

Title: Extension to maximum tachograph downloading period IA No: DfT-2137 Lead department or agency: Department for Transport Other departments or agencies: DVSA	Impact Assessment (IA)		
	Date: 22/07/2014		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
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Summary: Intervention and Options	RPC Opinion: EANCB Validated
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
10.17m	10.17m	-£0.93m	Yes OUT

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

It is an EU requirement that tachograph records from Heavy Goods Vehicles (HGV) and Passenger Services Vehicles (PSV) are downloaded by the operator at 90-day intervals. Currently, we are goldplating these requirements by requiring data to be downloaded every 56 days. Following the Red Tape Challenge and a consultation, it has been decided to adopt the maximum 90 days allowed under EC Regulation 561/2006. Government action is required in order to change current domestic regulations stipulating a 56 day interval.

What are the policy objectives and the intended effects?

Operators involved in long international journeys and tours over 56 days can find it difficult to comply with the current download period limit of 56 days. This change will give them longer to comply and alleviate the problems they currently encounter trying to download the data whilst abroad. Operators who maintain their vehicles at longer intervals than 56 days will also benefit, as they would be able to schedule downloads alongside their maintenance checkups. The change will save lorry and coach operators time. All Operators will benefit from increased flexibility about when they carry out their download.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

As The Passenger and Goods Vehicles (Recording Equipment) (Downloading and Retention Data) Regulations 2008, implementing EC Regulation 561/006, set the download period limit to 56 days, changing this can only be done through legislation. The options considered were:

- Do Nothing - keep the current 56-day limit (the base case comparison);
- extend the limit to 90 days for all operators / drivers. This is the preferred option, as this offers the maximum flexibility for UK operators, and is simpler than relaxing the rules for some but not all drivers.

Will the policy be reviewed? It will not be reviewed. If applicable, set review date: Month/Year					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

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

Signed by the responsible Minister

 Claire Perry Date: 05/01/2015

Summary: Analysis & Evidence

Policy Option 1

Description: Amend Domestic implementing legislation to extend download periods to 90 days

FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2014	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 9.76	High: 10.57	Best Estimate: 10.17

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

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

None

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

Due to investigative and prosecution procedures, there might be instances where an offence under the EU drivers' hours rules might have been recorded nearly 3 months before being discovered, thus reducing the time available to enforcers to prosecute within statutory limits. We understand that this will not cause significant difficulties.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	1.1	9.8
High	0	1.2	10.6
Best Estimate	0	1.2	10.2

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

Operators who currently maintain their vehicles every 9-13 weeks will benefit from being able to download tachograph data during their routine maintenance check instead of doing so separately. It is estimated that these operators will save on average one hour per year by avoiding the process of doing manual data downloads (which are assumed to take 15 minutes of vehicle mechanic time per download). Around 70,000 operators are estimated to be affected by this legislation.

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

Operators will benefit from no longer needing to travel to a facility to download tachograph data. Instead they will make downloads while receiving their regular maintenance check. We have not attempted to monetise this saving as the travel avoided will vary greatly between operators, and we do not have sufficient data to make robust estimates.

Key assumptions/sensitivities/risks

Discount rate

3.5

We assume the manual download process takes 15 minutes of a mechanic/engineer's time. If performed alongside a maintenance check, we assume that the download will take 0-4 minutes, with 2 minutes as the 'best estimate'. We have assumed that operators choose to carry out their download during their regular maintenance check, if they are able to. We have not counted any benefits to operators who perform maintenance checks more frequently than every 8 weeks (56 days). Under the new legislation these operators could perform slightly fewer downloads each year, but in reality would be unlikely to change their download/maintenance schedule. We assume that of the vehicles registered since 2006 with a digital tachograph, 50% of PSVs and 90% of HGVs are in scope of the EU drivers' hours rules and so could benefit from this change.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0.0	Benefits: 0.9	Net: 0.9	Yes	OUT

Evidence Base (for summary sheets)

Background

1. The EU drivers' hours rules (Regulation (EC) 561/2006) apply to goods vehicles over 3.5 tonnes and passenger vehicles with 10 or more seats unless covered by a range of specific EU-wide exemptions and national derogations. (Detailed information on the EU drivers' hours rules can be found on www.gov.uk.) Drivers and operators of vehicles that are in scope of the EU drivers' hours rules are required to fit and use a tachograph – a mechanical device which records, in real time, each driver's driving time. The digital tachograph was first required in new vehicles from 2006, and the previous paper-based analogue tachograph is still used in older vehicles. This Impact Assessment only considers digital tachographs, as analogue ones do not need to be downloaded.
2. Data is recorded on a driver's Driver Card and also on the Vehicle Unit, from which it must be downloaded periodically to enable operators and enforcers to check drivers' compliance with Drivers' Hours Rules. The original EU regulations left it to each individual Member State to decide how frequently the data from the vehicle unit should be downloaded, and following public consultation, the Department decided on a 56-day maximum interval as a compromise between being frequent enough so that data was available for enforcers, whilst not being too burdensome on operators. Therefore, domestic regulations (The Passenger and Goods Vehicles (Recording Equipment) (Downloading and Retention of Data) Regulations 2008 (S.I. 2008/198) require operators to ensure tachograph data is downloaded every 56 days.
3. In December 2011, the Department for Transport (DfT) published the [Red Tape Challenge - Road Transportation document](#)¹, which laid out proposals for amending/revoking existing regulations in each transport sector, with the aim of cutting down unnecessary burdens on business and members of the public. The Passenger and Goods Vehicles (Recording Equipment) (Downloading and Retention of Data) Regulations 2008 were identified for amending, as not taking full advantage of the download period limits allowed by the EC Regulations, potentially disadvantaging UK drivers and operators. It was also identified in [The Logistics Growth Review - Connecting People with Goods](#)², as an area in which Government could play a significant part in increasing the productivity of the UK industry and strengthening its role in the UK economy.

Consultation

4. As part of both the LGR and the RTC DfT agreed to consult on adopting the maximum EU 90 day download limit. The Consultation³ ran between December 2012 and February 2013.
5. 20 responses were received from a wide range of industry stakeholders, including trade associations, unions, and enforcement bodies. A consultation response report will be released alongside this impact assessment.
6. The responses showed a split between those representing operators, who wanted us to adopt the 90 day European timescales, as it gave them more flexibility, and enforcement agencies; in particular the Driver and Vehicle Standards Agency (DVSA), who thought doing so could hinder enforcement, as it could make it more difficult to gather evidence for prosecutions within the 6 month deadline imposed by the courts.
7. Particularly in favour of adopting the European timescales were those operators involved in long international journeys and tours over 56 days, as this would give them longer to comply and alleviate the problems they currently encounter trying to download the data whilst abroad. They felt that adopting the

¹<http://assets.dft.gov.uk/consultations/gov-20110520/rtc-road-transport-summary.pdf>

²<http://assets.dft.gov.uk/publications/logistics-growth-review/logistics-growth-review.pdf>

³https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/35389/consultation-rtclgr.pdf

European timescales would reduce their problems dramatically and bring them in line with their European counterparts.

Options

8. Three options were considered:

1. Keep the 56-day download limit;
2. Extend the download limit to certain categories of drivers (this option was not consulted on, but was considered following consultation feedback);
3. Extend the download limit to the maximum 90 days for everyone.

9. It was initially considered to only extend the download limit to those drivers involved in long international journeys and tours over 56 days (option 2), making it difficult to download their data within the current limit; however, this option would have been complicated, adding considerable red tape, and potentially unfair to other operators, and therefore the option was discarded and has not been appraised.

10. Extending the limit to 90 days (option 3) would benefit those drivers who are regularly out of the country for long periods of time, especially longer than 56 days, such as drivers involved in European tours. Other drivers/operators would also benefit as they would not need to carry out so many downloads per annum.

11. Doing nothing was not considered to be the preferred option, as it perpetuates UK goldplating of the EU Regulation, potentially disadvantaging UK businesses.

Assumptions used in the Analysis

For the analysis that follows, we have used the following assumptions:

- A tachograph download performed alongside a maintenance check is assumed to take between zero and four minutes, with two minutes used as the 'best estimate'. This allows for the small amount of time taken to set up the download and check that it has taken place.
- The Freight Transport Association estimated that downloading a digital tachograph outside of a maintenance check takes around 15 minutes. This includes locating the vehicle and uploading the information to a computer.
- All downloads are performed by a vehicle mechanic. HGV downloads are performed by lorry mechanics and PSV downloads by bus mechanics.
- The cost of employment per day is £143.08 and £127.75 for lorry and bus mechanics respectively⁴. This is assumed to stay constant in real terms throughout the appraisal period. We assume a standard eight hour working day.
- Operators will always perform a download alongside a maintenance check if they are able to.
- Operators who perform maintenance checks more frequently than every 8 weeks (56 days) will not experience any benefits. Under the new legislation these operators could perform slightly fewer downloads each year, but in reality would be unlikely to change their download/maintenance schedule.
- We assume that operators whose maintenance schedule is less frequent than the download requirements will either perform two downloads per maintenance cycle – one during the maintenance check, and one manual download in the intervening weeks or perform a manual download at the required interval except where it overlaps with a scheduled maintenance check. We assume that operators always choose the option which minimises the time spent performing downloads.

⁴ The Freight Transport Association (FTA) and the Confederation of Passenger Transport (CPT) provided 2013 figures of £140 per day for lorry mechanics and £125 per day for bus mechanics. These were updated to 2014 prices using the latest HMT GDP deflator.

Benefits

Number of vehicles affected

12. New vehicles have been required to have a digital tachograph fitted since 2006. The number of HGVs registered since 2006 is 351,834. For PSVs, this number is 81,927 (see table 1). Of these, we estimate that only 50% of PSVs⁵ and 90% of HGVs⁶ are being used in operation in scope of the EU drivers' hours rules, with the rest being able to take advantage of one of the various exemptions granted by the EU rules. Vehicles registered prior to 2006 are not required to have a digital tachograph fitted (though some do) so we have excluded them from our analysis.

13. From the responses we received to our consultation, we understand that many operators already download data from the vehicle unit more regularly than the current 56 days required as part of their periodic maintenance inspections. We would expect these operators to continue this practice even if we adopted the EU timescales. Therefore, for the purpose of this analysis we will only consider those vehicles that receive a maintenance check every 9-13 weeks. Table 2 shows the maintenance schedules of all HGVs and PSVs according to Traffic Commissioner records.

Table 1 – vehicles (HGVs and PSVs) registered for the first time since 2006 (thousands)⁷

	HGV	PSV
2006	54.5	12.3
2007	47.3	12.1
2008	52.8	11.7
2009	31.4	9.5
2010	30.3	8.9
2011	40.7	8.5
2012	41.7	9.8
2013	53.2	9.1
TOT	351.8	81.9

⁵ DVSA estimate

⁶ Industry assumptions obtained at the Drivers' Hours Stakeholder Working Group, which include trade representatives

⁷ DfT published Statistics – Table VEH0150 at <https://www.gov.uk/government/statistical-data-sets/veh01-vehicles-registered-for-the-first-time>

Table 2: vehicles recorded at maintenance checks according to week-intervals⁸

<i>week interval</i>	HGV		PSV	
	vehicles	%	vehicles	%
1	480	0.1%	63	0.1%
2	483	0.1%	162	0.2%
3	572	0.1%	1,770	2.0%
4	22,166	3.9%	28,852	32.2%
5	5,844	1.0%	6,094	6.8%
6	291,776	51.6%	34,283	38.2%
7	4,007	0.7%	394	0.4%
8	120,902	21.4%	9,436	10.5%
9	14,761	2.6%	563	0.6%
10	24,219	4.3%	7,241	8.1%
11	1,677	0.3%	9	0.0%
12	54,845	9.7%	772	0.9%
13	23,702	4.2%	82	0.1%
TOTAL	565,434	100%	89,721	100%

14. The total number of vehicles affected, by maintenance week interval, is shown in table 3. This is calculated by applying the percentage performing maintenance at each week-interval (from Table 2) to the total number of vehicles registered since 2006 (Table 1), in combination with the assumption that only 50% of PSVs and 90% of HGVs are covered by EU drivers' hours rules. So, for example, to estimate that the number of PSVs affected that perform maintenance at 13-week intervals, we perform the following calculation: 0.1% [% performing 13-week maintenance checks, from table 2] x 81.9k [number of PSVs registered since 2006, from table 1] x 50% [assumption that half of all PSVs are covered by drivers' hours rules]⁹.

Table 3: vehicles affected, by maintenance week-interval

<i>week interval</i>	HGV	PSV
9	8,266	257
10	13,563	3,306
11	939	4
12	30,714	352
13	13,273	37
TOTAL	316,651	40,964

Savings per vehicle

15. Estimated annual time savings per vehicle, in minutes are shown in Table 4. For further details of how these savings have been calculated, see Annex A.

⁸ From the Office of the Traffic Commissioners records – these are all the vehicles recoded at maintenance checks, including vehicles with analogue tachographs. 13 week intervals is the maximum maintenance interval requirement.

⁹ Note that figures printed in tables are rounded, so calculations cannot be replicated exactly.

Table 4: time savings (minutes) per vehicle per year

<i>week interval</i>	LOW	BEST	HIGH
9	74	80	87
10	67	73	78
11	74	72	71
12	58	61	65
13	16	8	0

16. Total monetised benefits, as shown in Table 5, are calculated by multiplying the time savings per vehicle per year (Table 4) by the number of vehicles affected (Table 3) and the wage of a lorry or bus mechanic (as described in the 'assumptions' section). So for example, to calculate the best estimate total benefit to operators who perform maintenance at 9-week intervals, we do the following calculation: 80 [minutes saved per year, Table 4] * (8266 [HGVs affected, Table 3] * 0.298 [£/minute for HGV mechanic] + 257 [PSVs affected, Table 3] * 0.266 [£/minute for PSV mechanic]). The total benefit is estimated to be in the range £1.1m-£1.2m. Over a ten-year appraisal period, the present value of this benefit is £9.8m-£10.6m.

Table 5: total benefit per year by maintenance week schedule (all operators)

<i>week interval</i>	LOW	BEST	HIGH
9	86,338	203,211	20,084
10	330,841	357,936	385,031
11	20,752	20,368	19,983
12	533,182	568,013	602,844
13	62,932	31,466	-
	1,134,046	1,180,994	1,227,942

17. We consider that this could be an under estimate, as pre-2006 registered vehicles which have been retro-fitted with a digital tachograph would also benefit from the policy. We do not have any data to indicate the number of vehicles that have been retro-fitted with a digital tachograph, so have not been able to monetise benefits to these vehicles.

18. Operators will also experience non-monetised benefits from the flexibility an increased period gives – especially where the vehicle is currently required to travel to a base specifically to make a download. By avoiding this, the policy will result in savings in driver time and fuel. We have not attempted to quantify these savings as we don't have sufficient data.

Costs

19. The only (non-monetised) cost of this policy lies in the reduced time period DVSA may have in certain circumstances to take prosecutions against historical drivers' hours offences.

20. When conducting a routine visit to an operator, it might become apparent to enforcement officers that a number of offences have been committed, based on the data produced by the operator. As good practice, DVSA examiners compare driver card detail with vehicle downloads, even if the data might have already been downloaded by the operator. The information provided might be 56 days old (if the operator works to the legal maximum) and would mark the start of an investigation. This information could be 90 days old in the future so DVSA examiners would have a month less in preparing any prosecution case (should it be in the public interest to prosecute).

21. However, most of the major investigations DVSA undertake start with their intelligence unit receiving information from various sources which they then act upon. In these situations DVSA can require the operator to produce their records at any time, regardless of when the download limit is. Consequently, in the majority of cases and the most severe cases, the download period is not a constraining factor.

One In, Two Out

22. Although legislation on digital download periods originates from a EC directive, this measure amends Domestic legislation implementing downloads period to eliminate goldplating and therefore is in scope of “One In, Two Out” (OITO).

23. All the benefits mentioned above, and no costs, accrue to business, so the policy has an estimated EANCB on 2009 prices of -£0.93m per year.

Small and Micro Business Assessment

24. The proposal will apply to small and microbusinesses. We believe this will be beneficial as it is deregulatory and imposes no costs, transitional or otherwise.

25. The proposed change could impact positively on small and micro businesses as they would have greater flexibility to plan for the data downloads.

Wider Impacts

26. There should be a reduction on non-operational journeys outside of the routine maintenance requirements, thus reducing carbon emissions.

27. The Department has considered whether the policy will have a disproportionate impact on any particular group in society (according to gender, religious belief, age, disability, ethnicity, sexual orientation, gender reassignment and pregnancy and maternity), and does not believe there will be.

Preferred Option and Implementation

28. The preferred Option of extending the current download limit to 90 days will be implemented through an amending Statutory Instrument. There is no intention of including a sunset clause or review as the amendment is deregulatory.

29. The intention is to communicate the change to the industry through a Ministerial Statement and via Trade Bodies.

30. These regulations reduce rather than impose regulatory burdens on businesses and civil society organisations, and therefore it is not considered appropriate or necessary to include within the regulations either a sunset or a periodic review clause.

Annex A – Calculation of Time Savings per Vehicle per Year

For this analysis, we consider only those operators who perform maintenance every 9-13 weeks. Under the status quo, we assume these operators minimise the time spent performing downloads by choosing one of the following two strategies:

Option A: Perform two downloads per maintenance cycle; one during the maintenance check, and one manual download in the intervening weeks. Under this option operators perform an equal number of automated and manual downloads each year. The number of maintenance cycles per year is found by dividing the number of days in a year by the frequency of maintenance check. So for example those who perform maintenance every 9 weeks perform 5.79 automated and 5.79 manual checks per year [$365/9 \times 7 = 5.79$].

Option B: Perform a manual download at the required interval except where it coincides with a scheduled maintenance check. Frequency of overlap is calculated by finding the lowest common multiple between the maintenance schedule and the download schedule. This is best illustrated with an example:

*If the maintenance schedule is 10-weekly, there will be a maintenance check on weeks 10, 20, 30, 40, 50, 60 etc. Meanwhile, an 8-weekly download schedule would occur on weeks **10**, 18, 26, 34, 42, **50**. Weeks where the download coincides with a maintenance check are highlighted in bold. The overlap occurs once every 5 downloads. This can be calculated as follows: The lowest common multiple of 8 and 10 is 40, thus there are 5 download cycles between every overlap [$40/8 = 5$].*

The operators must perform 6.52 downloads per year under the status quo [$365/56=6.52$]. For vehicles that are maintained every 10 weeks, 1.30 are performed during a maintenance check [$6.52 \times 1/5$] and the remaining 5.21 are performed manually [$6.52 \times 4/5$].

Table A1 shows the total number of downloads per year according to the maintenance schedule for both options A and B.

Table A1

status quo (56 day download limit) - number of downloads per year, by type				
	Option A		Option B	
maintenance (weeks)	automated	manual	automated	manual
9	5.79	5.79	0.72	5.79
10	5.21	5.21	1.30	5.21
11	4.74	4.74	0.59	5.93
12	4.35	4.35	2.17	4.35
13	4.01	4.01	0.50	6.02

The values in table A1 are translated into a total number of minutes spent on downloads, using the assumption that a manual download takes 15 minutes and an 'automated' download takes 2 minutes (this is the best estimate – the numbers presented in the main body of the impact assessment include a range from 0-4 minutes). These estimates are presented in table A2. For each line, we assume that the operator chooses the lower out of options A and B (this gives the 'preferred option' column in table A2).

Table A2

status quo - time (minutes) spent on downloads per year (best estimate)			
maintenance (weeks)	Option A	Option B	Preferred option
9	98.49	88.35	88.35
10	88.64	80.82	80.82
11	80.58	90.06	80.58
12	73.87	69.52	69.52
13	68.19	91.25	68.19

Next, we estimate the time spent on downloads under the policy scenario (a 90 day download limit). Tables A3 and A4 are calculated in the same way as tables A1 and A2, but instead based on a 90-day download schedule. For weeks 9-12, option A no longer requires a manual download. This is because the maintenance checks occur frequently enough to be within the 90 day download limit. In contrast, a 13-week (91 day) maintenance schedule is not frequent enough to meet the download requirements, so one manual download per cycle is still required.

For option B, lowest common multiples are calculated as described above, but using days rather than weeks (since 90 days does not correspond to a whole number of weeks).

Table A3

Policy (90 day download limit) - number of downloads per year, by type				
maintenance (weeks)	Option A		Option B	
	automated	manual	automated	manual
9	4.06	0.00	0.58	3.48
10	4.06	0.00	0.58	3.48
11	4.06	0.00	0.05	4.00
12	4.06	0.00	0.29	3.77
13	4.01	4.01	0.04	4.01

Table A4

policy - time (minutes) spent on downloads per year (best estimate)			
maintenance (weeks)	Option A	Option B	Preferred option
9	8.11	53.30	8.11
10	8.11	53.30	8.11
11	8.11	60.15	8.11
12	8.11	57.07	8.11
13	68.19	60.25	60.25

Finally, the total number of minutes saved per vehicle per year is calculated by subtracting the preferred option column under the policy scenario (table A4) from the corresponding values in the status quo (table A2). This gives the values in table A5, which correspond to the central (best estimate) column in Table 4 of the main document. The upper and lower bound estimates are calculated using exactly the same method as above, but with an assumption that an automated download takes 0 and 4 minutes respectively.

Table A5

saving (minutes per vehicle per year, best estimate)	
maintenance (weeks)	minutes saved
9	80.24
10	72.71
11	72.47
12	61.41
13	7.93