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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Title: Introduce a requirement for ‘acquired rights’ drivers to exchange their old style (paper) licence for a photocard licence before completing their periodic training Lead department or agency: DSA Other departments or agencies: DVLA | Impact Assessment (IA) |
| | IA No: DFT0046. |
| | Date: 01/09/2010 |
| | Stage: Final |
| | Source of intervention: EU |
| | Type of measure: Secondary legislation |
| Contact for enquiries: mandy.lynch@dsa.gsi.gov.uk | |

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

Lorry and bus drivers are required under EU legislation to undertake 35 hours of periodic training every five years to obtain a Driver Qualification Card (DQC) certifying that they hold a Certificate of Professional Competence (CPC). Processes have been implemented to enable the automated issue of DQCs for UK photocard licence holders. Current regulations include the provision for an alternative, application process for those drivers not holding a photocard licence. For the alternative process to work, changes must be made to the automated system at a cost of some £2 million, otherwise we are unable to issue DQCs to those not holding a photocard licence – without a DQC the driver cannot legally drive/work. Government intervention is necessary to avoid such costs.

What are the policy objectives and the intended effects?

To streamline the administrative process to issue a DQC to all GB licence holders who have completed their periodic training and thereby remove the need to develop a separate administrative system for a limited number of drivers with old style paper licences.

To ensure regulations accurately support the streamlined process

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

Our Option has been considered against the “Do-nothing” Option:

Do-nothing Option: To make no change to current regulations and to inform customers about the lower cost of obtaining a DQC licence prior to issuing of a photocard driving licence. This would require a paper licence DQC application process to be developed, at a high capital cost in relation to relatively low transactional volumes.

Policy Option 1 (preferred option): To amend the Driver CPC regulations to require holders of an old style (paper) driving licence to exchange it for a photocard licence. This is the recommended approach as it will deliver considerable savings through reduced administration costs.

| | |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved? | It will be reviewed 04/2016 |
| Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review? | Yes |

Ministerial Sign-off For final proposal stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister: Mike Penning

Date: 04/04/2011

Summary: Analysis and Evidence

Policy Option 1

Description:

Requirement for holders of old style paper driving licences to exchange to photocard licences.

| Price Base Year 10 | PV Base Year 10 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) | | |
|-----------------------|--------------------|-------------------------|---------------------------------------|-----------|----------------------|
| | | | Low: £3.3m | High: £4m | Best Estimate: £3.6m |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|-----------------------------------------------|-------------------------------------------------------|-------------------------------|
| Low | 0 | 0 | 0 |
| High | 0 | 0 | 0 |
| Best Estimate | 0 | 0 | 0 |

Description and scale of key monetised costs by 'main affected groups'

IT systems are already in place which will automatically issue DQCs to drivers holding photocard driving licences on completion of their periodic training and, therefore, the cost of this option is nil.

Other key non-monetised costs by 'main affected groups'

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|-----------------------------------------------|-------------------------------------------------------|----------------------------------|
| Low | £2.2m | £0.15m | £3.3 |
| High | £2.2m | £0.23m | £4m |
| Best Estimate | £2.2m | £0.18m | £3.6m |

Description and scale of key monetised benefits by 'main affected groups'

One-off savings will be achieved by not developing a separate system to manually issue DQCs to holders of paper licences. Ongoing savings are also available to individual drivers who will benefit from the process which enables photocard licence holders to obtain their DQC automatically. They will also benefit through saving time by not having to complete the manual application process.

Other key non-monetised benefits by 'main affected groups'

Supports Governmental Transformational objectives via:

- o enabling all qualifying GB photocard licence holders to be issued with DQCs via an automated process, without any need for driver application/intervention.
- o supporting the 'tell us once' principle via the reuse of personal data on the DVLA driver database (photo, signature, name, address etc.)

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

Assumptions:

1) Reduction in number of old style driving licence holders through natural wastage (4% in best estimate scenario, 10% low scenario and 0% high scenario). 2) Admin cost to DVLA and DSA of manually processing DQC: £12. 3) Manual application takes an hour. 4) Only those lorry (bus) drivers who will be still driving in 2014 (2013) will take up CPC courses between 2011 and 2014 (2013). 5) 70% of lorry drivers (80% bus drivers) will wait until 2014 (2013) to take up their CPC courses.

Risk: Holders of paper licences will not recognise benefits and be reluctant to exchange licences.

| | | | | |
|-----------------------------------|---------------|--------|-------------------------------------|----------|
| Impact on admin burden (AB) (£m): | | | Impact on policy cost savings (£m): | In scope |
| New AB: 0 | AB savings: 0 | Net: 0 | Policy cost savings: | Yes |

Enforcement, Implementation and Wider Impacts

| | | | | | |
|---------------------------------------------------------------------------------------------------------------------------|-------|------|----------------|--------------------|-------|
| What is the geographic coverage of the policy/option? | | | United Kingdom | | |
| From what date will the policy be implemented? | | | 01/04/2011 | | |
| Which organisation(s) will enforce the policy? | | | DSA/DVLA | | |
| What is the annual change in enforcement cost (£m)? | | | | | |
| Does enforcement comply with Hampton principles? | | | Yes | | |
| Does implementation go beyond minimum EU requirements? | | | Yes | | |
| What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent) | | | Traded: N/A | Non-traded: N/A | |
| Does the proposal have an impact on competition? | | | No | | |
| What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable? | | | Costs: N/A | Benefits: N/A | |
| Annual cost (£m) per organisation (excl. Transition) (Constant Price) | Micro | < 20 | Small | Medium | Large |
| Are any of these organisations exempt? | No | No | No | No | No |

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

| Does your policy option/proposal have an impact on...? | Impact | Page ref within IA |
|-----------------------------------------------------------------------------------------------------------------|--------|--------------------|
| Statutory equality duties ¹ Statutory Equality Duties Impact Test guidance | No | |
| Economic impacts | | |
| Competition Competition Assessment Impact Test guidance | No | |
| Small firms Small Firms Impact Test guidance | No | |
| Environmental impacts | | |
| Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance | No | |
| Wider environmental issues Wider Environmental Issues Impact Test guidance | No | |
| Social impacts | | |
| Health and well-being Health and Well-being Impact Test guidance | No | |
| Human rights Human Rights Impact Test guidance | No | |
| Justice system Justice Impact Test guidance | No | |
| Rural proofing Rural Proofing Impact Test guidance | No | |
| Sustainable development Sustainable Development Impact Test guidance | No | |

¹ Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

| No. | Legislation or publication |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Response to Consultation Report: <i>Driver Certificate of Professional Competence Scheme – Improvements to Administrative Arrangements</i> |
| 2 | |
| 3 | |
| 4 | |

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Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

| | Y ₀ | Y ₁ | Y ₂ | Y ₃ | Y ₄ | Y ₅ | Y ₆ | Y ₇ | Y ₈ | Y ₉ |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transition costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual recurring cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total annual costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transition benefits | 2.18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual recurring benefits | 0.078 | 0.078 | 0.18 | 0.45 | 0 | 0.127 | 0.127 | 0.25 | 0.5 | 0 |
| Total annual benefits | 2.26 | 0.078 | 0.18 | 0.45 | 0 | 0.127 | 0.127 | 0.25 | 0.5 | 0 |

* For non-monetised benefits please see summary pages and main evidence base section

See spreadsheet below for low/high scenarios



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▪ Introduction

1.1 This Impact Assessment considers the introduction of the requirement for holders of GB paper driving licences to upgrade to photocard licences, for the purpose of obtaining a Driver Qualification Card (DQC).

1.2 The Driver CPC has been introduced as a result of Directive 2003/59/EC (“the Directive”). This Directive introduced a requirement across the EU for professional lorry, bus and coach drivers to hold a CPC in addition to their vocational driving licence.

1.3 The Directive was implemented for bus and coach drivers in September 2008; and for lorry drivers in September 2009.

1.4 The Directive was transposed into UK legislation by The Vehicle Drivers (Certificates of Professional Competence) Regulations 2007 SI No. 605 [as amended] (the “CPC Regulations”). Relevant provisions relating to driving tests for vocational licence acquisition are made by way of amendments to the Motor Vehicles (Driving Licences) Regulations 1999 SI No.2864 [as amended] (the “Driving Licences Regulations”) and the Motor Vehicles (Driving Licences) Regulations (Northern Ireland) 1996 SR 542 [as amended].

1.5 Under the Directive, existing professional drivers are exempt from CPC for the first five years, and may drive professionally (via ‘acquired rights’), until September 2013 (bus drivers) or September 2014 (lorry drivers). Such drivers are required to undertake 35 hours of periodic training during this period and then obtain a DQC certifying that they hold a CPC. They need to repeat this training every five years to retain the CPC.

1.6 When a driver with a GB photocard licence completes 35 hours of periodic training, the Driver and Vehicle Licensing Agency (DVLA) automatically issues the DQC, on behalf of DSA, using the photograph and signature already held on the DVLA driver licensing database.

1.7 The CPC Regulations also make provision for drivers holding GB paper driving licences to make a manual application at a fee of £25.00 – but such a process has not been developed. To develop such a process would involve obtaining a separate photograph and signature from the driver and manually inputting these details onto the driver training and recording database that automatically issues the DQC. The IT system would require extensive changes in order to accept manual input of a driver’s details i.e. photograph and signature.

1.8 We will amend legislation to require drivers holding an old style (paper) driving licence to exchange it for a photocard licence before taking the next course of periodic training.

Existing Law

2.1 Vocational drivers are required to carry evidence of CPC qualification whilst working professionally. The DQC will provide such evidence. Drivers with acquired rights until September 2013 (bus) or September 2014 (lorry) will be required to carry a DQC after these dates.

2.2 The requirement will be introduced from 1st April 2011 to enable drivers with old style (paper) licences sufficient time to obtain a photocard licence from DVLA without disrupting any periodic training which had already been arranged.

▪ Rational for intervention

3.1 Avoid duplicating a system that is already in place and that, therefore, would bring about unnecessary costs.

▪ Policy objectives/ aims of the policy

4.1 The reasons for this change are that it will:

- Streamline the administration by bringing all professional drivers holding GB licences under a single, common process as regards DQC issue

- Eliminate the need to develop a new type of transaction

▪ Description of options considered

5.1 Do-nothing option: To make no change to current regulations and to inform customers about the lower cost of obtaining a DQC prior issuing of a photocard driving licence. This would require a paper licence DQC application process to be developed as we expect at least a few of the old style (paper) driving licence holders to be willing to carry on with their old driving licence. This would mean to incur a high capital cost in relation to relatively low transactional volumes.

5.2 Policy Option 1: To amend the Driver CPC regulations to require holders of an old style (paper) driving licence to exchange it for a photocard licence. When a photocard licence has been issued for a driver who has completed 35 hours of periodic training, the Driver and Vehicle Licensing Agency (DVLA) will automatically issue the DQC, on behalf of DSA, using the photograph and signature already held on DVLA's database.

5.3 This regulation would avoid developing a paper licence DQC application process for a very low number of old style (paper) driving licence holders that might want to retain their current paper driving license. Furthermore, the few vocational drivers still holding paper licences will, in due course, have to exchange them as a consequence of requirements in the Third Driving Licences Directive. Therefore, this regulatory approach is the recommended one as it will deliver considerable savings through reduced capital and administration costs.

▪ Costs and Benefits of Options

6.1 As both options are basically opposite options, the costs of the Do-nothing option can be read as the benefits of Option 1 and vice versa. Therefore, for the shake of simplicity, we will focus on setting out costs and benefits of Option 1.

General description of benefits of Option 1

6.2 The benefits delivered by this change are that it:

- Avoids the high capital investment in developing a separate manual DQC application process including a separate process to update DVLA driver records
- Avoids the high ongoing administrative burden on DSA and DVLA – which would have to be passed on to customers - in terms of running a separate manual DQC application process for GB paper licence holders
- Supports Governmental Transformational objectives via:
 - enabling all qualifying GB photocard licence holders to be issued with DQCs via an automated process, without any need for driver application/intervention.
 - supporting the 'tell us once' principle via the reuse of personal data on the DVLA driver database (photo, signature, name, address etc.)
- All professional drivers (holding GB paper licences) who wish to qualify for a Driver CPC will be directed into a lower cost option (to the driver) i.e. the current licence exchange fee is £20 as opposed to the DQC application fee of £25.
- Supports DVLA strategic objectives of reducing volumes of paper licences in circulation and improving the accuracy of the driver licence database

Benefits to Government

6.3 If DSA was to provide DQCs on application for drivers who do not hold a GB photocard licence, the current automated system would have to be adapted to take account of this. IT System development costs would be incurred. These costs have been estimated by the DVLA's contracted IT supplier as being in the region of around £1.5m. This expenditure would not be needed if adaptations to the system were not required.

6.4 Requiring all GB paper licence holders who require a DQC to adopt the process for photocard holders, will eliminate the ongoing administrative overheads that both DSA and DVLA will otherwise encounter in manually processing DQC applications. We estimate that these costs will be a minimum of £12.00 per driver. This figure is based upon the number of full and provisional vocational licence holders who will require a DQC and the cost of providing staff to receipt check and input the information onto the IT system to generate the DQC.

Benefits to individuals

6.5 Under current regulations, drivers holding a GB paper licence, who wish to qualify for CPC via periodic training, have two options:

- Upgrade to photocard or
- Manual application to DSA

6.6 Both routes require similar details to be provided (e.g. photograph and signature) and both involve a fee. The automatic process for obtaining a DQC, available to holders of a photocard licence, currently presents the lower cost option (£20.00 vs. £25.00) for a manual DQC application. Once a driver has obtained a photocard licence, all subsequent DQCs will be received automatically following the completion of periodic training, without the need for the driver to submit an application.

6.7 Over five years (ie the duration of a DQC), each driver currently holding a paper licence would save £5.00. Over ten years (ie the duration of a photocard licence), this saving would increase to £30.00 per driver, because at five yearly DQC renewals, obtaining a photocard licence would remove the need for a second application for a DQC. This would save an additional £25.00. So the saving would be £30.00 per driver.

6.8 There is also a saving for drivers in the time taken to complete a manual application process. We estimate it will take each driver an hour to complete this task. Assuming 56,890 drivers will need to complete the manual application process at an hourly rate of £10.44² per driver every five years.

6.9 Data, Assumptions and Calculations

a) Data

- Number of old style (paper) driving licence holders in 2011: 56,890 of which 82% are lorry drivers and 18% bus drivers (Source DVLA November 2010).
- Cost of the automatic process for obtaining a DQC: £20³
- Cost of the manual process for obtaining a DQC: £25⁴
- Time cost: £10.44⁵ per hour

b) Assumptions:

- Reduction in number of old style driving licence holders through natural wastage (4% in best estimate scenario⁶, 10% low scenario and 0% high scenario).
- Admin cost to DVLA and DSA of manually processing DQC: £12
- Manual application takes an hour.
- We are assuming that only those lorry drivers who will be still driving in 2014 will take up CPC courses between 2011 and 2014.
- We are assuming that only those bus drivers who will be still driving in 2013 will take up CPC courses between 2011 and 2013.

² WebTAG 3.5.6, Table 1, values of time and operating costs for individual or driver (perceived cost to LGV and PSV drivers at <http://www.dft.gov.uk/webtag/documents/expert/unit3.5.6.php>), updated to 2010 prices using HM Treasury's GDP deflators (http://www.hm-treasury.gov.uk/d/gdp_deflators.csv).

³ Cost charged by DVLA for electronic issue of a DQC

⁴ Cost to user for manual issue of DQC charged by DVLA to recover IT System development costs

⁵ WebTAG 3.5.6, Table 1, values of time and operating costs for individual or driver (perceived cost to LGV and PSV drivers at <http://www.dft.gov.uk/webtag/documents/expert/unit3.5.6.php>), updated to 2010 prices using HM Treasury's GDP deflators (http://www.hm-treasury.gov.uk/d/gdp_deflators.csv).

⁶ According to DVLA figures (November 2010), out of the 56890 drivers who hold an old style (paper) driving licence, 24,500 driver were over 45. Thus, assuming an even distribution of drivers' age (from 45 to 65) and that they retire at the age of 65, approximately 4% will retire every year.

- We assume that 70% of lorry drivers (80% bus drivers) will wait until 2014 (2013) to take up their CPC courses. The reason for this assumption is that we think this approach seems the most effective, i.e., the later you get your DQC the latter you will have to renew it, therefore for the oldest drivers this could mean that they might not need to renew it again. We assume 10% of lorry drivers will comply each year between 2011 and 2014 (2011 and 2013 for bus drivers).
- We assume that those who got their DQC before 2014 for lorry drivers / 2013 for bus drivers are those who cannot avoid (due to age) the renewal of their DQC.

c) Calculations:

Best case scenario

Number of drivers affected (best case scenario: 4% reduction per year)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| total | 56,890 | 54,702 | 52,598 | 50,575 | 48,630 | 46,759 | 44,961 | 43,232 | 41,569 | 39,970 |
| lorry drivers | 46,741 | 44,943 | 43,215 | 41,552 | 39,954 | 38,418 | 36,940 | 35,519 | 34,153 | 32,839 |
| bus drivers | 10,149 | 9,759 | 9,383 | 9,023 | 8,676 | 8,342 | 8,021 | 7,713 | 7,416 | 7,131 |

Benefits to government

| | | | | | | | |
|-----------------------------|---|-------|---|---------|--|---|-----------|
| Develop IT system (one-off) | | | | | | £ | 1,500,000 |
| Adm costs | £ | 12.00 | £ | 682,680 | | | |

Benefits to individuals⁷

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|-------------|-------------|--------------|--------------|------|--------------|--------------|--------------|--------------|------|
| lorry drivers | £ 64,172.47 | £ 64,172.47 | £ 64,172.47 | £ 449,207.27 | £ - | £ 103,881.06 | £ 103,881.06 | £ 103,881.06 | £ 508,667.10 | £ - |
| bus drivers | £ 14,491.61 | £ 14,491.61 | £ 115,932.84 | £ - | £ - | £ 23,458.71 | £ 23,458.71 | £ 145,896.07 | £ - | £ - |
| Total | £ 78,664.07 | £ 78,664.07 | £ 180,105.31 | £ 449,207.27 | £ - | £ 127,339.77 | £ 127,339.77 | £ 249,777.13 | £ 508,667.10 | £ - |

Total benefits

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|----------|----------------|-------------|--------------|--------------|------|--------------|--------------|--------------|--------------|------|----------------|
| One-off | £ 2,182,680.00 | | | | | | | | | | |
| On-going | £ 78,664.07 | £ 78,664.07 | £ 180,105.31 | £ 449,207.27 | £ - | £ 127,339.77 | £ 127,339.77 | £ 249,777.13 | £ 508,667.10 | £ - | |
| Total | £ 2,261,344.07 | £ 78,664.07 | £ 180,105.31 | £ 449,207.27 | £ - | £ 127,339.77 | £ 127,339.77 | £ 249,777.13 | £ 508,667.10 | £ - | £ 3,982,444.48 |
| NPV | £ 2,184,873.50 | £ 73,433.75 | £ 162,444.67 | £ 391,458.19 | £ - | £ 103,590.98 | £ 100,087.90 | £ 189,683.64 | £ 373,224.80 | £ - | £ 3,578,797.44 |

Low case scenario

Number of drivers affected (low case scenario: 10% reduction per year)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| total | 56,890 | 51,718 | 47,017 | 42,742 | 38,857 | 35,324 | 32,113 | 29,194 | 26,540 | 24,127 |
| lorry drivers | 46,741 | 42,492 | 38,629 | 35,117 | 31,925 | 29,022 | 26,384 | 23,985 | 21,805 | 19,823 |
| bus drivers | 10,149 | 9,227 | 8,388 | 7,625 | 6,932 | 6,302 | 5,729 | 5,208 | 4,735 | 4,304 |

Benefits to government

| | | | | | | | |
|-----------------------------|---|-------|---|---------|--|---|-----------|
| Develop IT system (one-off) | | | | | | £ | 1,500,000 |
| Adm costs | £ | 12.00 | £ | 682,680 | | | |

⁷ In our model, which is a simplification of the reality, there will be no drivers taking up CPC training courses in 2015. The reason for this is because no drivers will take CPC training courses for the first time in 2015 as the deadline for this is 2014. In addition, no drivers will have to renew their CPC in 2015 because those who first obtained their CPCs did it in 2011 and, therefore, will not have to renew them until 2016 (five years).

Benefits to individuals⁸

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|----------|----------|-----------|-----------|------|-----------|-----------|-----------|-----------|------|
| lorry drivers | £ 54,234 | £ 54,234 | £ 54,234 | £ 379,637 | £ - | £ 87,793 | £ 87,793 | £ 87,793 | £ 379,637 | £ - |
| bus drivers | £ 12,954 | £ 12,954 | £ 103,631 | £ - | £ - | £ 20,969 | £ 20,969 | £ 167,755 | £ - | £ - |
| Total | £ 67,188 | £ 67,188 | £ 157,864 | £ 379,637 | £ - | £ 108,762 | £ 108,762 | £ 255,548 | £ 379,637 | £ - |

Total benefits

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|----------|----------------|-------------|--------------|--------------|------|--------------|--------------|--------------|--------------|------|----------------|
| One-off | £ 2,182,680.00 | | | | | | | | | | |
| On-going | £ 67,187.70 | £ 67,187.70 | £ 157,864.43 | £ 379,637.18 | £ - | £ 108,762.05 | £ 108,762.05 | £ 255,547.66 | £ 379,637.18 | £ - | |
| Total | £ 2,249,867.70 | £ 67,187.70 | £ 157,864.43 | £ 379,637.18 | £ - | £ 108,762.05 | £ 108,762.05 | £ 255,547.66 | £ 379,637.18 | £ - | £ 3,707,265.96 |
| NPV | £ 2,173,785.22 | £ 62,720.44 | £ 142,384.67 | £ 330,831.87 | £ - | £ 88,478.00 | £ 85,485.99 | £ 194,065.84 | £ 278,551.56 | £ - | £ 3,356,303.60 |

High case scenario

Number of drivers affected (high case scenario: 0% reduction per year)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| total | 56,890 | 56,890 | 56,890 | 56,890 | 56,890 | 56,890 | 56,890 | 56,890 | 56,890 | 56,890 |
| lorry drivers | 46,741 | 46,741 | 46,741 | 46,741 | 46,741 | 46,741 | 46,741 | 46,741 | 46,741 | 46,741 |
| bus drivers | 10,149 | 10,149 | 10,149 | 10,149 | 10,149 | 10,149 | 10,149 | 10,149 | 10,149 | 10,149 |

Benefits to government

| | | | | | | |
|-----------------------------|--|--|---------|--|--|-------------|
| Develop IT system (one-off) | | | | | | £ 1,500,000 |
| Adm costs | | | £ 12.00 | | | £ 682,680 |

Benefits to individuals⁹

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------|----------|----------|-----------|-----------|------|-----------|-----------|-----------|-----------|------|
| lorry drivers | £ 72,185 | £ 72,185 | £ 72,185 | £ 505,297 | £ - | £ 116,852 | £ 116,852 | £ 116,852 | £ 817,964 | £ - |
| bus drivers | £ 15,674 | £ 15,674 | £ 125,393 | £ - | £ - | £ 25,373 | £ 25,373 | £ 202,984 | £ - | £ - |
| Total | £ 87,859 | £ 87,859 | £ 197,578 | £ 505,297 | £ - | £ 142,225 | £ 142,225 | £ 319,836 | £ 817,964 | £ - |

Total benefits

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|----------|----------------|-------------|--------------|--------------|------|--------------|--------------|--------------|--------------|------|----------------|
| One-off | £ 2,182,680.00 | | | | | | | | | | |
| On-going | £ 87,859.42 | £ 87,859.42 | £ 197,578.26 | £ 505,297.09 | £ - | £ 142,225.00 | £ 142,225.00 | £ 319,835.58 | £ 817,964.42 | £ - | |
| Total | £ 2,270,539.42 | £ 87,859.42 | £ 197,578.26 | £ 505,297.09 | £ - | £ 142,225.00 | £ 142,225.00 | £ 319,835.58 | £ 817,964.42 | £ - | £ 4,483,524.19 |
| NPV | £ 2,193,757.89 | £ 82,017.71 | £ 178,204.27 | £ 440,337.22 | £ - | £ 115,700.13 | £ 111,787.56 | £ 242,886.84 | £ 600,165.83 | £ - | £ 3,964,857.45 |

Costs of Option 1

6.10 There are no costs to DSA from this requirement. IT Systems are already established to issue DQCs automatically to drivers who have completed their periodic training. Drivers exchanging their paper licence for a photo-card licence will incur an initial cost of £20.00 each; however, this is a saving of £5.00 against the £25.00 cost of applying for a separate DQC.

▪ Risks

7.1 There is a risk that holders of paper licences might be reluctant to exchange licences.

▪ Statutory Equality Test

8.1 The requirement will not have any adverse impact on the grounds of equality and fairness. All GB drivers will be treated in the same way.

▪ Competition Assessment

9.1 The requirement will have no impact on competition.

⁸ As in footnote 8.

⁹ As in footnote 8.

Small Firms Impact Test

10.1 A small business is defined ¹⁰ 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.

10.2 There is no impact on small businesses. This change will equally affect individual drivers who hold an old style (paper) driving licence and who wish to obtain a DQC after completing their periodic training.

▪ **Greenhouse Gas**

11.1 We have identified no impact on greenhouse gas emissions as a result of this requirement.

▪ **Wider Environmental Impact**

12.1 We have identified no effect on wider environmental issues.

▪ **Health and Well Being**

13.1 We have identified no impact on health related impacts.

▪ **Human Rights**

14.1 This requirement to obtain a photocard licence will have no effect on human rights.

▪ **Justice System**

15.1 We have identified no impacts to the justice system.

▪ **Rural Proofing**

16.1 This requirement to obtain a photocard licence will have no effect on rural proofing issues.

▪ **Sustainable Development**

17.1 We have identified no impact on sustainable development.

⁻¹⁰ Better Policy Making: A Guide to Regulatory Impact Assessments. Cabinet Office January 2003

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

Basis of the review: [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];

The policy set out in the preferred option will be reviewed in 2016.

Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]

A check to ensure that the policy is simple and easy to use, cost effective, risk based and supported by stakeholders.

Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]

Management information reports , feedback from informal meetings with stakeholders

Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]

Number of current old style licences held by drivers.

Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]

Number of old style licences exchanged for photocard licences by 2016.

Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]

DVLA management information reports.

Reasons for not planning a PIR: [If there is no plan to do a PIR please provide reasons here]

We will not be adding to data that is already collected.