

**EXPLANATORY MEMORANDUM TO
THE MOTOR VEHICLES (DRIVING LICENCES) (AMENDMENT) (NO. 3)
REGULATIONS 2004**

2004 No. 3028

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

1.2 The memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

2.1 These Regulations amend the Motor Vehicles (Driving Licences) Regulations 1999 (SI 1999/2864) notably regulations 30 and 35 and Schedule 5 to introduce revised fees for practical driving tests for learner drivers and motorcyclists administered by Driving Standards Agency (DSA), the executive agency of the Department for Transport responsible for conducting driving tests.

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

3.1 A table of the driving test fee increases for the financial year 2004/2005 is below. This shows the percentage increases annualised over the period since the fees were last increased. Percentage increases range from 1.4% to 3.8%.

Activity	Old Fee	New fee	Increase	Last increase	% increase	% increase annualised
Practical tests for learner car drivers	£39	£42	£3	2002	7.7	3.8
Practical tests for learner motorcycle/moped riders	£48	£51	£3	2002	6.3	3.1
Practical tests for learner lorry/bus drivers	£76	£80	£4	2001	5.3	1.8
Practical tests for learner car drivers (evenings/Saturdays)	£48	£51	£3	2002	6.3	3.1
Practical tests for learner motorcycle/moped riders (evenings/Saturdays)	£57	£60	£3	2002	5.3	2.6
Practical tests for learner lorry/bus drivers (evenings/Saturdays)	£94	£98	£4	2001	4.3	1.4
extended driving tests for disqualified car drivers	£78	£84	£6	2002	7.7	3.8
Extended driving tests for disqualified car drivers (evenings/Saturdays)	£96	£102	£6	2002	6.3	3.1
Extended driving tests for disqualified riders	£96	£102	£6	2002	6.3	3.1
Extended driving tests for	£114	£120	£6	2002	5.3	2.6

disqualified riders (evenings/Saturdays)						
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3.2 HM Treasury have amended the financial targets for the Agency and removed the requirement to limit increases in driving test fees to the Retail Price Index. This is so that DSA can meet the substantial costs of investing in suitable properties for planned enhancements to practical driving tests. These will require a test centre estate with the off-road facilities capable of meeting the requirements of European Commission Directive 2000/56 by 2008. These include a revised practical motorcycling test containing new and more demanding specific exercises, that cannot be carried out on public roads.

3.3 The fee increases have two elements: an uplift to cover increases in operational costs since the last fee revision, and an element to meet the start up and running costs of the early stages of the test centre upgrade programme.

4. Legislative background

4.1 Section 102 of the Finance (No. 2) Act 1987 allows the Secretary of State for Transport to make a statutory instrument to specify the functions, and associated costs, to be taken into account when determining fees and charges for the services that DSA provides

4.2 The Department of Transport (Fees) Order (SI 1988/643 [as amended]) specifies the functions and other matters to be taken into account when setting the fees and charges relating to the costs of administering driving tests.

4.3 Section 89(4)(b) of the Road Traffic Act 1988 (“the Act”) provides that regulations may provide for a person who submits himself for a driving test or applies for an appointment for a test to pay a fee, with the amount specified in the regulations.

4.4 The Driving Standards Agency operates as a Trading Fund under the Driving Standards Agency Trading Fund Order 1997 (SI 1999/873). The Agency is required to set fees and charges for its activities at levels that generate sufficient revenue so that the costs of its operations are recovered from users and are not a burden on the general taxpayer.

4.5 Fees are reviewed annually in the context of each year's planning cycle. Plans for service improvement, performance targets and fees are published in the Agency's Business Plan for that year. The Agency's 2004-2005 Plan has recently been published.

4.6 Section 195(2) of the Act requires that, before making any regulation under the Act (with certain exemptions), the Secretary of State must consult with such representative organisations as he thinks fit. Accordingly, on 30 June, DSA issued a consultation paper about proposed revisions to test fees for the 2004-2005 financial year, with the required 3 month consultation period ending on 24 September.

4.7 These Regulations are subject to negative resolution procedures.

5. Extent

5.1 These Regulations extend only to Great Britain. They do not apply in Northern Ireland.

6. European Convention on Human Rights

6.1 Not applicable

7. Policy background

7.1 The policy objective for the provision of driving tests is to increase road safety by ensuring that those driving and riding on public roads are competent to do so. The changes are required to cover increases in operational costs of delivering such tests since the last fee revision and to meet the start up and running costs of the early stages of the test centre upgrade programme.

7.2 The Agency included the proposed fee increases in its consultation paper about proposed revisions to driving test fees for the 2004-2005 financial year that was issued on 30 June. There were 132 responses, with the proposals being supported by some two thirds of those who responded. There will be interest from the media and DSA will publicise the changes by issuing a press notice.

7.3 The changes are not considered to be legally or politically important.

8. Impact

8.1 A draft Regulatory Impact Assessment (RIA) was produced to accompany the consultation paper on the proposed fees. A final RIA has been produced to accompany the Statutory Instrument when it is laid. A copy 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 Robin Massey, Driving Standards Agency, Policy Branch, Stanley House, 56 Talbot Street, Nottingham, NG1 5EJ. Telephone: 0115 901 5916; e-mail robin.massey@dsa.gsi.gov.uk

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Department for Transport