

Regulatory Triage Assessment

Title of measure	Amendment to the Approved Driving Instructor Instructional (Part 3) Qualifying Test
Lead Department/Agency	Driver and Vehicle Standards Agency (DVSA)
Expected date of implementation	2/10/17
Origin	Domestic
Date	11/07/17
Lead Departmental Contact	Lis Flaherty lis.flaherty@dvsa.gov.uk
Departmental Triage Assessment	Low-cost regulation (fast track)

Rationale for intervention and intended effects

Professional car driving instruction is a regulated activity delivered by Approved Driving Instructors (ADIs). To qualify as an instructor, Potential Driving Instructors (PDIs) must successfully complete a theory test, a test of driving ability and a test of instructional ability. The instructional test involves a DVSA examiner playing the role of a pupil using pre-set tests. This doesn't allow PDIs to demonstrate some of the key competencies required of them. It is also difficult for the examiner to effectively assess a PDI's competence whilst, at the same time, role-playing a learner driver and interacting with other road users. Government intervention is necessary to change the make-up of the test as the elements of the tests are set out in legislation. The objectives of this change are:

1. To make the instructional test a more effective assessment by allowing the examiner to observe all PDIs conducting lessons with a 'real' pupil and not delivering a rehearsed scenario determined by a pre-set test.
2. Improve the standards of the instructors on the Register of ADIs by providing a realistic test that will more accurately reflect that the PDI has demonstrated all of the necessary competencies for an instructor and is capable of teaching pupils in the 'real' world.
3. Align the qualification test with the post-qualification ADI standards check, a competence-based assessment of continued fitness and ability to give instruction with a real pupil, which all ADIs must successfully undergo every four years to remain on the Register.

Viable policy options (including alternatives to regulation)

Updating the instructional ability (Part 3) test - Removing the reliance on a limited series of pre-set tests would allow examiners to observe all PDIs conducting lessons with a 'pupil' in a realistic environment. This aligns the qualification test with DVSA's National Standards for instructors, which set out what an instructor must be able to do, know and understand in order to deliver effective training. Removing the role-play element would end the requirement for examiners having to carry out assessments whilst, at the same time, having to play the pupil, drive and interact with other road users; and provides for a more realistic assessment of the skills and competencies of the PDI.

Initial assessment of impact on business

Monetised costs to business:

- Cost to instructor trainers: familiarisation with revised guidance (one-off): £8,023.
- Cost to PDIs of pupil cancelling test at short notice (p.a.): £136.
- Cost to PDIs who may offer free lessons to attend test (p.a.): £38,299 (best) or £66,607 (high estimate).

Monetised costs to DVSA:

- Cost to DVSA of pupil/PDI cancelling test at short notice (p.a.): £5,099.

Other costs:

- Leisure time cost of person being the pupil where PDI has no existing pupil-base (p.a.): £23,835.

We assume that:

- PDIs with a Trainee Licence (58%) will bring a real pupil and that the other 42% of PDIs will bring a friend or family member as their pupil.
- PDIs with an active pupil base will offer a free lesson to attend the PDI's Part 3 test.

No. of Part 3 tests per year, based on 2015-16: 3,828. There are currently approx. 10,000 PDIs going through the qualification process; they are allowed up to three attempts at the Part 3 test. No. of ADIs on the Register: 39,719.

Total Net Present Value is -£0.59m

Non-monetised benefits to business:

PDIs would receive a realistic instructional test that allows them to fully demonstrate how they meet the three main and 17 sub-competencies set out in the National Standards. The revised assessment would provide PDIs with specific feedback on their instructional abilities, profiling their performance against each of these competencies, and highlight areas where they need to improve. Current feedback gives them an overall performance score only that does not highlight developmental areas.

Removing reliance on passing pre-set tests will encourage instructor trainers to train PDIs in the broader competencies required of them, instead of just focussing on a set of scenarios. This should lead to better-qualified instructors, who would in turn teach learners the competencies required to be a safe and responsible driver, rather than teaching them simply to pass the driving test.

DVSA could better target examiner resources for standards checks for all ADIs, as all PDIs and existing ADIs would be assessed to exactly the same standard.

Business Impact Target (BIT) and One-in-Three-Out status

This measure is a Qualifying Regulatory Provision, as it does not meet any of the BIT exclusions. The BIT score is 0.

The estimated EANDCB is 0.

Rationale for Triage rating

The gross cost to business is less than £1 million p.a., as outlined in the 'Initial assessment of impact on business' section, above.

Departmental sign-off : Gareth Llewellyn

(DVSA Chief Executive)

Date: 04/08/2017

Economist sign-off (*senior analyst*):

Rehana Choudhury/Elizabeth Elster

Date: 03/08/2017

Better Regulation Unit sign-off: Chris Simon

Date: 07/08/2017

Supporting evidence

1. The policy issue and rationale for Government intervention

The provision of driving instruction services has been regulated since the 1960s to help establish a professional and efficient standard of tuition for those paying to learn to drive. This was achieved by creating a Register of Approved Driving Instructors (ADIs). To be admitted to the Register, an ADI must pass a series of examinations and be a fit and proper person.

The Driver and Vehicle Standards Agency (DVSA) is the regulatory body responsible for driving instructors. The Registrar, on behalf of the Secretary of State for Transport, administers the ADI Register. Only instructors whose names are entered on to the Register, or Potential Driving Instructors (PDIs) who have been granted a trainee licence by the Registrar, can give in-car driving instruction for money or money's worth.

We intend to make improvements to the final part of the qualifying test to encourage trainee driving instructors to acquire a more comprehensive set of competencies that are relevant to their chosen profession, in line with DVSA's National Standard for Driver and Rider Training (NSDRT).¹ This should result in better qualified ADIs who are more able to prepare learner drivers for the licence acquisition test and driving independently beyond that.

Legislation sets out the minimum requirements for the content of the tests. In order to qualify as an ADI, the PDI must successfully complete a theory test (Part 1), a practical test of driving ability (Part 2) and a practical test of instructional ability (Part 3). The number of attempts at the theory test is unlimited but the Part 2 and 3 tests are restricted to three attempts each. The whole qualification process must be completed within two years, otherwise the process must be started again. A person has to wait two years after passing the ADI Part 1 test before re-starting the qualification process.

There are about 10,000 PDIs undergoing the qualification process at any time. Approximately 6,700 people apply to start the instructor qualifying process each year. About 2,360² pass the driving ability test (Part 2) so will be affected by these proposals.

Once they have passed the practical test of driving ability (Part 2), PDIs may apply for a trainee licence, which lasts for six months; a further trainee licence may then be applied for, at the Registrar's discretion, which would last for another six months. The purpose of this licence is to allow the PDI to provide paid instruction to pupils and to help them to acquire and put into practice the skills they need to prepare for the instructional ability test. The trainee licence is only valid whilst the PDI is in training for the Part 3 test. Approximately 58%

¹ The National Standards for Driver and Rider Training (published 2011) provides a common platform for those involved in both Category B and Category A/AM training. However Category A/AM training is out of scope for this IA.

² (DVSA database figures: 2015/16 2649; 2014/15 2136; 2013/14 2293.)

of PDIs make use of the trainee licence scheme. About 1,350³ PDIs pass the instructional ability test and qualify as an ADI each year. There are 39,719 registered ADIs.⁴

In the revised test, PDIs would be assessed on lesson-planning, risk management and teaching and learning strategies. They would also be assessed on an additional 17 sub-competencies. Currently, the examiner assesses the PDI by playing the role of a learner driver from a list of pre-set tests. The examiner plays the role of two different pupils, each at a different stage in the pupils' driving career, which is not an easy skill for the examiner to master whilst also safely engaging with other road users and accurately assessing the PDI's ability to instruct. Moving away from these pre-set tests will make the Part 3 test a more realistic, and thorough, assessment of the PDI's ability to give instruction in a 'live' environment as they will have to identify the appropriate level of tuition required for their pupil and demonstrate that effective learning takes place.

Although it is not a requirement, most PDIs undertake training with an instructor trainer. Instructor trainers can be independent or operate under DVSA's accredited, voluntary, Official Register of Driver Instructor Trainers (ORDIT). ORDIT recognises over 170 organisations using more than 890 instructor trainers. DVSA customer surveys indicate that approximately 80% of PDIs use ORDIT trainers.⁵

2. Policy objectives and intended effects

Working with educational and training experts and supported by key industry stakeholders, DVSA has developed an evidence-based National Standard for Driving Cars and Light Vans (NSD)⁶ which sets out the competencies required to be a safe and responsible driver. The DVSA National Standard for Driver and Rider Training (NSDRT) sets out the competencies required to deliver effective training in the learning outcomes of the NSD.

In April 2014, DVSA changed the test of continued ability and fitness to give instruction, which qualified ADIs must undergo in each four-year registration period; this test allows them to demonstrate their instructional ability is still of a satisfactory standard. This test was changed so that it reflected the learning outcomes of the NSDRT. The test was renamed the "standards check". We would now like to update the Part 3 test, focussing clearly on the skills, knowledge and understanding that a newly-qualified ADI needs to facilitate effective learning. Examiners will use the same assessment form that is used for the standards check, which is more directly linked to the objectives of the National Standards, allowing the PDI to evidence competence in the key areas of lesson planning, risk management and a wider range of teaching/learning strategies.

³ (DVSA database figures: 2015/16 1316; 14/15 1236; 13/14 1486.)

⁴ DVSA published statistics 2015/16

⁵ Ipsos MORI "*PDI survey 2009*" carried out for Driving Standards Agency – report published January 2010.

⁶ Published by DVSA in 2010, this sets out the competencies required to be a safe and responsible car/light van driver.

The Registrar is appointed by the Secretary of State for Transport and has a regulatory responsibility to ensure that all ADIs entering the Register can meet at least the minimum standards of instructional ability, as set out in the Motor Cars (Driving Instruction) Regulations 2005. Revising the existing Part 3 test will satisfy the Registrar that the instructional test is always a fair and realistic demonstration of the PDI's instructional competence.

3. Policy options considered, including alternatives to regulation

The policy objectives of the revised test are to:

- Allow the Registrar to fulfil his regulatory responsibility to ensure that all ADIs on the Register meet the minimum standards of instruction;
- Ensure that the instructional test allows PDIs to acquire and demonstrate all the competencies set out in the National Standards;
- Allow examiners to assess all instructional tests consistently, focusing solely on the assessment of the candidate;
- Ensure that the assessment is a realistic representation of an PDI's competence and abilities; and
- Reduce the burden on PDIs by aligning the qualification test with the ADI standards check, so that they will be familiar with the format of the assessment.

Continuing to offer role-play assessments undermines these objectives.

Revising the instructional test, aligned with the National Standards, gives the PDI the best opportunity to demonstrate their instructional skills to the examiner, showing that they are planning the lesson around the needs of that specific pupil's requirements; the aim being that the pupil is better prepared to drive independently post-test. The PDI will have to present for test with a learner driver, or a full licence holder requiring development, as their pupil for the Part 3 test. The revised test, demonstrating a completely realistic lesson, will provide confidence in the validity of the assessment; the examiner, who does not also have to concentrate on delivering a safe role-play at the same time, will be able to fully observe and assess the PDI in a natural setting.

The proposed new Part 3 test will:

- Replace 'role-play' with the PDI bringing a real pupil;
- Change the 'fault based' assessment to a competency based one (making it the same assessment form as that used on the ADI standards check);
- Assess PDIs over a single one-hour lesson on the three main competencies of lesson planning, risk management and teaching and learning strategies; and
- Assess PDIs using the additional 17 sub-competencies set out in the current standards check assessment form and to the National Standards of Driver and Rider training.

Amending the legislation is the only option for making these changes as the make-up of the tests is defined in Regulations.

4. Expected level of business impact

58% of PDIs who are in a position to take the instructional test apply for a trainee licence.⁷ We have no firm evidence whether or not PDIs would offer a discounted or free lesson to encourage their pupils to attend an instructional test. However, anecdotally, DVSA examiners, who conduct standards checks and have frequent conversations with ADIs and instructor trainers, believe that qualified instructors frequently give a lesson for free, when a pupil is asked to attend a standards check. This view has been backed up by discussions with the ADI industry. We therefore consider it logical that a proportion of PDIs would also offer a free lesson for a pupil attending with them on an instructional test.

The National Standards, upon which the new instructional test will be based, does not distinguish between a pre or post-test lesson, but assesses whether or not the instruction is appropriate for the pupil being taught and if that instruction helps to achieve their learning goals. Under our preferred option, the candidate for the instructional test will have to present with a learner driver or a full licence holder requiring development. There will be no requirement that the pupil must be a learner driver. Those PDIs who do not have an active pupil base are welcome to conduct a lesson with another full licence holder, in a driver development role, provided the pupil is not an ADI nor has passed the Part 2 qualifying test. Where the pupil is a full licence holder who volunteers to take part in the test, the PDI will be expected to have identified the development needs before the commencement of the test.

If a PDI is training with a school, they may well have access to learner drivers that they could utilise for their own Part 3 test. However, if not, we have made the assumption that they will bring a friend or relative, including full licence holders, to be their pupil for the test. We assume that the 58% using a trainee licence will all provide a 'live' pupil for the Part 3 test; we are also assuming that the other 42% of PDIs who do not have a trainee licence, will bring somebody else along to their test, such as a friend or family member. Only those PDIs with a trainee licence can legally charge for instruction.

Whilst all ORDIT/instructor trainers will be affected by the revised test, in how they conduct instructor training, we believe this should have no cost impact on them. The National Standards have been in existence since 2011 and the expectation is that trainers will train to these Standards; we would therefore not foresee trainers having to amend, significantly, their training methods to accommodate the revised Part 3 test (as this brings it in line with the National Standards). When asked in 2016, 70% of ORDIT establishments said that they were working to the National Standards. When asked again in 2017, 93% of trainers said that they had already made changes to the way in which they prepared trainee instructors for the revised test. Therefore, amending the

⁷ DVSA published statistics financial year 2015/16

assessment to align it with the National Standards should not alter their training methods significantly.⁸ In addition, when asked directly about benefits and dis-benefits of the revised test, no evidence was supplied to state that changing the test would have a cost impact on training providers.

For the purposes of establishing a cost to business regarding familiarisation costs with the revised guidance documents, all registered trainers have been accounted for. (See Costs to Business section.)

There are about 10,000 PDIs going through the qualification process who potentially could be affected by the revised test.

The pass rates for each part of the tests in 2015/16 were:

Part 1 = 51.1 %

Part 2 = 54.8 %

Part 3 = 32.7 %

Benefits To Business

- With a more realistic assessment, newly-qualified ADIs will be able to deliver quality training earlier in their career, potentially boosting earnings and attracting more customers;
- It avoids the requirement for extra training or preparation before their first standards check;
- Because the new instructional assessment can be delivered at a larger number of local test centres this should reduce travelling time and costs for PDIs – the current test is limited by the test routes available at each test centre and, at present, is only carried out at approximately one quarter of DVSA test centres;
- Higher overall industry standards; and
- Improved training for learner drivers and, therefore, potentially better-prepared drivers for driving independently post-test.

Benefits to DVSA

We do not envisage any benefits to DVSA which can be monetised. There may be benefits from improved standards of PDIs and therefore ADIs and learner drivers, but these cannot be quantified.

A condition of registration is that all ADIs undertake a standards check at least once in their four-year registration period, to satisfy the Registrar that they continue to meet the minimum standard of instruction. ADIs must score at least 31 out of a possible 51 marks to pass. Failure to pass this test can result in removal of the instructor's name from the Register. It is the Registrar's current policy for newly-qualified ADIs to undergo a standards check within 6-12 months of their first registration. Amending the test would mean that the Registrar could be more confident that newly-qualified ADIs meet the required

⁸ <https://www.gov.uk/government/publications/proposed-changes-to-the-approved-driving-instructor-adi-part-3-test>

standards of instruction, allowing him to relax his policy that they must undertake a standards check within 6-12 months. In turn, this would allow the Registrar to target resources at those instructors who have yet to undergo a standards check or those who have previously achieved a low score.

The ADI, having already undertaken a test that mirrors the standards check, would not need to spend time and money on training to prepare for the standards check. This, however, cannot be monetised.

Costs to Business

1. The pupil lets the PDI down at short notice requiring instructional test appointments to be rebooked - best estimate of annual costs, £136.

It is possible that the pupil – or friend or family member – may let the PDI down at short notice, up to and including on the day of the test. In these circumstances, the PDI would notify DVSA by telephone – either to the driving test centre or DVSA contact centre – that they will not be attending because the pupil is no longer available.

In such circumstances, it is likely that DVSA will relax the requirement for the PDI to give three clear working days' notice or forfeit their fee. However, the PDI will still need to take time to cancel and rearrange the test. We assume that the PDIs will do this in their 'leisure' time because merely cancelling a test does not represent a lost instruction opportunity. We estimate this cost to be about £136 per annum. Annex A, table 1 sets out the calculations.

2. The PDI offers the pupil a free lesson to encourage them to take part in the test – best estimate of annual costs, £38,299.

We are unsure of the exact proportion of PDIs who might offer a free lesson as an incentive for pupils to attend the PDI's Part 3 test, despite research.⁹ Without any firm evidence, we have therefore assumed that a range of PDIs (from 50% to 100% with the average of 75%) with a trainee licence will provide a real pupil and will offer a free lesson.

Approximately 58% of PDIs make use of the trainee licence scheme. We estimate the average price of a driving lesson to be about £23 per hour.¹⁰

We estimate this cost to be about £38,299 per annum. Annex B, sets out the calculations.

3. Familiarisation costs for Instructor Trainers of reading revised Guidance - best estimate of one-off cost, £8,023.

⁹ DVSA Research Unit carried out a search of historical comments on ADI association websites, forums and blogs, comments attached to YouTube videos discussing the standards test, general search using Google and Google Scholar, academic research publications and DVSA Research library

¹⁰ DVSA has no influence on what an ADI charges for lessons, so has no records. However a search of the internet, taking account various geographical locations and not including introductory offer discounts, indicates that prices vary from between £20 -£30 per hour, with the most common price averaging about £23 per hour.

DVSA produce a standard operating procedure for Driving Examiners, called the “ADI 1”. This guidance documents sets out how driving examiners carry out the various types of DVSA instructor tests and inspections. As a result of changing the Part 3 test, DVSA will be updating the ADI 1.

Although the guidance has been written for DVSA examiners, it is assumed that all Instructor trainers would want to ensure they are familiar with how the test will be conducted beforehand, to ensure they are fully preparing their pupils in advance. It is assumed that all trainers read the guidance once, for this purpose, when they originally become trainers. It is assumed that they would read the revised guidance to familiarise themselves with the test changes and that they would do this once.

The guidance is published on GOV.UK; the current section on the Part 3 test extends to 19 pages (approximately 500 words per page). The document is written in Plain English but it does contain detail of all of the pre-set tests and instructions on role-play. Based on an average reading speed of 200 words per minute, our estimate is that it would take approximately 50-60 minutes to read the existing document. Amending the Part 3 test would cut out the pre-set tests text and reduce the document to approximately 10 pages, thereby cutting the reading time by half.

For the purposes of estimating an one-off familiarisation cost with the changes it is assumed that 100% of instructor trainers would read this guidance and consider its contents. Because the test, and therefore the guidance, is changing, re-visiting the guidance is considered to be a burden on business – if there was no change, there would be no need to re-visit the guidance.

We have assumed that PDIs would not read the ADI 1. There is similar guidance, specifically about the Part 3 test, aimed at PDIs, on GOV.UK, to which their attention is directed on their appointment notification. We have assumed that all PDIs would read this advice prior to their Part 3 test, but we are assuming that all of them read it now anyway.

The information on GOV.UK about the Part 3 test extends to six pages currently. Making changes to the text to encompass the revised test would only change the length of this guidance minimally (est. approx. half a page of text). Therefore, we have assumed no significant difference in reading time for this document.

We estimate that this familiarisation cost to be about £8,023 as an one-off cost. Annex C sets out the full calculations.

Costs to DVSA

1. Cost to DVSA of last minute cancellations caused by pupil letting PDI down at short notice - best estimate of annual cost, £5,099.

It is possible that the pupil – or friend or family member – may let the PDI down at very short notice, up to and including on the day of the test, in which case, the

PDI would have no choice but to cancel their Part 3 test. In such circumstances, there would still be a cost to DVSA for the test that does not go ahead. The estimate includes the cost of the test fee of £111.00, which DVSA would likely waive in such circumstances, where the PDI has to cancel through no fault of their own. We assume that the examiner could not be redeployed at such short notice. Based on the number of standards check tests cancelled at short notice by ADIs when their pupil has let them down, we are assuming that there will be approximately 46 wasted test slots each year due to such cancellations at the last minute. At a cost of £111 per test, this would cost £5,099 per annum. Annex A, table 2 sets out the costs.

Other Costs

1. Costs of leisure time for friends or relatives – best estimate of annual costs £23,835.

Under the new arrangements, where PDIs do not have pupils to bring along to their test they can instead choose to bring along a friend or relative to the instructional test who can be the pupil for that test. In this case there will be an opportunity cost to the volunteer in terms of the time that they have to give up or a cost to the PDI of having to pay the volunteer for their lost leisure time. We have taken into account the cost of this leisure time in our appraisal. We have assumed that all those without a trainee licence (and legally unable to offer a paid lesson) will bring a friend or relative, which is 42% of PDIs.

The new instructional test will, like the current test, last a maximum of one hour, but the test slot is one and a half hours to allow for administrative purposes such as document checks. We have estimated up to half an hour¹¹ each way for travel to and from the test centre. Effectively each person gives up two and a half hours of their leisure time.

Leisure time is based on Webtag table M.2.1 “Values of time by income band (non-work)” at £5.93 per hour.

We estimate this cost to be about £23,835 per annum. Annex D, sets out the calculations.

¹¹ Based on DVSA distance and travel time criteria.