

Motorcycle Instructors Standards Checks v0.01

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Improvements to Compulsory Basic Training for Motorcyclists – Guidance for Examiners carrying out motorcycle trainer standards checks
Lead Regulator	Driver and Vehicle Standards Agency
Contact for enquiries	██████████ ██ ██████████

Date of assessment	14 March 2017
Commencement date	30 November 2015
Origin	Domestic/EU/International
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	England, Scotland, Wales

Brief outline of proposed new or amended regulatory activity

In 2015, DVSA consulted on a number of proposals intended to improve standards within the rider training industry and make sure learners receive training that is suited to their needs and better prepares them for riding on public roads. Although some trainers already recognised and delivered a client centred approach to training, there was evidence to suggest that many persisted in a 'one size fits all' approach. DVSA believed these trainers were more likely to issue the Compulsory Basic Training certificate (which permits a provisional driving licence holder to ride a learner motorcycle or moped unaccompanied), because a trainee has completed the required elements of the course rather than ensuring they have developed the knowledge, understanding and competency to ride unsupervised.

One of the recommendations was to change the way in which DVSA quality assures motorcycle instructors and refocus the standards check on *how* training is delivered so that it is centred on the client's learning needs.

Arrangements concerning Compulsory Basic Training syllabus and the authorisation of instructors are provided for in the Motor Vehicles (Driving Licences) Regulations 1999 (as amended). The standards check is an administrative matter and therefore did not require any amendments to legislation to effect the changed method of assessing the instructor's abilities.

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Which type of business will be affected? How many are estimated to be affected?

600 Authorised Training Bodies are permitted to provide Compulsory Basic Training. Approximately 2000 motorcycle instructors are authorised to conduct the training courses.

Typically, each instructor will undertake one standards check during the four-year period of his or her registration.

Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	30.11.2015	10	-0.03	-0.03	0.0	0

Please set out the impact to business clearly with a breakdown of costs and benefits

We consider this is a low impact – total impact is unlikely to exceed £100,000 per annum given the small number of businesses (low hundreds) affected. We have applied a best estimate of monetised impact. Indirect impacts have been identified.

Motorcycling training is typically seasonal, however because CBT is the entry route to riding a moped at 16 or small motorbike at 17 this does continue throughout the year. This lends itself to becoming an additional weekend occupation for some instructors rather than a full-time job. The Office for National Statistics does not have information about average rates of pay for CBT instructors. An internet search for CBT instructor vacancies shows remuneration of around £80 - £110 per day for part time or casual instructors and between £17,000 and £25,000 for instructors, with the higher rate applying to those qualified to conduct Direct Access Scheme training on larger bikes. A senior CBT/DAS qualified instructor in London could earn up to £30,000 per annum. According to the report “Economic Benefits of the UK Motorcycle Industry 2014” by ICF Consulting Services, on behalf of the Motor Cycle Industry Association the average wage for trainers and those in the training industry is around £27,800 – around £12.00 per hour gross.

Costs

In 2015, during the run up to the change to the standards check, DVSA invited all instructors to attend a roadshow in which DVSA officials explained the changed approach to the standards check and how it would now be conducted and scored. DVSA hosted 20 roadshows at 10 Driving Test Centres (originally, 9 locations had been identified; the 10th was added at the demand of local instructors). The events lasted approximately 1.30 hours and took place at 16.30 and 18.00 so they did not adversely impact peak training times. They were attended by between 20-30 instructors. Around 500 instructors attended overall – a quarter of the overall instructor cohort.

Attendance at initial information event: 500 instructors @ £14.40 per hour (inc 20% uplift) x 1.30 hours = £10,800 one-off cost.

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Although the guidance has been written for DVSA examiners conducting the standards checks it is assumed that an instructor would want to ensure they are familiar with how the check will be conducted beforehand to ensure they are fully prepared in advance.

The guidance is published on GOV.UK, it extends to 24 pages (5334 words) and the nine sections are hyperlinked so that specific sections can be identified and read separately. The document has been written to conform to GOV.UK Plain English standards. Based on an average reading speed of 200 words per minute (80% comprehension rate) our estimate is that it would take between 30 – 45 minutes to initially read the document. For the purposes of estimating a one-off familiarisation cost it is assumed (based on the interest generated by attendance at the initial information event) half of the overall instructor cohort will take about 1 hour to read the document and consider the contents:

Initial familiarisation with guidance: 1000 instructors @ @ £14.40 per hour (inc 20% uplift) x 1 hour = £14,400 one-off cost.

Total one-off costs = £24,000

Periodic familiarisation with guidance: 1000 instructors @ @ £14.40 per hour (inc 20% uplift) x 1 hour once every 4 years = £3,600

We have assumed that, once familiar with the guidance and regularly delivering training that is in-line with the expectations set out in standards check criteria, instructors will familiarise themselves once during the four year registration period in preparation for the check.

Benefits

It is difficult to monetarise benefits. DVSA does not charge a fee for each standard check an instructor undertakes. Where DVSA identifies that an instructor has not satisfactorily met the required standard, the examiner will provide feedback and arrange to return for another check in a couple of months' time. This provides the instructor with the opportunity to undertake any additional training necessary – there is no obligation for that training to be formal or procured from a professional body. It could be informal coaching delivered by their employer or a more experienced instructor.

The benefits to adapting training methods to be client centred will ultimately be felt by the learner motorcyclists who will receive training that takes account of their learning styles and individual needs. That is intended to make them safer when riding on public roads, but is not possible to monetise the potential number of accidents, injuries or deaths that may have been prevented. Candidates who feel confident that training has fully met their needs and is high quality, value for money are more likely to recommend a particular training school, so there is the potential for increasing business by word of mouth. Those instructors who fail to adapt their training methods and persist in delivering CBT courses by rote, which fails to take account of individual training needs of their pupils, may ultimately have their instructor authorisation removed. Removing poor instructors could increase the customer base of the remaining instructors and training schools that provide high quality training that is tailored to learners' needs. Again, this is not possible to monetise.

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Please provide any additional information (if required) that may assist the RPC to validate the BIT Score

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Guidance for uses of Special type vehicles
Lead Regulator	Driver and Vehicle Standards Agency (DVSA)
Contact for enquiries	████████████████████ ████████████████████

Date of assessment	March 2017
Commencement date	April 2016
Origin	Domestic/EU/International
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	England, Wales and Scotland

Brief outline of proposed new or amended regulatory activity

DVSA (or VOSA as was) were approached by various trade associations (Road Haulage Association and the Heavy Transport Association) and asked if we could produce a guide on operating vehicles under special type orders.

Special types vehicles are those which don't meet the Construction & Use and Authorised Weight Regulations but can be used outside these rules under the authority of the Road Vehicles (Authorisation of Special Types) (General) Order 2003. These tend to be large and/or heavy loads which are abnormal and indivisible

The requirements can be complicated particularly for those that do not operate exclusively under these orders. The purpose of the guidance was to use the expertise of the specialist sector and the DVSA to provide easy to understand guidance to ensure compliance in this relatively small sector of the transport industry.

Which type of business will be affected? How many are estimated to be affected?

The regulations affects any haulier who is involved in the carriage of abnormal loads which usually are loads which are either too heavy or too large to fit on a standard heavy goods vehicle. We currently estimate that there are about 200 specialist hauliers and approximately 4000 hauliers who undertake some special types operations along with standard haulage.

Summary of costs and benefits						
Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2016	April 2016	10	-0.13	-0.13	0.0	0.0

Please set out the impact to business clearly with a breakdown of costs and benefits

The regulations concerning the carriage of abnormal loads have been extant for some time therefore any haulier involved in this sector of the transport industry will not incur any additional costs due to the publication of the DVSA guidance.

The contents of the guidance are all widely available elsewhere however the guide does serve to bring them all together into one place arguably saving the operator time in identifying each separate piece of advice.

In all likelihood it will be the operators who undertake some specialist haulage who read the guidance rather than the specialist sector themselves as they will be more familiar with the legislation and requirements.

The regulation apply to the domestic and international fleet and as such there is no advantage to be gained by hauliers from different countries.

Calculating the cost to industry in familiarising themselves with the guidance can be estimated by the number of page views, the time it takes to read the guide and the average salary of the person responsible with this task. In the haulage industry compliance is usually the responsibility of the Transport Manager (TM).

Page views = 7,630

Average time spent viewing the document = 6 mins

Average TM salary = £19.18 per hour

Therefore approx. 45,780 mins or 763 hours duration was spent viewing the site. Assuming a majority of the viewers were from the industry this would equate to a total cost of **£14,634** per year, including the year of initial publication. Of course we also know that the document has been viewed by enforcement officers from the DVSA and other agencies who have an interest in special types. Therefore this figure should be viewed as a maximum.

Wage rate: The ONS Annual Survey of Hours and Earnings shows Associate, Professional and Technical wages @ £15.98 / hour (Oct-Dec 2016: not seasonally adjusted). A non-wage uplift of 20% (Eurostat) can be applied (20% x £3.196; + £15.98 = **£19.18**).

Please provide any additional information (if required) that may assist the RPC to validate the BIT Score

N/A

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Amendments to Statutory Guidance for providers of Drink Drive Rehabilitation Scheme (DDRS) courses
Lead Regulator	Driver and Vehicle Standards Agency (DVSA)
Contact for enquiries	██████████

Date of assessment	22/3/17
Commencement date	3/7/17
Origin	Domestic
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	The DDRS operates in England and Scotland; the scheme is devolved to Wales and to Northern Ireland.

Brief outline of proposed new or amended regulatory activity

The DDRS regulations (The Rehabilitation Courses (Relevant Drink Offences) Regulations 2012) are underpinned by statutory Guidance. The statutory Guidance is being updated to ensure that all approved course providers are acting in line with the legislation and are complying with other relevant legislation such as data protection legislation.

When one of the approved course providers stopped delivering courses recently, we discovered that they were not fully compliant with data protection legislation and realised that this may be an issue with other course providers as well. We know that it has become accepted practice for some providers to transfer court referrals between one another; legislation requires that they transfer this referral back through the sentencing court. The Guidance is therefore being updated, to make it clear what the obligations are on each course provider, as we accept the current Guidance is not as clear as it could be, and to introduce a mandatory closure audit if a course provider ceases to deliver courses. We are also taking the opportunity of updating the Guidance to make some minor wording amendments and to add in some minor administrative details to the Guidance, such as a complaints process.

The revisions to the Guidance do not represent fundamental changes, merely clarification and minor amendments.

In summary, we need to amend the statutory Guidance to ensure it is clear and consistent for all approved course providers to understand and meet their legal obligations. The revised Guidance will:

- Introduce a mandatory closure audit to monitor transfer of referrals and ensure that providers are adhering to all of their legal obligations when they cease delivering training;

- Introduce a general complaints procedure, in respect of complaints made to DVSA;
- Make some minor wording amendments for clarity purposes; and
- Be issued to all approved course providers and is published on GOV.UK.

Which type of business will be affected? How many are estimated to be affected?

This change will affect all DDR providers in England and Scotland – there are currently 15 different providers.

Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	3/7/17	10	-0.01	-0.01	0.0	0

Please set out the impact to business clearly with a breakdown of costs and benefits

Whilst there is no change to regulations, DDRS providers will need to familiarise themselves with the revised statutory Guidance.

Introducing mandatory DVSA closure audits, for providers no longer offering the DDRS, will involve some costs to providers, as they will need to prepare for this audit and undergo some administrative work to transfer existing referrals back to Her Majesty’s Courts and Tribunals Service (HMCTS), but they will be compliant with data protection legislation. The closure audit will only apply to providers when/if they cease to offer the DDRS.

We consider the additional administrative burden as low for revising this Guidance – course providers will only undergo a closure audit when and if they cease providing courses, and the administrative clarifications being made to the Guidance are minor.

The revised statutory Guidance will provide more detailed information on the process a DDRS provider must follow in order to close their business, including but not limited to:

- finishing training courses
- issuing certificates of course completion
- providing notices of non-completion
- transferring clients back to HMCTS

Most DDRS providers will employ two or three individuals, who are generally very familiar with the processes involved and typically carry out administration within each business. We estimate that less than 50 people in England and Scotland will need to

read the revised Guidance. We are assuming that all 15 approved course providers will read the Guidance as it provides an update and clarification on certain points for their business.

This revised Guidance will not be long or complex, nor will it require significant resource to familiarise staff with any new requirements.

Whilst we suspect that not all course providers are fully compliant with the legislation, we do not have any evidence as to what proportion are not compliant, therefore, for the purposes of this assessment, we are assuming 100% compliance rate following instructions from the Better Regulation Framework Manual.

Based on our interactions with DDRS providers we estimate the following costs:

1. Familiarisation costs of reading Guidance:

- Number of businesses: 15 (actual number)
- Number of staff: 45 (estimate 3 per business approximately)
- Wage of staff: £15/hr (approximately, based on conversations with providers)
- Time spent reading: 1 hour per person (estimate. Approximately 7,500 words in the Guidance but staff will be familiar with most of it.)

We are assuming this will affect all providers.

Based on the standard cost model = £15(+3.03 uplift) x1hr x45 people x1

Total cost = £811.35.

2. Closure Audit Costs:

- Number of businesses: 15 (actual number)
- Number of staff: 30 (estimate 2 per business, approximately)
- Wage of staff: £25/hr (approximately, based on conversations with providers; managerial staff)
- Time spent on audit: 15 hours per person per audit visit (based on previous audit), but once in lifetime of the business maximum.

Based on the standard cost model = £25(+5.05 uplift) x15hr x2 people x1

Total cost per business = £901.50.

This is the estimated cost to each provider on the basis that they host a single DVSA closure audit once in their lifetime of delivering courses; it allows for 10 hours preparation time and 5 hours of staff time, who will be required to be present at the audit.

As the likelihood of each provider having to undergo a closure audit is low, we have based this calculation on one approved provider ceasing to offer the DDRS per year. This is a stable pool of providers, who have been delivering the scheme for many years. For context, in the last two years, two providers have ceased offering the scheme.

DVSA does not raise the fee for an audit with the provider at the time; these fees are already factored in to the administration fees DVSA charge providers over the life of their course approval.

Benefits

We suspect some course providers' current business practices are not in line with the minimum legal requirements as established in legislation; these providers may be at risk of enforcement action if we discover they are not compliant. By amending the statutory Guidance, we hope to ensure all providers are aware of their legislative obligations, and adhere to them, thus reducing the risk to their business in future.

In the event a DDRS provider closes, a smooth transition will allow offenders the opportunity to complete this valuable rehabilitation scheme and receive a reduction to their driving ban. It will also provide confidence in the scheme as providers will be more likely to handle an offender's personal data appropriately, reducing the risk of fraud and identity theft.

Counterfactual

If we do not clarify the statutory Guidance for providers this could result in increased demands on staff time and additional expenditure, for providers, who may not be operating in line with legislation. In the event of ceasing providing courses, if providers are not aware of what the closure audit entails they could waste time as DVSA might have to repeat the audit until the provider is sufficiently prepared.

If providers are not adhering to the legislation and Guidance, then they may jeopardise offenders' chances to undergo a rehabilitation course and receive the associated reduction to their driving ban. In addition, offenders could be placed at risk as we would not have the necessary assurance that their sensitive personal data was being processed and disposed of in line with legislation.

Please provide any additional information (if required) that may assist the RPC to validate the BIT Score

Whilst all DDRS providers will be affected by this change, only 15 organisations deliver the scheme in total in England and Scotland, hence we have decided on a light touch assessment.

The changes to the Guidance do not represent significant changes and should not have any disproportionate impact on any of the providers, individually or collectively.

We have addressed our intention to revise the Guidance with providers at a regular stakeholder meeting; some have concerns the changes will create additional administration but we are of the view that those who are adhering to the legislation already will not be adversely affected by the clarification and additions to the Guidance.

The client pool for DDR courses is relatively stable with about 20,000 offender referrals per year. Some providers have registered with charitable status and many do not produce large profits but provide the service out of a sense of civic duty. Because training is not necessarily profit-driven, there is a possibility that providers might close should key personnel retire or regulatory confines become unnecessarily strict.

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Individual Vehicle Approval (IVA) for lorries: help to get a pass
Lead Regulator	Driver and Vehicle Standards Agency
Contact for enquiries	<div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 250px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100px; height: 15px;"></div>

Date of assessment	27 March 2017
Commencement date	09 March 2017
Origin	Domestic/EU/International
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	All

Brief outline of proposed new or amended regulatory activity

Since 2014, almost all vehicles require an approval in order to be registered in the UK. There are three routes to approval:

- European Community Whole Vehicle Type Approval (ECWVTA) used mainly by major manufacturers which allows them to sell their vehicles worldwide
- National Small Series Type Approval (NSSTA) which allows UK manufactures to build purely to be registered for the UK market
- Individual Vehicle Approval (IVA) which again is for UK only, and may be used by individuals or very small production runs

ECWVTA and NSSTA are covered in the UK by the Vehicle Approval Authority (VCA)

Costs for ECWVTA & NSSTA may be heavy in the first instance, as manufactures get their vehicle "Type Approved" by an approval authority, and must have "Conformity of Production" (CoP), once they have Approval and CoP, manufactures build all vehicles to the same specification, and unit production costs start to decrease.

DVSA regulate the third route, Individual Vehicle Approval (IVA) scheme. Each vehicle must be individually inspected, which may lead to labour and transport costs moving the vehicle to and from test premises.

A manufacturer has the choice of large upfront costs through ECWVTA & NSSTA or spreading the cost as each vehicle is built and examined through IVA.

As a general rule the more vehicles built of a single type the more expensive is IVA. As a result most large manufactures prefer Whole Vehicle Approval through an Approval Agency.

Vehicles presented for IVA tend to be “specialist” eg cement mixers, crane trucks, etc. but may be a simple box body or flat bed

In 2015, following a trade request for information to improve knowledge, DVSA started publication of a series of “Help to get a pass” documents, aimed at presenters for IVA. They reference the relevant IVA manual but provide education in words and images to assist presenters achieve a first time pass.

The “**Individual Vehicle Approval (IVA) for lorries: help to get a pass**” is aimed at those presenters and builders producing N2/3 (Heavy Goods Vehicles of over 3500kg) and using IVA as the approval route.

It covers the definitions of N2 & N3 vehicles, how DVSA inspectors will examine the vehicle, the Required Standards that apply, (by linking to the published manual), which vehicles may require an approval, and most importantly the “Top Ten” fail items and how to avoid a failure.

It advises presenters of common pitfalls and the most common fail items. Used as an aide memoir, the guide is intended to reduce the fail rate of vehicles, resulting in less burden to Industry and improving the DVSA service provision.

This guide was updated in March 2017 following a review of fail rates. The original was launched June 2015

Which type of business will be affected? How many are estimated to be affected?

This guide is aimed at any presenter for N2/3 IVA, in the main these will fall into two groups.

- 1) Vehicle body builders and convertors who build a body and add ancillary items on a variety of base manufactures chassis/cab. The chassis/cab, is usually from a major manufacturer, Renault, Iveco, Scania etc. and is known as a stage one manufacturer. A body builder/convertor will then build a body on the chassis/cab, these are known as a stage two manufacturer. These business range from small specialist builders who may build 1 or 2 vehicles a year, to major manufactures who may present 100s over a twelve month period.
- 2) For N2/3 only, age related IVA is relevant. This encompasses vehicles imported from outside the UK up to 25 years old. They must pass an IVA in order to be eligible for GB registration for road use in the UK

Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	March 2017	10	0.24	0.24	0	0

Please set out the impact to business clearly with a breakdown of costs and benefits

Please briefly describe the impact of the regulatory change. Include estimates of all financial costs and benefits where possible, analysed by one-off costs and benefits and annual costs and benefits, indicating how these change over time by the main affected group. Please also describe any impacts that cannot be monetised. Please consider for instance:

- *Transitional costs (e.g. changes to systems, training)*
- *Regulatory uncertainty (e.g. whilst awaiting a regulator's decision)*
- *Impact on access to markets (e.g. consistent approach with other EU regulators)*
- *Impact on business confidence/perceptions*
- *Impacts on different sizes of business (particularly smaller businesses)*

Please give an estimate of the total annual direct financial costs or benefit to business. Please refer to the 'IA Calculator' for more information.

It is expected that the extent of assessment will be proportionate to the impact of the measure under consideration. As a rule of thumb, we would expect that the majority of assessments would not extend beyond 3 pages.

Presenters for IVA vary, primarily they consist of vehicle builders, converters, importers etc. It has proved impossible to accurately estimate the total number of companies involved, however figures obtained from Industry when the scheme came into force in 2014, indicate there may be in the region of 600 companies involved. It is also impossible to estimate how many of these companies present for IVA as many will also have ECWVTA or NSSTA.

It has also proved impossible to determine the average number of employees each business has, given the wide variety of businesses engaged we've assumed for the costs calculation, that two technicians and one manager will read the guidance.

Assuming a mix of workshop technical staff and managers have access to the guides, and read them before building a vehicle, wage costs, taken from National Careers Service web page, are:

- For a body builder technician, £20,000 to £25,000 per annum for a 40 hour week, taking the average to be £22,500 this gives an hourly rate of £10.80 for workshop technical staff. Including uplift this is **£12.96**

- For workshop managers the figures are between £30,000 - £40,000 per annum, again taking an average £35,000 for a 40 hour week gives an hourly rate of £16.80. Including uplift this is **£20.16**

These figures are assumed, as we are unable to ascertain a definitive wage from industry.

What can be determined is that out of a total number of 28878 IVA tests for all categories, the number of N2/3 vehicles presented for IVA in 2016, is 5674.

The web page had 2860 hits in 2016, (Jan to Dec) suggesting that businesses presenting for IVA have at least seen the guidance, although the depth of engagement is unknown, industry SMEs fully support and indeed requested this assistance.

As IVA applications do not differentiate between imports and new vehicles, it is not possible to determine how many applications are for imported vehicles, therefore we have not differentiated.

The key benefits of this guidance are that it presents the legal definitions of the IVA N2/3 manual in easily digestible terminology, it is current and accurate, is readily available on the internet, in an improved, searchable and more helpful format, linking back to the manual via hyperlinks and cascaded by industry trade bodies and training providers.

This will reduce costs to business from:

- Improved understanding of the key and detailed main fail items
- Clarification of contentious areas where presented vehicles fail
- Self-service, allowing presenters to access an explanation of the manual, without the need to consult an “expert” (many Body builders are members of Trade Associations, Society of Motor Manufacturers and Traders (SMMT), Vehicle Builder and Repairers Association (VBRA) etc. who offer free technical advice as part of membership, subscriptions vary widely but range from under £100 to £1000s)
- Better chance of “Pass first time” resulting in less man hours and fuel costs traveling for retest.

Although the guidance is written for all presenters, it is mainly aimed at technical workshop staff who build the vehicles. However, workshop managers, PreDelivery Inspectors, training establishments and industry trade bodies also benefit from the continued publication of this guide as customers want to ensure that they are familiar with:

- how the examination will be conducted
- build standards
- ensuring their vehicles are fully prepared in advance
- ultimately progressing to approval via the least onerous and most cost effective route.

The guidance is published on GOV.UK, it consists of ten short sections plus an introduction page (3494 words) each section and the introduction is hyperlinked so that

specific sections can be identified and read separately. The document conforms to GOV.UK Plain English standards and is published in accordance with GDS standards.

Based on an average reading speed of 200 words per minute (80% comprehension rate) our estimate, given that they should be proficient in their work, is that it would take between 20 – 30 minutes to initially read the document, assuming it was read in its entirety.

For the purposes of estimating a one-off familiarisation cost it is assumed two workshop staff and the manager of businesses involved with IVA will take about 1 hour to read the document, discuss, consider the contents and assess its relevance to their business.

Familiarisation costs:

1 hour @ £25.92 (two technicians) + £20.16 (workshop manager) = £46.08 x 600 businesses = **£27,648**

Annual costs:

We have also assumed that a similar volume of staff will spend a further hour each year, referring back to the document.

1 hour @ £25.92 (two technicians) + £20.16 (workshop manager) = £46.08 x 600 businesses = **£27,648**

Indirect Effects:

Costs / benefits of changing practices should result in a better understanding of legislation and lead to more efficient working practices, improved pass rates and reduced business burden of this statutory approval.

The BEIS guidance states that businesses are assumed to be compliant and that moves to best practice can be considered voluntary. The costs and benefits of these adjustments for businesses are considered to balance out and are not assessed. However, there are non-monetised benefits to companies in getting it right first time – rather than learning by experience - less retest time, less defect rectification time, reduced resource, reduced environmental and infrastructure impacts and risk of damage. There are also non-monetised costs in that by correctly pre preparing a vehicle to the Required Standards, and not using a paid consultant, the consultants may have an indirect loss. However, it must be stated that most businesses involved with this sector are members of trade associations who offer technical advice as part of membership. It is impossible to separate out the cost of technical advice from this membership cost.

Direct Benefits:

Anybody who needs to read the guidance because they are new to the field or are seeking to answer a particular issue will find the guidance helpful. This includes workshop staff and managers, presenters etc. As the guidance already existed the counterfactual position is that the information was already available. However, the updated guidance takes account of changes in the order of the top ten fails, indicating to presenters where they need to improve their efforts in order to achieve a first time pass. Internet availability comes under the Government's Digital by Default and Digital

Transformation agendas whereby services should be 'of' the internet and not just on' it. Businesses may well save time and effort in clarifying issues relating to IVA.

By achieving a pass at the first presentation, there may also be cash-flow benefits to small volume manufacturers who will be able to finalise the vehicle registration and sale. Waiting for a re-test appointment can tie-up finances that would otherwise be available to fund the next production

We assume that employees in a business will read the guide when it is first launched, but will "dip in" to it as time goes on if they change design or production, to determine if their proposed changes will still meet the requirements for IVA or DVSA provide a revision.

Training costs are assumed to be minimal, as the information is clarification rather than new information, once read and understood.

Please provide any additional information (if required) that may assist the RPC to validate the BIT Score

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Amendment to Gov.uk guidance on Drivers Hours rules for LGV and PCV drivers
Lead Regulator	Driver and Vehicle Standards Agency (DVSA)
Contact for enquiries	

Date of assessment	March 2017
Commencement date	In place now (improved guidance came online in March 2016)
Origin	Domestic, EU, and International
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	Scotland Wales and England. Northern Ireland publish their guidance.

Brief outline of proposed new or amended regulatory activity

Operators who operate larger vehicles for commercial purposes are required to comply with regulations which limit both driving and working time and impose rest requirements on the drivers of those vehicles. Tachograph recording equipment installed in the vehicle, used to record the driver's activities, must comply with technical specifications and be maintained. Operators have an on-going responsibility to schedule work compliantly, to carry out checks on records and take action where the regulations have been breached. In March 2016 the guidance documents explaining the regulations as well as driver and operator responsibilities (GV262 for goods vehicles) and (PSV375 for passenger carrying vehicles) were published on the internet. Previously the two documents (one for each sector) had, in the last few years, been available as PDF downloads however they could also be purchased in booklet format which was popular with the industry. As part of the publishing exercise the documents were updated and, where possible, the complex rules were better demonstrated through, for example, the use of diagrams to illustrate compliant practices.

Which type of business will be affected? How many are estimated to be affected?

The guidance is aimed at assisting businesses in the road transport (goods and passengers) sector. The Traffic Commissioner's Annual Report 2016 states there are 77,002 goods operator licence holders and 9332 bus and coach operator licence holders. There are also other businesses that have a connection to the transport industry, but are not subject to the regulations themselves. For example, consultants and Driver CPC trainers will voluntarily reference the guidance as it would assist them in the work they undertake. Many individual drivers will also find the guidance helpful but this BIT assessment reflects the impact on businesses, not on individuals.

Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2017	March 2016	10	7.11	7.11	-0.8	-4.0

Please set out the impact to business clearly with a breakdown of costs and benefits

This assessment follows the 'Appraisal of Guidance' notes (28 Feb 17) issued by BEIS. The guidance assessed is not thought to fall under any Exclusion (2.8 of the appraisal guide) as it relates to existing Domestic / and EU regulations. It includes helpful information on how to comply with legislation.

The amended guides are: GV 262 and PSV 375 (available on Gov.uk)

Volume of content change: GV262 – approximately 178 new or amended lines of text and 2 diagrams. PSV 375 – approximately 238 new or amended lines and 2 new diagrams.

Improved readability: The complex terms and concepts within Drivers Hours regulations have not changed. New diagrams have helped to illustrate some of the principles and clarify areas that we know, from enforcement activity and enquiries, have been areas of mis-understanding.

Analysing the new guidance against the old using any of the indicated methodologies (MS word, Fliesh Reading Ease or Fleish-Kincade Grade level) will not produce a helpful assessment as the ease of reading has not materially changed. The concepts are better explained and illustrated. The advice is also better supported as there have been legal cases that have tested the regulations, for example ECJ Case C-222/12 clarified the concept of vehicles used in connection with road maintenance and ECJ Case C-317/12 clarified aspects of the term "non-commercial".

Trade bodies, such as the Freight Transport Association and the Confederation of Passenger Transport, who represent large parts of the transport industry, were consulted on the proposed amendments to both the content and format of the guidance.

The key benefits are that the guidance has improved content and is readily available on the inter-net in an improved, searchable and more helpful format. This will reduce costs to business from:

- Improved understanding of the key and detailed concepts
- Clarification resulting for stated court cases which set the legal precedent
- Self-service. The Digital Transformation agenda aims to provide services on and 'of' the internet. This improved guidance allows business owners to access an explanation of Drivers Hours rules without the need to call consultants or legal advisors.
- Restricted licence holders are not legally required to have a professional transport manager.

Direct Effects: - **Familiarisation:** it is possible that interested parties would wish to review the updated guidance.

Costs of familiarisation:

The BEIS Business Population survey 2015 is not helpful in assessing the number of businesses affected. This is because transport activities cross most sectors. However, there are a total of 86,334 licenced transport operators. For the purposes of this analysis, this is the best figure to use.

Who are the actual readers?:

There are three types of transport operations: those on restricted licence, those on national and those on international. Restricted licence holders can only transport their own goods or for passenger carrying operations are limited to 2 vehicles. Operating vehicles on a hire or reward basis (i.e. payment by a third party for carriage) requires a standard licence and legally all operators holding a standard operator's licence (national or international) must have a Transport Manager whose professional role is to understand legislation and ensure that the business/es that they service are aware of the rules and have systems in place to promote compliance. In many companies this role is taken by the company owner, others employ a Transport manager and others use a consultant. A named Transport Manager can work for up to 4 businesses. Companies will also take legal advice and many have workforce representation (unions etc) that will highlight risk areas.

Across the haulage and passenger transport sectors there are 44,413 operators (about 50% of the total) on restricted licences. The significance of this is it is felt that the business owners of these are more likely to self-serve as they operator smaller numbers of vehicles and have no professionally competent transport manager; but must still comply with the regulations. The guidance is therefore more likely to be accessed by restricted licence holders than it is by standard licence holders who legally must employ a transport manager who has had to pass a Royal Society of Arts examination to gain a Certificate of Professional Competence. That said, transport managers would naturally wish to be conversant with the standards that DVSA will assess the operation against (rather than relying on their own interpretation of what is required) and so would find the guidance valuable from that perspective.

We know that Transport Managers can represent multiple businesses. Their role is to keep up to date and cascade any relevant changes to management and workforce (see indirect effect).

We do not know the actual number of Transport managers however they can either be "internal" transport manager who are employees of the operator and "external" transport managers who are selling a service to operators and who can be engaged by up to 4 operators at a time. If there are 40,000 operators who have one or more Transport managers but some who engage a transport manager representing multiple companies then it is estimated about 10,000 transport managers should read the guidance. We have taken into account that whilst not all external transport managers will work for four operators there are many large fleet operators who employ multiple transport managers (due to, for example, work volume or geographical spread of operating centres) even although only one is legally required. In order to provide an accurate figure of the numbers of actual transport managers currently being employed both internally or externally we would have to obtain their details from the 36737 standard licence holders

and then assess from those details who was acting for multiple operators which would require significant but disproportionate effort. The business owner on restricted operator licences should all also read the guidance. That gives a Business population (readership), excluding union officials, CPC trainers and the like who have a vested interest of about 54,000.

The BEIS Business Perception Survey (chart xx) indicates that about 55% of business owners in the Retail and Distribution sectors and the Transport and Storage sector use Gov.uk for information on regulations. We can apply that to adjust for actual internet readership. This gives a **readership population of 29,700**.

We have obtained the following figures (for 29/2/16 – 1/3/17) of the number of “page hits” (that is a hit on an individual page within each guidance) on the two documents however we are unable to say what proportion was by transport operators:

For information relating to goods vehicles –

Page views – 817,155

Unique page views – 574,943

For information relating to goods vehicles –

Page views - 173,309

Unique page views – 127,026

Wage rate: The ONS Annual Survey of Hours and Earnings shows Associate, Professional and Technical wages @ £15.98 / hour (Oct-Dec 2016: not seasonally adjusted). A non-wage uplift of 20% (Eurostat) can be applied ($20\% \times £3.196; + £15.98 = £19.18$)

Time (Duration of reading). The target audience will already be familiar with the regulations. However, the changes will help users find and understand information more easily than previously. It can be assumed that most of the readership population spent some time familiarising themselves with the new guidance and possibly checking their understanding. To read the each document in full might take 3 hours. The guidance appraisal doc says EFTEC 2013 gives a reading speed of 250-300 words per minute for prose and 50-100 words per minute for technical text. Whilst the text would be described as technical in that it relates to legislative requirements, it has been written in layman’s terms and using specific language which we know (through daily contact we have with drivers and operators via our enforcement activities) that the industry understands. The vast majority of those accessing it will already have some knowledge of the subject through previous experience in the industry or if new to the industry through gaining required qualifications or through engagement at DVSA educational seminars as part of gaining an operator licence. Therefore those reading it for familiarisation or clarification are likely to browse and scan at about 200 words per minute. Given approximately 2136 new or amended words in GV 262 and 2856 new or amended words in PSV 375 a reading speed of 200 words per minute produces a bit over 10 and 14 minutes respectively for the new sections alone. However, as it has not been possible to

specifically highlight only the new or amended information people will have to look through all the guidance in order to assess what is new to them and so, for costing, 1 hour familiarisation seems reasonable (most readers will only read one or the other guide).

Standard Cost model:

Population x time x wage rate =

29700 x 1 hour x £19.18 = £569,646 = Direct familiarisation cost to business

Indirect Effects:

Costs / benefits of changing practices should a new understanding of legislation result in changed working practices.

The BEIS guidance states that businesses are assumed to be compliant and that moves to best practice can be considered voluntary. The costs and benefits of these adjustments for businesses are considered to balance out and are not assessed.

However, there are non-monetised benefits to companies in getting it right first time – rather than through roadside enforcement and subsequent penalties. There are also non-monetised costs in that by self-serving, and not using a paid consultant, the consultants may have an indirect loss.

Direct Benefits:

Anybody who needs to read the guidance because they are new to the field or are seeking to answer a particular issue will find the guidance helpful. This includes business owners and consultants. As the guidance already existed the counterfactual position is that the information was already available. However, the ease of access, and search facilities mean that it is more useable. Also reference to stated cases mean that it is more evidenced and clear. Internet availability comes under the Government's Digital by Default and Digital Transformation agendas whereby services should be 'of' the internet and not just 'on' it. Businesses may well save time and effort in clarifying issued relating to Drivers hours.

In particular, they may decrease costs in legal advice and use of consultants. The BEIS Business Perception survey 2016 shows that the Transport and Storage finds regulatory activities difficult:

- It has the second highest 'mean number of days spent by staff per year dealing with regulation – at 9.8 days per year.
- 53 % of the sector taking part in the survey agreed that Keeping up to date with regulations was a burden. 48% said that there was an increase in costs relating to regulatory burdens in the last 12 months.

In regard to 'external' support (business advisors, websites, friends and associations) the Transport and Storage sector said:

- 89% of those surveyed said that they would be likely to use external support
- 98% of those using external support said they did so because of their more specialist knowledge compared to 'in-house' information
- 94% said that they used Gov.uk
- 17% of companies spent over £10,000 pa on external support (note the internet is freely available information)

- The mean value spent on external support was £9150

Calculating a benefit to business of the new guidance is difficult. The details above show that transport companies spend large amounts on external support in relation to regulations. There appears to be good use of the internet and therefore improved guidance will have a strongly beneficial effect. A conservative estimate might be that each company using the internet would benefit by £30 per year in saved time and consultation costs from the new guidance (there is no accurate figure for this). Our readership population estimate is 29700. This would produce a monetised benefit of £891,000

Assumptions:

This analysis is based on information contained in sources listed in the Appraisal of Guidance document and other places. Nevertheless, in trying to assess the value of the improved guidance to business some estimates assumptions have been made. Key are:

- Most businesses who operate on restricted licences, and have no transport manager, will refer to the guidance as a primary source of information on drivers' hours. Here we have allowed for 34,000 out of 44,000. The Business perception survey does indicate a preference for Gov.uk
- That the primary costs and benefits will be to logistics and passenger transport operators rather than associated businesses.
- That most readers will spend about an hour familiarising themselves with the updated guidance.
- That the benefits derived to businesses are in terms of ease of access to information, time savings, clarity and from self-service - not needing to take professional advice from a consultant or lawyer.
- That each reader will benefit by an average of £30 pa from the new guidance the guidance
- That businesses will continue to benefit from the guidance at the same rate each year. (There may be new businesses, or existing businesses may need to check different areas of the guidance).

Counterfactual:

The regulations that underpin the guidance have not changed. Prior to the Direct Gov information being released the GV 262 and PSV 375 were available in brochure format and as a PDF. However, the information in them was not as full as it is now.

Please provide any additional information (if required) that may assist the RPC to validate the BIT Score

Initial Review Notice - Clarification

RPC no RPC-3818(1)-DfT-DVSA

Driver and Vehicle Standards Agency

Amendment to guidance on drivers' hours rules – initial review notice

IRN

1. RPC have asked for information to underpin the assumption that users would benefit by £30 per year in saved time and consultation costs.

Clarification:

2. DVSA have made a number of assumptions to reach the calculation of an average of £30 per annum saving per business. We believe it would be disproportionate and unfeasible to have approached all the businesses involved in the sector to attempt to identify an accurate figure. To do so would have imposed an unnecessary burden on those businesses and, given the size of business varies widely across the sector, may not have provided us with a meaningful figure that we could have applied to all.
3. The amount of saving is calculated taking account the BEIS business perception survey 2016 which shows that staff of companies in the Transport and Storage sector spend an average of 9.8 days per month dealing with regulations. Most said that keeping up to date with regulations, which the Driver Hours guidance helps with, was a burden. Nearly all companies used gov.uk as a source of information; nevertheless, companies spent significant amounts on external support. 17% stated that they spent over £10000pa on the various forms of external support – including advisors and consultants.
4. Given the sums spent on complying with regulations, including consultants' advice, the assumption of £30 per year was considered to be a conservative assessment of how much each of the 29,700 transport operators in the readership population might save each year.
5. With nearly 1 million page views (and 700,000 plus 'unique views') it is clear that this information in internet format is regularly and frequently accessed.

Further justification:

6. From internet information it appears that a minimum charge for a Transport Manager would be £12 per hour. Putting an issue to a Transport Manager will also cost the business owner time in explaining the issue and clarifying any reply. Taking a business owner's time at £18 per hour (which we have used as the 'familiarisation rate' in the calculations), it would require the business owner to save only 1 hour and also save the charge of a Transport Manager for 1 hour to save £30.
7. No value has been attached to the understanding gained from checking the regulations using the internet service; but we consider that must also be of

some significance to businesses: otherwise the information wouldn't be getting so many hits and return users.

Conclusion:

- Having good and robust internet guidance is a key strand of DVSA's communications policy and is included in the Agency's 5 year strategy DVSA's Head of Publishing has recently said:
"A vital part of helping people stay safe on Britain's roads, is making sure that our huge stocks of detailed professional expertise, experience and knowledge reach the people out there."
- An assumed average value of benefit of £30 per company in the readership population seems proportionate and appropriate given the costs of complying with regulations and the potential savings in consultation. (please note that actual readership levels are much higher than the 29700 'readership population' used in the calculations and there is probably a good deal of non-monetised benefit).