

# **Post-implementation review of the transposition of the EU's 3<sup>rd</sup> Directive on driving licences**

**Department for Transport**

**RPC rating: fit for purpose**

## **Description of proposal**

The policy under review implements the EU's third Directive on driving licences, as implemented by the Driver and Vehicle Licensing Agency (DVLA) and the Driver and Vehicle Standards Agency (DVSA). Many elements of the Directive had already been adopted by the UK in response to the second Directive, or as existing UK policy. The general objective of the Directive was to reduce the scope for fraud, harmonise standards and improve road safety. The specific intention of the elements of the Directive that were new to the UK was:

- To harmonise standards for validity and security of driver and vehicle licences across the EU (in particular periods of validity and categories of vehicles);
- To harmonise standards for training of driving examiners across the EU;
- To improve road safety by ensuring that drivers disqualified in one member state would not be granted licences in another;
- To improve road safety by tightening standards for issue of licences to drive buses, lorries and some trailers; in particular, to require more frequent medical testing for holders of such licences;
- To improve road safety by tightening standards for issue of licences to drive two-wheeled vehicles, in particular for the youngest drivers.

The elements of the Directive implemented by the DVLA and those implemented by the DVSA have been reviewed separately by the two agencies, and over an extended period from 2013 to 2015. Some elements of the implementation will not be fully in use until 2023, because of the lag times inherent in (for example) licensing changes.

## **Impacts of proposal**

At the time of implementation, the main monetised costs of the changes were expected to be:

- (a) Additional training costs for examiners employed by bodies other than the DVSA (delegated examiners) such as police and fire authorities or bus and coach

- companies (the DVSA itself expected to be able to implement the new training requirements on a cost-neutral basis);
- (b) Costs to motorcyclists of having to take additional tests in order to drive larger and more powerful vehicles;
  - (c) transitional and administrative costs incurred by the two agencies and passed through to drivers where savings could not be found; and
  - (d) administrative costs incurred directly by Class 2 drivers as a result of having to reapply for licences more frequently.

The DVLA also anticipated monetised benefits to Class 1 drivers as a result of having to apply for licences slightly less frequently.

These costs and benefits amounted to £8.2 million NPV over 10 years in the case of the DVLA and £6.2 million over 10 years in the case of the DVSA, and were assumed to fall on drivers.

Both agencies also expected (but did not monetise) benefits as a result of:

- (a) increased road safety and reduced accidents; and
- (b) improvements to free movement of goods and vehicles within the EU, as a result of harmonisation of licensing standards.

Actual outcomes on free movement of goods and people were not tested in the light-touch review.

The DVLA found that:

- (a) Staff costs of processing Group 1 licences had been around 30% lower than anticipated,
- (b) Additional checks for Group 2 licences had not yet begun to be processed and therefore actual costs for these could not yet be estimated;
- (c) Transitional costs had not been measured at the time and could not be estimated retrospectively, but were assumed to be similar to those originally estimated;
- (d) There had been some improvements to the DVLA's processes for checking licences where there was a possibility that a driver had been disqualified by another member state. These arose mainly as a result of the UK's joining the RESPER system for sharing of licensing information across the EU, in 2015.
- (e) The agency's processes for raising awareness of the changes could have been improved;

- (f) Accident rates had decreased, but it was not possible to attribute this to the implementation of the Directive, as a result of confounding factors; and
- (g) Standardisation had made it easier for UK employers to check driving licences, but it was not clear that this had carried across into overall improvements in efficiency for background checks, so it was not possible to attribute any improvement to the Directive.

## Quality of submission

Given the relatively low impact of the measure, the DVLA chose to carry out a light-touch review consisting of:

- An online stakeholder survey, together with informal conversations as part of DVLA's normal stakeholder engagement process. This sought views of stakeholders on the outcomes of the review and any unintended consequences. The survey received relatively low numbers of responses (a total of 30), so DVLA also wrote to stakeholders that had produced guidance on the changes and sought their views. This approach produced no additional responses. In general, the survey respondents noted no unintended consequences of the implementation and did not express strong views either for or against the approach, which the regulator has taken as very weak evidence in favour of retaining the approach;
- Consultation with DVLA staff;
- Information requests to other member states, all of whom indicated that they were awaiting the EU's review of the Directive (due in 2018) and could not supply any additional information at this stage. It is not clear whether the regulator also assessed other EU member states' approach to implementation;
- Analysis of DVLA's internal cost data; and
- Analysis of accident statistics.

This approach is appropriate and proportionate to the estimated costs of the regulation; it is unfortunate that the evidence base the DVLA has been able to collect offers limited support for its decision to retain the regulations (or for any other decision), but under the circumstances the RPC agrees that the support is sufficient. In this context, we welcome the regulator's commitment to appropriate evidence collection during the lifetime of regulations in the future. The review could have been improved by explicit consideration of any alternative approaches used by other Member States, even where these had not yet been reviewed. The review explicitly addresses the objectives of the overall Directive, as well as the costs and benefits to business considered in the original Impact Assessment; this approach is welcomed

by the RPC, but it might have been helpful to the reader if the regulator had referred back more explicitly to its earlier analysis in places.

Departmental recommendation	Retain
Estimated equivalent annual net cost to business (EANCB)	0.4 million

### **RPC assessment**

Is the evidence in the PIR sufficiently robust to support the departmental recommendation?	Yes
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**Anthony Browne, Chair**