

**EXPLANATORY MEMORANDUM TO  
THE VEHICLE DRIVERS (CERTIFICATES OF PROFESSIONAL COMPETENCE)  
REGULATIONS 2007**

**2007 No. 605**

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 These regulations are made as a requirement of Directive 2003/59/EC on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers. This Directive introduces a Driver Certificate of Professional Competence (CPC) across the EU. With some exceptions, all professional drivers of lorries and buses must pass an initial CPC test, valid for 5 years and after that undergo 35 hours of periodic training every five years.

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

3.1 None.

## **4. Legislative background**

### Background

4.1 Except in relation to one aspect, the Directive is being implemented for the whole of the UK using section 2(2) of the European Communities Act 1972. For Great Britain, the new minimum age requirements for bus and lorry drivers are contained in section 101 of the Road Traffic Act 1988 and are modified using regulation making powers in section 101 by way of amendment to the Motor Vehicles (Driving Licences) Regulations 1999 (S.I. 1999/2864).

4.2 The Directive contains a requirement that it is transposed into domestic legislation by 10th September 2006. Consultation with stakeholders means that the UK has been unable to comply with this requirement. However the impact of this is minimal as in general the new requirements do not apply until 10th September 2008 in respect of buses and 10th September 2009 in respect of lorries.

4.3 A transposition note is attached. The Regulations require new drivers to obtain an initial CPC by taking a detailed test. That test is more extensive than the current driving licence test but may be taken concurrently with the driving licence test, thereby minimising the burden for new drivers.

4.4 Under the regulations, those with full licences for the vehicles concerned on the relevant implementation date will have acquired rights. They will be exempt from having to obtain an initial CPC. All drivers – including those with acquired rights - will need to take periodic training amounting to 35 hours over five years.

4.5 The competent authority (the Secretary of State in respect of Great Britain and the Department of the Environment in respect of Northern Ireland) have powers under the regulations to organise initial CPC tests or approve others to provide them. In addition they have powers to approve persons providing periodic training.

4.6 Those obtaining a CPC will have to apply to the competent authority for a Driver Qualification Card (DQC) to evidence that entitlement.

### Scrutiny History

4.7 The proposal for this Directive was the subject of EM 6021/01, submitted by the Department for the Environment, Transport and the Regions on 12 March 2001. The EM was considered by the House of Lords Select Committee on the European Union on 20 March 2001, when it was cleared from scrutiny (1063<sup>rd</sup> sift). The House of Commons European Scrutiny Committee considered the EM at their meeting on 4 April 2001. It was deemed to be of political importance and was not cleared pending the receipt of further information following the public consultation (11<sup>th</sup> report, session 2000-01).

4.8 A Supplementary EM and Regulatory Impact Assessment were submitted by the Department for Transport, Local Government and the Regions on 20 November 2001. This was cleared by the House of Lords Select Committee on the European Union on 27 November 2001 (1083<sup>rd</sup> sift). The House of Commons European Scrutiny Committee deemed the SEM to be politically important but cleared it from scrutiny on 21 November 2001 (7<sup>th</sup> Report, session 2001-02).

4.9 EM 12814/02 was submitted by the Department for Transport on 28 October 2002 on the Commission's response to the European Parliament's 1<sup>st</sup> reading amendments. The EM was considered by the House of Commons European Scrutiny Committee on 6 November 2002 (41<sup>st</sup> Report, session 2001-02). It was deemed politically important and further information was requested on progress. The House of Lords Select Committee on the European Union referred the EM to sub Committee B following the 1120<sup>th</sup> sift on 5 November 2002.

4.10 A Supplementary EM was submitted on 21 November 2002. It was considered to be politically important by the House of Commons European Scrutiny Committee but cleared on 27 November 2002 (2<sup>nd</sup> Report, session 2002-03). The House of Lords Select Committee on the European Union referred the SEM to sub Committee B following the 1122<sup>nd</sup> sift on 26 November 2002. The EM was cleared by a letter to the Minister on 4 December 2002.

4.11 EM 10481/03 was submitted by the Department for Transport on 26 June 2003 following the European Parliament's 2<sup>nd</sup> Reading. The House of Commons European Scrutiny Committee considered the EM on 2 July 2003 and recommended that it was of political importance but cleared it (28<sup>th</sup> Report, session 2002-03). The House of Lords Select Committee on the European Union referred the EM to sub Committee B following the 1148<sup>th</sup> sift on 1 July 2003, who cleared it.

## **5. Extent**

5.1 This instrument extends to the United Kingdom, except regulation 15 which extends to Great Britain only.

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

6.1 Dr Stephen Ladyman, Minister of State for Transport, has made the following statement regarding Human Rights:

“In my view The Vehicle Drivers (Certificate of Professional Competence) Regulations 2007 are compatible with the Convention Rights”.

## **7. Policy background**

### Draft Directive

7.1 In April 2001, the Driving Standards Agency (DSA) issued a Consultation Paper (CP) about the draft Directive. Over 3,000 copies were distributed to stakeholders and other interested parties, bulk copies were made available for trade associations, the CP was posted on the DSA web-site and briefing on the proposals was published in industry publications. Presentations were made about the Directive's proposals at several conferences organised by trade associations and training providers.

7.2. The responses were helpful in that they informed DSA of the views of industry and stakeholders, for example that the training requirement of the draft Directive may be too rigid. These comments, along with the views expressed to the Agency via presentations and meetings informed the UK negotiating stance at European meetings on the draft Directive. Major improvements were achieved during those negotiations that better reflected the views of the Government and stakeholders.

### Formal consultation on the adopted Directive

7.3 The Directive was adopted in 2003. Once the final content was known, and in line with Cabinet Office Guidance, extensive consultation was undertaken with interested parties before the formal consultation exercise commenced. This built upon the dialogue established during the discussions surrounding the draft Directive. It was therefore possible to develop proposals to take account of concerns raised by those within the industry. This allowed both DSA and the Driver Vehicle and Testing Agency (DVTA) in Northern Ireland to implement arrangements to meet the needs of stakeholders, whilst minimising cost and process duplication.

7.4 One of the main elements for consultation was which of two options for the initial qualification was to be adopted as the Directive allowed Member States to choose between:

- 1 Option 1 – which involved at least 280 hours of highly regulated training; and a test,  
or
- 2 Option 2 – which involved detailed theory and practical tests

7.5 The Government proposed that Option 2 should be adopted in the UK as this would be less rigid and would less of a burden on industry.

7.6 A joint consultation exercise on the broad principles of implementation was carried out by DSA in Great Britain and the DVTA in Northern Ireland between November 2005 and February 2006. Again, DSA and DVTA posted the CP on their websites. DSA wrote to some 3,000 potential stakeholders and DVTA wrote to some 500.

7.7 The CP sought stakeholder views on eight issues. One was a modular approach that would allow someone to obtain a vocational (ie bus/coach or lorry) driving licence at the same time as they acquired the initial CPC. The key benefit was that both could be obtained by successfully completing four tests (modules) over a period of six hours – which compared favourably with the six hours required solely for the CPC if taken separately. We proposed that the fees should total around £75 for the theory tests and £130 for the practical tests. This has resulted in fees for the CPC elements of the four modules being £30 for the theory test and £41 for the practical test. (The fees for the licence acquisition modules are contained in the regulations covering those tests).

7.8 DSA received 90 responses and DVTA received 8. The opinions expressed by those responding to DVTA largely reflected those received by DSA.

7.9 The Option 2 proposal was generally supported by respondents, including key stakeholders -. particularly the logistics industry. It was felt that competence-based rather than time-based training was superior, so that it would focus on the trainees' needs and be validated by the assessment of competence. Whilst the bus industry representative bodies had initially identified attractions in Option 1, they recognised that Option 2 was the most realistic.

7.10 The suggested fee levels drew little comment. No-one suggested that Option 1 represented a more cost-effective choice.

7.11 Further issues have arisen in the course of the development of the Driver CPC Implementation Project. As a result of these, two additional consultations have been conducted by DSA and DVTA.

7.12 A Consultation Paper "Service Improvements, Safety Related Measures and General Fee Increases" was issued in October 2006. DSA wrote to over 4,500 driver and rider training associations, trade associations, individuals, special interest groups and those associated with the police and judiciary system. The paper was posted on the Agency's website and publicised in the DSA on-line Newsletter: *Despatch Express* sent to some 20,000 organisations and trainers. A Press Release was also issued. This was a wide-ranging consultation. It included various items concerning CPC – the arrangements for accrediting periodic trainers and courses and evidencing the CPC by a Driver Qualification Card (DQC). The fees proposed were £1,500 for accreditation of a training centre to conduct periodic training for five years, and £250 for approval to deliver a course – this approval would last one year. The consultation opened on 19 October 2006 and closed on 11 January 2007.

7.13 DSA has also undertaken a more limited consultation on "Recording And Monitoring Driver CPC Periodic Training". DSA wrote to some 880 key stakeholders and interested parties on 11 December 2006 and proposed a central record of periodic training completed by drivers. Representatives of the road haulage and passenger carrying sectors had previously

indicated that their industries would welcome a system that would provide for the recording and monitoring of a driver's periodic training progress. Training providers would be required to update the central record held by the Secretary of State each time a driver completed an approved periodic training course. A fee would be payable by the training provider of £5 per update. Ministers agreed that this consultation could be limited to key stakeholders and reduced in length to so as to close on the same date as the "Service Improvements" consultation (ie 11 January 2007). In part, this was because the subject matter enhanced the proposals in the "Service Improvements" consultation and time was of the essence as the Directive's transposition deadline (September 2006) had already been missed. Also the Stakeholder Group within the Driver CPC Implementation Project, which includes key industry players, had already endorsed the proposals.

7.14 A total of 78 responses were received to the October and December 2006 consultations. The majority were supportive:

- 81% were in favour (wholly or in part) of the proposal to introduce quality assurance arrangements for periodic trainers and courses. Most saw quality assurance as important, with some querying the level of the fees.
- 67% were in favour (wholly or in part) of the proposal to record driver CPC status with a DQC. Most of the comment focussed on the desirability of a DQC compared with a code on the licence, and the administration of the system.
- 39% were in favour (wholly or in part) of the proposal to recover the costs of issuing a DQC with a £25 fee. 26% were opposed or partly opposed. Some felt the fee was high, whilst others suggested alternative arrangements.
- 72% were in favour (wholly or in part) of the proposal that the costs associated with the central database for periodic training should be recovered by a fee levied on training providers. Most believed that it was important for the record to be held centrally, though some were concerned about the cost to drivers and the industry.
- 58% were in favour (wholly or in part) of the proposal that the fee should be £5 per update. There were few comments. Those who did so made reference to the fee and some suggested alternative arrangements.

7.15 Most comments made by respondents were in favour of the overall package of proposals which were supported by the business case developed through the CPC Implementation Project. The proposals are being implemented as planned, with the Project Board taking into account comments received and continuing to implement efficiency savings where possible.

## **8. Impact**

8.1 A Regulatory Impact Assessment is attached to this Memorandum.

## **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 Mandy Lynch, Driving Standards Agency, Policy Branch, Stanley House, 56 Talbot Street, Nottingham, NG1 5EJ. Telephone: 0115 901 5915; e-mail [mandy.lynch@dsa.gsi.gov.uk](mailto:mandy.lynch@dsa.gsi.gov.uk)

26th February 2007

Department for Transport

## **Full regulatory impact assessment**

### **1. Title of regulations**

1.1 These regulations are The Vehicle Drivers (Certificate of Professional Competence) Regulations 2007. They implement Directive 2003/59/EC<sup>1</sup>, on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers

1.2. By virtue of Directive 59 of 2003 the European Union (EU) has adopted arrangements for the compulsory initial qualification and periodic training of new and existing professional lorry<sup>2</sup> and bus<sup>3</sup> drivers. The Directive also imposes (where the training is subject to EU rules) arrangements to approve training programmes and to certify the training providers delivering those programmes.

1.3. These regulations transpose the Directive in UK legislation under the European Communities Act 1972. (Currently the main domestic regulations concerning driver testing and training are the Motor Vehicles (Driving Licences) Regulations 1999 SI No 2864 made under Road Traffic Act 1988 as amended).

1.4. This full Regulatory Impact Assessment (RIA) represents the Driving Standards Agency's (DSA) and the Driver and Vehicle Testing Agency's (DVTA) estimation of the costs, including compliance costs, of implementing the Directive's provisions as the Agencies<sup>4</sup> understand they are intended to operate.

1.5. This RIA has been revised using information provided by the road freight and passenger transport industries and other interested parties following the public consultation exercise.

### **2. Purpose and intended effect of the measure**

#### **2.1. Objective**

2.1.1. The overall objective of the Directive is 'to improve road safety, to improve the professionalism and the quality of service offered by professional drivers and to facilitate the free movement of workers'. In addition, the European Commission hoped by proposing these measures to encourage more drivers into the road haulage and passenger transport industries. This was seen as being assisted by establishing a Community-wide standard for the initial qualification and periodic training for drivers working in the road freight and passenger-carrying sectors.

2.1.2. The Directive prescribes the arrangements that must apply where the training is subject to EU rules. These include regulation of training courses and the quality assurance of those who may deliver them. This is intended to ensure that the training being delivered is of a high standard, the right content, and that the instructors who deliver the training have a good

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<sup>1</sup> Directive 2003/59/EC of the European Parliament and of the Council on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers.

<sup>2</sup> medium sized lorry – 3.5 tonnes to 7.5 tonnes (sub-category C1), combination of medium sized lorry plus trailer over 750kgs (sub-category C1+E). Large lorry – over 7.5 tonnes (category C), and combination of large lorry plus trailer over 750kg or articulated lorry (category C+E).

<sup>3</sup> minibus – 9-16 passenger seats (sub-category D1), combination of minibus plus trailer over 750kgs (subcategory D1+E). Bus or coach – over 16 passenger seats (category D), and combination of bus or coach plus trailer over 750kgs (category D+E).

<sup>4</sup> throughout this RIA, "the Agencies" refers to both DSA and DVTA.

understanding of the subject matter and high instructional abilities. The Directive also prescribes the tests that must be passed before an initial qualification is awarded.

2.1.3. The Government welcomes measures to improve road safety at a European level in an effective and efficient manner. The Government announced in its *Road Safety Strategy*<sup>5</sup> its intention to improve training and assessment arrangements for drivers of large goods vehicles (LGVs) and passenger carrying vehicles (PCVs), and to promote efficient road haulage and passenger transport sectors that meet the needs of a modern society.

2.1.4. When the Commission published its original proposals, the representative bodies for the road freight and passenger transport sectors highlighted the economic burden that inflexible training arrangements such as minimum training periods would impose on their respective industries. The road freight industry estimated a cost of some £211m. The passenger transport industry estimated a cost of some £44m. Discussions between Member States resulted in major improvements in the Directive's arrangements. Updated cost estimates are detailed below.

2.1.5. The Government is committed to transposing the Directive using arrangements that are cost-effective and which minimise any unnecessary process and burden. In particular, these regulations implement an initial qualification arrangement that assures standards by assessed competence rather than training process.

## **2.2. Background and risk assessment**

### **Background**

2.2.1. DVLA estimates that in Great Britain there are some 1.6m vocational licences in issue - and around 433,000 currently working as professional LGV drivers and around 166,000 currently working as professional PCV drivers. This implies around 900,000 who hold vocational licences but do not use them. Some may be accounted for by drivers leaving the industries through retirement on age or health grounds. But both the road freight and passenger transport industries reported difficulties in retention and recruitment of drivers and estimated they would be short of 46,000 and 5,000 drivers respectively during 2006. Reasons sometimes given for this are uncompetitive terms and conditions relative to other industries, unsociable hours, pay, and poor career progression.

2.2.2. Until this Directive, the only European Community legislation about driver training was in the context of 1986 social legislation relating to road transport<sup>6</sup>. This provides that the minimum age of 21 years for driving LGVs and PCVs may be reduced where a driver holds a Certificate of Professional Competence (CPC) issued in conformity with the 1976 rules on the minimum level of training for such drivers.

2.2.3. GB has operated such a scheme for persons under the age of 21 years seeking an LGV driving licence, but participation has always been low<sup>7</sup>. There is no equivalent CPC scheme operating for young PCV drivers, though the same European legislation allows for the driving of some PCVs in certain circumstances from the age of 18 years. The Driver CPC Directive

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<sup>5</sup> *Road Safety Strategy: Tomorrow's roads - Safer for everyone* March 2000 (GB) and The Northern Ireland Road Safety Strategy 2002-2012

<sup>6</sup> Council Regulation No. 3820/85

<sup>7</sup> The Sector Skills Council for the road freight industry (Skills for Logistics), which administers the Young LGV Driver Scheme, has advised that there are currently fewer than 500 participants.



replaces the 1976 and 1986 provisions and sets minimum driving ages for professional drivers linked to minimum ages for awarding CPCs.

2.2.4. To date, there has been no regulation of the training that an LGV or PCV driver must undertake as part of driving licence acquisition or for continuing professional development. Also, there is no regulation of LGV or PCV driving instructors.

### **Driver training**

2.2.5. Much of the LGV and PCV driver training undertaken in UK has traditionally been to pass the driving test. Typically drivers take up to two weeks LGV or PCV pre-licence acquisition training, with the practical driving test being taken during the second week. There is reluctance amongst many drivers and employers to lengthen this training to acquire vocational driving entitlement.

2.2.6. In the course of the project to implement the Directive, the Agencies have been advised that, for LGV drivers:

- some 85% of their training is practical in-cab training and 15% theory.
- goods vehicle operators expect drivers already to hold the relevant licence and be fully competent to drive lorries when they employ them.
- typically, it costs around £1,500 for two weeks training, and in around 50% of cases the costs of becoming an LGV driver will be met by the employer.

2.2.7. DSA has been advised that, for PCV drivers:

- the majority of the licence acquisition training is practical in-cab driver training.
- for some bus drivers the training will then continue for a further couple of weeks to cover such items as customer care, information management skills, use of technology.
- employers of bus drivers meet the costs of driver training in around 80% of cases, with the majority of training being provided in-house.
- the position for coach drivers is frequently more similar to that for lorry drivers.

2.2.8. Many of the subjects covered by the EU Driver CPC syllabus are also within the syllabus for the vocational driving test<sup>8</sup>. The Government is transposing the Directive avoiding duplication of process wherever possible, but at the same time ensuring that professional drivers have the necessary level and breadth of knowledge and skills required by the Directive<sup>9</sup>.

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<sup>8</sup> Annex 2 of Council Directive 439 of 1991, as amended by Commission Directive 56/2000

<sup>9</sup> Directive 2003/59 sets a standard for the Driver CPC of a minimum level of knowledge and practical competence at the level reached during compulsory education supplemented by professional training, which equates to NVQ/SVQ level 2 in the UK context.

## **Refresher training**

2.2.9. The Agencies understand that, where it occurs, employers usually meet the cost of refresher training. A survey of road haulage companies undertaken by the Freight Transport Association (FTA) showed that 64% of the 212 respondents offered refresher training to their lorry drivers, with the emphasis being on the legal requirements of driving, such as health and safety and drivers' hours rules. Fewer than 10% of respondents offered training such as National Vocational Qualification (NVQ) or modern apprenticeship training.

2.2.10. The same survey showed a link between the size of the company and support for training. The road haulage industry has a preponderance of small and medium sized enterprises (SMEs). Fewer than 40% of companies operating up to 5 vehicles offer training, whereas 90% of companies operating more than 100 vehicles offer training.

2.2.11. Similar results are to be found in the bus and coach industry, where again there are many SMEs. Fewer than 50% of those surveyed<sup>10</sup> had arranged training for their staff during the preceding 12 months, and fewer than 25% of staff had any kind of continuing training plan.

## **Risks addressed**

2.2.12. The European Commission estimates that in most Member States only 5-10% of professional lorry and bus drivers undertake any training beyond what is needed to pass the relevant driving test. The Commission considers that the demands on today's professional drivers call for comprehensive initial training plus continuing professional development, and that the European vocational training syllabus established in 1976<sup>11</sup> is obsolete. Higher common standards should improve road safety, the service offered by the road freight and passenger transport sectors, the attractiveness of those sectors in recruiting and retaining drivers, and competition and harmonisation in the European Union.

2.2.13. Road traffic accidents in the UK involving LGVs and PCVs are relatively infrequent, but when they happen the effects tend to be serious. Government Health and Safety officials currently estimate that the cost of a loss of life is around £1.6m<sup>12</sup>. This figure takes into account lost output, medical and ambulance, human costs, police costs, insurance and damage to property costs. Casualties involving lorries and buses in GB in 2005 are shown in the table below, along with the estimated economic savings that would be made if the accidents had not happened.

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<sup>10</sup> Learning and Skills Council/Sector Skills Development Agency – National Employer Skills Survey 2003

<sup>11</sup> Council Directive 76/914/EEC

<sup>12</sup> Highways Economic Note No 1 2005

## Number of casualties in 2005<sup>13</sup> and potential for savings

	Lorries of all sizes	Bus, coach and minibus occupants	Total
Driver and/or passengers killed	119	9	128
Driver and/or passengers killed or seriously injured	982	363	1345
All casualties involved with LGVs/PCVs <sup>14</sup>	8891	7920	16811
Average economic cost of road traffic casualty <sup>15</sup>	£44,270	£20,600	
Savings potential from avoiding road traffic casualties	£391m (£44k x 8891)	£158m (£20k, x 7920)	£549m
Average economic cost of a loss of life per casualty <sup>16</sup>	£1.6m	£1.6m	
Savings potential from avoiding road traffic deaths	£190m (£1.6m x 119)	£14.4m (£1.6m x 9)	£204m

2.2.14. The Government's *Road Safety Strategy* set targets for reductions in road traffic casualties by 2010 - a 40% reduction in the number of people killed or seriously injured (50% for children). The European Commission has also proposed targets to reduce the number of fatalities on Europe's roads by as much as 50%<sup>17</sup> by 2010. In this environment it is important that professional drivers working in the road freight and passenger transport industries have the right knowledge, skills and behaviours, and that their skill levels are maintained and developed.

2.2.15. Issues concerning the current learning process for lorry and bus drivers are indicated by the pass rates for practical tests taken for vocational driving licence acquisition. During 2005/2006 the pass rates for GB practical driving tests were 45% for LGV and 43% for PCV. Action is needed if the preparedness of trainees is to improve. Low pass-rates cause frustration for trainees and wasted test fees, plus unnecessary costs for the industry and the testing authorities. Northern Ireland pass rates are around 61% for LGV drivers and 65% for PCV drivers.

2.2.16. Pass-rates for the theory part of the licence acquisition test for vocational drivers (which includes a knowledge test and a moving-image hazard perception test) are significantly higher. For 2005/2006 the LGV theory test pass-rate was 76% and the PCV theory test pass-rate was 70%. The comparable Northern Ireland figures were 73% and 79% for the same year.

2.2.17. Higher pass-rates for the theory test suggest that vocational drivers are not discouraged or disadvantaged by this type of assessment or the need to prepare. The higher pass-rates also indicate that there may be advantages in leaving flexibility for individuals to adopt approaches that take account of their learning styles, and that the training environment

<sup>13</sup> Transport Statistics Great Britain - 2005

<sup>14</sup> includes other vehicle users and pedestrians

<sup>15</sup> Highways Economics Note No1 2005 – table 2

<sup>16</sup> Highways Economics Note No1 2005 – table 3

<sup>17</sup> European Transport Policy for 2010

should encourage rather than inhibit flexibility and innovation by seeking to impose a “one-size-fits-all” approach. This has been taken into account by the working groups developing regulation of training.

2.2.18. Both the road freight and passenger transport sectors in UK are undergoing growth. Economic growth plus increased demand for 24/7 deliveries and home shopping is leading to an increase in national and international road haulage. There has been an increase in the use of public transport systems, with a policy to encourage modal shift away from private car use to alleviate traffic congestion.

2.2.19. Skills for Logistics, the Sector Skills Council (SSC) for the road freight industry, estimates that GB will need an additional 20,000 LGV drivers to meet this demand. GoSkills, the SSC for the passenger transport industry, estimates that GB will need an additional 1,000 PCV drivers annually. It is envisaged that NI recruitment needs will be in proportion to these.

2.2.20. There are issues involving public perception for both industries. Representative bodies want their industries to be more active in retaining and recruiting drivers and enhancing the professional image of the industries. This could be helped by career paths supported by qualifications that are recognised and accepted both nationally and internationally.

### **3. Choices**

3.1. For this RIA, we have considered two choices:

#### **Choice 1 – take no action**

3.2. This choice contradicts the Government’s commitment to meeting its EU obligations and its policy on improving standards for LGV and PCV drivers announced in its Road Safety Strategy. This choice would also lead to infraction proceedings being brought against the UK by the European Commission. We have rejected it.

#### **Choice 2 – implement the Directive**

3.3. In full consultation with stakeholder groups, UK was involved with the Commission and other Member States throughout the negotiations on the Directive. As part of the EU, the UK is obliged to implement Directive 2003/59. We recommend this choice.

3.4. The Directive prescribes that the activity of professional driver for the carriage of goods or passengers by road is, in addition to holding the relevant driving licence, conditional upon the driver being awarded an initial qualification and undertaking periodic training to acquire and retain a CPC.

3.5. The UK must implement the following systems in order to comply with the Directive:

(a) arrangements for an initial qualification for all new professional LGV and PCV licence holders, around 55,680 persons annually (42,500 LGV plus 13,180 PCV - based on 2005-2006 figures)

(b) arrangements for the periodic training for all existing professional LGV and PCV licence holders, around 599,000 persons.

### **Initial qualification**

3.6. The Directive provides that the system for awarding an initial qualification must be one of two options. Member States do not have the option of operating both of these options in parallel. With either option, the same syllabus (which is set out in the Directive) applies, and the same standards must be achieved:

(i) **Option 1** involves EU imposed regulation of both training and testing. The regulated training must cover the syllabus, have a minimum period of 280 hours (see para 3.9) of initial training and is subject to other conditions, followed by a test; or

(ii) **Option 2** focuses the EU imposed regulation on just the assessment of competence. It involves tests totalling six hours. A four-hour, two-part theoretical test, of multiple-choice and/or direct answer questions and case studies, plus a two hour, two-part practical test, of 90 minutes driving and 30 minutes vehicle safety/documentation checks.

3.7. The Directive provides that Member States may allow a person to drive a vehicle on revenue earning duties within their jurisdiction for up to three years before obtaining a CPC, if the driver undertakes preparation for either option 1 or option 2 within a national vocational training (NVT) course<sup>18</sup> of at least six months. If a Member State introduces this arrangement, drivers and employers would be free to elect to undertake this route as a variant on the main initial qualification process. For the purposes of this RIA, the linkage of NVT with option 1 is described as option 1(a) and with option 2 is described as option 2(a).

3.8. Undertaking the initial qualification within NVT is subject to the rules that otherwise apply with either option.

- With option 1(a) the driver must take the compulsory number of hours of regulated training, delivered by a certified instructor employed by an approved training centre, followed by a test.
- With option 2(a), the driver must satisfy the relevant tests.

*The NVT, or a resulting vocational qualification, does not award drivers a CPC.*

3.9. The Directive also allows Member States to operate an accelerated initial training (AIT) arrangement for certain drivers (dependant upon the age of the driver and size of the vehicle) with a minimum training period of 140 hours, subject to equivalent conditions to option 1 for the initial qualification. The test can be either written or oral and must cover the syllabus. The Directive does not allow AIT with NVT.

### **Periodic training**

3.10. The Directive requires all drivers (those having undergone an initial qualification and those with Acquired Rights) to undertake 35 hours (5 days) periodic training every five years in periods of not less than seven hours at a time. All existing professional drivers must comply with this requirement to keep their CPC valid.

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<sup>18</sup> The Agencies understand a national vocational training course to be any vocational scheme recognised and accredited by the Qualifications and Curriculum Authority or Scottish Qualifications Authority

## 4. Benefits and costs

### General economic benefits and costs applicable to choice 1: no change

4.1. Benefits from adopting choice 1 would be minimal. The UK would incur infraction proceedings and could potentially see UK companies denied access to the European market. Benefits would be maximised under choice 2, ie implementing the Directive.

### General economic benefits and costs applicable to choice 2: implement the Directive

4.2. The benefits and costs to the road freight and passenger transport industries will depend on the direct and indirect costs of the new qualification and training requirements, the savings produced in accident and operating costs, and how these new requirements contributed towards the recruitment and retention of drivers within those sectors.

4.3. The introduction of a common standard via the CPC for LGV and PCV drivers within Europe is expected to help with the recruitment and retention of vocational drivers. Greater harmonisation should allow easier access to markets in mainland Europe. This should increase the demand for drivers and potentially increase wage rates. A professional qualification and better wages should make the industry more attractive to new drivers.

4.4. Research<sup>19</sup> has shown that better and more frequent training for drivers should reduce accidents (whether correcting driver error or teaching accident avoidance). Accident avoidance would save employers the costs of vehicle repairs, loss of revenue owing to driver absence and the vehicle being off-road, and increased insurance premiums. An estimate of savings if accidents involving LGVs and PCVs did not occur is around £549m annually. An estimate of annual savings if deaths from accidents involving LGVs and PCVs did not occur is around £204m (see paragraph 2.2.13. above). If 25% of accidents and 25% of deaths were prevented this would produce economic savings of around £137m and £51m annually.

4.5. The Road Haulage Association has suggested that these are not accurate assumptions and estimations, because research<sup>20</sup> suggests that over half of the fatal LGV accidents were found to be cases where the LGV driver was *not* to blame. However, this research is based on a study of 2,111 work-related accidents, whereas this paper's assumptions were based on annual figures available at the time. The report's conclusion also suggests that some work-related drivers, principally those driving LGVs, appeared to be more to blame in their accidents. However, even though the driver was to blame in fewer than half of the fatal LGV accidents, had the driver been more highly trained, he might have been able to avoid being involved, even where he was not to blame.

4.6. A recent publicly-funded programme found that appropriate training can generate at least a 5% saving in fuel consumption<sup>21</sup>. This indicates that it would be reasonable to expect a well-designed CPC scheme to lead to a minimum of 5% saving in fuel usage, easily recouping the direct costs of training and assessment plus the indirect costs to the business of not having those drivers available whilst training was underway.

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<sup>19</sup> Gregersen 1996 – Post qualification driver training

<sup>20</sup> *An In-depth Study of Work-related Road Traffic Accidents*, Road Safety Research Report No. 58 August 2005

<sup>21</sup> *Momenta* report for DfT on the *Safe and Fuel Efficient Driver Training Programme SAFED* Autumn 2005

## **General environmental benefits and costs applicable to choice 2: implement the Directive**

4.7. UK LGV operators use 11 billion litres of fuel per year and the industry produces 28 million tonnes of CO<sub>2</sub> per year<sup>22</sup>. UK PCV operators use around 1.1 billion litres of fuel per year<sup>23</sup>. Fuel efficient driving techniques should produce environmental benefits. Less fuel consumption and reduced wear and tear on vehicles would allow improved vehicle productivity. Initial qualification arrangements can allow all LGV drivers access to the largest vehicles, potentially reducing the use of smaller lorries and number of journeys required.

4.8. Fewer accidents could also have a positive impact on the environment. Incidents involving noxious substances would be reduced and fewer repairs would be needed to infrastructure such as roads.

4.9. Within the road freight industry, higher standards should lead to drivers being confident and able to drive larger vehicles, thereby reducing the number of journeys needed.

4.10. Lower accident rates, improved efficiency and a recognised qualification should all help to improve public confidence in vocational drivers and help the economic growth of the sectors. Growth in the public transport sector should mean fewer cars on the roads, lower congestion and a reduction in harmful CO<sub>2</sub> emissions. Attracting more drivers into the road freight industry could increase the number of lorries on the road, though increased use of larger vehicles should mean a reduction in total journeys. Also there should be major gains made in fuel-efficient driving.

## **General social benefits and costs applicable to choice 2: implement the Directive**

4.11. Drivers with the right knowledge, skills and behaviour and a professional attitude should lead to safer roads, with lower death-rates and less distress for the families and communities affected.

4.12. Suitable training should give professional drivers career opportunities and status, linked to the Government's objectives for lifetime learning. European standards could help with the recognition of transferable skills and lead to improved public perception of vocational drivers thereby attracting those who might not necessarily have considered vocational driving as an occupation. Traditionally, ethnic and female groups have been under represented within both sectors. With the introduction of a recognised qualification and training, such groups may view vocational driving as a career where they had not done so previously.

4.13. Recognised national qualifications may help to attract funding through Learning and Skills Councils. This could open the occupation of professional driver to those that may have been dissuaded by costs, but it would transfer the financial burden to the general taxpayer.

4.14. Community-wide standards that are recognised throughout the EU also allow for wider access to European markets - UK drivers can work across the EU. This might encourage those who could be looking to set up their own business or relocate abroad at some time in the

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<sup>22</sup> FTA report – *Solving the Skills Shortage* 2003

<sup>23</sup> DfT statistics

future. Alternatively, drivers from within the EU but from outside UK could be encouraged to work in the UK, bringing with them new ideas and approaches. Competition should drive innovation.

4.15. The *Road Safety Strategy* supports education and training for drivers, both pre and post licence acquisition. The Agencies recognise that learning materials must be readily accessible, user friendly and provide the right kind of information that help drivers to meet the test standard and then encourages them to retain and build their skills.

4.16. Learning guidance for drivers can take a variety of forms - books, videos, CD/DVDs - to suit different learning styles. The Agencies are aware of developments in the e-learning agenda<sup>24</sup>. Non-traditional inter-active educational aids may be of particular help to those who find book study unappealing or difficult. The advent of this Directive, provided it is implemented sensitively, offers an opportunity to encourage developments in this area for vocational drivers. The Agencies envisage that modern and effective learning support is a key element in deriving maximum benefit from this new EU requirement, so achieving higher standards is not at a cost of excluding those who may find traditional studying unappealing.

4.17. The level of training or detailed examination required by the Directive could deter drivers from entering either industry. Professional drivers drive a wide variety of highly specialised vehicles. Some drivers may select their jobs because they are not required to have high level literacy and numeracy skills. Concerns were expressed when computer-based assessments of knowledge and performance were introduced for licence acquisition. The evidence is, however, that those becoming LGV and PCV drivers cope well with these types of assessments (see paragraphs 2.2.16. and 2.2.17. above).

4.18. Many charities, voluntary organisations and local authorities use minibuses to provide services to the community. Under current legislation voluntary drivers can drive minibuses and in some cases buses, without holding the relevant vocational driving licence under another European Directive<sup>25</sup>. That exemption remains unaffected by this Directive.

4.19. Charities, voluntary organisations and local authorities should be largely unaffected by the Directive as its scope does not extend to those who do not need to hold a vocational driving licence. Even where a person does need to hold a relevant full LGV or PCV driving licence there are exemptions, on the grounds of proportionality, for those non-professional drivers.

### **Option 1 for awarding the initial qualification**

4.20. The Directive requires the delivery of training in this option to be closely regulated. The training must be at least 280 hours (i.e. 8 weeks) and cover all the subjects listed in the prescribed CPC syllabus. The training can start prior to the driver obtaining a full driving licence. At least 20 of the 280 hours must be devoted to driving a vehicle that at least meets the standards set for a practical test for driving licence acquisition, accompanied by an instructor. Member States may allow a maximum of 8 out of the 20 hours to be undertaken on a 'top-of-the-range simulator'<sup>26</sup>.

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<sup>24</sup> DfES Consultation – Towards a Unified E-Learning Strategy DfES/0424/2003

<sup>25</sup> Council Directive 91/439/EEC

<sup>26</sup> The Directive does not define what this term means, though the Agencies understand some other national authorities interpret it to mean a 'cab type' fully moving simulator.



4.21. The initial training must conclude with a 'knowledge test'. The test can be either written or oral and must include at least one question on each of the subjects<sup>27</sup> in the CPC syllabus. A valid test would probably involve a minimum of 35 questions.

4.22. The intended benefit from adopting option 1 is that all drivers would have undertaken a minimum of 8 weeks training with a professional instructor before working. This training should produce benefits in terms of road safety and savings for employers in terms of accident reduction.

4.23. The regulated training plus test for option 1 for awarding the initial qualification could cost the road freight and passenger transport industries around £283m and £66m respectively. This recognises the estimated 80% overlap between the syllabus for the CPC and the vocational driving licence, and assumes that driving licence acquisition training and CPC acquisition training was undertaken in parallel.

4.24. These cost estimates are based on:

- 42,500 new LGV drivers requiring an additional six weeks' training.<sup>28</sup>
- 13,180 new PCV drivers, 3,300 requiring an additional six weeks' training and 9,880 requiring an additional four weeks' training.<sup>29</sup>

4.25. The costing assumptions are:

- the average costs of current LGV and PCV driver training @ £750 per week.
- the estimated cost of approving training and courses<sup>30</sup>:
  - LGV @ £1,500 per centre x 1,000 and £250 per course x 2,000.
  - PCV @ £1,500 per centre x 300 and £250 per instructor x 600.
- average basic wage costs where the driver is already employed or loss of wage for an individual who cannot work until CPC obtained @ £350 per week.
- cost of CPC documentation @ £25.
- 35 question CPC test @ £21.50.

### **Accelerated initial training**

4.26. The Directive allows Member States to adopt AIT. AIT is a version of option 1. The training is subject to similar EU rules except that, in specific circumstances, the minimum training period is reduced to 140 hours (ie four weeks), of which at least 10 hours must be practical driving. Member States may allow a maximum of four out of the 10 hours to be undertaken on a top-of-the-range simulator. Qualification requires passing an option 1 test.

4.27. As shown in the table below, AIT is linked to minimum driving ages and the access it would grant is therefore limited to certain drivers and certain vehicles. This means that AIT would not deliver all the access benefits otherwise offered by the Directive. The AIT restrictions for younger drivers would bring attendant complexity and inconvenience for

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<sup>27</sup> 13 for LGV drivers and 14 for PCV drivers

<sup>28</sup> discounting two weeks of training already undertaken for licence acquisition

<sup>29</sup> assumes 75% of PCV drivers currently undertake four weeks' licence acquisition training and 25% currently undertake two weeks, and discounting those amounts

<sup>30</sup> assumes costs would be recovered from operators by organisations providing the training, or that operators would incur comparable costs providing in-house training

drivers and their employers. Also, the Directive does not allow AIT to be linked with national vocational training.

Minimum age of driver	Category of vehicle	Minimum training period
18	C1, C1+E, C, C+E	280 hours - AIT unavailable
18	C1, C1+E	140 hours - AIT available
18, UK only	D1, D1+E D, D+E (50 km routes)	280 hours - AIT unavailable
18, UK only, no passengers	D, D+E, D1, D1+E	280 hours - AIT unavailable
20, UK only	D, D+E, D1, D1+E	280 hours - AIT unavailable
21	C, C+E	140 hours - AIT available
21	D, D+E, D1, D1+E	280 hours - AIT unavailable
21, UK only	D1, D1+E D, D+E (50 km routes)	140 hours - AIT available
23	D, D+E, D1, D1+E	140 hours - AIT available

4.28. If AIT was allowed, it would - depending on the extent that trainees satisfied the conditions - impose lower additional direct costs owing to the shorter minimum training periods. Additional costs for the LGV industry might be around £94m. Additional costs for the PCV industry might be around £7m.

4.29. These figures are based on:

- 42,500 new LGV drivers requiring an additional two weeks' training<sup>31</sup>
- 3,300 new PCV drivers requiring an additional two weeks' training<sup>32</sup>

4.30. The Directive's restrictions concerning AIT would, however, impose various indirect costs. The bus industry values its current flexibility to use younger drivers on service routes, and both sectors have expressed a desire for younger drivers to have access to the full range of vehicles both to ease recruitment issues and as motivation for drivers. Also, both the road freight and passenger transport sectors have indicated that they do not wish the introduction of the CPC to undermine their national vocational training schemes, and the Directive does not allow AIT to be linked with such schemes.

## **Option 2 for awarding the initial qualification**

<sup>31</sup> discounting two weeks of training already undertaken for licence acquisition

<sup>32</sup> assumes that 25% of PCV drivers currently undertake no more than two weeks' training – see footnote 30 above

4.31. With this option there are no EU-imposed rules regarding the length, type or duration of training undertaken to achieve the CPC. This Option relies upon the quality of assessment to confirm driver competence, and allows individuals and employers to develop their own training or adapt current practices. A driver must complete a total of 6 hours of theoretical and practical tests designed to test the driver's knowledge, understanding and skills of the subjects in the CPC syllabus.

4.32. The Directive does not require that the different parts of the test have to be taken on the same day or at the same location. It is feasible that one organisation could deliver the theoretical part of the test and another organisation deliver the practical part of the test, as happens with the driving licence acquisition test.

4.33. Many of the subjects to be covered by the CPC test are also covered by the driving licence acquisition test. Although it is not formally benchmarked, the Agencies consider that the current test for vocational driving licence acquisition broadly equates to a level 2 standard<sup>33</sup>, although for a narrower syllabus than for the CPC.

4.34. Learner vocational drivers currently take a 90 minute theory test and 90 minute practical test for driving licence acquisition, implying an additional two and a half hours' theory testing and 30 minutes' practical testing. The Agencies envisaged a modular test that allowed for both driving licence acquisition and the CPC acquisition. This would avoid unnecessary duplication and cost, whilst ensuring a driver had the necessary level of knowledge and skills required by the Directive. A test would still be available purely for vocational driving licence acquisition for those drivers not needing to hold the CPC.

### **Theory test**

4.35. The theoretical part of the test must consist of a combination of multiple-choice and/or direct answer questions, and case studies. The overall duration of this test must be at least four hours. The Agencies envisaged that a modular approach would give trainees the option of whether or not to take the theory test in one sitting.

4.36. To support this option the current item bank of multiple-choice and/or direct answer questions and hazard perception clips would need to be augmented. A number of case studies would be developed. The Agencies envisaged that the requirement would be satisfied by a knowledge test involving 100 multiple-choice questions. Work would need to be undertaken to determine the number of case studies to be used. The questions would be written by stakeholders with subject matter expertise. Case studies could be computer-based scenarios delivered using the existing theory test delivery system.

### **Practical part**

4.37. The practical part of the test must last at least two hours, and is split into two parts:

- a driving test lasting 90 minutes designed to test the driver's ability to cope with varied driving conditions and environments, of which a maximum of 30 minutes can be on a top-of-the-range driving simulator; and

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<sup>33</sup> see footnote 9.

- a practical test lasting 30 minutes where the driver must show that he/she understands the practicalities of how to load the vehicle safely and keep it safe and how to deal with emergency situations.

4.38. The first part of the practical test could be developed along similar lines to that of the existing driving licence acquisition test for LGV and PCV drivers, whilst the second part of the test could be developed along comparable lines to the ‘show me/tell me’ practical vehicle safety checks in practical tests for licence acquisition.

4.39. The benefits to drivers and companies of option 2 over option 1 are:

- the cost of the test would be much lower than the cost of 4, let alone 8, weeks minimum training.
- the driver would be able to start work on revenue earning duties much sooner.
- there would be more flexibility for innovative learning solutions.
- it links more easily with driver licence acquisition.
- the environmental impact could be less in the absence of compulsory minimum training periods.

4.40. The part of the CPC syllabus that is not in the syllabus for vocational licence acquisition concerns professional knowledge. These topics are highly suitable to address using modern objective computer-based assessments. They could also be taught in classroom or e-learning environments, and the Government would not wish to inhibit such developments.

4.41. Additional costs to the LGV industry for adopting Option 2 could be around £21m annually. The additional costs to the PCV industry could be around £7m annually. These figures take account of:

- average wage loss (£350 per week PCV and £350 per week LGV) x 2 days
- an additional two days<sup>34</sup> training for the test @ £150 per day
- additional costs of the theory and practical tests (on top of current test fees) @ £94.50<sup>35</sup>
- cost of CPC documentation @ £25<sup>36</sup>.

### **Linking the initial qualification with national vocational training**

4.42. The Directive allows Member States to link the preparation for the initial qualification with an appropriate NVT arrangement, provided the NVT course lasts at least six months. In those circumstances, the person may work domestically for a period of up to three years before being awarded a CPC.

4.43. Whichever of the two options for the initial qualification a Member State adopted, the rules that apply within that option would still apply where it was linked to a NVT arrangement. This means that:

- if the UK adopted option 1 (ie option 1a), the driver must undertake the CPC training to EU imposed rules, and pass the option 1 test, whilst engaging in the NVT.
- if the UK adopted option 2 (ie option 2a), the driver must pass the EU prescribed test for option 2 whilst engaging in the NVT.

<sup>34</sup> Adding 20% to a norm of 10 days licence acquisition training, in line with extra 20% topics in CPC syllabus.

<sup>35</sup> This was £105 in our consultation of November 2005 – it is now £94.50 - £30 for CPC theoretical test plus £41 for practical test plus £23.50 increase to cover longer licence acquisition theoretical test

<sup>36</sup> This was £20 in our consultation of November 2005 – it is now £25 for the CPC status is to be evidenced by a Driver Qualification Card

4.44. If option 1a was operated, the trainee would have to complete a minimum eight weeks initial CPC training within the ambit of the NVT. That training would be regulated training for a minimum of eight weeks to the CPC syllabus. This implied an additional six weeks training for the road freight industry and four or six weeks' training for the bus and coach industry, beyond that required for licence acquisition. The other option 1 training rules would apply during CPC training – use of approved training organisations and certified instructors, and driving restricted to using a vehicle suitable for undertaking a practical vocational test for licence acquisition.

4.45. If option 2a was operated, there would be no prescription regarding the content, type or duration of training delivered. Employers could amend current training practices where necessary, with the training being delivered as and when convenient. Therefore, in terms of the request from the road freight and passenger transport sectors for the Government to transpose the driver CPC Directive in a way that creates fewest risks for those industries' current vocational training arrangements, option 2a is superior to option 1a.

4.46. The benefits of activating the NVT provision are that a driver could prepare for the CPC within a vocational training scheme, receiving training and gaining work experience. It would also allow the driver to earn a wage, and contribute to the economic well-being of the company, before being awarded a CPC.

4.47. The trainee would be allowed to drive for up to three years before obtaining a CPC, during which time the employer would be responsible for funding the training of the driver and providing funding for vocational assessments undertaken by qualified vocational qualification assessors. There could also be potential costs associated with loss of productivity whilst the driver was being assessed.

4.48. The additional costs to the employer of using the NVT provision would depend on whether the UK adopted option 1 or option 2 for the initial qualification.

- If NVT were linked with option 1 (ie option 1a), the flexibility for the driver to work whilst undertaking the NVT would be substantially restricted for the two months during which the driver was undertaking EU regulated CPC training.
- If NVT were linked with option 2 (ie option 2a), drivers and companies would not have that restriction and would have much more flexibility over the training preceding the CPC tests.

4.49. Using information provided by industry, the average cost of vocational training involves:

- the cost of an assessor at around £500 per driver (assume 2,000 LGV and 700 PCV assessors)
- the cost of the course at around £1000 per driver.

4.50. The SSCs have advised that fewer than 20% of new vocational drivers are currently undertaking national vocational training. In a more attractive environment, this proportion could increase, though the Government's decision between options 1 and 2 needed to take account of the needs of all drivers and employers, not just those interested in NVT.

4.51. Assuming participation in NVT of new drivers in the road freight sector was 25%, NVT could add around £16m costs<sup>37</sup>. If participation in NVT of new drivers in the passenger transport sectors was 25%, NVT could add around £5m<sup>38</sup>. Participation in NVT would be by choice, so these extra costs would be voluntarily incurred.

4.52. Assuming 25% employer take-up, option 1a would impose overall costs of around:

- £299m for the LGV industry (£283m + £16m).
- £71m for the PCV industry (£66m + £5m).

4.53. Assuming 25% employer take-up, option 2a would impose overall costs of around:

- £37m for the LGV industry (£21m + £16m).
- £12m for the PCV industry (£7m + £5m).

4.54. Public funding is sometimes available for vocational training dependent upon individual circumstances (usually the age of the driver and the type of course dictate the funding), so these figures could reduce considerably for participants. However, there is no guarantee of public funding, and that would not reduce the economic burden but merely transfer it to the general taxpayer.

### **Periodic training**

4.55. All drivers must undertake 35 hours (five days) periodic training every five years in periods of not less than seven hours at a time. Drivers and companies have the flexibility of training as and when required over the five years, at times of their choosing. The Directive allows for training to be provided either in-house or externally. The content of training must link to the CPC syllabus, but can focus on individual needs and develop in line with scientific and technological changes.

4.56. The annual cost to the PCV industry of providing one day's training per year for 166,000 drivers could be around £42m assuming:

- average wage costs of £350 per week.
- training at a cost of £150 per day.
- approval of training (assume 300 training centres @ £1500 divided by 5 (over 5-year period = annual costs) and 600 courses (two per training centre, although some may offer more and some less) @ £250 per year..
- £4 to update course records – (based on each driver attending 4 courses over 5 years).
- £25 for driver qualification card.

4.57. The annual cost to the LGV industry of providing one day's training per year for 433,000 drivers could be around £109m assuming:

- average wage costs of £350 per week.
- training at a cost of £150 per day.
- approval of training (assume 1000 training centres @ £500 divided by 5 (over 5-year period = annual costs) and 2000 courses (two per training centre, although some may offer more and some less) @ £250) per year.
- £5 to update course records – four occasions divided by 5 (over 5 year period).
- £25 for driver qualification card.

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<sup>37</sup> 25% of 42,500 drivers = 10,625 drivers x [£500 + £1,000] = £16m

<sup>38</sup> 25% of 13,180 drivers = 3,295 drivers x [£500 + £1,000] = £5m

4.58. Operators have advised the Agencies that many larger companies already invest in developmental training for their drivers, so the net cost of the periodic training requirement should be lower. Also, well-targeted training should produce substantial economic benefits for companies. The content of the periodic training could address efficiency and effectiveness issues, such as new technologies/developments, defensive driving techniques and customer care and health and safety, creating offsetting benefits. In particular, as mentioned in paragraph 4.6 above, there is evidence that major savings in fuel consumption could be achieved by the adoption of an appropriate driving style, which would more than offset the estimated costs.

## **5. Equity and fairness**

5.1. The Directive extends harmonisation by applying Community-wide standards across the EU on driver training. The proposed measures should have equal effect across the European LGV and PCV industries and will not affect one group more than any other.

5.2. Adopting Option 2 for the initial qualification without AIT would ensure common standards amongst new vocational drivers, and avoid concerns about unfair treatment and access issues for younger trainees that could arise were AIT adopted.

5.3 An Equality Impact Assessment has been undertaken. Whilst the impact on drivers and businesses will be high, it is not considered there will be a disproportionate impact on any group or individual.

5.4 In Northern Ireland an Equality Impact Screening exercise carried out by DVTA reflects that it should also be the case within NI that one group will not be affected more than another. This consultation process involves all of the Section 75 consultees.

## **6. Consultation with small business**

6.1. Both industries are populated with a majority of small to medium sized enterprises (SMEs) - 98% of operators within the road freight sector and around 75% of operators for the passenger-transport sector. The Agencies have received views from SMEs at meetings and customer focus groups, and the Government has given particular attention to the need to transpose the requirements of the Directive in a way that does not discriminate against them. Representative bodies of small businesses are members of working groups supporting development of the project.

6.2 The Small Business Federation responded to the November 2005 consultation. They acknowledged that added burdens would arise whichever of the two options was chosen. However, they recognised that the Directive had been agreed at European level and agreed that Option 2 would mean less training regulation on small business.

## **7. Competition assessment**

7.1. Industry was closely involved throughout in the European Union negotiations on this Directive in order to obtain arrangements that would be more acceptable and less costly and burdensome to UK interests than those originally proposed.

7.2. The RIA for these regulations has identified two sectors that will be affected: the road freight transport sector and the passenger carrying transport sector. Both sectors (which include employers and training providers) will incur the same type of costs associated with providing an initial qualification for all new LGV and PCV drivers and periodic training for all existing LGV and PCV drivers.

7.3. New drivers are likely to incur costs associated with undertaking an initial qualification (either via the regulated training plus test route or the detailed test route) and certification of the qualification.

7.4. Employers and training providers (who could also be employers) are also likely to incur costs associated with the initial qualification and with periodic training. These would involve wages for the employee, certification of the qualification and, if they chose to link with national vocational training provision of a vocational assessor.

7.5. Existing drivers could incur costs associated with the periodic re-qualification and certification of that training although it is more likely that employers would incur these costs as it is more usual for employers to pay for ongoing training where it happens.

7.6. The initial qualification will affect all new drivers wishing to take up the occupation of passenger transport driver from September 2008 and road freight driver from September 2009 (currently around 55,000 new drivers annually). Existing PCV and LGV drivers will need to complete the 35 hours periodic training by 2013 and 2014 respectively (affecting around 599,000 existing drivers).

7.7. The competition filter undertaken as part of the competition assessment suggests that the proposed regulation is unlikely to have an impact on competition in the road freight and passenger transport sectors. Costs associated with the requirements of the Directive will apply equally to all businesses (although there could be market effects if a Member State decided to allow AIT – which the Government does not propose to permit).

## **8. Enforcement and sanctions**

8.1. The police, VOSA, and Traffic Commissioners will carry out enforcement activity as they currently do for road traffic offences and LGV/PCV driver conduct and operator repute issues in GB. Current Northern Ireland enforcement bodies will continue to do so in NI. Sanctions for driving without a valid CPC will be aligned to those for driving other than in accordance with the terms of a driving licence. Employers who caused or encouraged driving without the relevant CPC could have their operator licence amended or revoked. There should be no significant resource implications for them from the transposition of this Directive.

8.2 We have contacted the Courts Service about the impact of the Directive on their activities. They consider that the costs to the Department of Constitutional Affairs (including the legal aid budget) will be £123,140.

## **9. Monitoring and review**

9.1. The Agencies are arranging for the tests that need to be undertaken to fulfil the requirements of the Directive. They are, where the training is subject to EU rules, developing



arrangements to undertake the competent authority duties set out in the Directive, such as approving training prescribed by the Directive and ensuring that training providers are adequately qualified to deliver the training. Working groups established as part of the implementation project for this Directive have considered what quality assurance arrangements are needed, and made proposals for records maintenance arrangements for CPC and periodic training status. The Department for Transport maintains a database of transport statistics that could be used to identify any decrease in the number of accidents involving LGVs and PCVs in GB. The Department of the Environment and the Northern Ireland Police Service retains the Northern Ireland information.

## **10. Consultation**

### **10.1 Overall**

10.1.1. A wide range of bodies (both public and private), have been consulted on an ongoing basis since the Directive was published in 2001. In addition, three formal consultation exercises have been conducted. Contact was maintained both during negotiation and subsequent to it. Organisations involved have included:

- the SSCs for the road freight and passenger transport industries
- FTA
- Road Haulage Association
- Confederation of Passenger Transport
- Road Haulage Association Training Providers
- commercial LGV and PCV companies
- Community Transport Association.
- Small Business Service
- Department for Education and Skills
- Qualification and Curriculum Authority, Scottish Qualification Authority
- Adult Learning Inspectorate
- City and Guilds Institute
- Recruitment and Employment Confederation
- Association of Chief Police Officers
- Ministry of Defence Logistics
- Department of Health (ambulance services)
- Fire Services Training
- Learning and Skills Council
- around 1,000 training providers (mainly SMEs)
- colleagues with related interests in DfT and the DVO group.

10.1.2 When conducting consultations the Agencies aim to consult with as wide a range of stakeholders as possible. They have engaged in a programme of awareness raising seminars to alert the affected industries to the Directive. Some of these awareness seminars have been carried out in conjunction with SSCs, trade associations, other government departments and Traffic Commissioners.

10.1.3 The Agencies post consultation papers on to their websites. A more comprehensive list of consultees is provided in the main consultation paper. However this is only indicative of the types of groups and individuals/organisations to whom the paper would have been

issued. The Agencies maintain databases that are regularly updated to incorporate contact details of those who have asked to be consulted.

### 10.2.1 Consultation in April 2001

10.1.1 In April 2001, the DSA issued a Consultation Paper about the draft Directive. Over 3,000 copies of the Paper were distributed to stakeholders and other interested parties including the Small Business Service. DSA arranged for bulk copies to be made available for the various trade associations to cascade to their members (the majority of whom are classed as SMEs). The Paper was posted on the DSA web-site and briefing about the Directive's proposals was published in trade association, training provider, national training organisation newsletters and the DSA newsletter *Despatch* which is distributed each quarter to some 60,000 training organisations (ranging from small to large sized businesses).

10.2.2 DSA published articles in the Vehicle and Operator Services Agency's (VOSA) newsletter about the Directive whilst negotiations were on-going in Brussels. This publication is issued twice a year to some 130,000 LGV/PCV operators.

10.2.3 Trade associations organised several conferences for their members at which DSA presented the Directive's proposals, publicised the Paper and invited comments. Presentations to publicise the Directive were also made at the national training provider conferences (attended by employers, trainers and individuals) and on several occasions at locally organised events arranged by associations such as Business Link, St Helens College Liverpool, North Lincolnshire Council and the Road Operators Safety Council (ROSCO). DSA also publicised the Directive and invited comment at DSA's local and national lorry and bus driver trainer focus group meetings and at the annual meetings held for the police, fire and bus companies at the DSA Training Centre at Cardington, Bedfordshire.

10.2.4 Seventy five written responses were received to the consultation on those original proposals, of which many were collective ones, but a number were received from individuals and businesses. Key points made were:

- over half of the respondents (including the trade associations representing the bus and haulage industries, trainers, trade unions etc.) agreed that some form of training was necessary in order to raise standards.
- industry representatives opposed the training arrangements proposed - arguing they were too rigid, that there would be significant compliance costs, and that it would aggravate the current vocational driver shortage.
- the representative training bodies felt that the training should be competence-based and not based on time-serving.
- the remainder of the respondents (mainly individual hauliers and drivers) did not feel that compulsory training was required. Cost was the main issue for this group, both in terms of costs to the individual and to the employer<sup>39</sup>.

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<sup>39</sup> This contrasts with the response to the 2001 FTA national skills survey, where many professional drivers stated that they would welcome more training.

- there was particular concern from all respondents that trainees would have to obtain a full vocational licence before they could start professional training, but could not work until a CPC had been awarded.
- many felt that the regulation of training should be left for Member States to determine according to local needs rather than EU imposed 'one-size-fits-all' rules.

10.2.5 Some of the respondents (LGV/PCV operators, voluntary sector, trainers, road safety groups and ambulance service) sought exemptions from the requirements of the Directive.

- Voluntary and charitable organisations wanted an exemption for their minibus drivers (e.g. scouts and brownies, people with special needs, and *Help the Aged*) whether those drivers were voluntary or paid. They argued that they could not afford the time and money to put these drivers through vocational training courses.
- The Community Transport Association, the trade association for 'non-commercial' passenger transport services, made similar representations, arguing that the costs of imposing a strict training regime on their drivers would severely affect, if not terminate, these services. They drew attention to the EU legislation that exempted such drivers from having to hold a vocational bus driving licence.
- Some local authorities wanted an exemption for their staff undertaking driving where it was not core to their job (eg teachers taking pupils on school trips, or meals-on-wheels deliveries) – citing the costs.

10.2.6 These responses, along with the views expressed to the Agency via face to face presentations, plus close working with the road freight and passenger transport industries informed the UK negotiating stance at European meetings.

10.2.7 Officials also held meetings with other Member States in order to explain the UK stance, learn about their concerns, and reach mutually acceptable solutions. Major improvements were achieved during those negotiations that better reflected the views of the Government and stakeholders. Flexibilities were added to the provisions to take account of the various training and assessment infrastructure and practices in the different States.

10.2.8 The provisions in the adopted Directive are much less burdensome than the original proposals:

- flexibility to run the CPC initial qualification (both the training and testing aspects) concurrent with the driving licence acquisition process, to avoid unnecessary duplication.
- the option to focus the initial qualification on achieved competence rather than time-served training, allowing flexibility for modern cost-effective training and assessment solutions.
- the option to allow drivers to work domestically whilst completing their initial CPC when they were within a broader environment of national vocational training arrangements.

- more flexibility in the content and arrangements for periodic training , so it could better meet the needs of drivers and operators.
- more time to implement the Directive's provisions, so that those affected could be involved and the new arrangements deliver their intended benefits.

### 10.3 Consultation in November 2005

10.3.1 The Directive was adopted in 2003. Once the final content was known, and in line with Cabinet Office Guidance, extensive consultation was undertaken with interested parties before the formal consultation exercise commenced. This built upon the dialogue established during the discussions surrounding the draft Directive. It was therefore possible to develop proposals to take account of concerns raised by those within the industry. This allowed the Agencies to implement arrangements to meet the needs of stakeholders, whilst minimising cost and process duplication.

10.3.2 A joint consultation exercise on the broad principles of implementation was carried out by DSA in Great Britain and the Driver Vehicle and Testing Agency in Northern Ireland (DVTA) between November 2005 and February 2006. Again, DSA and DVTA posted the Consultation Paper on their Agency's websites. DSA wrote to some 3,000 and DVTA wrote to some 500 potential stakeholders. The key elements were:

- We proposed the delivery of the Option 2 assessment regime in a modular format, with the possibility of integrating vocational driving licence acquisition with the CPC Initial Qualification.
- We proposed that we make use of the provision in the Directive to allow Member States to adopt arrangements whereby trainees can work as drivers for up to 3 years whilst preparing for the Initial Qualification if they are undertaking National Vocational Training (NVT) of at least 6 months duration.
- We suggested that an Accelerated Initial Training (AIT) arrangement which the Directive allowed would be an unhelpful complication if Option 2 was adopted. The rules for AIT would be similar to Option 1 though with shorter mandatory training periods. Participation would involve restrictions based on the driver's age and the size of vehicles that could be driven.
- The Directive required Member States to put in place regulatory arrangements to quality assurance the provision of Periodic Training - training centres, individual instructors and training programmes. The Paper indicated that our approach will be as far as possible to allow local flexibility concerning the content and mode of training undertaken by individual drivers.
- The Directive allowed Member States the options of putting a code on the driving licence or issuing a separate Driver Qualification Card produced to equivalent security standards. We proposed initially that status should be recorded by a code on the driving licence, with a separate Driver Qualification Card issued only where essential (eg to those holding non-UK driving licences). This approach altered as development progressed.

- We proposed aligning CPC enforcement and penalties as far as possible with those for driver licensing generally.
- The Directive requires Periodic Training to be undertaken on a 5-yearly cycle. However, the Directive allows Member States to use periods of between 3 to 7 years when implementing the Directive to avoid dislocation and help smooth the implementation of the requirement for existing drivers. We sought views.

10.3.3 DSA received 90 and DVTA received 8 responses. These included comments from key industry stakeholders. The majority of responses were very supportive of the Government's proposals. The opinions expressed by those responding to DVTA largely reflect those received by DSA.

10.3.4 Important points were:

- The Option 2 proposal was generally supported, including by key stakeholders. This was particularly the case for the logistics industry. It was felt that competence-based rather than "time based" training was superior, so that training would focus on the trainees' needs and be validated by the assessment of competence. Whilst the bus industry representative bodies had initially identified attractions in Option 1, they recognised that Option 2 was the most realistic. Some questioned whether the Paper had over-emphasised the cost of Option 1 and the potential for fuel savings, and underestimated the training needed for Option 2.
- Both sectors expressed concern about DSA's ability to service the demand for the practical tests involved in the Initial Qualification, and they suggested some amendments to the delegated examiner arrangements.
- Respondents provided a variety of comments to the effect that the new theory tests need to be "fit-for-purpose" and designed to address the needs of each sector with the right content and requiring appropriate performance levels. Delivery should be customer friendly.
- Of the small number opposed to Option 2, one trainer questioned the value of an assessment-based qualification as opposed to training on the basis that a qualification based on a single assessment would not prove consistency of competence. One respondent suggested coursework assessment. One felt that the status of the professional driver should be achieved only by development/training.
- An ability to acquire simultaneously a vocational driving licence and the CPC through the modular approach was widely acknowledged as being positive and industry-friendly. A significant theme in responses was for each module to have its own pass event (as is currently the case for the theory and practical tests taken for licence acquisition).
- Two important points emerged in consultation:
  - the tests to be passed for vocational driving licence acquisition alone must not be seen as a "soft option" undermining the standard required by the CPC.

- the new tests - particularly the new theory tests - required by the Initial Qualification should not cause a sudden shut-off in the supply of new drivers for these economically important sectors.
- There was widespread support for including a NVT arrangement. This included key stakeholders from both the logistics and the bus and coach industries.
- The bus and coach industry commented that the content of the Directive's syllabus had already been mapped against new national occupational standards in PCV driving. They considered there were opportunities to deliver the Directive's requirements alongside NVT units, and they saw possibilities for using the Initial Qualification as "evidence" towards achievement of NVT.
- Some expressed concern about an NVT arrangement being abused and used as a "loophole" simply to delay taking the CPC assessment for up to 3 years, and that the overall arrangement would need to ensure this did not happen. Many respondents emphasised that any eligible NVT scheme must be rigorously quality-assured so as to ensure that it added value.
- There was almost universal support for the view about Accelerated Initial Training, including from key stakeholders.
- The general message from respondents was that Period Training should address the needs of operators and individual drivers and not attempt to be over-prescriptive. There were a variety of suggestions about what should constitute appropriate content, varying from Safe and Fuel-Efficient Driving to first aid. There were also a variety of views expressed about a need to allow flexibility in sourcing training – in-house, out-sourced and e-learning. Flexibility in process was requested, so that drivers did not wait until the end of the 5 year period to undertake training and recognising that drivers move between companies.
- A number of respondents had concerns that insensitive regulation could have adverse affects on the availability of sufficient training capacity. There were concerns that the new statutory provisions should recognise and support current good practice and should serve to generalise it.
- The Directive requires a minimum 35 hours of training to be undertaken every 5 years in periods of not less than 7 hours duration. A strong theme from respondents, including key stakeholders, was that the idea of a training session lasting 7 unbroken hours was impracticable, and that it should be possible to divide the period into more manageable parts – perhaps lasting 3 and 4 hours.
- Several respondents said it would be sensible to align the Periodic Training cycle with licence expiry. But no respondents commented on whether or how to use the 3-7 year provision.
- Respondents supported the view about evidencing CPC by a code on the driving licence.
- Consultees also suggested that there needed to be a mechanism for checking what Periodic Training drivers had undertaken.

- Respondents indicated some concerns that less scrupulous drivers and operators might seek to ignore CPC requirements, and enforcement activity should ensure a level playing field. In particular, it was suggested that driver agencies should not be able to ignore responsibilities.

#### 10.3.5 Decisions made were:

- In view of the significant negative implications associated with Option 1 (particularly the regulatory burden and its consequential costs) and the stakeholder support for Option 2, Ministers decided to adopt Option 2 in the UK. DSA addressed the various comments relating to test details by inviting both the goods and passenger transport industries to provide subject matter experts for the working groups designing the new tests.
- In view of the high level of support for the proposed modular format, Ministers decided to adopt this arrangement for the assessment regime in the UK. The CPC implementation strategy addresses both of the issues:
  - the test modules for vocational driving licence acquisition will ensure drivers have the essential knowledge and skills to drive buses and lorries safely. The additional modules for the CPC (case studies for the theory test, and vehicle safety issues for the practical test) will address the additional issues which are relevant to the professional driver.
  - DSA will phase-in before the introduction of the Initial Qualification the longer multiple-choice test papers to be taken by all drivers of buses and lorries. There will be a staged increase in theory test questions to 60 in April 2007 and 100 in April 2008. This will help mitigate the risk of a sudden drop in pass-rates affecting the flow of new drivers when the CPC is introduced.
  - The cost of the CPC theory test will be £30 and practical test £41. To cover the staged increases, the cost of the licence acquisition theory test is being increased from £21.50 at present to £32 in April 2007 and £45.00 in April 2008.
- Ministers considered that it should be possible to design NVT arrangements with adequate safeguards to prevent the CPC being undermined and they wish to respond positively to those who would find such arrangements helpful. They therefore decided to provide for an NVT arrangement in the implementing legislation. However, the length of the exemption has been set at one year in the UK.
- In view of the lack of support for AIT, and its inappropriateness where a State adopts Option 2 for the Initial Qualification, Ministers decided not to provide for it in UK implementation arrangements.
- DSA took account of the comments received in implementing the Periodic Training arrangements, particularly in respect of the need for flexibility. Sector Skills Councils are the industry-led bodies with responsibility for standards-setting for their sectors. The relevant two Sector Skills Councils, *Skills for Logistics* and *GoSkills*, have taken a lead role in the quality assurance arrangements for Periodic Training, as well as their general involvement in the implementation project.

- We consider that there is sufficient flexibility in the Directive's wording to permit the 7 hours to be broken down into shorter lengths, provided they make up one training course taking place at the same period.
- The issue of using a 3 to 7 year cycle for Periodic Training would be considered further as part of implementation planning.
- In implementing all the Periodic Training arrangements, DSA would take account of the comments received, particularly in respect of the need for flexibility.
- We would adopt for the CPC the same provisions that exist for driver licensing. Persons who cause or permit contraventions will also be liable, with a defence that they could not reasonably have known that an offence was being committed.

#### 10.4 Consultation in October 2006

10.4.1 Further issues arose in the course of the development of the project. As a result of these, two additional consultations were conducted.

10.4.2 A consultation paper "Service Improvements, Safety Related Measures and General Fee Increases" was issued in October 2006. This was a wide-ranging consultation. It included various items concerning CPC -

- arrangements for accrediting periodic trainers and courses - the fee for accreditation of trainers would be around £1500. for a five year period and courses would be £250 annually.
- whilst it was felt initially that the most efficient and effective way in which to record a driver's CPC would be through a code on the driving licence, this has changed as a result of enforcement issues. It became apparent that a Driver Qualification Card – with mandatory carriage – would be more efficient. We therefore consulted on evidencing CPC by a Driver Qualification Card – the fee would be £25.

10.4.3 In addition, DSA has undertaken a more limited consultation on "Recording And Monitoring Driver CPC Periodic Training". This paper was issued to some 880 key stakeholders and interested parties in December and proposed a central record of training and associated fees. Ministers agreed that this consultation could be limited to key stakeholders and reduced in length to so as to close on the same date as the "Service Improvements" consultation. This was because the subject matter enhanced the proposals in the "Service Improvements" consultation and the Directive's transposition deadline had been missed. Also the Stakeholder Group within the Driver CPC implementation project, which includes key industry players, had already endorsed the proposals.

10.4.4 Both consultations ended on 11 January 2007. DSA received 78 responses and DVTA received 5 responses. These included comments from key industry stakeholders. The majority of responses were supportive.

10.4.5 Important points were:

#### Quality Assurance



- Most responses were in favour of the proposal that a quality assurance system should be introduced. Centres seeking to provide periodic training would apply to the Secretary of State for accreditation for a five year period. The fee for accreditation would be around £1500.
- A similar arrangement would operate for course approval. Those accredited to deliver periodic training would apply to the Secretary of State for each course to be approved for a period of one year. The fee would be around £250.
- Comments on the proposed system were primarily concerned with the fees and the quality of the assurance arrangements.
- Whilst the point was made that the cost should reflect the importance of the training, a number of respondents queried the level of the fees. Some considered that £1500 for centre accreditation was high - points made were that fees would need to be passed on to passengers and that peripheral costs, for example IT systems and record keeping systems would be expensive for smaller trainers. Some sought clarity in whether this is a charge per organisation or location and questioned how it would apply to smaller trainers operating from temporary conference facilities. A large charitable body suggested that an Approved Training Centre should be an organisational centre with specific staff controlling and monitoring training delivery – this could be delivered at a number of sites. Another vocational trainer suggested a sliding fee scale to benefit smaller companies.
- The overall view, including from first aid bodies, large training organisations and a Police College, was that quality was paramount. Suggestions included a preference for DSA to carry out the quality assurance role rather than outsourcing it and the accreditation of all those on the Voluntary LGV Register (which could be made compulsory) to conduct periodic training. A local authority proposed that inspections should be carried out on an annual basis and the Royal Mail felt that large companies should have in house trainers accredited.
- A large representative body of the passenger carrying industry felt that the assurance process should be based on the longest possible period of certification but with a degree of random checking. Conversely the two sector skills councils suggested that the £250 fee for course approval should be for a seven hour period. One suggested that if a longer course was submitted, for example 35 hrs, the fee would be multiplied by five. There was recognition that the fees may be subject to revision in due course.
- A helpful suggestion was made on the model of assurance to be used and the one driver research organisation offered assistance in developing proposals. Large first aid bodies welcomed closer collaboration in the area of competences.
- Whilst outside the scope of this consultation, there were some interesting suggestions which have been passed on to relevant officials within DSA.

### Driver Qualification Card

- Most respondents supported the proposal that CPC status should be evidenced by a DQC. This would be issued to new drivers on passing the relevant tests for Initial Qualification and for all other drivers following 35 hours periodic training every five years.
- There was a variety of comments on the proposal. A taxi proprietor felt that a card clearly demonstrated an individual's qualification. A large public sector organisation considered it was more practical than a code on the driving licence. However, one bus operator referred to the fact that CPC status was originally intended to be evidenced by a code on the licence and a large representative organisation of the PCV industry maintained their support for that system. Some queried whether administration should be by DSA or DVLA.
- There was concern that the card would have to be carried by drivers and that they already had to carry too many cards. One large training organisation and a government department queried what would happen if the card was not carried, lost or stolen – and that there should be some provision enabling holders to drive in this situation. A bus operator suggested that drivers should have seven days to produce the DQC.
- One research organisation referred to skills records in vocational education and offered its support in developing a card for Driver CPC.

#### The fee for DQC should be £25

- Opinion was slightly in favour of this proposal although 35% were neither in favour nor against.
- Included in comments were suggestions that the fee should be seen as fair and valid and that it should cover only basic costs of delivering the card. Some respondents questioned whether this was a DSA or DVLA function. One respondent suggested £25.00 for a first issue and £5.00 subsequently.
- One respondent suggested that employers should fund the DQCs for their staff. Others proposed that the fee should be included in the courses taken and that it could be recovered when the training record is amended. Sector Skills Councils and representative bodies considered the fee may be too high and some believed more work was needed on development of this element.
- It was suggested that CPC status could be recorded electronically. A road safety organisation suggested that further work was needed to ensure this was manageable and not a financial burden.

#### Central record of periodic training

- Most respondents were in favour of the proposal that there should be a central record of periodic training. This would be updated by Training Centres each time a trainee completed an approved course. Only a small percentage preferred a system where individuals and trainers were responsible for maintaining training records.

- There were very few comments. Some, however, expressed concern about the charging mechanism. One trainer was concerned about the cost placed on the employee – for training fees, CPC cards and administration – which may mean that some left the industry - and part time drivers would be hardest hit. If the employer paid, it would be a burden on industry. ACT Control Systems suggested that individuals and trainers should keep their own records rather than having a centralised one.
- Another large training organisation was concerned about the delay in receipt of fees for training when this was paid by commercial customers, given normal business payment timescales or when the customer was in financial difficulties. They, along with a large representative organisation of the haulage industry, suggested that DSA should either offer credit terms to the training provider or discount the fee to take into account the risk the training provider is expected to make.
- Most responses were in favour of the proposal that there should be a fee of £5.00, paid by the trainer, for each trainee, for each course of training completed.
- However, one large training organisation commented that the projected revenue may range from £2.995m to £14.975m, with an assumption that the mid range is likely to be £8.985m. Therefore, they questioned whether the £5.00 fee may be too high.
- One trainer was concerned the system could encourage one week training instead of on a more regular basis. A sector skills council felt the payment for the DQC should be recovered from the fee paid for the update of the database and suggested more work on the cost. Some suggested discounts for bulk transfer of data.
- Ministers have carefully considered the points made. They take the view that there is a need to quality assure training and entitlement needs to be evidenced and readily proven to the police or a Traffic Officer. In addition, the fees are supported by the business case developed in liaison with key stakeholders and there is overall support from consultees. The fee of £5 is supported by the business case developed in liaison with CPC project. They have decided that that they should be introduced as proposed.

## **11. Summary and recommendation**

11.1. The table below outlines estimated annual costs associated with the initial qualification (distinguishing between the options) and periodic training. Option 2 for the initial qualification is clearly the more cost-effective solution.

11.2. The Government is committed to transposing this Directive in a manner that maximises the opportunities for economic, social and environmental benefits, whilst avoiding unnecessary costs, regulation and process. The Government intends to use the improvements negotiated whilst this Directive was being discussed. In particular:

- adopting Option 2 for the initial qualification
- allowing for the NVT link where drivers and operators wish (ie Option 2a)
- developing modular tests that allow vocational driving licence acquisition and the initial qualification to be integrated.

11.3. The table below also outlines the estimated annual savings that the road freight and passenger transport sectors could derive from the Driver CPC Directive. These indicate that the savings should outweigh the costs implied by implementing the Directive in the manner that the Government proposes.

**Summary of Estimated Costs and Benefits**

Choices	Estimated economic, environmental and social cost per annum		Estimated economic, environmental and social benefit per annum
	LGV	PCV	

Choice 1. Do nothing	Infraction proceedings taken against UK. UK companies denied access to EU markets		Nil
Choice 2. Implement the Directive			
Option 1 <sup>40</sup> Initial qualification – EU regulation of training hours plus test.	£283m	£66m	If 25% of accidents involving LGV and PCVs were prevented, the estimated benefit would be £137m pa <sup>47</sup> .
Accelerated initial training <sup>41</sup>	£94m	£7m	If 25% of current deaths involving LGV and PCVs were prevented, the estimated benefit would be £51m pa <sup>48</sup>
Option 2 <sup>42</sup> Initial qualification - EU regulation of test only.	£21m	£7m	
Additional cost of NVT <sup>43</sup>	£16m	£5m	If higher standards save 5% fuel consumption, the estimated benefit in fuel savings for the road freight sector would be £385m pa <sup>49</sup>
Option 1(a) <sup>44</sup> NVT with Option 1.	£299m (£16m + £283m)	£71m (£5m+ £66m)	
Option 2(a) <sup>45</sup> NVT with Option 2.	£37m (£16m + £21m)	£12m (£5m + £7m)	5% fuel savings for the road passenger transport sector would be worth an estimated £38m pa <sup>50</sup>
Periodic training <sup>46</sup>	£109m	£42m	

**I have read this Regulatory Impact Assessment and I am satisfied that the balance between costs and benefit is the right one in the circumstances.**

<sup>40</sup> LGV – 42,500 new drivers x six weeks training (additional to licence acquisition training), plus six weeks wages @ £350 (cost to employer and loss of wage for driver who cannot be employed until CPC obtained), approval of training @ £800,000 pa (approval of training sites and courses), CPC documentation @ £1,062,500 pa and test @ £913,750 pa. PCV - 3,300 new drivers x six weeks training and 9,880 drivers x four weeks training, plus four or six weeks wages @ £350, approval of training @ £240,000 pa (approval of training sites and courses), CPC documentation @ £329,500 pa and test @ £283,370 pa: see paras. 4.23. - 4.25.

<sup>41</sup> LGV – 42,500 new drivers x two weeks extra training, plus wage cost for employer and loss of wage for driver until employed of £600. PCV 3,300 new drivers (25%) x two weeks training for those that do not undertake more than two weeks training for licence acquisition: see paras 4.28 - 4.29.

<sup>42</sup> costs of test, documentation, two days' extra training, two days' loss of wages: see para 4.41.

<sup>43</sup> assumes 25% participation rate in NVT for new drivers, ie 10,625 LGV drivers and 3,295 PCV drivers : see para 4.51.

<sup>44</sup> cost of the NVT plus cost of option 1 initial qualification: see para 4.52.

<sup>45</sup> cost of the NVT plus cost of option 2 initial qualification: see para 4.53.

<sup>46</sup> assumes basic daily cost of: LGV training of one day's wage of £70 plus £150 trainer = £220 x 433,000, and PCV training of 1 days wage of £70 plus £150 trainer = £220 x 166,000: see paras 4.56. - 4.57.

<sup>47</sup> see para 4.4.

<sup>48</sup> see para 4.4.

<sup>49</sup> 5% of 11b litres x 70p: see paras. 4.6. and 4.7.

<sup>50</sup> assumes 5% of 1.1b litres x 70p: see para. 4.7.

**Signed** S.J. Ladyman.  
**Date** 26th February 2007.

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DSA

## TRANSPOSITION TABLE

### **DIRECTIVE 2003/59/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15TH JULY 2003 on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers**

The Directive requires drivers of goods vehicles or passenger carrying vehicles to pass an initial test. This overlaps and goes beyond the current driving test and may be taken at the same time. After successful completion of the initial test, the driver is awarded an initial “certificate of professional competence” or “CPC”. The initial CPC is valid for 5 years. Within that period drivers are required to take 35 hours of training and then a further 35 hours training every 5 years. A driver is awarded a periodic CPC after completion of each 35 hour period of training. A code on the driver’s driving licence, or a driver qualification card, show that the driver has an initial CPC or periodic CPC.

These Regulations do what is necessary to implement the Directive by making enforcement provisions and provisions relating to driver qualification cards similar to those which apply to offences and other matters connected with driving licences.

In Great Britain the competent authority is the Secretary of State, in Northern Ireland it is the Department of the Environment, Northern Ireland.

<b>Article</b>	<b>Objective</b>	<b>Implementation</b>
1	application of Directive to drivers of passenger carrying and goods vehicles	regulation 2(1) defines “relevant vehicle” by references to the categories in the Directive; regulation 3(1) applies Regulations to nationals of member States and nationals of third countries employed or used by undertakings established in a member State
2	exemptions from CPC requirements	regulation 3(2) sets out the exemptions covered by the Directive
3(1)(a)(ii) and Annex I, section 2.(2.2)	drivers of relevant vehicles required to have initial CPC	regulation 2(1) defines an initial CPC test by reference to Article 3(1)(a)(ii) (option involving only tests). (The United Kingdom has decided not to exercise the option of implementing Article 3(1)(a)(i) (option combining course attendance and a test).  regulation 4(1) prohibits a driver of a relevant vehicle from driving on a public road unless he has passed an appropriate initial CPC test relating to that category of vehicle;  regulation 10 makes it an offence not

		<p>to have an initial CPC qualification when required by the regulations while driving;</p> <p>regulation 11 makes it an offence not to carry and produce evidence of that CPC entitlement (or training exemption, where applicable: see regulations 4(5) and (6)) when driving a relevant vehicle.</p> <p>regulation 13 makes it an offence to forge or make false statements in relation to any document evidencing CPC entitlement or evidence of the training exemption.</p> <p>regulation 14 enables a constable or vehicle examiner to seize any document carried in a vehicle in respect of which he thinks that an offence under regulation 13 has been committed.</p>
3(1)(a)(ii), last paragraph	exemption from initial CPC for drivers undergoing a national vocational training course	regulation 4(5) and (6) exempt from the initial CPC test drivers who are undertaking a national vocational training course approved by the competent authority
3(1)(b), section 4 of Annex I	drivers required to have compulsory periodic training of 35 hours every five years	<p>regulation 8(1) requires drivers to apply to the competent authority for a driver qualification card once they have completed 35 hours periodic training;</p> <p>regulation 9(1) prohibits a driver of a relevant vehicle from driving on a public road unless he has obtained a CPC within the previous five years;</p> <p>regulation 10 makes it an offence not to have a periodic CPC when required to do so under the regulations;</p> <p>regulation 11 makes it an offence not to carry and produce evidence of that entitlement when driving a relevant vehicle.</p> <p>regulation 13 makes it an offence to forge or make false statements in</p>



		<p>relation to any document evidencing CPC entitlement.</p> <p>regulation 14 enables a constable or vehicle examiner to seize any document carried in a vehicle in respect of which he thinks that an offence under regulation 13 has been committed.</p>
4	<p>acquired rights: exemption from initial CPC for certain driving licence holders</p>	<p>regulation 4(7) and (8) exempt from the requirement to have an initial CPC-</p> <p>(a) drivers of passenger carrying vehicles with driving licences (or equivalent) for those vehicles on or before 9th September 2008</p> <p>(b) drivers of goods vehicles with driving licences (or equivalent) for those vehicles on or before 9th September 2009</p>
5(2) and (3)	<p>minimum age requirements for drivers of goods vehicles and passenger carrying vehicles</p>	<p>regulation 15 modifies the minimum age requirements in items 6 and 7 of the Road Traffic Act 1988</p>
5(4)	<p>holders of initial CPC relating to carriage of goods exempted from need to obtain CPC for other categories relating to carriage of goods. Similar provision for drivers of passenger carrying vehicles</p>	<p>regulation 4(10) makes such provision</p>
5(5) and Annex I, Section 2.2 (b), last paragraph	<p>holders of initial CPC relating to carriage of goods vehicles required to obtain initial CPC for driving passenger carrying vehicles. Similar provision for holders of initial CPC relating to passenger carrying vehicles.</p>	<p>regulation 4(2) (b) sets out these requirements</p>

6(1)(b)	initial CPC awarded on basis of tests, organized by Member States competent authorities or designated entity	regulation 5(1) and (2) enable the competent authority or a person approved by it to organize an initial CPC test.
7, section 5 of Annex I	compulsory periodic training must be organized by approved training centre in accordance with conditions	<p>regulation 6 requires a person who wishes to provide periodic training to apply to the competent authority. The competent authority can grant approval subject to compliance with conditions;</p> <p>regulation 7 requires an approved person to notify the competent authority each time a person has completed a course of at least 7 hours training.</p>
8(2)(a)	date by which holder of initial CPC must take obtain a first periodic CPC	regulation 9(1) and (4) require a driver to have obtained a first periodic CPC within the previous 5 years or a longer period if granted by a member State other than the United Kingdom.
8(2)(b)	date by which drivers with acquired rights (article 4) must obtain a first periodic CPC	<p>regulation 9(2)(a) requires drivers of passenger carrying vehicles to take a first course of periodic training by 10th September 2013;</p> <p>regulation 9 (2)(b) requires drivers of goods vehicles to take a first course of period training by 10th September 2014</p>
8(3) and (4)	requirement to undergo subsequent periodic training after first course every five years or to take periodic training after lapse of 5 year period of validity	regulation 9(1) prohibits drivers from driving a relevant vehicle on a public road where required by the directive unless a CPC has been obtained within the previous 5 years
8(5)	Drivers of vehicles for carriage of goods with periodic CPC not required to complete further periodic training for carriage of passengers and vice	regulation 9(5) and (6) sets out these requirements

	versa	
9, section 4 of Annex 1	place of training for initial CPC test and periodic training	regulation 5(4) restricts the initial CPC test organized by the competent authority or approved person to persons normally resident in the United Kingdom and nationals of third countries employed or used by undertakings established in the UK or issued with a work permit in the UK; regulation 6(10) restricts the provision of periodic training to broadly similar persons
10 and Annex II	provision for Community code evidencing CPC entitlement to be marked on driving licence or driver qualification card	regulation 8 requires a person who has passed an initial CPC test or completed periodic training in the UK to apply to the competent authority for a driver qualification card for a fee of £25..