 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business
Validation Impact Assessment (IA)	Abolition of the counterpart
Lead Department/Agency	Department for Transport
IA Number	Not provided
Origin	Domestic
Expected date of implementation	SNR 9
Date of Regulatory Triage Confirmation	Not applicable – Red Tape Challenge
Date submitted to RPC	12 November 2014
Date of RPC Validation	11 December 2014
RPC reference	RPC14-DFT-2277
Departmental Assessment	
One-in, Two-out status	IN
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	£3.72 million
RPC assessment	VALIDATED
Summary RPC comments	
<p>The validation IA is fit for purpose. The IA sets out the rationale for the proposals and provides a clear assessment and detailed monetisation of the costs and benefits. The IA explains that, although the measure will increase costs to those businesses that need to check drivers' counterpart, for example vehicle leasing companies, the measure provides significant savings to the general public and wider business community and, therefore, benefits society as a whole.</p> <p>We are able to validate the estimated costs to business of £3.72 million each year.</p>	
Background (extracts from IA)	
What is the problem under consideration? Why is government intervention necessary?	
<p><i>“The requirement for drivers to hold a paper counterpart to their driving licence is no longer the most effective way of enabling people to demonstrate their driving licence status. The current arrangements impose unnecessary burdens on motorists, DVLA and the courts and can sometimes result in the use of inaccurate information. Government intervention is required to remove the current legal provisions relating to the issue of counterparts and to establish alternative mechanisms for making driver details available.”</i></p>	

What are the policy objectives and the intended effects?

The policy objective is to enhance road safety by making driver details available on-line. This will ensure that car-hire, insurance, employment and enforcement decisions are taken on the basis of up-to-date information held on drivers licensing record. It will reduce unnecessary burdens by removing the legal obligations to issue a paper counterpart to the driving licence and provide alternative access to the information previously held on that document

RPC comments

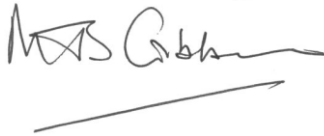
The Department proposes to replace the licence counterpart with a digital one and establish a digital enquiry service, enabling customers and stakeholders to check information held on the document securely, including driving entitlements and endorsements. The proposal aims to reduce unnecessary costs on motorists and improve road safety. Currently, paper counterparts are often out-of-date and, therefore, contain inaccurate information. Although the measure will increase costs to those businesses that need to check drivers' counterpart, for example vehicle leasing companies, the measure provides significant savings to the general public and wider business community and therefore benefits society as a whole.

Monetisation of costs and benefits

By abolishing the paper counterpart to the driving licence, the proposal will mean that businesses that need to check drivers' counterparts will face a small cost increase from additional time spent and an increase in the use of the premium rate telephone line. The increase in the use of the premium telephone line accounts for almost the entire increase in costs to business. As access to broadband and digital services increases and the DVLA develops further services to meet these business needs, the Department expects that those costs will decrease.

The rationale for the proposals is clearly set out. The IA monetises all the main costs and benefits of the proposals, such as reduction in cost from time savings and no longer needing to replace a paper counterpart. It adequately explains the non-monetised costs and benefits, for example development costs, removal of the bureaucratic burden to drivers, and improved road safety due to more up-to-date information. DVLA estimate that it will take businesses one minute of time to use the 'Share My Licence' website (page 25). Although this appears to be a relatively brief period of time for these types of checks to be undertaken, the estimate is based on user testing of the service.

The IA says that this proposal would impose a net cost on business (an 'IN') with an estimated equivalent annual net cost on business of £3.7 million. This is consistent with the current Better Regulation Framework Manual (paragraph 1.9.10) and, based on the evidence presented, appears to provide a reasonable assessment of the likely impacts. On this basis, we are able to validate the estimated net costs to business.

Signed		Michael Gibbons, Chairman
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