

Post-implementation review of the transposition of the EU's 3rd 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 objectives of the Directive were to reduce the scope for fraud, harmonise standards and improve road safety. The specific intentions of those elements of the Directive that were new to the UK were:

- To harmonise standards for validity and security of driver and vehicle licences across the EU (in particular periods of validity and vehicle categories);
- 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 the standards for licences to drive buses, lorries and some trailers, in particular by requiring more frequent medical testing for holders of such licences;
- To improve road safety by tightening standards for 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 over an extended period from 2013 to 2015. Some elements of the implementation will not be fully in force until 2023, because of the time lags 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 drivers¹ 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 (in NPV terms over 10 years) were expected to total £8.2 million in the case of the DVLA and £6.2 million in the case of the DVSA, and were assumed to fall on drivers.

Both agencies anticipated (but did not monetise) additional benefits as a result of:

- (a) Increased road safety and reduced accidents;
- (b) Improvements to free movement of goods and vehicles within the EU, as a result of harmonisation of licensing standards; and
- (c) Improvements in free movement of goods and people – which were not tested within the scope of the light-touch review.

The DVSA's review found the following.

- (a) Actual training costs to delegated examiners were around £7,000 – £10,000 per annum, much lower than the original estimate of around £60,000 per annum. This was because most delegated examiners had been able to provide training in-house, at a much lower cost than the DVSA courses used to create the original estimate.
- (b) There was some evidence of unintended consequences in the form of costs to motorcycle training schools that had to buy additional higher-powered cycles to accommodate demand for these licences.
- (c) There was some evidence of reduced demand for lower-powered motorcycles and licences.

¹ An HGV Class 2 licence (now known as a Category C licence) allows a driver to drive a vehicle with a trailer with a mass of up to 750 kg. A Class 1 licence (now known as a Category CE licence) allows a driver to drive a vehicle with a trailer with a mass of over 750 kg.

- (d) There was some anecdotal support for the theory that women found it harder to pass motorcycle tests for larger cycles, but this was not supported by the data.
- (e) Accident rates had decreased, but it was not possible to attribute this to the implementation of the Directive, as there were confounding factors.
- (f) The transition costs to DVSA as a result of changes to its IT were lower than expected.

Quality of submission

Given the relatively low impact of the measure, the DVSA 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 to gather stakeholder views on the impacts of the measure and any unintended consequences. The survey received relatively few responses, some of which drew attention to possible unintended consequences of the policy noted above;
- 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 DVSA assessed other EU Member States' approach to implementation;
- Analysis of DVSA's internal management information; and
- Analysis of a range of statistics including accident rates, driving test pass rates and data supplied by the motorcycle industry, including sales data for different types of motorcycles.

This approach is appropriate and proportionate to the estimated costs of the regulation; it is unfortunate that the evidence base the DVSA has been able to collect offers limited support for its decision to retain the regulations, but under the circumstances the RPC agrees that the support is sufficient. The review could have been improved by an explicit statement as to the DVSA's plans for investigating the possible unintended consequences identified by the industry; the review implies that these will be subject to further consideration, but does not commit to any action.

The RPC is pleased to see that the DVSA has taken a structured approach to setting out the intended outcomes of the regulations and the associated research questions to be answered by the review; it also welcomes the sensible suggestions for improving future reviews.

Departmental recommendation	Retain
Estimated equivalent annual net cost to business (EANCB)	0.5 million

RPC assessment

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