

## Measures to address shortage of HGV drivers – removal of car and trailer (B+E) tests

<b>Lead department</b>	Department for Transport
<b>Summary of proposal</b>	The proposal removes the requirement for those driving a car with a trailer to take a 'B+E' test.
<b>Submission type</b>	Impact assessment (IA) – 25 November 2021
<b>Legislation type</b>	Secondary legislation
<b>Implementation date</b>	December 2021/early 2022
<b>Policy stage</b>	Final
<b>RPC reference</b>	RPC-DfT-5137(1)
<b>Opinion type</b>	Formal
<b>Date of issue</b>	16 December 2021

### RPC opinion

<b>Rating<sup>1</sup></b>	<b>RPC opinion</b>
<b>Fit for purpose</b>	The assessment that the direct impacts on business is below the <i>de minimis</i> threshold is fit for purpose. The IA provides a balanced and transparent assessment of potential societal impacts. It could be improved by clarifying the baseline and providing further assessment of some wider impacts.

### Business impact target assessment

	<b>Department assessment</b>	<b>RPC validated</b>
<b>Classification</b>	Non-qualifying regulatory provision ( <i>de minimis</i> )	Non-qualifying regulatory provision ( <i>de minimis</i> )
<b>Equivalent annual net direct cost to business (EANDCB)</b>	Not quantified	N/A
<b>Business impact target (BIT) score</b>	N/A	N/A
<b>Business net present value</b>	Not quantified	
<b>Overall net present value</b>	Not quantified	

<sup>1</sup> The RPC opinion rating is based only on the robustness of the EANDCB and quality of the SaMBA, as set out in the [Better Regulation Framework](#). The RPC rating is fit for purpose or not fit for purpose.

## RPC summary

Category	Quality	RPC comments
EANDCB	<b>Green</b>	The IA provides sufficient evidence that the proposal is <i>de minimis</i> , partly because a high proportion of the direct benefits are expected to fall on individuals rather than business. It would benefit from clarifying the counterfactual/baseline.
Small and micro business assessment (SaMBA)	<b>Not required</b>	The IA provides a useful discussion of impacts on small and micro businesses (SMBs), in particular on training schools.
Rationale and options	<b>Satisfactory</b>	The IA presents a clear rationale but would benefit from further differentiating between shorter and longer-run objectives. The IA usefully describes non-statutory 'mitigation' measures being progressed alongside the proposal. It would benefit from further consideration of alternative options to free up DVSA resource or more widely to address the HGV driver shortage.
Cost-benefit analysis	<b>Good</b>	The IA provides a thoughtful and balanced discussion around possible road safety impacts, making use of a range of existing data. The IA includes a useful break-even analysis but could be improved by discussing the economic benefits of reducing HGV driver shortages and risks and uncertainties.
Wider impacts	<b>Weak</b>	The IA would benefit significantly from further assessment of trade impacts and potential impacts on mutual recognition and exchange of licences in EU countries.
Monitoring and evaluation plan	<b>Good</b>	The IA provides a structured post implementation review (PIR) plan, usefully summarising the data to be collected, evaluation approaches and research questions.

## Summary of proposal

Currently, car drivers who passed their standard (category B) driving test after 1 January 1997 must pass an additional test, in a car and trailer combination, if they wish to tow a trailer above a certain maximum authorised mass. This test is known as ‘category B+E’. The test is commonly undertaken by the DVSA and during the three years 2017/18 to 2019/20 around 29,400 tests were conducted. The proposal removes the requirement for this test. The policy objective is to increase the availability of vocational driving tests at the DVSA for drivers wanting to enter the logistics industry, thereby helping to reduce the HGV driver shortfall. Once the HGV driver test backlog is resolved, the extra capacity will be used to clear the car test backlog.

Although the Department describes indicative benefits to individuals who will no longer have to pay for a test and training, it is unable to fully monetise impacts. Nevertheless, the Department’s analysis strongly suggests the measure is *de minimis* as it expects a high proportion of the proposal’s direct benefits to fall on individuals rather than business. However, the Department has undertaken a full impact assessment and submitted this for RPC scrutiny, as it expects the proposal to be controversial because of its potential impacts on road safety. The RPC welcomes the Department’s additional analysis and submission.

## EANDCB

### Overall

The IA provides sufficient evidence that the proposal is *de minimis* and, therefore, non-qualifying against the BIT. The analysis of the B+E licence split between business and individual/leisure purposes and the sensitivity analysis on the percentage of candidates that will still take the training are particularly useful (paragraphs 82-88 and paragraph 75/table on page 20). The IA would benefit from further discussing to what extent B+E training is likely to continue despite the measure, due to “blue tape” requirements, perhaps from insurance, health and safety compliance or as part of corporate responsibility (paragraph 111).

### Counterfactual/baseline

The baseline for the analysis appears to allow for operational measures implemented by the DVSA, such as increased overtime, out of hours testing and the buying back of annual leave (paragraph 30). However, it does not appear to factor in the sharp reduction and subsequent effective suspension in B+E tests made available by the DVSA since September 2021 (paragraphs 10 and 29). Therefore, it is not clear whether or not the increase in the supply of other vocational tests (by around 37 per cent, or 550 tests per week) attributed to the proposal has already been largely achieved (paragraphs 20 and 68). It may be the case that the proposal’s main benefit will be to provide assurance and legal certainty to car drivers who wish to tow a trailer or caravan. The IA would benefit from clarifying this aspect.

### Direct/indirect

The IA correctly classifies the benefits to business if reducing HGV driver shortages as indirect, in particular as it is dependent upon the DVSA reallocating resources from B+E testing to HGV testing.

See also comments under 'cost benefit analysis' below.

## SaMBA

As a *de minimis* measure, a SaMBA is not required. Nevertheless, the IA provides a useful discussion of impacts on SMBs, in particular a potential consequential reduction in business for training schools (paragraphs 34 and 101-111). While the IA rightly describes the risk of loss of revenue to training providers, it correctly excludes this cost from its estimates on the basis that this revenue is currently generated as part of the requirement of the previous regulatory regime (paragraph 110).<sup>2</sup>

## Rationale and options

The IA sets out a rationale of striking the right balance between the externalities associated with road safety, getting rid of any excessive bureaucracy and giving more flexibility to deal with the current test backlog, to avoid the wider negative economic impacts from the HGV driver shortage. The IA could address this issue more explicitly, on the basis of available evidence, how the proposal strikes this balance. It could also be improved by differentiating further between the shorter and longer-term objectives of the measure, i.e. the short-term taking account of helping to address the HGV driver shortage and the longer-term the balance between reducing costs to individuals/businesses and potential increased risks to road safety.

The IA states that non-statutory 'mitigation' measures are being progressed alongside the proposal, in particular an accreditation scheme to incentivise car drivers to undertake optional theory and/or practical training in towing a trailer (paragraphs 21c and 36). The IA also notes that questions relating to towing a trailer and recoupling/uncoupling a trailer will be added to the driver theory test by the DVSA (paragraph 62). The IA would benefit from further consideration of alternative options to free up DVSA resource or more widely address the HGV driver shortage. It should also clarify what is meant by the references to the 'do minimum scenario' (paragraph 67).

The IA states that the "*...haulage sector has been experiencing a chronic shortage of HGV drivers worldwide for some time*" (page 1). It could be improved by discussing how other countries affected are approaching the problem.

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<sup>2</sup> The IA states that this treatment is consistent with the HM Treasury Green Book. It is also consistent with RPC guidance on 'resources used to comply with regulation', found at: <https://www.gov.uk/government/publications/rpc-case-histories-other-bit-methodology-issues-march-2019>

## Cost-benefit analysis

### Evidence, data and road safety impacts

The IA provides a thoughtful and balanced discussion around possible road safety impacts, making use of a range of existing data (pages 12-17). The IA also transparently reports the high level of concern raised by consultees (paragraph 48).

There appears to have been an improvement in road safety since the UK introduced the B+E test requirement in 1997. Given that car accidents in general also fell from around this point, it appears that this might be due to factors other than the measure. However, the faster rate of decline in accidents involving young people might be significant, as older drivers would not have been required to take the test (paragraph 57). If available, the IA could usefully consider data on the proportion of accidents accounted for by factors where drivers most commonly fail the test, e.g. reversing left and coupling/decoupling the trailer.

The IA does not fully monetise costs and benefits but undertakes a useful break-even analysis. Based on the indicative monetised benefits to mostly individuals of not having to take the training and test (page 20), it estimates that the overall accident rate would have to rise by between 14 and 22 per cent per year to negate the benefits. The IA provides good context for this analysis, citing that accident rates for vehicles (cars and vans) with trailers were 381 per cent higher in 1997. The analysis would benefit from providing further information on these calculations and the transport appraisal guidance (TAG) values used.

### Benefits to the economy of reducing HGV driver shortages

The IA estimates that the shortage of HGV drivers could have an impact of £1bn per year on the Gross Value Added from road freight (paragraph 31). The IA could discuss this further, including in the context of the break-even analysis (which presently uses only the monetised benefits of avoiding the cost of B+E tests and associated training) or explain why this further analysis would not be appropriate.

The IA would benefit from providing the calculations behind its estimates for how long it would take for the HGV driver test backlog to be cleared in both the counterfactual and under the policy intervention.

### Risk and uncertainty

The IA includes a useful section on risk and uncertainty (pages 23-24), stating that the HGV driver shortage situation is fast-moving and therefore presents difficulties in terms of availability of timely data. The IA also notes additional measures put in place, such as the use of the Ministry of Defence examiners to help DVSA tackle the test backlog. The IA would benefit from discussing further the risks and uncertainty associated with these changes, including their potential to affect the benefits of the proposal. The IA includes a discussion on possible impacts on insurance premiums and the insurance industry, which could usefully be expanded. The sensitivity analysis section could also usefully be expanded; some of the analyses currently presented (with 20 per cent variations up and down) seem to be of limited value.

The IA notes that the B+E test will still be available (paragraph 106) and the assessment would benefit from discussion around the likely level of demand and availability.

## Wider impacts

The B+E test requirement came into force in 1997 as a result of an EU directive. The IA notes that the proposal may impact on mutual recognition and exchange of licences in EU countries (paragraphs 25 and 98). This is also mentioned briefly under 'trade impacts' (paragraph 114). The IA would be improved significantly by addressing this impact further and assessing the impact on trade of reducing HGV driver shortages.

The IA would benefit from addressing further the impacts on UK licensed drivers wishing to drive with a trailer in the EU, in particular a potential need to request a new licence with B+E accreditation.

## Monitoring and evaluation plan

The IA sets out a PIR plan (pages 27-28) Although the expected impacts of the proposal on business are low, the plan calls for a high level of evidence and for a PIR to be conducted at after both three and five years due to the potential for negative safety implications. The plan usefully summarises the data that will be collected, evaluation approaches and research questions. The PIR plan would benefit from discussing further the monitoring that will be undertaken ahead of the first PIR and why a PIR before October 2024 would not be appropriate.

## Other Comments

This IA focuses on the removal of the B+E test requirement but notes that the impact of this proposal on the DVSA backlog is assessed in combination with the impact of two other measures, which will free up DVSA capacity. These are delegating the off-road 'manoeuvre' part of the HGV test to approved third party examiners and removing staging tests for the C+E tests. The latter would appear to remove the requirement for HGV drivers to pass a test to drive rigid-only HGVs before they can obtain an articulated HGV licence. The IA would benefit significantly from providing wider assessment of the impacts of these two measures, such as potentially on road safety, reduced burden on business and international recognition of HGV driver licences.

Overall, the IA is very clear. However, a few sections could be clarified, notably paragraphs 27 and the end of paragraph 32 linking the inclusion of impacts in the NPV to the main objectives of the policy.

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