

Amendment to guidance on drivers' hours rules Driver and Vehicle Standards Agency (DVSA)

RPC rating: validated

The BIT assessment is now fit for purpose as a result of the regulator's response to the RPC's initial review notice. As first submitted, the assessment was not fit for purpose.

Description of proposal

The DVSA has amended its guidance documents for drivers who operate large vehicles for commercial purposes. The guidance provides information on how to comply with the drivers' hours regulations, which limit driving time and impose rest requirements on transport operators. The amendments were designed in consultation with representative trade bodies of the transport industry, and were intended to aid understanding of the complex rules within drivers' hours regulations.

Impacts of proposal

The assessment states that the guidance is intended for the use of businesses in the road transport sector, comprising 40,000 operators on standard licences and 44,000 operators on restricted licences. Those holding a standard licence are required to have a transport manager, whose professional role is to ensure compliance with relevant regulations. As transport managers can work for up to four different operators, it is assumed that 10,000 would be affected by the amendments. This is in addition to all 44,000 restricted licence holders, who are more likely to ensure compliance themselves. The regulator has assumed that a proportion of the combined total (54,000) will read the amendments, resulting in a readership of 30,000. This is based on results of the BEIS Business Perception Survey 2014, which found that 55 per cent of business owners in the Transport and Storage sector use 'gov.uk' for information on regulations.

To estimate the familiarisation costs incurred by these businesses, the assessment uses an uplifted wage rate of £19.18 (based on ONS data) and a time of one hour to read and consider the amended guidance. The regulator notes that, while it would take only 24 minutes to read the amendments at an average reading speed, an hour has been used as a conservative estimate, as businesses may look through the whole document to assess what has changed. On this basis, a total familiarisation cost of £0.6 million is estimated.

The assessment also identifies a direct benefit to transport operators, who will expend less time and buy in less external advice to understand the regulatory requirements. This is supported by evidence from the BEIS Business Perception Survey 2017, showing that 89 per cent of operators in the sector are likely to use external support for this purpose. To calculate this benefit, the regulator has assumed that one hour of a business owner's time and one hour of a transport manager's or consultant's time would be saved as a result of the guidance improvements. This generates an ongoing benefit to business of £0.9 million.

Aggregating these impacts, the equivalent annual net direct cost to business (EANDCB) of the measure is estimated to be -£0.8 million.

Quality of submission

As initially submitted, the assessment did not explain the logic behind its assumption that '*...each company using the internet would benefit by £30 per year in saved time and consultation costs from the new guidance...*' (page 6).

The revised assessment explains that the guidance incorporates suggestions from industry, and additional diagrams, to explain more clearly the complex concepts within drivers' hours regulations. The business impacts that have been identified by the regulator relate to the costs of reading the amended guidance, and to the costs of seeking external regulatory advice. The regulator has also provided a clear summary of the reasoning and evidence underpinning its estimate of time savings as a result of these improvements.

Following the regulator's response to the RPC's initial review, the assessment provides a sufficient level of evidence for the RPC to be able to validate the EANDCB.

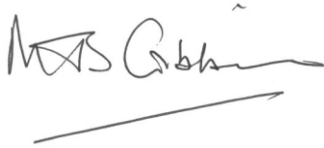
Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	-£0.8 million
Business net present value	£7.1 million

RPC assessmentⁱ

Classification	Qualifying regulatory provision (OUT)
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EANDCB – RPC validated	-£0.8 million
Business impact target score	-£4.0 million



Michael Gibbons CBE, Chairman

ⁱ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000