

**EXPLANATORY MEMORANDUM TO**  
**THE VEHICLE DRIVERS (CERTIFICATES OF PROFESSIONAL**  
**COMPETENCE) (AMENDMENT) (NO 2) REGULATIONS 2008**

**2008 No. 1965**

1.1 This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

**2. Description**

2.1 This instrument amends the Vehicle Drivers (Certificates of Professional Competence) Regulations 2007 (SI 2007/605) (the “2007 Regulations”) and the Motor Vehicles (Access to Driver Licensing Records) Regulations 2001 (S.I. 2001/3343) (the “2001 Regulations”). The 2007 Regulations were made to implement Directive 2003/59/EC on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers (OJ No. L 226, 10.9.2003, p.4). A transposition note for the 2003 Directive accompanied the Explanatory Memorandum for the 2007 Regulations. The Directive introduces a Driver Certificate of Professional Competence (CPC) across the EU. With some exceptions, and subject to transitional provisions for existing drivers, all professional drivers of buses and coaches (with effect from September 2008) and lorries (with effect from September 2009) must pass an initial CPC test, valid for 5 years and after that undergo 35 hours of periodic training every five years in addition to holding a vocational driving licence. The CPC will be documented on a Driver Qualification Card (DQC).

**3. Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 The fee for the practical test to be taken under regulation 5 (initial CPC test) is increasing from £41 to £55 for a test taken during normal working hours and from £41 to £63 for a test taken outside normal working hours. At the same time, the requirement to pay a fee for the issue of a DQC is removed for those people who hold a photocard driving licence - a saving to the candidate with a photocard driving licence of £11 on current costs if he takes his test during working hours (£41 for the practical test fee plus £25 for a DQC).

**4. Legislative background**

4.1 This instrument is being made under section 2(2) of the European Communities Act 1972, section 56(1) and (2) of the Finance Act 1973 and section 71(2) of the Criminal Justice and Court Services Act 2000.

4.2 Directive 2003/59 EC introduces a Certificate of Professional Competence (CPC) for professional drivers of buses and lorries. For new bus and coach drivers, the obligation to obtain an initial CPC applies from 10 September 2008 and for new lorry drivers from 10 September 2009. Existing bus, coach and lorry drivers are subject to transitional arrangements which require them to undertake 35 hours of training every five years (the first 35 hours need to be completed by 10 September

2013 in the case of bus and coach drivers and 10 September 2014 in the case of lorry drivers). Thereafter, all bus, coach and lorry drivers must undertake 5-yearly periodic training to maintain their Driver CPC.

4.3 DSA operates as a Trading Fund under the Driving Standards Agency Trading Fund Order 1997 (SI 1997/873). The Agency is required to set fees and charges for its activities at levels that generate sufficient revenue so that the costs of its operations are recovered from users and are not a burden on the general taxpayer. Fees are reviewed annually in the context of each year's planning cycle. Plans for service improvement, performance targets and fees are published in the Agency's Business Plan for that year

4.4 The competent authority (the Secretary of State in respect of Great Britain and the Department of the Environment in respect of Northern Ireland) has powers under the 2007 Regulations to administer the Driver CPC.

## **5. Territorial Extent and Application**

5.1 This instrument (other than regulation 9 (appeals)) extends to the United Kingdom.

## **6. European Convention on Human Rights**

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

7.1 These Regulations-

- introduce an application procedure and the payment of a fee for a National Vocational Training (NVT) certificate
- make changes to the fees payable for tests under regulation 5 (initial CPC test) of the 2007 Regulations
- introduce stronger compliance arrangements - a person presenting himself for a CPC test must produce a valid driving licence
- allow the competent authority to withdraw an approval under regulation 6 (persons providing periodic training courses) of the 2007 Regulations where that approval was given in error
- introduce an appeal against various decisions of the DSA under the 2007 Regulations including the decision to withdraw approval from a CPC training provider
- change the basis for calculating the fees payable to the competent authority on notification of completion of a periodic training course
- change the arrangements for the issue of a DQC
- introduce provisions to deal with damaged, lost or stolen DQCs and NVT certificates
- make provision for access to driver licensing records for the purposes of enforcing the 2007 Regulations

7.2 None of the changes made by these Regulations are considered politically significant, but they do reflect stakeholder requests and seek to ease compliance burdens. There has been a shared concern amongst stakeholders that Driver CPC implementation, whilst seeking to achieve the benefits outlined in the Directive, should aim to minimise the administrative and financial burdens placed on the passenger transport and freight logistics industries. Stakeholders were keen to automate processes where they could and provide flexibility and savings for the candidate whilst recognising that costs of introducing changes must be recovered.

7.3 NVT certificate (regulation 5) An application must be made in writing and be accompanied by a fee of £25.

7.4 Initial CPC (regulation 6) This instrument introduces the requirement for a candidate to have passed the theoretical test referred to in regulation 5 of the 2007 Regulations before taking the practical test – and to pass the latter within 24 months of passing the theoretical test..

7.5 Initial CPC – fees (regulation 6) This instrument introduces a requirement for an approved person under regulation 5(1) of the 2007 Regulations to pay a fee to the DSA of £30 for each theoretical test which it conducts and £41 for each practical test. These fees are intended to cover the DSA's costs in approving persons to conduct tests under regulation 5 of the 2007 Regulations and monitoring their performance.

7.6 This instrument increases the fees for a CPC practical test taken during normal working hours from £41 to £55 and introduces a fee of £63 for practical tests taken at other times.

7.7 DQCs (regulations 11 and 12) It provides for the automatic issue of a Driver Qualification Card where a driver holds a photographic driving licence. Where a photographic driving licence is not held an application has to be made for the card.

7.8 Compliance arrangements (regulation 7) A person presenting himself for a CPC test must produce a valid licence to drive. Where this does not contain a photograph, he must confirm his identity using a valid passport. It also introduces the same identity requirements for those attending training courses. This mirrors the identity requirements of the driving licence acquisition test which we know is being increasingly targeted by organised crime, as the driving licence is a valuable token of identity. The Directive requires that we apply to the DQC the same level of security as for the driving licence.

7.9 Approvals granted in error (regulation 8) Where it appears to the competent authority that an approval under regulation 6(3)(a) or (b) or (9) of the 2007 Regulations was given to a person in error the authority may give notice that it is minded to withdraw or suspend the approval. The person has 28 days in which to make representations. The authority must take those representations into account and inform the person whether or not the approval is suspended or withdrawn.

7.10 Appeals (regulation 9) The instrument introduces an appeal to the Transport Tribunal against a number of decisions of the Secretary of State under the 2007 regulations. The appeal mechanism under the regulations does not extend to Northern

Ireland as the Transport Tribunal has no jurisdiction there and there is no suitable equivalent independent body to hear appeals in Northern Ireland. There will be an administrative appeal system however in Northern Ireland whereby the competent authority there will review its own decisions.

7.11 Periodic training course – fees (regulation 10) The instrument changes the basis for charging fees for the updating of a driver's periodic training record, replacing the existing fee of £5 per course. The fee is to be calculated by reference to the duration of the training course at a rate of £1.25 per hour.

7.12 Damaged, lost and stolen DQCs and NVT certificates (regulation 12) The instrument introduces a requirement for the competent authority to be notified if a DQC or NVT certificate is damaged, lost or stolen. Failure to notify is an offence punishable on summary conviction by a fine not exceeding level 3 on the standard scale. A person who has notified the loss or theft of his card or certificate does not commit an offence under regulation 11 of the 2007 Regulations which require drivers to carry evidence of their CPC.

7.13 Access to Driver Licensing Records (regulation 2) This instrument allows police officers to access driver licensing records for CPC enforcement purposes.

#### Stakeholder engagement

7.14 DSA has maintained a dialogue with key stakeholders on the Driver CPC since 2001. The relevant Sector Skills Councils (Go Skills and Skills for Logistics), Freight Transport Association, Confederation of Passenger Transport, Road Haulage Association and others have been actively engaged with DSA in formulating Driver CPC policy.

#### Formal consultation

7.15 The Agency published a consultation paper *Driver Certificate of Professional Competence: Further Implementation Arrangements* on 8 August 2007. The changes in the regulations were included within the document. The proposals are not regarded as being politically significant and were well received. They attracted a total of 57 responses, the majority of which (well over 50% in all cases) were supportive. This was expected as some of the changes were proposed at the request of stakeholders. But some did express the view that more flexibility was required, whilst others thought too much flexibility had been given e.g. this instrument introduces a parallel requirement to the licence acquisition test that the candidate must take the theoretical test before taking the practical test and take the practical test within 24 months of passing the theoretical test. Some stakeholders commented that the tests should be taken in either order, whilst others thought that 24 months for taking the tests was too long. The Agency considered these comments and decided that, as the CPC test can be taken alongside the licence acquisition test, it was considered sensible that similar requirements should apply to both.

7.16 In line with the move towards conducting government interaction electronically, the consultation was largely conducted online. The paper was posted on the Driving Standards Agency's website and the Agency wrote to some 3,000

individuals advising them of the consultation. The changes will be publicised via a Press Notice, messages posted on the DSA website and publicity material issued by both DSA and the Joint Approvals Unit for Periodic Training.

7.17 More information on the consultation and an analysis of the responses can be found on the DSA website: [www.dsa.gov.uk](http://www.dsa.gov.uk)

7.18 There are no plans to consolidate the changes made to the 2007 regulations at this time.

## **8. Impact**

8.1 An Impact Assessment is attached to this Memorandum providing an analysis of the costs and benefits to both stakeholders and the Public Sector.

## **9. Contact**

9.1 The official within the Department for Transport who can be contacted with any queries in relation to this Statutory Instrument is Robin Massey, Driving Standards Agency, Policy Branch, The Axis, Upper Parliament Street, Nottingham, NG1 6LP. Telephone: 0115 936 6098; e-mail [robin.massey@dsa.gsi.gov.uk](mailto:robin.massey@dsa.gsi.gov.uk)

July 2008

Department for Transport

Summary: Intervention & Options		
Department /Agency: Driving Standards Agency	Title: Impact Assessment of Amendments to The Vehicle Drivers (Certificates of Professional Competence) Regulations 2007	
Stage: <b>Final</b>	Version: <b>Final</b>	Date: <b>16 July 2008</b>
<b>Related Publications: Driver Certificate of Professional Competence Further Implementation Arrangements - DSA Consultation Paper 2007.</b>		

Available to view or download at:

<http://www.dsa.gov.uk>

Contact for enquiries: **Robin Massey**

Telephone: **0115 936**

How to address stakeholder concerns around the implementation of the Driver Certificate of Professional Competence (CPC) whilst addressing road safety, better regulation and enforcement issues. Government intervention is necessary as the SoS is identified as the competent authority in the Vehicle Drivers (Certificates of Professional Competence) Regulations 2007.

To enhance the CPC testing and training arrangements so that they introduce higher standards for lorry and bus drivers in a cost effective manner (thereby improving road safety), make it easier for customers to comply with the legislation and do not obstruct the supply of new drivers into the industries. We consider the options set out in the IA to be an efficient and cost effective way of improving the existing Driver CPC implementation arrangement.

Two options have been considered:

1. maintain the status quo
2. amend existing legislation to implement improvements by introducing staging between tests, independent appeals against non-approval of courses, automatic issue of documentation, the ability to drive if documentation is lost or stolen, revised fees and improved compliance and security procedures. Option 2 is preferred as it delivers the policy objectives and has wide stakeholder support

There will be an initial review in 2012.

final proposal/implementation stage

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Jim Fitzpatrick

18/7/08

Summary: Analysis & Evidence	
Policy Option:	Description:

<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by ‘main affected groups’ The one off cost is payable by drivers for obtaining a photocard licence. The average annual cost is payable by drivers with an exemption for NVT certificates.	
	<b>One-off</b>		<b>Yr</b>
	<b>£ 2,137,500</b>		<b>5</b>
	<b>Average Annual Cost (excluding one-off)</b>		
<b>£ 25,000</b>			
<b>Total Cost (PV)</b>		<b>£ 2,254,327</b>	

Other **key non-monetised costs** by ‘main affected groups’ Candidates will need to comply with staging requirements for CPC tests, and stronger compliance requirements involving identity checks and provision of documentation.

<b>BENEFITS</b>	<b>ANNUAL</b>	Description and scale of <b>key monetised benefits</b> by ‘main affected groups’ There will annual benefits to customers from realigning the cost of Module 4/update of record of periodic training for automatic issue of the DQC.	
	<b>One-off</b>		<b>Yr</b>
	<b>£ Nil</b>		<b>5</b>
	<b>Average Annual Benefit</b>		
<b>£ 1,476,500</b>			
<b>Total Benefit (PV)</b>		<b>£ 2,391,147</b>	

Other **key non-monetised benefits** by ‘main affected groups’ Customer service for drivers and trainers from automatic issue of DQC, standards maintained by ensuring that passes in different modules take place within a two year time period. appeals arrangements for trainers.

A CPC lasts for five years. The costs/benefits are estimated on this timescale.

Price Base Year	Time Period Years 5	<b>Net Benefit Range (NPV)</b> <b>£ 4,645,474</b>	<b>NET BENEFIT (NPV Best estimate)</b> <b>£ 4,645,474</b>
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	UK-wide
	April/July 2008
	VOSA and police
What is the total annual cost of enforcement for these	£ 300,000
	Yes/No
	No
What is the value of the proposed offsetting measure per year?	£ N/A
What is the value of changes in greenhouse gas emissions?	£ N/A
	No

Annual cost (£-£) per organisation (excluding one off)	Micro	Small	Medium	Large
	No	No		

	836,126		168,980	
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Key: Annual costs and benefits: (Net) Present

## Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

EU Directive 2003/59 introduces a Driver Certificate of Professional Competence (CPC) for lorry, bus and coach drivers. This will become effective for professional bus/coach drivers from 2008 and for lorry drivers from 2009.

New bus and lorry drivers entering the industries after the respective dates will need to obtain an initial qualification before being able to drive professionally. Drivers with a licence in the relevant categories on the implementation dates will receive acquired rights. This will enable them to drive for five years without the need to obtain a CPC.

The Directive has been implemented by the Vehicle Drivers (Certificates of Professional Competence) Regulations 2007, which this instrument amends, in conjunction with elements affecting licence acquisition tests in the Motor Vehicles (Driving Licences) Regulations 1999.

In addition, all drivers will need to take 35 hours periodic training every 5 years, to update their skills in light of new and emerging technologies and legislation. Those with acquired rights will need to undertake the training in the five years following the implementation of CPC for their respective industry sectors.

### **Objective**

The CPC Implementation Project is continuing. With input from the road freight and passenger transport sectors, the enforcement agencies and the DSA and DVA, we have identified a number of areas where improvements can be made to our original plans. This Impact Assessment describes those changes.

### **Consultation**

We consulted on the following in August 2007 in a consultation entitled – “Driver Certificate of Professional Competence – Further Implementation Arrangements”.

### **Net Benefits**

The net benefits in this IA are based on the annual costs compared with benefits to industry and individuals from these components.

#### Component 1:

1.1 A candidate will be required to pass Module 2 (the CPC theory test – case studies) before booking Module 4 (the CPC practical test).

#### Impetus for change

1.2 To ensure the candidate has mastered the theoretical element (Module 2) before attempting the practical test (Module 4) and mirroring the existing arrangements for licence acquisition tests.

1.3 The procedure will be established when the tests are introduced in September 2008.

#### Costs

1.4 The cost is incorporated in the amount shown for Component 2.

#### Component 2:

2.1 A candidate, on passing Module 2, will be allowed up to 24 months to pass Module 4.

#### Impetus for change

2.2 Knowledge and competence should be demonstrated within a reasonable period of each other. 24 months should be the maximum period and mirrors the existing arrangements for licence acquisition tests.

2.3 The procedure will be established when the tests are introduced in September 2008.

#### Costs

2.4 There will be a cost of changing the software of **£350,000**. This includes the cost of the change needed for Component 1.

#### Component 3

3.1 To clarify that In House Theory Test Centres will be responsible for paying the Module 2 test fee.

#### Impetus for change

3.2 Regulations as currently drafted could be misinterpreted as implying that the candidate should pay for the Module 2 test.

3.3 We always intended that IHTTCs would be liable to pay the Module 2 test fee to DSA so the current regulation needs clarification.

#### Costs

3.4 There will be no additional costs as a result of this. The change is purely clarification.

### **Periodic Training**

#### Component 4:

4.1 Applicants who are aggrieved by a decision not to approve a training centre or course will be able to appeal to the Transport Tribunal.

#### Impetus for change

4.2 The Transport Tribunal is an impartial body. The change will make appeals independent of the Department for Transport and DSA.

4.3 This system will also be in line with the appeals procedure applicable to the Approved Driving Instructor scheme.

4.4 We will introduce the new procedure with other CPC changes from September 2008.

#### Costs

4.5 Transport Tribunal appellants usually have to meet their own costs. The Tribunal does not require appellants to pay a fee. The only cost to the public sector will be the small administrative cost of responding to what we expect to be a very low number of appeals.

### **Driver Qualification Card**

#### Component 5:

5.1 The fee for a Module 4 test will increase from £41 to £55 (there will also be a £63 fee for a new service of a test taken in the evening or at the weekend). The new fee will cover the automatic issue of the DQC to candidates that hold a UK photocard driving licence. The vast majority of drivers taking the tests for the Driver CPC Initial Qualification will hold a UK photocard driving licence.

5.2 For non-DSA test providers, the £41 fee will remain as specified in the regulations, but will also cover the automatic issue of the DQC to candidates that hold a UK photocard driving licence. We shall clarify that liability to pay a £41 fee to DSA lies with the test provider, not the candidate.

#### Impetus for change

5.3 Stakeholders have asked us to meet the costs of producing and issuing the initial DQC via the Module 4 test fee as this will remove the process and costs of a separate DQC application and be a simpler process for customers.

5.4 In response to stakeholder concerns, the Agency intends to offer Module 4 test slots outside normal working hours. A new fee of £63 is proposed for such tests – reflecting the extra costs incurred by the Agency in providing this additional customer service.

5.5 When CPC is introduced, the fee for a Module 4 test will include an amount for producing and dispatching an initial DQC which will be issued automatically to drivers holding a photocard licence on completion of the Initial Qualification.

5.6 However, this provision will not apply to those with a paper driving licence as DVLA holds no photographic record of such drivers. They will need to make a separate application for a card. The fee is £25. Alternatively, they may choose to exchange the paper licence for a photocard one for a fee of £19 before attempting Module 4. However, given the age profile of professional drivers and the need for medical renewals, we expect there to be very low numbers of paper licence holders.

5.7 Unsuccessful candidates will not receive an initial DQC. However, we anticipate that the failure rate will be relatively low. Introducing systems to reimburse such candidates that element of the Module 4 test fee relating to the cost of the DQC, would impose disproportionate additional costs.

#### Costs

5.8 There will be administrative savings to the public sector of some £57,138 in making changes to the IT system to facilitate automatic issue of the DQC. This is the difference between costs which would be involved in the manual system which was planned when The Vehicle Drivers (Certificates of Professional Competence) Regulations 2007 were laid compared with the automatic one which is now being developed. This also covers the financial elements from automatic issue of a DQC following periodic training at Component 6.

IT system – with manual DQC issue	£31,000,000.00
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IT system – with automatic DQC issue	£30,942,862.00
Benefit	£57,138.00

5.9 For tests supplied by DSA, the cost to drivers with a photocard licence will reduce from £66 under the current arrangement to £55 (£41 for the Module 4 fee plus £25 for a DQC). The fee for an evening or weekend test also includes the cost of the DQC.

5.10 An estimate of the annual saving for candidates from this change is some £539,000. This is based on test volumes of 49,000 module 4 tests per annum (as per estimates for 2010/11 in the 2007/08 DSA Business Plan):

Estimated volume of tests per annum	49,000
<b>New System</b>	
Fee	£55.00
Cost	£2,695,000.00
<b>Old System</b>	
Fee	£41.00
DQC	£25.00
Cost	£3,234,000.00
<b>Saving</b>	<b>£539,000.00</b>

#### Component 6:

6.1 At present, the fee for updating a driver's periodic training record is £5 for each notification. The replacement structure is based on a fee of £1.25 for each hour of training completed, which covers update of the database and automatic issue of the DQC on completion of 35 hours periodic training. The photograph on the DQC will be obtained from records at DVLA.

6.2 The automatic issue of the DQC can only apply where drivers hold a UK photocard licence. Those drivers holding a paper licence will need to apply for a DQC, supplying a photograph and paying a fee of £25. Alternatively, they may obtain a photocard licence before completing 35 hours of Periodic Training. The fee for licence exchange is currently £19. Given their age profiles and the need for medical renewal, we expect there to be very few professional drivers that do not hold a UK photocard licence.

#### Impetus for change

6.3 Stakeholders have asked us to meet the costs of producing and issuing the periodic DQC via the data upload fee as this will remove the administrative burden of a separate DQC application, spread cost-recovery and be a simpler process for customers.

6.4 The new procedure and fee will be implemented as part of the CPC periodic training arrangements in September 2008.

#### Costs

6.5 The cost to the public sector of this change is included in the administrative costs at Component 15.

6.6 This change will reduce the cost to drivers by some £937,500 per annum through removal of the separate DQC application process:

<b>New System</b>	
Drivers	750,000
Hour update	£1.25

Hours	35
5 yearly	£32,812,500.00
<b>Old System</b>	
Drivers	750,000
Update	£25.00
DQC	£25.00
5 yearly	£37,500,000.00
<b>Benefit – 5 yearly</b>	<b>£4,687,500.00</b>
<b>Benefit - Per annum</b>	<b>£937,500.00</b>

6.7 There will be an additional cost to those with a paper licence of either:

- £25.00 for a DQC or
- £19.00 for exchange to a photocard licence.

6.8 Assuming 750,000 drivers hold an LGV or PCV licence (this figure is in the DSA Business Plan supporting CPC and includes existing licence holders and new entrants), and 15% of them do not hold a photocard licence, there will be a one off cost of £2,137,500.

Drivers	750,000
% needing licence	15%
Drivers needing licence	112,500
Cost of licence	£19.00
<b>Cost</b>	<b>£2,137,500.00</b>

#### Component 7:

7.1 Under this change, a driver who is required to hold a DQC or National Vocational Training (NVT) exemption document will, for a limited period, be able to drive without this if it has been lost or stolen. The same arrangements as apply to those for digital tachographs will be introduced whereby a driver must apply for a new card within 7 days of discovering the loss or theft. However, he can drive for up to 15 days without committing an offence.

#### Impetus for change

7.2 We have been asked by stakeholders to include an arrangement for a driver to be able to continue to drive professionally if the DQC or NVT exemption certificate has been lost or stolen. In the absence of such an arrangement, the driver would be unable to earn a living until a replacement had been received.

7.3 We are keen, from an enforcement perspective, to ensure that a driver has the correct documentation at all times. However, we are receptive to the view that a driver should not be prevented from driving professionally simply because the DQC or NVT exemption certificate has been lost or stolen. Aligning the digital tachograph and DQC/NVT arrangements for lost or stolen cards is both sensible and proportionate. However, this arrangement can only apply within the UK. The driver will be unable to work professionally in any other Member State during this period – even when transiting another Member State.

7.4 The 15 day facility will be introduced from September 2008.

#### Costs

7.5 There are no costs. Legislation already specifies that a fee is payable for a replacement DQC. We have consulted (please see Component 11) on charging the same for a NVT exemption document. However, there are significant benefits for affected drivers as they will be able to work professionally for 15 days which the current legislation does not permit. Taking £350.00 per week as an average wage for a

professional driver (information provided by the Freight Transport Association), this could benefit a driver by an average of £700 if they were awaiting their new DQC.

## **Compliance**

### Component 8:

8.1 Candidates taking the Module 2 and 4 tests will need to hold at least a provisional driving licence (Category C or D licence – including sub categories) in the category in which they are to take the test.

#### Impetus for change

8.2 This will align the licence requirements for CPC with those for licence acquisition tests.

8.3 The requirement will be incorporated in arrangements for conducting the tests when they are introduced for bus drivers in 2008 and lorry drivers in 2009.

#### Costs

8.4 There are negligible additional costs to DSA or drivers from this requirement – most candidates will already hold at least a provisional licence in the relevant categories in order to take a licence acquisition test.

### Component :9

9.1 A candidate will be required to present either a photocard driving licence, or a paper driving licence and valid passport, for identification purposes.

#### Impetus for change

9.2 It is important that the identification procedures for the new CPC tests are robust so as to ensure the integrity of the tests. This can best be achieved by introducing the same requirements as apply for licence acquisition tests.

9.3 The requirement will be incorporated in arrangements for conducting CPC tests when they are implemented in September 2008.

#### Costs

9.4 There are no additional costs to DSA involved in implementing this requirement.

9.5 Drivers without a photocard driving licence or a passport will be required to acquire one. The cost of exchanging a paper licence for a photocard one is £19. The cost of a passport is £66. We estimate that around 15% of vocational licence holders may need to exchange - the additional cost is already covered in Component 6.

### Component 10:

10.1 A trainee undergoing periodic training will be required to present means of identification to the trainer when attending a course - either a photocard driving licence or a paper driving licence and valid passport.

#### Impetus for change

10.2 It is important for the identification procedures for the CPC to be robust. This can best be achieved by introducing a standard requirement for all CPC elements. The training providers are best placed to undertake this function in respect of periodic training.

10.3 The requirement will be incorporated into periodic training administration arrangements.

#### Costs

10.4 There are no additional costs to DSA from this change.

10.5 Drivers without a photocard driving licence or a passport will be required to acquire one. The cost of exchanging a paper licence for a photocard one is £19. The cost of a passport is £66. Again, we estimate that around 15% of vocational licence holders may need to exchange – the additional cost is already covered in Component 6.

#### Component 11:

11.1 Drivers may apply to DSA to make use of the NVT concession, whereby they may drive professionally for up to one year without a CPC provided they are following an approved course. Where the concession is granted, it will be evidenced by a written statement issued to the relevant driver. To cover service delivery costs we propose to charge a fee of £25 for each statement. Where a replacement statement is issued due to loss or theft of the original we may waive the fee in whole or part. We also propose creating an offence where such a statement is forged or where a person knowingly makes a false statement in order to obtain the NVT statement.

11.2 These provisions reflect those that already apply to the DQC.

#### Impetus for change

11.3 When the NVT provision in the CPC Directive is introduced, there will need to be a means by which those drivers benefiting from the concession can prove to police or VOSA officers that it has been granted to them. The written statement will be the prime evidence. The fee will be consistent with that charged for the DQC.

11.4 In order to make use of the NVT concession, drivers will have to apply to DSA (or an organisation carrying out this function on DSA's behalf), supplying sufficient information for a decision to be made as to whether the concession should be granted. The fee for the written statement must be enclosed with the application. Where the concession is granted, the written statement will be sent to the applicant. As with other fees in the CPC scheme, we propose that the fee may be waived in whole or part in appropriate circumstances.

#### Costs

11.5 Likely uptake of the NVT option is unclear. It is optional and is provided as a customer service. Drivers are not obliged to use it. Our intention is that the fee for the statement should cover the administrative cost of operating this arrangement, including producing and dispatching the statement. The cost to the public sector will be around £200,000.

11.6 There will be a cost of £25 for the written statement. Assuming 1,000 drivers annually take up the NVT option the cost will be £25,000.

#### Component 12:

12.1 If the police or VOSA need to validate a driver's CPC status, they will be able to access the details at DVLA.

## Impetus for change

12.2 There will be situations when the police or VOSA need to verify a driver's CPC status and the most effective way of doing so will be to access DVLA's database where this information will be held. Legislation does not currently expressly permit the police to access this data. This change will enable them to do so.

12.3 The police will be given these powers from September 2008.

## Costs

12.4 There will be no additional costs as a result of this.

## Consultation

### Public consultation

13.1 When conducting consultations we aim to consult as wide a range of stakeholders as possible. We post consultation papers on our website. For those particularly affected by the changes, we place articles in our bi-monthly magazine *Despatch*, which has a circulation of some 60,000 driver trainers. We have also established an electronic notification system whereby interested parties can register with us to receive weekly updates via email. To date we have some 3,000 individuals registered for this service.

### Within Government

13.2 The Welsh Assembly, Scottish Executive and the Department for Environment Northern Ireland are routinely consulted concerning regulatory changes. We have also consulted with sister Agencies and interested parties from amongst the Department for Transport, such as the Road User Safety Division and the Transport, Technology and Standards Division.

### Small firms impact test

14.1 A small business is defined<sup>1</sup> as one with:

- Fewer than 50 employees;
- No more than 25% of the business owned by another enterprise (which is not a small business);
- Less than £4.44 million annual turnover;
- Less than £3.18 million annual balance sheet total;

14.2 Most lorry and bus training organisations are small businesses. Similarly, in addition to a number of high profile vehicle operators, there are a large number of small companies running buses and lorries. It is not considered that this package of changes will negatively impact on these sectors.

## Legal Aid

15.1 The current set of changes will not adversely affect legal aid. When we made the regulations implementing CPC, we liaised with the Department For Constitutional Affairs, whose assessment was that the cost of the regulations to their Department (including legal aid) would be £124,140. The inclusion of a fixed penalty offence for failure to produce evidence of CPC is likely to reduce the need for legal aid.

## Competition assessment

16.1 The proposed new regulations will apply equally to all affected parties. We therefore do not consider that they will have any adverse effect on competition.

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<sup>1</sup> Better Policy Making: A Guide to Regulatory Impact Assessments. Cabinet Office January 2003

## Social Exclusion Issues

17.1 We do not believe that any social exclusion issues are likely to arise from these changes.

## Race Equality

18.1 The measures will affect all individuals in the same way. We have been unable to identify any negative impact on any group of people based on religious beliefs, ethnicity, colour nationality and ethnic origin. Neither have we identified any such indirect impact, for example as a result of fee increases disproportionately affecting a particular ethnic group.

## Disability Equality

19.1 We have been unable to identify any negative impact on any group of people based on disability.

## Gender Equality

20.1 We have been unable to identify any negative impact on any group of people based on gender (including gender reassigned people) or sexual orientation. All individuals will be affected in the same way by the changes.

## Human Rights

21.1 We have been unable to identify any negative impact on any group of people based on religious or personal beliefs, age, social status or marital status.

21.2 The requirement to carry a DQC when driving professionally is already contained in The Vehicle Drivers (Certificates of Professional Competence) Regulations 2007. The inclusion of a fixed penalty for failure to produce evidence of CPC is likely to reduce the time spent by individuals in the criminal justice system.

## Sustainable Development

22.1 The only item which will have to be produced as a hard copy is the DQC, which is mandatory to ease roadside checking of non-UK drivers entitlement (it is available electronically for UK drivers). We are seeking to make the electronic record the key source of all other information, thereby reducing the need for hard copies to be made available. Providing access for the police and VOSA to drivers' records will further enhance this.

## Carbon Assessment

23.1 We do not consider the changes will have a significant impact on carbon emissions.

## Other Environment

24.1 We do not consider that the changes will have any other significant environmental impact.

## Health Impact Assessment

25.1 We have not identified any significant impact to health.

## Rural Proofing

26.1 We do not believe the changes will have an impact on those in more remote locations.

## Application within the United Kingdom

27.1 The Secretary of State for Transport has responsibility for driver training and testing in Great Britain. Driver training and testing are matters reserved to Westminster as regards Scotland and Wales. Legislative responsibility within Northern Ireland is devolved to the Northern Ireland Assembly under the Northern Ireland Act 1998. Arrangements in Northern Ireland are subject to separate consultation.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

<b>Type of testing undertaken</b>	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

## Summary of Costs to customers

Proposal	One off cost	Annual cost	Total cost	One off benefit	Annual benefit	Total benefit	Over
24 months to pass Module 4	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
IHTTCs responsible for paying £30 fee	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
Transport Tribunal - right of appeal for non-approval of training	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
Realign cost for module 4 to include DQC	£0.00	£0.00	£0.00	£0.00	£539,000.00	£539,000.00	£539,000.00
Realign cost for update of training record to include DQC	£2,137,500.00	£0.00	£2,137,500.00	£0.00	£937,500.00	£937,500.00	£1,200,000.00
Allow to drive for up to 15 days if lost DQC	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
Requirement to hold driving licence to take CPC test	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
Cost of NVT certificate	£0.00	£25,000.00	£25,000.00	£0.00	£0.00	£0.00	£25,000.00
Police and VOSA to access DVLA data	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
Make failure to produce fixed penalty	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
<b>Total</b>	<b>£2,137,500.00</b>	<b>£25,000.00</b>	<b>£2,162,500.00</b>	<b>£0.00</b>	<b>£1,476,500.00</b>	<b>£1,476,500.00</b>	<b>£685,000.00</b>

<b>Annual cost (one off cost covering 5 years)</b>	<b>£427,500.00</b>	<b>£25,000.00</b>	<b>£452,500.00</b>	<b>£0.00</b>	<b>£1,476,500.00</b>	<b>£1,476,500.00</b>	<b>£1,020,000.00</b>
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## Summary Of Costs To The Public Sector

<b>Component – administrative costs</b>	<b>One off cost</b>
24 months to pass Module 4	£350,000.00
Approval of periodic training	£184,000.00
Saving from automatic issue of DQC. Includes changes allowing police and VOSA to access records	- £57,138.00
Cost of NVT certificate	£200,000.00
<b>Total</b>	<b>£676,862.00</b>
<b>Annual cost</b>	<b>£135,372.40</b>

## Admin Burden

## Cost

Item	Activity	Estimated amount	Unit	£ per hour	£ per minute	£ per activity	Number	Unit	Estimated £
Pass Module 4 in 24 months	Need to re-take Module 2 if do not pass Module 4 in 24 months	57,000	tests - total number conducted	N/A	N/A	£30.00	2850	tests - assume 5% will not pass Module 4 in 24 months	£85,500.0
Transport Tribunal	Cost of appeal	15	hours	£22.11	N/A	N/A	20	appeals	£6,633.0
Automatic issue of DQC - trainer	Update records	10	minutes to update	£22.11	£0.37	£3.69	150,000	drivers per year	£552,750.0
Hold provisional licence - Modules 2 and 4	Time to apply	10	minutes to apply	£8.42	£0.14	£1.40	3500	drivers (5% of 70,000 tests)	£4,911.6
Trainer checks id	Someone to check	5	minutes to check	£22.11	£0.37	£1.84	150,000	drivers per year	£276,375.0
NVT	Time to apply	15	minutes to apply	£8.42	£0.14	£2.11	37500	drivers (5% of 750,000 drivers)	£78,937.5
Total									£1,005,107.1

## Saving

Item	Activity	Estimated amount	Unit	£ per hour	£ per minute	£ per activity	Number	Unit	Estimated £
Automatic issue of DQC - pass test	Do not need to make application	10	minutes to apply	£22.11	£0.37	£3.69	49,000	successful module 4 candidates per year	£180,565.0
Automatic issue of DQC - training	Do not need to make application	10	minutes to apply	£22.11	£0.37	£3.69	150,000	drivers per year	£552,750.0
Fixed penalty	Do not have to go to Court	15	hours	£22.11	N/A	N/A	310	cases	£102,811.50
Total									£836,126.50

**Total**

<b>Cost</b>	£1,005,107.17
<b>Saving</b>	£836,126.50
<b>Balance</b>	£168,980.67