



Driver & Vehicle
Standards
Agency

Driving theory test fee changes 2014 to 2015

Response to consultation

A report on the consultation paper on changes to the fees charged for driving theory tests.

Executive summary

1. This paper reports the outcome of the Driver and Vehicle Standards Agency's (DVSA's) consultation exercise about reductions in fees charged for driving theory tests. The consultation was held between 10 April and 15 May 2014.
2. The consultation paper proposed that the fees for theory tests provided by DVSA would be reduced. The headline figure was a £6 reduction in the fee for a car theory test from £31 to £25 in October 2014 and a further £2 fall to £23 in October 2015. These reductions would pass on to customers savings arising from a revised contractual arrangement with the test supplier.
3. The following is the full range of proposals:

Proposed changes to test fees			
	Current fee per test	New fee per test - October 2014	New fee per test - October 2015
Car theory test	£31	£25	£23
Abridged theory test	£24	£19	£18
Motorcycle theory test	£31	£25	£23
Lorry and bus licence acquisition multiple choice questions	£35	£28	£26
Lorry and bus licence acquisition hazard perception test	£15	£12	£11
Driver Certificate of Professional Competence (CPC) theory test	£30	£24	£23
Delegated car and motorcycle theory test	£18.50	£15	£15
Delegated Driver CPC theory test	£30	£27	£26
Delegated hazard perception test	£9	£9	£9
Delegated multiple choice questions	£20	£12	£12
Approved driving instructor (ADI) theory test	£90	£83	£81

4. There was broad support for the proposal to reduce test fees. Following careful consideration of the responses received, ministers have decided to introduce the reduced fees as proposed, subject to the necessary legislative changes being made.

Introduction

5. On 10 April 2014, DVSA published a consultation paper: 'Driving theory test fee changes 2014/15'. The consultation was conducted online; the consultation paper was available on GOV.UK. The closing date for responding was 15 May 2014.

Responses to the consultation exercise

6. We received 281 responses overall, 272 of which responded directly to the question 'do you agree with the proposal to reduce theory test fees'. Those responding included driver trainers, representatives of driving instructors and members of the public. The larger stakeholder organisations who responded included UK Bus, a Division of First Group plc and the Freight Transport Association. A breakdown of the responses is given in Annex A.
7. Ministers would like to thank everyone who contributed to this consultation.

Summary of views

8. The proposal to reduce fees for theory tests received support from the majority of those who responded. The overall view was that driving test fees were high and a decrease was welcome in order to reduce the cost to learner drivers, even though some felt the reduction was small in comparison with the overall cost of learning to drive.
9. Ministers are pleased with the overall level of support for the proposed fee reductions. It is acknowledged that the decreases can be seen as low compared with the investment a new driver makes in becoming qualified. But this is not considered to undermine the aims of the proposal, taking into account that the biggest outgoing in learning to drive is for driving tuition – and the opportunity for a fee reduction for a single test event is inevitably limited in comparison with the total cost of regular lessons. Overall, the benefit derived from a moderate saving is of value to a learner driver.
10. There were a variety of comments made about the proposals, from the cost and delivery of the theory test to wider driving-related issues. The following are the main points made.

Service provided and future increases

11. Some considered that it was important for the fee to cover costs of the service, others that there should be no reduction in the quality provided, now or in the future. DVSA can assure respondents that the service will not be adversely affected by the decrease. The change is as a result of a revised contractual arrangement and the continuation of the level of service provided is an essential prerequisite of those new arrangements.
12. There was also concern about future increases, especially in view of the need to rebalance other fees, which was discussed in the consultation paper. This concern is acknowledged, as is the desire to see other fees fall. As explained in the consultation paper, it is necessary to consider the overall balance of cost and income across all categories of test and to avoid a situation where fees received in one area of our activity subsidise others. Any proposals to re-balance our fees will be subject to separate consultation.
13. Others saw the reduction as merely a publicity exercise, which it is not - it is a genuine transfer of saving from government to individual fee payers.

Value of the test

14. Some considered that, by decreasing the fee, the test could be devalued. This may mean that some candidates were encouraged by the low cost of the test to make speculative attempts at it without proper preparation.
15. It is not accepted that a reduction in fee of the level proposed will devalue the theory test, which will remain a challenging part of the driver qualification process. There will be no change to the standard required and, whilst the proposed reduction may make the test more affordable, it will not enable candidates to take repeated tests without significant cost, nor will it make it easier to pass. As such, we do not expect more candidates to display a lack of preparation for the test, nor do we expect an increase in repeat applicants, or a rise in waiting times.

Alternative use of the contractual saving – practical and theory tests

16. Some respondents made suggestions about alternative ways the contractual saving could be used, in relation to both practical and theory tests. These included:

- a reduced fee for those re-taking the theory test
 - a partial refund of the fee to those who had paid for a theory test before the reduction
 - a reduced fee for the practical test
 - rather than the proposed staged decrease, a larger reduction now, followed by a review in 3 years' time
 - lower waiting times
17. All of these suggestions have merit. There are, however, rules that must be followed about how public money is spent. HM Treasury guidance¹ states 'The impact of lower costs should normally be passed on to consumers in lower charges'. In addition, an underlying principle supporting the management of the agency's finances is the 'user pays' principle. This requires the service delivered to be funded by the users of that service, rather than subsidised by another activity. As a result, we could not use the saving in the theory test to reduce the fee for the practical test.
18. It would also be inappropriate to refund those who have taken the theory test previously. These candidates paid the fee that was applicable at the time of booking and there is no provision for refunding this because of subsequent savings. We also consider it preferable to set out the longer term approach to the refund at the outset, so candidates know where they stand, rather than implementing part of it now and reviewing the situation later.

Alternative use of the contractual saving – other suggestions

19. Other suggestions for using the saving included:
- offsetting the deficit in other areas of government spending
 - reducing the road fund licence or fuel duty
 - repairing roads
 - seeking a reduction in insurance
 - improving funding for new initiatives to promote road safety, like speed awareness courses, training material and voluntary assessments for those aged over 65
20. Again, the 'user pays' principle precludes using the savings in any area other than the theory test. With regard to car insurance, whilst the government already supports keeping this as low as possible, it is the remit of private sector providers

¹ Managing Public Money, section 6.23

to set the appropriate level of premiums, and our ability to influence charges is limited.

21. In addition, there was a suggestion that the fee should be increased, to reduce traffic on the UK's roads. The purpose of the fee is to recover the costs to DVSA of providing the theory test service. It is not permissible for us to set it at a punitive level to restrict access to a full driving licence. The aim of this proposal is to reduce costs to potential motorists, albeit moderately, and, in so doing, to offer a small increase in the opportunities available to learner drivers from acquisition of a full driving licence.

Other suggestions

22. Some respondents made suggestions, relating to both theory test and elsewhere, that are outside the scope of the consultation. These included:
 - a requirement for the test to be taken on the same day as the practical test, to focus the mind of learner drivers on the need to learn
 - disclosure of questions that a candidate answered incorrectly, so they know where to improve
 - combining the test for cars and motorcycles
 - the questions being more relevant to on-road driving
 - the multiple choice and hazard perception test elements being taken as separate modules, with a pass in one being 'banked'
 - a lower pass mark for candidates with learning needs
 - 'local' theory test centres, perhaps similar to those used for practical testing, at shops or supermarkets
23. There is no prescriptive timetable for when the theory and practical tests are taken (other than the requirement for the practical test to be passed within 2 years of the theory). We have no plans to change this. Indeed we would encourage the learning of driving theory to be done at the same time as practical training is undertaken so that learners can understand the relevance of the theory.
24. We also want candidates to prepare fully for each test. Disclosure of questions that were answered incorrectly would mean that they focussed only on those where they were unsuccessful, to detriment of wider learning. We also want to encourage full preparation in the category of the test to be taken.
25. Combining the car and motorcycle tests is not possible under European legislation from which the driving test is derived, but nor would we want to do this

as it would be likely to result in a less specific approach to, and resultant dilution of, this learning.

26. The theory test is considered to be one single test, comprising the 2 elements of theoretical knowledge and hazard perception, providing a comprehensive assessment of a candidate's understanding of the issues affecting driving and traffic awareness. It also assists with costs of compliance. Holding each section separately would mean that a candidate was expected to attend for 2 test events, increasing the cost and inconvenience of the test.
27. With regard to the location of test centres, this is arranged by the contractor delivering the theory test who uses an agreed set of criteria depending upon market forces. Some of the criteria used for delivery of the test are:
 - locations of theory test centres are based upon population densities² - the greater the density, the more tests centre provision provided
 - for sparsely populated locations such as rural locations, mobile test centres are provided that travel to and around the areas
 - the provider must offer an 'out of hours' service such as evenings and weekends to enable persons to take the test who may otherwise not find it convenient to take the test during normal weekday/daytime hours
28. Other suggestions included a relaxation of the arrangement where motorcycle candidates need to take compulsory basic training every 2 years and a rule for candidates to produce bank details on test to reduce fraud. It would not be appropriate to comment on these points as they are not relevant to the consultation.

General comments

29. We also asked for general comments on the consultation. Those received tended to reflect those made on the specific proposal to reduce fees. There were, however, some additional points made.

Hazard perception test

30. Specific suggestions under this section included a review of the hazard perception test, which a small number saw as unrealistic and confusing. DVSA is already working on refreshing the clips used, which are now some years old. It is

² National Audit Office statistics

expected that the new clips will more readily match current on-road driving experience.

Theory test and provisional licence

31. It was suggested that a candidate should have to pass the theory test before obtaining a provisional licence, which was an arrangement that applied in other parts of the world and would mean that the driver had some understanding of road safety issues before driving. It was questioned whether the test had improved road safety.
32. At present, there are no plans to change the current arrangements. We consider that driving tuition is most effective when both theoretical and practical elements are integrated. The student learns the rules and principles behind driving, as well as how to identify hazards, at the same time as the practical skills required to operate the vehicle. In addition, learner drivers are supervised by a qualified driver which reduces risk of an accident during training.
33. The effect of a particular intervention on road casualties is difficult to prove. Many different factors play a part, for example vehicle design and traffic calming measures. However, the number of those killed has fallen in a short space of time, since the theory test was introduced in 1996. Towards the end of the 1990s, there were 3,500 people killed each year on Britain's roads³. This compares with 1,754 in 2012⁴. It is considered that the theory test must have played some part in this reduction.

Special needs

34. It was suggested that the service to customers could be improved by giving consideration to improving the test for special needs candidates, such as changing background and fonts on the screen, and giving help to those with dyslexia.
35. In response to this point, special arrangements are already in place to help candidates with special needs. These include voiceovers in English or Welsh, more time to undertake the multiple-choice part of the theory test, the option to take the theory test in British Sign Language (BSL), or being accompanied by an

³ Tomorrow's Roads – Safer For Everyone (Department for Transport, Local Government and the Regions, 2000)

⁴ Reported Road Casualties in Great Britain: Main Results 2012 (Department for Transport 2013)

interpreter if a candidate does not use BSL. We keep our arrangements for special needs candidates under constant review and engage with representative groups as appropriate about the design and presentation of theory test questions.

Other costs

36. On driver testing and training issues generally, it was suggested that there should be a review of the price of driving lessons and use of the ADI's car, and an end to third party websites. One respondent suggested that the cost of 35 hours CPC periodic training should fall. Alternatively, the requirement could be removed altogether as trainees were generally knowledgeable and could satisfy the requirement by attending the same module 5 times. It was suggested that candidates should have a second practical test 12 to 18 months after the first to check bad habits.
37. On these points, it is not possible for DVSA to affect the price of lessons or CPC periodic training. These areas are privately operated, outside DVSA's sphere of influence, and the market price at the time of the lesson will apply to any training undertaken. The requirement to undertake CPC periodic training is specified in the CPC Directive⁵. There is a wide degree of discretion over the training undertaken. This applies to professional drivers and we would expect them and their employers, to ensure that the training is varied in content and applicable to the work they carry out.
38. Unofficial websites are an issue for a number of departments. These sites are perfectly legal as long as they are not misrepresenting themselves as the official government department. DVSA always advises customers to check they are on the official GOV.UK site by studying the web address which will have gov.uk as a part of the address. Following a meeting between various cross government departments and search engine suppliers, an agreement was made to remove misleading advertisements and to do more to emphasise 'official' government sites. A complaint form is also provided by the search engine supplier for consumers who feel the search engine has intentionally misdirected them to a website other than the official government one.
39. Other than the provisions which apply under the New Drivers Act, to those who commit serious offences in their first 2 years of driving, there are no proposals to require candidates to take a second practical test. It is considered that the driving test is a comprehensive assessment of a candidate's ability. We are, however,

⁵ Directive 2003/59 EC. This is transposed into British law by the Vehicles Drivers (Certificates of Professional Competence) Regulations 2007.

continually reviewing the driver testing process to make it as robust as possible in preparing learner drivers for a career in driving on Britain's roads.

Comments on the impact assessment

40. In the draft Impact Assessment (IA) we estimated the costs and benefits likely to arise from the proposals. There were no comments which suggested an alternative method of assessment, or which would alter the calculations.
41. As there were no substantive amendments suggested, no changes have been made to the draft IA. This is the final version and is published alongside this response to consultation.

Decisions taken

42. Ministers would like to thank those who responded to the consultation. There were some interesting points made with regard to the theory test fees and these have proved helpful in the decision making process. The suggestions on issues outside the scope of this consultation have also been gratefully received.
43. Ministers have carefully considered the views expressed. They have taken into account the strength of feeling in favour of reducing the theory test fees and the concerns about the issues outlined above, such as devaluing the test and the need to fund other areas of road safety and government spending generally.
44. They have concluded that the reduction in the cost to DVSA, for delivery of the theory test, should be passed onto candidates. This will offer a benefit to prospective drivers. It also complies with the user pays principle.
45. Ministers have therefore decided that the fees for theory tests will be reduced by the amounts shown in the table under 'Executive summary' above.

Next steps

46. The changes will be implemented for tests taken from October 2014, subject to the necessary legislative changes. We will publicise the precise date for these changes on our website.

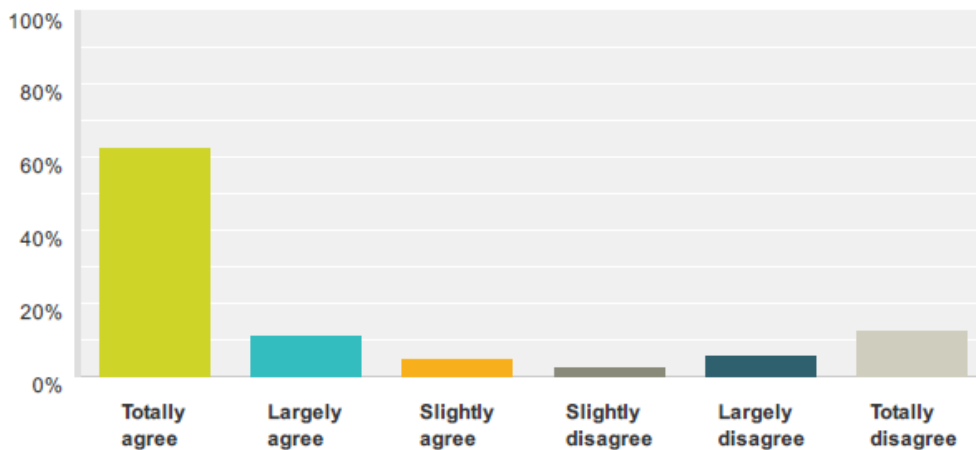
Annex A

Details of responses

Breakdown of responses by organisation type

Which of the following best describes you or who you are representing?		
	Response Percent	Response Count
Member of public	28.5%	79
Small to medium-sized enterprise (up to 50 employees)	2.2%	6
Large company	1.1%	3
Approved driving instructor	59.6%	165
Representative organisation	1.8%	5
Trade union	0.0%	0
Interest group	0.4%	1
Local government	0.0%	0
Central government	0.4%	1
Other	6.1%	17

Do you agree with the proposal to reduce the theory test fees?



Answer Choices	Responses	
Totally agree	62.50%	170
Largely agree	11.40%	31
Slightly agree	5.15%	14
Slightly disagree	2.57%	7
Largely disagree	5.88%	16
Totally disagree	12.50%	34
Total		272

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Driver and Vehicle Standards Agency
June 2014