

<p><b>Title:</b> Review of The Motor Vehicles (Driving Licences) Regulations 2012 SI 977</p> <p>Also: SI 2013/258, SI 2014/613, SI 2014/3190) &amp; 2015/719.</p> <p><b>PIR No:</b> IA No. DFT00010</p> <p><b>Lead department or agency:</b> DfT</p> <p><b>Other departments or agencies:</b> DVSA, DVLA</p> <p><b>Contact for enquiries:</b> Joe Straw 07977435985</p>	<b>Post Implementation Review</b>
	<b>Source of intervention:</b> EU
	<b>Type of regulation:</b> Secondary legislation
	<b>Type of review:</b> Statutory - other
	<b>Date of implementation:</b> 19/01/2013
	<b>Date review due (if applicable):</b> 19/01/2018
<b>Summary: Intervention and Review</b>	<b>RPC Opinion: Fit For Purpose</b>

### Note about this PIR

The transposition of the third Driving Licence Directive by way of the 2013 Motor Vehicles (Driving Licences) Regulations affected operations of both the Driver & Vehicle Licence Agency (DVLA) and the Driver & Vehicle Standards Agency (DVSA) in differing ways. This Post Implementation Review consists of two elements; elements that affected the operations of DVLA and elements that affected the operations of DVSA.

Both agencies conducted independent evidence reviews and developed their own conclusions about the implementation of the regulations based on their unique perspectives which are included here as separate documents. This cover sheet provides a summary of both evidence papers. Whilst it may look as if there is unnecessary duplication between the cover sheet and the evidence sheets, we have considered final publication of this PIR and it is likely many readers will only have interest in part of the PIR rather than the review as a whole so tried to present each evidence paper as a self-contained document with background information.

### 1a. What were the policy objectives and the intended effects? (If policy objectives have changed, please explain how).

The third Driving Licence Directive is for the most part, a recast of the second Driving Licence Directive. The broad objective is to improve road safety by harmonising licensing and testing requirements across the EU and to ensure freedom of movement for people and goods/services.

For this new Directive, the principle objectives were:

- Introduction of a harmonised photocard driving licence including a minimum administrative period of ten years (this was only optional within the second Directive);
- Introduction of a microchip into the driving licence to contain additional information about the driver (content subject to Member State discretion)\*
- Mandatory recall of all old-style paper driving licences by 2033;
- Further refinement of medical standards for driving licences including new medical conditions/restrictions to improve road safety;
- Bringing mopeds into the common European driver licensing regime for the first time, new licensing category AM, minimum age 16. This category also includes light quadricycles and tricycles (heavy quadricycles continue to be part of category B);
- New categories of motorcycle **A1**, (small), **A2** (medium) and **A** (large) and the minimum age for

direct access to the largest motorcycles was raised to 24. Category A1 and A now includes tricycles;

- Progressive access to larger motorcycles. Two years' experience on a category A1 bike is required at minimum age 19 and if taking this route, a rider only needs to complete a practical test to gain access to the higher A2 category;
- Two years' experience on category A2 at minimum age 21 allows the rider access to category A via a practical test only;
- Category B1 which prior to implementation of the Directive included large quadricycles and tricycles was changed to include large quadricycles only. Tricycles were moved to category A;
- New European-wide common standards for driving examiners; and
- A new driving licence category for towing a medium size trailer\*.

\* Note that these options were not taken up by the UK.

**1b. How far were these objectives and intended effects expected to have been delivered by the review date? If not fully, please explain expected timescales.**

These changes were primarily introduced into UK legislation by the Motor Vehicles (Driving Licences) Amendment Regulations 2012. The impact assessment that accompanied these regulations did not state definitively when any benefits as a result of the amendments to legislation were expected to materialise. The impact assessment was based on a seven year period beginning in 2015 and ending in 2022. It was considered at the time that it would take at least two years for any benefits as a result of the changes to emerge.

The UK received an infraction based on our transposition of the Regulations and as such, we introduced further Statutory Instruments in order to respond to the incongruities pointed out by the European Commission. The effects of the additional legislation were mostly immediate as they affected the business of the DVLA and DVA in Northern Ireland.

There are some elements in the Directive which are not mandatory (for example, introducing a microchip into the Driving Licence) and which the UK has no plans to introduce.

**2. Describe the rationale for the evidence sought and the level of resources used to collect it, i.e. the assessment of proportionality.**

This review is deemed to be a "low evidence" review. The size of the costs and benefits quantified in the original impact assessments were relatively small. Another justification for adopting the low evidence approach, is that we are only in the third year of the period set out in the original impact assessment. As some of the changes made (particularly to DVLA's systems) are on a five-year cycle and it is not yet five years since the changes were introduced, we do not yet have meaningful data to corroborate the original assumptions.

It would seem logical to assume that the full benefits of these changes would not be seen until the end of the seven-year period appraised in the impact assessment (i.e 2022). The seven-year time line is also the standard period over which IT systems would operate and cost recovery would take place from fee income - before depreciation kicks in and a general system refresh would be required. We do not consider that an accurate picture of the full impact of operating costs vs any realised benefits could be demonstrated, which we would expect to report on in 2023.

One of the biggest changes to the driving licence regime was the introduction of an administrative validity period of five years for Group 2 driving licences (encompassing lorries and buses). However, the first renewal applications for these licences will not be made until January 2018. This has been reflected in the Impact Assessment, estimating the likely costs to business from 2018 to 2023.

Many of the changes brought in by the Directive had already been transposed into UK law, either through transposing the second Driving Licence Directive or by ensuring that the Directive was negotiated in line with existing UK legislation. The changes requiring new legislation only had a minimal impact upon a small percentage of drivers and riders. There was more impact upon the DVLA and the DVSA rather than the public or business.

### **3. Describe the principal data collection approaches that have been used to gather evidence for this PIR.**

The key stakeholders affected by the changes in the Directive were those in the motorcycle training industry and professional drivers of Group 2 vehicles. With regards the former, DVSA officials via social media, email and attendance at trade events are in frequent contact with those stakeholders, being apprised regularly of their views. DVLA has regular engagement with various trade bodies on licensing and registration matters. Road safety outcome data (Stats19) has been analysed on both a high-level basis and in a more targeted manner – for example, through the considerations of accident trends for motorcyclists by age category and engine size. The evolution of the age demographic of motorcyclists has also been considered over the period in which the regulations were implemented.

Both Agencies also carried out formal consultation via online surveys with stakeholders but found the response rate was lower than hoped for. There were also comparisons made by talking to other EU Member States for comparative analysis.

Data gathered was augmented by anecdotal evidence such as talking to DVLA's Customer Enquiries Group about the nature and volume of enquiries. There was also an analysis of information held by Business support functions within the Agencies.

### **4. To what extent has the regulation achieved its policy objectives? Have there been any unintended effects?**

The UK already has one of the best road safety records in Europe so it was anticipated that there would be only marginal benefits from the changes. High-level indicators are that customers and stakeholders feel road safety goals are being met but did not offer any evidence of additional benefits arising from the changes.

DVLA and DVSA report differing experiences in assessing whether the regulation has achieved its policy objectives. According to DVSA, it would appear from some of the stakeholder responses to the online survey and anecdotal evidence gathered by DVSA that the intended road safety objectives have not yet been fully realised. DVLA on the other hand, feel that from the low evidence base available, from stakeholder liaison and customer feedback, that road safety objectives *have* been met. However, as only five years have passed between the implementation of the regulations and the drafting of this review, it might just be too early for the changes made by the Directive to demonstrate any conclusive influence on road safety.

Measuring road safety is down to myriad variables; it is therefore difficult to assess the extent to which the Directive alone may have contributed to observed outcomes given other factors influencing road safety. These issues are explored in more detail in the supporting evidence section of this review. In relation to changes to motorcycling as a result of the regulations, a logic map exercise was conducted by DVSA officials before the review which produced the hypotheses/assumptions below;

- Less skilled riders result in more collisions
- Fully qualified riders are older and more experienced, have taken more training and are upskilled
- There is easier movement between EU states
- More difficult for female candidates to pass a practical motorcycle test
- Candidates spend more time riding on a CBT and provisional licence before taking a practical test
- Sales of motorcycles have been adversely affected by the introduction of the regulations

An additional couple of hypotheses also emerged from the evidence garnered from stakeholders;

- The cost of providing motorcycle training has risen since the implementation of the Directive
- Fees paid by the public to access motorcycle training have increased
- There has been a significant reduction in the number of sub 125cc (A1 the smallest motorcycle)

tests, especially in the age range 16 -20

On general road safety, the number of those killed on roads in the UK, and in the EU has been steadily falling over the last decade although in the last two years, the decline has petered out or even reversed in some countries. Since 2008, this is believed directly attributable to the fall in overall traffic numbers<sup>1</sup> seeing a corresponding fall in the number of road deaths but as road usage has increased, so too have the statistics.

On freedom of movement, the harmonised categories and medical standards has given clarity to licence holders, employers and to enforcement bodies over what entitlements people have when driving across the EU.

### **Summary of Conclusions**

- There is no reason to believe there has been an increase in collisions because of implementation
- Fully qualified riders are not older or more "road savvy", are not necessarily "upskilled"
- There is no evidence to suggest easier movement between EU states because of implementation
- The female motorcycle pass rate has remained approximately the same since implementation
- There is little evidence to suggest that significantly more riders are now spending time riding on a provisional licence/CBT instead of taking a practical test
- Sales of motorcycles overall have actually increased since implementation
- Available evidence suggests that while the cost to the providers of motorcycle training has increased, this increase has not been passed on to members of the public.
- Driving licence fraud is easier to detect
- Features on the Driving Licence are easier to understand

### **5a. Please provide a brief recap of the original assumptions about the costs and benefits of the regulation and its effects on business (e.g. as set out in the IA)**

There were three Impact Assessments produced in conjunction with the Regulations: on the motorcycle changes, on driver medicals and on administrative renewals of licences.

The Motorcycle IA estimated the overall total costs and benefits for all of the regulatory changes that would be introduced over a eight year period (2015-2022). The IA did not identify any definite benefits over this period with the costs of implementation being estimated at £6.42M. There were speculative benefits based on the assumption that there would be a 1% reduction in the numbers of motorcyclists killed, seriously injured and slightly injured over the next eight years.

The Driver Medical IA could only speculate on potential benefits to road safety and stated that costs would be in the region of £3.8M over the full ten years, most of which would be borne by changes to DVLA in their processes. It also stated there was no evidence in road safety benefits to support the requiring of drivers to have a full medical examination every 5 years because the costs for that would have been huge.

The Renewal of Licence IA did not list any benefits and stated that costs would be approximately £4.4M between 2013 and 2022, through changes to DVLA IT, production of new forms and guidance.

### **5b. What have been the actual costs and benefits of the regulation and its effects on business?**

The actual cost of DVSA implementation in year 0 (2013) was £500,000. It should be noted that there would be maintenance costs in years 1 and 2 but these are difficult to separate from the maintenance costs of all the other DVSA systems, especially since the merger of DSA and VOSA in mid-2013 and in accordance with this low evidence review these costs have not been included.

The estimated costs of £6.42m in the original IA, consisted of elements on: delegated examiners,

<sup>1</sup> Reported Road Casualties in Great Britain 2015 -

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/533293/rrcgb-main-results-2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/533293/rrcgb-main-results-2015.pdf)

motorcycle changes and implementation of a new car plus trailer test. The new test was not implemented and the actual costs for delegated examiners was less than expected. Actual costs that we could easily obtain in line with a low evidence PIR seems to indicate that the overall costs on the DVSA side might have been overstated. For Group 2 driver medicals and administrative renewal of the licence, there has been no analysis of the one-off transitional costs although the costs of the staff required for these changes has been lower than anticipated owing to the lower levels of correspondence on the issues.

#### **6. Assessment of risks or uncertainties in evidence base / Other issues to note**

This PIR is required to be published on 19 January 2018, five years after the Regulations came into force. However, as the regulations introduced that Group 2 licences must now be renewed every five years, it is impossible to obtain meaningful data as the first cycle after the regulations were made is incomplete.

It should be noted that there is little or no available evidence on the costs of motorcycling training before and/or after implementation in EU states, including the UK. There is also a scarcity of data on costs to examiners in other Member States, before and after implementation.

As far as our research shows no definitive data has been produced on the effect on road safety primarily as a result of implementation of the Directive.

#### **7. Lessons For Future Impact Assessments**

This PIR has reported evidence on costs and benefits potentially related to the implementation of the Third Directive. The lack of baseline data on some of the key outcomes coupled with the fact that many of the outcomes are affected by numerous other factors has made firm conclusions hard to draw. Future impact assessments should set out a clear plan for monitoring and evaluating the regulations in question, prioritising the collection of baseline data on key costs and benefits of the regulations.

#### **8. What next steps are proposed for the regulation (e.g. remain/renewal, amendment, removal or replacement)?**

We believe that Government intervention is still required given that the objectives of the regulations remain valid. It is also the case that the UK citizens who wish to drive within the EU could be at a disadvantage if the regulations were to be removed as their licence entitlements may not be recognised as valid if the UK did not maintain the same standards as other Member States.

However consideration should be given to revising the motorcycle category A2 to better reflect the types of medium sized machines that are generally available in the UK. Consideration should also be given to amending regulations to allow for a training option to upgrade motorcycle driving licence entitlements.

On 23 June 2016, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation in future once the UK has left the EU.

The recommendation therefore is that the regulations remain.

Sign-off for Post Implementation Review:

***I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the policy.***

**Signed:** Jesse Norman

**Date:** 6 December 2018.

## **Evidence Base**

See separate documents: Annex 1 for effects on DVSA, Annex 2 for effects on DVLA