorry or bus test. The majority of the changes must be introduced by 31 December 2013, apart from the changes that relate to large motorcycles which do not have to be introduced until 31 December 2018. The changes are:

- allowing a tolerance of 5cc below the minimum specified engine size for small, medium and large motorcycles that can be used for the test – categories A1, A2 and A;
- reducing the minimum engine power requirement for medium motorcycles (category A2) used for the driving test;
- raising the minimum engine power requirement for large motorcycles (category A) used for the driving test ;
- introducing a minimum, mass weight requirement, for large motorcycles (category A) used for the driving test;
- changes to the test for non-professional medium sized lorry drivers (category C1) as shown on the licence by a new restriction code;
- removing the need for 8-forward gear ratios for large test vehicles (category C); and
- Allowing those persons who take a lorry or bus test (category C and D) on an automatic vehicle to gain a manual entitlement for those vehicles, if they already hold a manual entitlement in the following categories: B, BE, C, CE, C1, C1E, D, DE, D1E (cars, lorries and buses, with or without trailers).

1.3 The Secretary of State for Transport has responsibility for driver training, testing and licensing in Great Britain. The Driving Standards Agency (DSA) an executive agency of the Department for Transport (DfT), is responsible for driving tests within Great Britain (GB) and for introducing the new requirements concerning the training and testing processes that underpin the upgrading of driving licence entitlements. The Driver and Vehicle Licensing Agency (DVLA) is responsible for all things to do with the security and issuing of driving licences.

1.4 Legislative responsibility within Northern Ireland is devolved to the Northern Ireland Executive under the Northern Ireland Act 1998. Responsibility for driver training, testing and licensing within Northern Ireland is with the Department of Environment NI (DOENI).

2. Problem under consideration

2.1The changes introduced by the Directive in respect of lorries and buses (categories C and D) recognise that manufacturers are phasing out production of many of the older designs of vehicle which are currently required to be used for the driving test, in favour of newer, more advanced models with different transmission systems and engine power ratings. Drivers attending for a driving test will find it increasingly difficult to find a vehicle that complies with the current statutory minimum test vehicle requirements[1]. The EU Commission considers that the competence of drivers should be tested on their ability to use the new hybrid transmission systems of vehicles safely, economically and in an energy efficient way. Thus, they have proposed the removal of the requirements for 8-forward gear ratios for large vehicles and the provision of a manual entitlement for drivers driving large automatic vehicles as long as they have previously shown competence on a manual vehicle in another category.

[1] Anecdotal evidence provided by trainers who find it difficult to purchase older type vehicles and research of manufacturer's websites.

2.2 The motorcycle changes are introduced by the EU Commission to make it easier for trainers to comply with the legislation by allowing a wider range of vehicles to be used for the driving test. The changes were sought by the UK Government on the basis that motorcycle trainers and the Motorcycle Industry Trainers Association (MCITA) were finding it increasingly difficult to obtain vehicles that met the current test vehicle criteria.

2.3 For large motorcycles, the EU Commission consider that the difference in engine power between a medium sized motorcycle and a large motorcycle is currently not significant enough and wish to increase the difference to be more representative of larger motorcycles available to riders once they have passed their test.

3. Rationale for intervention

3.1 Minimum standards for vehicles used for current driving tests, were first set by European driver licensing legislation back in 2000. Manufacturers are phasing out production of the types of vehicles that were commonly used all those years ago and producing instead, safer, more energy efficient vehicles. The minimum standards that are currently set in regulations for driving test vehicles therefore need to change to allow these newer vehicles to be used for driving tests. If the changes were not made, trainers and operators would find it increasingly difficult to find vehicles that met the current statutory criteria for driving test vehicles. The Government therefore sought a relaxation of current standards to enable trainers to use vehicles that are readily available on the market. The European Commission agreed the UK Governments proposals and has allowed a relaxation of current standards which will apply across the EU. It would be anomalous if the UK did not now implement the changes and allow trainers to take advantage of the benefits they offered. Benefits include being able to purchase potentially cheaper, more readily available vehicles to satisfy the relaxation of standards for vehicles used for driving and riding tests.

3.2 The European Commission does not consider that current vehicles used for the large motorcycle test are representative of the type of vehicles that a rider can ride, once they have passed their test. They are therefore introducing changes from 2018, so that the large motorcycle test is carried out on a vehicle that is more representative of the types of larger motorcycles available on the market. The Commission has therefore decided to increase the statutory, minimum engine power of motorcycles that can be used for the large motorcycle test so that larger, more representative vehicles are used.

3.3 Requirements for driving tests, the vehicles used for driving tests and the holding of driving licences, are set out in European law (the 3rd Directive on driving licences), and in domestic legislation (The Road Traffic Act 1988[2] and driving licence regulations[3]).The changes required by the amending Directive mean changes will need to be made to domestic legislation.

3.4 The Directive must be implemented within the United Kingdom by 31 December 2013. It is Government policy not to gold plate EU Directives and to lessen any impact upon business as much as possible. The DSA and DVLA, must therefore seek to minimise the impact of the changes and introduce them in as cost effective manner as possible.

4. Policy objectives

4.1 To simplify the minimum standards that vehicles must meet when used for taking driving tests and to allow trainers and operators to use newer, advanced vehicles that are more readily available. Vehicles that are more representative of those being operated by employers and vehicles that are available on the market**.**

4.2 To comply with the Directive in such a way as to best satisfy the interests of British drivers, riders and business.

[2] Road Traffic Act 1988 [as amended]
[3] Motor Vehicles (Driving Licences) Regulations 1999 SI No. 2864 [as amended]

5. Description of options considered (including do nothing)

5.1 Do nothing

5.1.1 Where possible, we seek to consult on implementation of changes by offering different options for making the change. Where the new process is introduced as a result of a European Directive, however, there can be limited scope for seeking to obtain views on the options. In this case, the Directive is specific that the majority of changes must be made to the test vehicles that candidates use to take the test to become qualified drivers. The standards for test vehicles are specified in legislation – it would not have legal status if it did not. Therefore, to make these changes, we are required to change regulations.

5.1.2 The majority of the proposals were welcomed and sought by the UK. Manufacturers are phasing out production of older vehicles (lorries and buses) that currently meet the standards required for vehicles used for the driving test. The Motorcycle Industry Trainers Association (MCITA) also informed the Government that it was difficult to find motorcycles that met the minimum standards set for motorcycle driving tests regarding the cylinder capacity. The Government therefore sought a relaxation of current standards to cylinder capacity to enable trainers to use vehicles that are readily available on the market. The European Commission agreed the UK Governments proposals and has allowed a relaxation of current standards which will apply across the EU. It would be anomalous if the UK did not now implement the changes and allow trainers to take advantage of the benefits they offered. Benefits include being able to purchase potentially cheaper, more readily available vehicles to satisfy the relaxation of standards for vehicles used for driving and riding tests.

5.1.3 The UK is required to implement the Directive as part of our European obligations. Doing nothing, which would involve test standards remaining unchanged and imposing no additional costs and bringing no additional benefits, is understood not to be a viable option. It is the UK Government's policy to implement EU Directives in a timely, efficient and most cost-effective way, but not before the required transposition date. We plan to adhere to this requirement, but legislation must be in place by the end of 2013. Failure to act upon European requirements may mean an infraction fine being levied against the UK. It is not possible to accurately forecast the exact level of fines that might be levied but the European Court of Justice could impose a lump sum fine of around eleven million Euros. We consider that there are significant political and financial risks associated with non-implementation and therefore it is not considered that doing nothing would be a viable option.

5.2 Option 1 – Implement the changes

5.2.1 This option involves making the required changes included in the Directive. The majority of the changes offer a relaxation of the current rules applied to the standards for vehicles used for driving tests and some were sought by the UK in order to help the affected business sectors to be able to comply with the EU driver licensing legislation introduced on 19 January 2013 (the 3rd Directive changes). DSA are unable to monetise the benefits of these changes, but understand from anecdotal evidence from trainers and the MCITA (motorcycle trainers trade association) that relaxing the standards for vehicles used for the driving test will mean that businesses will be able to more readily acquire compliant vehicles, that are also cheaper to purchase and more energy efficient. The changes that have the potential to add burden do not need to be implemented for five years. This longer implementation period will mitigate the impact upon business sectors. We therefore believe that implementing the changes offers the best option.

6. Costs and Benefits of Option 1 - post consultation

6.1 Given the limitations of the available evidence base, it has not been possible to monetise any of the costs and benefits of Option 1 that have been identified in this Impact Assessment. Therefore, a full qualitative description of each of these costs and benefits has been provided in this Impact Assessment.

6.2 The recent consultation in which stakeholders were asked to provide evidence to enable DSA to monetise the costs and benefits of Option 1, did not produce any evidence from any of the respondents to the consultation, to allow DSA to do this. The DSA is therefore unable to conduct further analysis to attempt to monetise the costs and benefits of Option 1.

Response to Consultation

6.3 The consultation ran from the 15 July 2013 to 26 August 2013 and was hosted on the GOV.UK website. Stakeholders associated with motorbikes, three-wheelers, lorries and buses (including coaches) were informed of the consultation in a number of ways, such as:

- via a DSA Direct notification to all subscribers of the service, including motorcycle, car, bus and lorry trainers/owners/vehicle operators – this is where people with an interest in what the DSA is doing have signed up to receive direct emails or "tweets" on the Agency's business;
- press notice to specialists - motorbike, lorry and bus/coach press;
- article in DSA newsletter "Despatch" sent to all interested stakeholder representatives
- targeted e-mails; and
- via a letter sent to interested parties by the DVLA.

Overall, 339 responses to the consultation were received. Responses came from a variety of stakeholders including members of the public; private bus and lorry operators and/or trainers; industry representative groups; road safety groups and vehicle enthusiast clubs.

6.4 Of those who responded, the majority agreed with all of the proposals put forward by DSA (averaged 55% overall), although many also stated that they neither agreed nor disagreed (averaged 24% overall). Those opposed to the proposals were in the minority (averaged 12.5% overall).

6.5 The consultation only asked questions on the areas where the UK has a choice about whether or not to implement a change. Most of those who disagreed did not think that drivers, who hold manual entitlement in a smaller vehicle, should be given a manual entitlement for a large vehicle if they have not taken their test in a large vehicle. Respondents cited road safety grounds for disagreeing and thought that drivers who wanted to drive a large manual vehicle should actually train and take their test on a large manual vehicle, rather than gain it by virtue of holding a different category of manual vehicle. They thought that driving a smaller manual vehicle was very different to the handling of a large manual vehicle, not least because of the difference in the number of gears and gear changes. For these reasons they considered that there would be road safety issues in that drivers would not be competent to drive large manual vehicles. Others who disagreed with the proposal felt that automatic vehicles are more expensive than manual vehicles and not readily available, although no evidence to support these assumptions was produced.

6.6 The DSA accepts that there are differences in the handling characteristics between a smaller vehicle and a large vehicle, however, the Agency feels that the road safety case is not proven either way and that in any case, most automatic vehicles do have a lever for gear changes, (it is a clutch that is missing). It is also the case that manufacturers are gradually phasing out production of large manual vehicles and so the Agency must take steps to cater for this change. Drivers will still be able to come to test in a manual vehicle; or, opt to use an automatic vehicle; the choice will be for the driver to decide. The DSA proposal is to accept the relaxation of the current rules regarding vehicles used for driving tests as set out in the Directive, as it is Government policy to take up any deregulatory changes offered by the EU.

6.1 Minimum Test Vehicle Standards for Motorcycles

6.1.1 Currently, all vehicles used for driving tests must meet minimum standards, commonly known as "minimum test vehicle standards". These standards are set out in European and UK legislation. The Directive makes changes to those standards for motorcycles which are discussed below:

6.1.2 Allowing a tolerance of 5cc below the minimum engine capacity, specified in the 3rd Directive for motorcycle test vehicle standards

6.1.3 DSA did not consult on whether to introduce this change. No direct costs due to this change were identified. This change offers a relaxation of the minimum standards required for motorcycles used for the practical test. The change is considered minor as it will not affect the size of the motorcycle or the

way that it is operated and will have no effect upon vehicle emissions as confirmed by the Motorcycle Industry Trainers Association (MCITA). All motorcycles (the same as for cars) must comply with similar EU derived emission standards.

6.1.4 The 5cc tolerance was sought by the UK Government and stakeholders, to allow greater flexibility in the minimum engine size of motorcycles that can be used for the driving test. Currently, the 3rd Directive requires that motorcycles used for test must meet the following minimum engine capacity standards:

- Category A1- an engine size of at least 120cc;
- Category A2 – an engine size of at least 400cc;
- Category A – an engine size of at 600cc.

6.1.5 The 5cc tolerance allows riders to use a motorcycle for test with an engine capacity that is slightly below the requirements given in the 3rd Directive. The change was sought by the UK as the Motorcycle Industry Trainers Association (MCITA) and the Motorcycle Industry Association (MCI) who represent manufacturers and importers informed the Government, that it would be extremely difficult to find motorcycles that exactly met those engine capacity requirements. Motorcycles are commonly manufactured slightly below the engine capacities quoted above, e.g. for category A2 common engine sizes are of 395/398 cc and not 400 cc. It would therefore be difficult for trainers to comply with the European legislation. Once this was pointed out to the European Commission it stated that it would issue a correction to the 3rd Directive.

Costs/Benefits

6.1.6 As soon as the European Commission confirmed that it would issue an amendment to the 3rd Directive to allow the 5cc tolerance to minimum engine capacity standards for motorcycles, the DSA took a decision to allow this tolerance for vehicles presented for test, from the implementation date of the 3rd Directive i.e. 19 January 2013, albeit, that it would have to be carried out administratively until EU legislation was amended, as it would be in contravention of existing EU and UK statutory requirements.

6.1.7 Trainers and riders benefit from this relaxation as they will be fully compliant with EU and UK statutory requirements and able to legally use vehicles for the test that are currently available on the market. No direct costs due to this change have been identified and we are unable to monetise any benefits from this proposal as it merely provides the legislative platform to underpin what the Agency has already allowed administratively.

Consultees were invited to submit any additional available evidence on any costs and benefits that would result from this change. No evidence was received.

6.2 Reducing the minimum engine power requirement for medium sized motorcycles used for the driving test

6.2.1 DSA did not consult on whether to introduce this change. As this change amends the minimum standard for the category A2 motorcycle used for the test, the UK is required to implement it. However, no direct costs due to this change have been identified. This change potentially widens the choice of the size of motorcycle that riders can use for the test. The change is considered minor as it will not materially affect the size of the motorcycle or the way that it is operated and will have no effect upon vehicle emissions as confirmed by the Motorcycle Industry Trainers Association (MCITA). All motorcycles must comply with similar EU derived emission standards, as for cars.

6.2.2 Currently, the 3rd Directive requires that medium sized motorcycles used for the category A2 test must meet minimum engine power standards. The current, minimum engine power standard of a category A2 motorcycle is 25kw, the maximum being 35kw. Candidates must therefore use a motorcycle for test that has an engine power output of at least 25kw, but not more than 35kW.

6.2.3 The amending Directive lowers the 25kw minimum standard, down to 20kw. Candidates for the test will be able to choose to use a motorcycle with an engine power between the new minimum of 20kw and the maximum of 35kw, but if they so wish they can continue to use their current motorcycle with no change.

Costs/Benefits

6.2.4 No direct costs due to this change were identified. Candidates can continue to use their existing motorcycle with an engine power of between 25kW and 35kW; or, opt to use a motorcycle with a slightly lower engine power down to 20kW; any cost would be of their own choice. DSA assume that most candidates will continue using their existing motorcycles. This is because motorcycle riders within the DSA and the Motorcycle Industry Trainers Association (MCITA) have stated, the slight difference in engine power makes no material difference to the type of motorcycle used for the test and that actually, there are no 20kw motorcycles available on the market that would satisfy all of the other existing, statutory test vehicle requirements. On the basis of this assumption, DSA considers the change will make no difference at all at present. But, DSA are advised by the Motorcycle Industry Trainers Association (MCITA) that the concession may be of use in the future as more electric motorcycles are planned and anything that broadens the range of motorcycles that can be used for the test is a benefit. Due to the reasons given above (i.e. the scarcity of available vehicles at present), we are unable to monetise any benefits from this option. If in future an electric vehicle of 20kw was produced, candidates would be free to choose whether to use that vehicle or continue using other types available on the market. As we have no idea whether a 20kw vehicle would become available, we are unable to monetise any benefits.

Consultees were invited to submit any additional evidence available on any costs and benefits that would result from this change. In particular, consultees were invited to comment on the assumption that candidates will continue using their existing motorcycles, and provide any evidence on when a 20kw vehicle would become available. No evidence was provided, nor did consultees comment on the assumption that candidates would continue using existing vehicles.

6.3 Large motorcycles - changes to the minimum standards for vehicles used for the test:

- **raising the minimum engine power requirement; and**
- **introducing a minimum, mass weight requirement, for large motorcycles (category A) used for the driving test**

6.3.1 DSA did not consult on whether to introduce these changes. These changes amend the minimum standards for the motorcycle, used for the large motorcycle (category A) test. The UK is required to implement the changes and cannot choose not to. But, the changes do not have to be implemented until 31 December 2018. The DSA will not require the changes to be met until 31 December 2018.

6.3.2 Currently, the 3rd Directive requires that large sized motorcycles used for the category A test must meet a minimum engine power standard of 40kw. Candidates must therefore use a motorcycle for test that has an engine power output of at least 40kw. There is no current requirement regarding the weight of the vehicle used for the test.

6.3.3 This amending Directive raises the minimum standard from 40kw to 50kw and introduces a minimum mass weight requirement of 180kg. The European Commission argues that this is to provide for a test on a machine that is much more representative of its class and to introduce a more definite difference between a category A2 (medium sized) motorcycle and a category A (large sized) motorcycle. However, both the DSA and the Motorcycle Industry Trainers Association (MCITA) argued that in reality, it made very little difference to the type of motorcycle presented for the test – they consider that the changes introduced by Directive 2012/36/EC make no difference to the test itself, have no bearing on road safety, and while the engine power would be slightly more, the size of the bike would not be significantly different and thereby the handling characteristics would be the same. These concerns were all ignored.

The change is not required until 31 December 2018. Therefore, the DSA will not introduce this change before 31 December 2018. This should allow training companies to get at least 5 years use out of existing motorcycles and will mitigate the impact upon business, as motorcycles can be upgraded at the time when trainers decide to replace them through wear and tear. However, DSA expect that there will be some difference in cost for trainers between motorcycles they currently use and motorcycles they will need to use come 2018, but we do not expect it to be significant (see table below).

Costs/Benefits

6.3.4 Until a candidate has passed their large motorcycle test they are not allowed to ride unaccompanied on the road and will be required to attend for the test with their motorcycle trainer. Motorcycle trainers must be registered with DSA to legally deliver that training to a candidate. The specification in the revised Directive will require training organisations to acquire motorcycles to be used at test of 50kW. They will already own a fleet of motorcycles that comply with the current minimum, 40kW specification and it is known from DSA's own motorcycle test managers that some also own vehicles that comply with the new 50kw specification as they already use them for the test.

6.3.5 There are around 650motorcycle training organisations registered with DSA to deliver statutory motorcycle training. These vary considerably in size and DSA understands that the number of test standard motorcycles owned by each can range from two to around 30 – the latter being larger organisations in the London area[4]. DSA believe it is likely that most organisations, outside London, have an average of around 12 motorcycles[5].

6.3.6 But not all of these motorcycles will be used for test. Many will be used purely for training. DSA understands that training organisations own on average, three machines[6] for use on test. These are the only ones which may need to be replaced. The remainder, even if they are below 50kw, may be used for training purposes with no discernible difference to the expertise attained by the candidate as the bike is in effect of the same size or similar and will handle the same[7].

6.3.7 Currently, there are around 24 models (excluding derivatives) of motorcycle above the current minimum specification of 40kw, but below the new 50kw requirement, and there are around 116 models (excluding derivatives) of motorcycle of 50kw[8] or above available for training and testing[9]. Typically[10], trainers use around 8 different models for test that are between 40kw to 49kw and around 20 models that are 50kw or above. These 28 vehicles meet the new minimum weight requirements.

6.3.8 Those trainers who currently use vehicles between 40kw and 49kw will need to acquire new machines, however these costs will be greatly mitigated, as they do not need to meet the requirements for five years and it is known from conversations with trainers that they refresh their training vehicles within at least a five year period and often earlier. If this is the case for all trainers, the only cost that may exist will be if there is a difference in the cost of existing motorcycles used for training and testing, against the cost of motorcycles necessary to meet the new requirements from 2018. From talking to trainers and researching the common types of motorcycles used and their costs, DSA have concluded that there will be some difference in price between a model that is < 50kw against a model of motorcycle that is > 50kw, but we do not expect it to be significant. The costs for refreshing training vehicles are factored into the charges that are made to customers and this is standard business practice.

6.3.9 An example of an existing machine used for training below the new standard of 50KW is the BMW F700GS. The total on-road average price (new) for such a vehicle is £7,595 as sold on several motorcycle dealership websites. The DSA uses BMW F800ST motorcycles for its motorcycle test examiners and motorcycle managers, which currently meet existing and future engine power requirements as they are more than 50kw at 63kw. These motorcycles cost the Agency £7,600. There is an insignificant difference in price between the two models. The average price a trainer could expect to pay for such a vehicle, minus the discount could be around £5,600. Both of these vehicles are representative of the types of vehicle available both below and above 50kw and are readily advertised on motorcycle dealer websites.

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[4] DSA Motorcycle trainer managers who make site visits to trainer premises

[5] DSA Motorcycle trainer managers making site visits to trainer premises

[6] DSA Motorcycle Test Examiners and Motorcycle Trainer Managers who deliver driving tests and visit trainer premises for quality assurance purposes

[7] As viewed by DSA Motorcycle Managers at trainers premises and DSA Examiners on test sites.

[8] 40kw is a minimum requirement, some trainers currently use motorcycles above this (current minimum specification and which are also above the new 50kw specification)

[9] Research conducted by DSA Motorcycle experts and information provided by MCITA

[10] From vehicles viewed by DSA examiners and motorcycle managers that are used for motorcycle training and tests

6.3.10 We understand from discussions with trainers and the Motorcycle Industry Training Association that they would not normally pay the full on-road price. Trainers would normally negotiate a discount price with dealers including a "trade-in" price, allowed when they refresh their machines after a number of years. We understand from anecdotal evidence from trainers that it typically costs them around £5,000 per motorcycle (although this may not be the BMW model). A motorcycle trainer spoken to recently, currently uses Yamaha XJ600 models with a power output of 53kw which satisfies current and future engine power requirements. These models retail for around £6,700, although the trainer negotiated a price of £5,000 per motorcycle from the dealer. The trainer stated that he expects to get around £2,000 trade-in price when he refreshes his vehicles in 4 years' time. The full cost of replacing motorcycles is not an additional cost of Option 1 as it is normal practice for all trainers to replace vehicles after a period of training use as stated in Paragraph 6.5.8 above.

6.3.11 Table 1 below provides examples of motorcycles currently used for training below the 50kw requirements and motorcycles used for training that meet the 50kw training requirements that are currently used for the motorcycle test, with their typical retail price[11]. These examples show that 50kw and above training motorcycles are available, that are comparable in price with motorcycles below 50kw. We are unable to determine how many trainers currently meet the 50kw requirements and so it is difficult to monetise any impact, although a local trainer conducting research determined that most trainers in his locality already used motorcycles slightly above 50kw. We suspect, given that trainers will be refreshing their motorcycles during the 5-years up to the new requirements being brought in, that there will be will be some difference in price between a model that is < 50kw against a model of motorcycle that is >50kw, but we do not expect it to be significant, as trainers are able to source vehicles above 50kw that are comparable in price to vehicles below 50kw. The content of the test will not change.

Table 1

Manufacturer	Model Name	Below 50kw	Above 50kw	Price £
BMW	F650GS	Yes		£6,195
Ducati	Monster 620	Yes		£6,826
Honda	NC700	Yes		£6,800
Honda	Hornet		Yes	£7,300
Hyosung	GV700	Yes		£5,799
Hyosung	GT650		Yes	£5,199
Kawasaki	Versys 650	Yes		£6,999
Suzuki	SFV650/A Gladius		Yes	£6,199
Yamaha	XJ600		Yes	£6,700

Consultees were invited to submit any additional evidence available on the costs to business from these changes. In particular, consultees were invited to submit any additional evidence that is available on a) the difference in cost for trainers between motorcycles they currently use and motorcycles they will need to use come 2018, b) whether they consider that it is likely that this difference in cost will be significant and c) the number of vehicles meeting the new standards that trainers will need to purchase.

No evidence was received in response to the above invitation. Neither did responders express an opinion on whether any difference in costs between current vehicles and those they will need to use in 2018, would be significant; or on the number of vehicles they will need to purchase.

[11] Taken from motorcycle retail websites

Cost/Benefits to the public sector

6.3.12 DSA has not identified any costs to the public sector.

Environmental Costs

6.3.13 We are unable to determine the cost of any environmental impact, but assume it will be insignificant as there is very little or no difference in actual size between a vehicle below 50kw and one above 50kw. It merely means that a rider may get a bit more power out of the engine and given that all riders must adhere to the same road traffic speeds, our assumptions is that this is unlikely to result in any difference in vehicle emissions. A short survey carried out by a local trainer and reported verbally to DSA, found that many trainers were already using motorcycles slightly above 50kw. It is therefore assumed that trainers will not greatly change the models of motorcycles that they currently use and that where trainers are still using motorcycles below 50kw, they are unlikely to opt to use vehicles significantly above 50kw to meet future requirements. The difference in power between a motorcycle that is below 50kw and one above slightly above it 50kw, is insignificant according to motorcycle riders.

Consultees were invited to submit any additional evidence that is available on whether there would be a difference in vehicle emissions between a vehicle below 50kw and one above 50kw. No evidence or comments were received.

<u>Lorry and Bus Vehicle Changes</u>

6.4 The Introduction of a New Type of Test for Non-Professional Medium Sized Lorry Drivers (Category C1) as Shown on the Licence by a New Restriction Code

6.4.1 This change is optional in the Directive. This change currently offers no benefits for business as it relates to non-professional drivers, which are persons who would be driving the vehicle on a non-commercial, non-profit making basis. Businesses require professional drivers with full, unrestricted driving licences who are trained to drive for a living. The change will only apply to non-professional drivers and if introduced, would require the development of an additional test, the cost of which would need to be recovered from those taking the test. As we currently deliver an insignificant number of tests in this vehicle category[12], it is unlikely that the cost would justify the introduction of an additional test (see below from Paragraph 6.4.4 onwards). The DSA therefore does not intend to introduce this change. But we will review this decision and will look to whether this change would offer any benefit in the future, when the driving theory and practical tests are next reviewed which is likely to be in around 3 years' time.

6.4.2 Member States have the option of introducing a new restricted test for drivers of category C1 and C1+E vehicles (medium sized lorries with and without a trailer) who do not wish to drive professionally. The vehicle used would not have to be fitted with a tachograph and questions relating to drivers hours would be removed from the test. The use of the licence would be limited to non-professional driving and a new restriction code would be put onto the driving licence to show this restriction.

6.4.3 A vehicle used for this new test would still need to meet all of the other minimum test vehicle requirements for the category. After a driver had taken and passed the test they would have a restriction code 97 put onto their licence. This code would restrict the driver to only being able to drive a vehicle in a non-professional, non-commercial capacity. If the driver wished to drive such vehicles in a professional/commercial capacity, i.e. for work, they would need to retake an original C1 test and pay the cost of that test. The new adapted test would not differ in any significant way to the current test, apart from some minor difference in questions, around drivers' hours (the tachograph).

6.4.4 Although the change to the test may seem minor, it would involve introducing an almost identical test with slightly different questions which would be costly. To introduce a new test, changes would need to be made to IT booking systems and IT systems that link to the Driver and Vehicle Licensing Agency, to record the result of the test and to tell them to issue a driving licence with a restriction code on it. These changes would be costly (see costs at Table 2 below). The costs would need to be recovered

[12] In 2011/2012 2,141 C1 tests were delivered which was 5% of the overall number of Lorry tests delivered

from those persons booking the new test. Because of the low number of drivers currently taking the C1 test (2,141 over the last year), the DSA suspect that not enough persons would take the newer test to enable it to recover the costs of delivering it. DSA understands[13] that there are very few non-professional drivers that take a C1 test (see Paragraph 6.4.5). The vast majority of lorry drivers opt to take a test in the higher category which provides them with a licence to drive the largest lorries on the road which means they can also drive smaller vehicles[14]. Her Majesty's Treasury sets the rules regarding cost recovery systems which Government departments must abide by. The Treasury requires that the user of any service must pay the cost of using that service and not expect others who do not make use of the service to pay for it – this is known as the "user pays" principle. If there was not sufficient demand for the additional C1 test, the recovery of the costs of introducing it would need to be recovered from other services. This would be unfair.

6.4.5 DSA believes from trainers bringing vehicles to driving test centres that the majority of C1 driving tests are taken by drivers wishing to acquire the licence for employment purposes, such as gaining employment as delivery drivers, local authority/NHS drivers, but that this need is declining as employers are looking for drivers who are able to drive larger vehicles (large lorries), not smaller ones. According to the Skills for Logistics[15] (the sector skills council for the road freight transport sector) in recent years the UK and European transport sector has been suffering from a shortage of skilled professional drivers (estimates showed that nearly 1,456 extra drivers were needed in the UK and nearly 75,000 across Europe in 2008) (SamekLodovici*et al.* 2009).

6.4.6 Professional driver trainers and employers with in-house training facilities who mainly provide training in larger vehicles[16] are providing training in smaller C1 vehicles. These vehicles will already be meeting all of the other, minimum EU test vehicle standards and will have a tachograph fitted. Because of the already low numbers of candidates for these tests (in 2011/2012 DSA delivered 2,141 C1 tests), DSA understands from talking to trainers that it is highly unlikely that they would invest in training vehicles other than those meeting all of the required vehicle standards for the driving test. Trainers feel that they would have no guarantee that it would be worth their while financially to do this, especially as they feel that their future is in large vehicle training and not C1 training. DSA is unable to predict the number of drivers who might want to take the new test, but given the low take-up rate of C1 tests in the past, we can deductively assume that it would be low. Businesses would require drivers seeking employment to undertake a professional C1 test.

6.4.7 It could also be argued, that continuing to deliver questions on the amount of driving a driver is allowed to do before taking a rest, has a benefit for road safety. All drivers should be aware of the need for rest and of not undergoing continuous driving. Sleep deprivation and driver fatigue have been shown to be a major cause of road traffic accidents[17] and can impair judgement as much as alcohol.

Costs/Benefits

6.4.8 To introduce a new test and make similar changes to IT systems as we have been required to do in the past[18], DSA expects the cost to be in the region of £350,000 for the theory test and £310,000 for the practical test. DVLA systems costs would additionally, be in the region of between £190,000 - £220,000, we have used £200,000 as a medium range estimate. These costs would need to be recovered from the users of the new service: there were 2141 C1 tests in 2011/12 at a cost of £115 per test. If we assume purely for a demonstration of how the costs could work out that all of the 2141 tests conducted last year may have preferred a restricted licence, and that, that figure may remain constant over a usual 7-year cost recovery period[19]; the additional charge to each driver could be approximately £57 giving a total cost of £172 per driver per test. This figure is worked out in the table below.

[13] Examiners at testing stations

[14] In 2011/12 46,549 Large vehicle tests were taken

[15] SFL Report - *A Looming Driver Shortage*, April 2012

[16] Large Goods Vehicles Drivers registered with DSA to provide driver training.

[17] Department for Transport - Road Safety Web Publication No 21 – Fatigue and Road Safety Feb 2011

[18] To introduce new category A2 for the 3rd Directive

[19] It is usual that cost recovery is undertaken by the Agency over a 7-year period as that is the usual timescale the Agency adheres to, for refreshing contracts. This is in accordance with Treasury guidelines.

6.4.9 No direct costs or benefits to business from this proposal have been identified. From talking to trainers, it is assumed that there would be no change in revenues for trainers if this test was introduced. Costs would fall to the public sector which would need to be recovered from users of the service i.e. individual candidates. Given the lack of benefit, the negative response from stakeholders and the cost of making the changes the DSA is not proposing to introduce this option at this time. But, the DSA will consider the possibility of introducing a separate C1practical test (allowing drivers to present for test in their own vehicle without a tachograph), and amending IT booking systems in the future, when other IT system changes are made. This would mitigate the cost of the changes.

Table 2

C1 (restricted) test	
Development of theory test	£350,000
Development of practical test	£310,000
DVLA system costs	£200,000
Total	**£860,000.00**
2141 X 7 yrs + cost recovery period	14,987
£860,000 divided by 14,987	£57
Cost of current C1 test	£115
Total Cost of new restricted test (best case scenario)	**£172**

6.4.10 If the number of persons wishing to take the restricted test was lower than 2141 per annum, the cost could reasonably be increased. If individuals at a later date wish to become professional drivers they will be required to undertake a full C1 test again at a cost of £115. We have no way of knowing how many drivers would wish to do this.

Consultees were invited to submit any additional evidence available on any costs and benefits that would result from this change. No evidence was received.

6.5 Minimum Test Vehicle Standards for Lorries

Currently, all vehicles used for driving tests must meet minimum standards, commonly known as "minimum test vehicle standards". These standards are set out in European and UK legislation. The Directive makes changes to those standards for lorries which are discussed below:

6.5.1 Removing the need for 8 forward gear ratios for category C vehicles used for the large vehicle test - DSA did not consult on this as it is required in the Directive

6.5.2 When the EU legislation was introduced some 13 years ago in 2000, it included a requirement that large lorries used for the driving test must have 8-forward gear ratios. This change, would remove the need for category C vehicles (large lorries) to have 8 forward gear ratios when presented for test. In recent years, manufacturers have moved to phase out production of the types of vehicles that were commonly used some 13 years ago when the former EU legislation was introduced. The EU Commission has acknowledged in the Directive that technological advances in vehicle design and technology have resulted in an increase in the production and use of more modern, safer and more energy efficient vehicles that do not have 8-forward gear ratios. These newer vehicles are equipped with semi-automatic or hybrid transmission systems that according to manufacturer's, are designed *"to continually adapt to the environment, taking into account factors such as road inclination, train weight and engine characteristics, as well as the position of the accelerator pedal to match the response to the speed of the pedal movement. Early down-changes are made to maintain speed on hills without wasting fuel".*[20]

6.5.3 Because of the move by manufacturers to cease production of the older types of vehicle, trainers inform us that it can be difficult and expensive to find a vehicle that meets the outdated standard, of 8 forward gear ratios required by the previous EU legislation. This change therefore proposes that the minimum standard for the vehicle used on test does not include this requirement.

[20] ScaniaOpticruise website

6.5.4 From discussions with trainers and the DSA's own Large Vehicle examiners, we understand that this proposal would have no adverse impact upon road safety and instead may have benefits, as trainers will be providing training in the types of vehicle that the driver will be required to operate once they have passed their driving lorry test. Large vehicle drivers are already required to undertake statutory on-going training every five years to maintain their professionalism and are more heavily regulated than other drivers on the road today. The DSA proposes to amend legislation so that candidates for the large vehicle (lorry) test are no longer restricted to using a vehicle with 8-forward gear ratios. However, if trainers or employers have these vehicles in use, it will be their choice of whether they continue to use them for test. DSA will continue to accept them as test vehicles as long as they remain legally roadworthy.

Costs/Benefits

Costs to business

6.5.6 No direct costs to business have been identified. The flexibility allowed by this change would give trainers a greater number of options when presenting vehicles for test and allow them to utilise the newer more readily available vehicles that are on the market. This would not require them to replace their existing stock. But it would mean that they are able to buy the most economical and suitable vehicles when they replace their fleet for use on test (see Benefits section below).

6.5.7 To continue with a vehicle that has 8-forward gear ratios would restrict trainers and employers to sourcing a bespoke, heavier vehicle purely for the use of the test - a vehicle that is no longer representative of the type of vehicles that are being manufactured to take account of new rules on energy efficiency and sustainable transport systems.

Cost to the public sector

6.5.8 The ability of trainers to present vehicles without the 8 forward gear ratios for test will not result in any significant costs to the public sector. There will be no need for systems to be changed to accommodate this amendment to the current arrangements. We have already published details concerning this change and will update test candidates about changes as a part of the "business as usual" communications that we use – namely, face-book, internet, twitter and DSA e-newsletters, as well as sharing with representative groups for their newsletters.

6.5.9 For examiners, the only potential change is that examiners will need to assess performance on more vehicles that do not have the 8 forward gear ratios. This will not impact on costs as large vehicle examiners are already required under the 3rd Directive to undertake periodic training on an annual basis to update and refresh their examining skills. The Agency will include familiarisation of these vehicles in the annual training, but many examiners are already aware of these vehicles and how they operate.

Benefits

Benefits to business

6.5.10 We have not been able to monetise the benefits to business, as we are unable to say when trainers will stop using older vehicles with 8-forward gear ratios. DSA know that the older vehicles are becoming more and more difficult to find and so assume that once the legislative change is made, trainers will opt to use different, more modern vehicles. But, DSA also assume that trainers will continue to use existing vehicles until such time as they are due to replace them – we do not know when this is likely to be. The DSA has three vehicles with 8-forward gear ratios that have been used since 2001; it is likely that we will opt to change those vehicles next year, as they are coming to the end of their usefulness as training vehicles for DSA examiners.

6.5.11 There will be greater flexibility to training organisations in deciding what vehicle should be presented for test. This could enable them to make greater use of their fleet, if that fleet contains vehicles without 8 forward gears. It will also allow them to purchase a wider range of new vehicles, for use not simply for training but in addition, for test when they need to refresh their vehicles. We do not know to what extent trainers or employers would look to changing their vehicles. Manufacturers are producing lighter, more technologically advanced, automatic or semi-automatic vehicles that have less gear ratios and are far more energy efficient.

6.5.12 Some examples (but not exclusive) of the types of vehicle with energy efficient transmission systems, that are being produced are given below[21]:

> "*The gear changing strategy is designed to continually adapt to the environment, taking into account factors such as road inclination, train weight and engine characteristics, as well as the position of the accelerator pedal to match the response to the speed of the pedal movement. Early downchanges are made to maintain speed on hills without wasting fuel".*
>
> *"I-Shift is designed to save fuel. First of all, the internal energy losses are low – actually lower than on manual gearboxes. However it's the electronics that really make the difference. When driving in Economy mode, every gearchange is timed precisely, to let the engine work at its most efficient rpm range.*

Consultees were invited to submit any additional evidence available on the benefits to business from these changes. In particular, consultees were invited to submit any additional evidence available on a) the difference in cost for trainers between vehicles with and without 8 forward gears, b) whether they considered that it was likely that this difference in cost would be significant and c) the number of relevant vehicles that trainers would need to purchase.

No evidence was received on either the costs or benefits.

Benefits to the public sector

6.5.13 We have not identified any benefits to the public sector from the change.

Environmental impacts

6.5.15 We are unable to determine the extent of any environmental impact as we do not know to what extent trainers or employers would change their vehicles to acquire more energy efficient ones with different gear ratios. We therefore assume that over time, benefits will be realised as the demand and availability of more polluting, less energy efficient vehicles declines[22].

Consultees were invited to submit any additional evidence that is available on whether there would be a difference in vehicle emissions. No evidence was received.

6.6 Allowing those persons who take a lorry or bus test on an automatic vehicle to gain a manual entitlement for those vehicles, if they already hold a manual entitlement in the following categories: B, BE, C, CE, C1, C1E, D, DE, D1E

6.6.1 At present, where a driver holds a car driving licence, and then takes his lorry or bus test on an automatic vehicle, his driving licence will restrict him to only being able to drive large automatic vehicles. This change removes this restriction. In future, if a driver takes their large vehicle test on an automatic vehicle, as long as they already hold a manual entitlement for another vehicle, they will not be restricted to driving large automatic vehicles. So, a driver who had passed a test on a manually operated vehicle (other than motorcycles) would be able to hold a manual driving licence on another vehicle, even if they had taken a test on an automatic vehicle.

6.6.2 We will also extend this relaxation to current holders of a large vehicle automatic licence, as long as they also hold a manual entitlement in another category (except motorcycles). Their licence would be updated when they exchanged it for any reason - NB large vehicle drivers are required to update their driving licence every five years, so in the main it would be updated at that time. If they wished to exchange the licence earlier it would be their decision and they would be responsible for paying the cost of exchanging the licence at that time.

[21] E.g. ScaniaOpticruise, Volvo I-Shift

[22] Scania claim 10% fuel efficiency savings as a minimum against older totally manual systems

Costs

Costs to business

6.6.3 We have identified no direct costs to business. As well as being beneficial to drivers, the change will offer flexibility to driver trainers. Such trainers will have the option of being able to provide an automatic vehicle for tests where the driver has passed an earlier test, in another category, in a manual vehicle. Whilst the take up of this option may not be high – we believe that most driver trainers currently use manual vehicles (as they will have to currently comply with the requirement for 8-forward gear ratios discussed above at Section 6.5), it will not mean there is a cost to business. In future it means that driver trainers can opt to use cheaper, more readily available automatic vehicles.

6.6.4 DSA do not believe that this change would have any effect upon road safety. Large vehicle drivers will have already proved competence in a manual vehicle in a lower category, which may be a slightly smaller lorry or bus (categories C1 and D1). Large vehicle drivers or vocational drivers as they are commonly known are also required to undertake regular, statutory, periodic training to maintain their driving competence and professionalism. This is not a requirement made of either car drivers or motorcycles riders. It is also relevant that manufacturers are phasing out the production of manual vehicles and increasingly producing vehicles that have either a semi-automatic or hybrid transmission system, that are more energy efficient (see Section 6.5 above).

Consultees were invited to submit any additional evidence that is available on whether there would be any effect upon road safety. No evidence was received.

Costs to the public sector

6.6.5 There will be no significant costs to the public sector as a result of this change. It will not require changes to IT systems. The DSA will deal with the change administratively on the driving test report form by marking it as a manual test pass if the candidate already holds a driving licence that shows a manual entitlement in another vehicle category. All Driving Examiners are required to check the driving licence when a candidate attends for a test and they record the driving test result on the report form which is then sent digitally to DVLA. DVLA then issue the licence to the candidate. The expertise held by driving examiners will be the same irrespective of whether the test is taken in a manual or automatic vehicle. Neither will there be any additional administrative inconvenience.

Benefits

Benefits to business

6.6.6 The legislation is designed to take account of the increasing development and use in the transport industry of more modern, safer and less polluting vehicles, that are equipped with a range of semi-automatic and hybrid transmission systems. Manufactures are moving away from producing manual vehicles which will make it increasingly difficult for trainers to find such vehicles in the future. We are unable to monetise the benefits to business from this change, the same as for Section 6.5 above, as we have no idea to what extent trainers will move to purchase automatic vehicles for candidates to take their test in. The flexibility allowed by this change is therefore non-monetised as it will give trainers a greater number of options when presenting vehicles for test. Driver trainers will have a choice about whether those drivers who already hold a driving licence in a manual vehicle will need to use such a vehicle on their next test. This would not require them to replace their existing stock. But it would mean that they are able to buy the most economical and suitable vehicles when they replace their fleet for use on test.

Consultees were invited to submit any additional evidence that is available on any benefits to business due to this change. No evidence was received.

Benefits to the environment

6.6.7 To the extent that more suitable vehicles are used, this may be environmental benefits as a result of this change, but again, it has not been possible to monetise these potential benefits for the reasons outlined in the previous section. However, we know from manufacturer's websites that vehicles which use intelligent, automated gear change systems are more energy efficient and less polluting and that these vehicles have been put through a vigorous testing process to verify these claims. We are also

aware that many of the newer more fuel efficient vehicles are also designed to operate using commercially available biofuels.

Consultees were invited to submit any additional evidence that is available on whether there would be any benefits to the environment due to this change. No evidence was received.

Benefits to the public sector
6.6.8 We have not identified any benefits to the public sector from the change. There will be no extra charges for tests in manual or automatic vehicles and we do not expect an increase in numbers of candidates as a result.

7. ONE IN TWO OUT

Copy out is being used to implement all but one of the requirements of the Directive, which is optional. The decision not to implement this change has been made [on the basis that it is the least burdensome option – adopting the option would not offer any benefit], it would introduce costs and it cannot be shown that there is a need for the change (see section 6.4 above). The proposals are out of scope of One In Two Out as the measure is EU in origin and we propose to adopt all derogations.

8. Equality Analysis

DSA has been unable to identify any impact from the proposed changes on any of the groups with protected characteristics.

Competition Assessment/Small Firms Impact Test

DSA does not consider that the introduction of these changes will restrict competition or lead to significant economic costs. There will be some difference in cost for trainers between motorcycles they currently use and motorcycles they will need to use come 2018, but we do not expect it to be significant In March 2011, the Government announced a moratorium on new regulations affecting micro businesses - those with less than 10 employees - and start-ups from April 2011 until 2014. The majority of these proposals offer a relaxation of current regulations which are considered to provide benefits for small businesses, albeit unproven. The proposals that are likely to involve burden (increase in motorcycle engine power and a minimum weight requirement) will not be introduced for at least 5 years, during which time those affected (driver trainers), will be required to replace their existing training stock due to normal wear and tear. Thus, any impact is greatly mitigated. From looking at prices on dealership websites for motorcycles that meet current requirements and those that meet future requirements, there is likely to be no significant increase in costs, if any.

Impacts on Greenhouse Gases/Wider Environment
The DSA believes that the introduction of these changes has the potential (albeit unproven) to have a positive impact upon emissions and the wider environment. The legislation offers a relaxation to current rules that will allow for and encourage, greater use of safer, more energy efficient, less polluting large vehicles. We have no discernible way of measuring the benefits of the relaxation of the rules governing driving test vehicles, as we have no way of knowing to what extent trainers will replace their current, older and more polluting training vehicles with newer models.

Risks and Assumptions
Our assumption is that the majority of the changes will be welcomed by the training industry at large, as many trainers have already been in touch with DSA concerning the types of training vehicles that they wish to use from next January for both driving tests and training for the test. Many of those already spoken to would like the changes introduced sooner rather than later.

The Agency also assumes that, motorcycle trainers will naturally; replace their vehicles during the next five years due to wear and tear.

Review

It is Government policy to review legislation after a “settling in” period to determine the impact upon business/stakeholders. The recommended period of time for a review is 5 years. We therefore intend to review the policy 5 years from implementation of the changes that will enter into force from December 31 2013 and 5 years from implementation of the changes due to enter into force from December 31 2018.