

Title: Implementation of EU Regulation 165/2014 on Tachographs IA No: Lead department or agency: Department for Transport Other departments or agencies: DVSA (Driver and Vehicle Standards Agency)	Impact Assessment (IA)		
	Date: 07/01/2016		
	Stage: Final		
	Source of intervention: EU		
	Type of measure: Secondary legislation		
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Summary: Intervention and Options **RPC Opinion:** Not Applicable

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
NQ	NQ	NQ	No NA

What is the problem under consideration? Why is government intervention necessary?
Tachographs are devices used in Heavy Goods Vehicles (HGVs) and Passenger Service Vehicles (PSVs) to monitor driving time and ensure compliance with EU Drivers' Hours regulations, to obtain a road safety benefit. Tachograph regulations are set at an EU level and the previous Regulation (EEC) No 3821/85 is being repealed and replaced by a new Regulation (EU) No 165/2014. Whilst this is directly applicable, we need to update our domestic regulations to ensure that the Driver and Vehicle Standards Agency (DVSA) and the Police continue to have the legal powers to enforce against offenders.

What are the policy objectives and the intended effects?
EU Regulation 165/2014 updates the specification for digital tachographs to introduce a new generation of more reliable and resilient models, to reduce tampering and fraud and to make the devices easier to operate and for enforcement agencies to interrogate. The Regulation makes some extensions to the exemptions in place for Drivers' hours, which should reduce burdens for some businesses. We need to update the domestic regime to comply with the new regulation and ensure that enforcement can continue. The requirements of the regulation become law without the need to transpose the requirements into domestic law, though we have discretion on a few areas which must be legislated domestically.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
Regulation (EU) No 165/2014 ('the Regulation') is directly applicable and will enter into force on 2 March 2016 (some aspects already came into force on 2 March 2015). If the Regulation is not transposed into UK law then the UK would be at risk of infraction, enforcement powers would expire and offenders would not be able to be held accountable. Therefore, 'do nothing' is not a viable option and it is necessary for UK legislation to be amended to transpose the Regulation. When transposing the Regulation into UK law, there are a number of areas where the Government has flexibility on the way forward (e.g. whether to allow DVSA to authorise field testing of new tachograph models). The Government has consulted with industry and stakeholders on these, and have taken their views into consideration when finalising its preferred option for transposing the Regulation which is assessed in this impact assessment. The justification for the Government's preferred option in the areas where it has flexibility is set out in the evidence base.

Will the policy be reviewed? Yes, it will cover improving transposition and enforcement. **If applicable, set review date:** Jan/2021

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: NQ		Non-traded: NQ

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: Andrew Jones Date: 29th February 2016

Summary: Analysis & Evidence

Policy Option 1

Description: Regulation (EU) No 165/2014 ('the Regulation') enters into force and UK legislation is amended to transpose the Regulation.

FULL ECONOMIC ASSESSMENT

Price Base Year NA	PV Base Year NA	Time Period Years NA	Net Benefit (Present Value (PV)) (£m)		
			Low: NQ	High: NQ	Best Estimate: NQ

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

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

None of the costs that have been identified in this impact assessment have been monetised.

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

1) As the new generation of tachographs has yet to be built, there is uncertainty surrounding the costs to industry of complying with the directly applicable EU legislation. 2) No significant costs are expected from the changes to the UK legislation as, for example, DVSA do not believe that there would need to be any changes to its enforcement practices. However, if there needed to be a change to DVSA's enforcement practices, this could incur costs or reduce the ability of DVSA to carry out their other responsibilities.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	NQ	NQ	NQ
High	NQ	NQ	NQ
Best Estimate	NQ	NQ	NQ

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

None of the benefits that have been identified in this impact assessment have been monetised.

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

1) The directly applicable EU legislation sets out the specification for the next-generation of tachographs. These tachographs will incorporate a range of new technologies that will have benefits for both drivers and enforcement agencies, and make the devices more resilient to tampering/fraudulent use. 2) The directly applicable EU legislation also amended some derogations. This meant that more drivers fell out of scope of EU drivers' hours rules and may result in reduced compliance costs for some GB drivers.

Key assumptions/sensitivities/risks

Discount rate

NA

1) For the purposes of this IA, the "Do Nothing" scenario is that neither the Regulation nor the amendments to UK legislation to transpose the Regulation are introduced. 2) The Regulation will enter into force on 2 March 2016 (some aspects already came into force on 2 March 2015). The biggest risk is that if the UK does not take steps to transpose the Regulation then the UK would be at risk of infraction, enforcement powers would expire and offenders would not be able to be held accountable.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: NQ	Benefits: NQ	Net: NQ	No	NA

Evidence Base (for summary sheets)

1. This impact assessment has been developed following guidance in the Better Regulation Framework Manual. We have followed Section 2.4 (Impact Assessments for EU policies) and specifically considered point 2.4.27 which states '*The impact of directly applicable EU legislation should be considered where implementing provisions are created to give effect (e.g. enforcement requirements or the exercise of a derogation)*'. This impact assessment therefore considers both the impact of the directly applicable EU legislation; and the impact of the domestic changes we are making to implement the regulation, including the enforcement requirements we are introducing. This has been achieved through engagement with relevant stakeholders, and a targeted consultation¹.

Problem under consideration and rationale for intervention

2. In 2013, there were 95 accidents involving Heavy Goods Vehicles (HGVs) and 7 involving buses or coaches where fatigue was listed as a contributory factor².
3. Tachographs are devices used in HGVs and Passenger Service Vehicles (buses) to monitor driving time for professional drivers and ensure compliance with Drivers' Hours regulations. Use of tachographs makes the roads safer by ensuring commercial drivers' risk of an accident is not increased by fatigue. The domestic framework governing tachographs forms part of the much wider regime regulating the road haulage and passenger service sector, which ensures that vehicles on our roads are roadworthy and safe.
4. Tachographs monitor both domestic and EU drivers' hours regulations. Tachograph regulations are set at an EU level and the previous Regulation 3821/85 is being repealed and replaced by a new Regulation: 165/2014.
5. The new Regulation sets out the specification for the next-generation of tachographs. These will incorporate a range of new technologies that will have benefits for both drivers and enforcement agencies, and make the devices more resilient to tampering/fraudulent use. Benefits to the driver are automated location recording, which will result in small time savings as the driver no longer needs to enter these details. Benefits to enforcement agencies are more detailed data, updated IT interfaces, and wireless enforcement capability, which will in future make it easier to detect drivers' hours offences and fraudulent activity³.
6. The Regulation is directly applicable, as it repeals the previous Regulation 3821/85, however we also need to update our domestic regulations to ensure that the Driver and Vehicle Standards Agency (DVSA) and the Police continue to have the legal powers to enforce against offenders. Failure to make these updates by 2 March 2016 will result in a loss of enforcement powers and risk an infraction against the UK as non-compliance would go unpunished (at present, there is a criminal framework to deal with offenders).
7. There are also some areas of flexibility in the new framework, where we can choose how we wish to proceed. These are specifically in relation to:
 - a. Extending the exemption range for certain types of vehicles from 50km to 100km (see Paragraph 18 for more details);
 - b. The issuing of temporary drivers cards to non-EU/AETR (certain non-EU) countries (see Paragraphs 21, 22 and 23 for more details);
 - c. The authorisation of field tests for non-type approved tachographs, so that new models can undergo trials prior to reaching the market (see Paragraph 24 for more details); and
 - d. Where liability for offences falls, deciding whether an operator will always be held liable for their drivers infringements or only in certain situations (see Paragraphs 19 and 20 for more details).
8. We also need to introduce offences in line with the Regulation; specifically changing the wording

¹ Consultation - tachographs: implementation of EU regulation 165/2014 <https://www.gov.uk/government/consultations/tachographs-implementation-of-eu-regulation-1652014>

² DfT (2014) Reported road casualties Great Britain: annual report 2013 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/359311/rrcgb-2013.pdf), Table RAS50005: Vehicles in reported accidents by contributory factor and vehicle type, Great Britain, 2013.

³ https://dtc.jrc.ec.europa.eu/dtc_help_desk.php

of our offence structure for tachograph interruption devices from 'produces, supplies or installs' to 'produces, distributes, advertises, sells and/or installs'.

Policy objective

9. The wider policy objective is to improve road safety by ensuring that professional drivers' working hours are not excessive and the risk of accidents as a result of fatigue are subsequently reduced. Secondly, enforcement of rules governing drivers' hours create a level playing field for operators.
10. Both of these objectives are ensured by the use of tachographs to monitor and record the distances, times and speeds that vehicles are travelling, as this information can then be used to enforce the regulations and ensures that operators and drivers are aware that failure to meet the rules will result in penalties or other enforcement action, depending upon the severity of the offence.
11. The new Regulation seeks to strengthen the current system by introducing tachographs with a technical specification that incorporates new technologies that will make them more difficult to tamper with and non-compliance easier to detect.
12. The objective of updating our domestic regulations is to ensure that DVSA can continue to enforce against drivers' hours offences, as the Regulation governing tachographs enables this to happen.

Descriptions of options considered (including do nothing)

13. For the purposes of this IA, the "**Do Nothing**" scenario is that neither Regulation (EU) No 165/2014 nor the amendments to UK legislation to transpose the Regulation are introduced.
14. However, the Regulation will come into force on 2 March 2016 (some aspects already came into force on 2 March 2015). Doing nothing in this context would result in the existing enforcement framework expiring. The UK has an obligation to enforce drivers' hours offences and failure to update the framework would prevent us from being able to do this. If enforcement cannot take place, we risk a fall in road safety and a potential increase in fatigue-related accidents; to put this in context, it is estimated that the average cost across all accident severities in Great Britain in 2014 was £54,849 per casualty, and £77,825 per accident (2014 prices and values)⁴. In addition, there would be a loss of fixed penalty income to the consolidated fund; a risk of infraction from the EU due to the UK's obligation to enforce in this area; and also a wider reputational risk as the UK is a leader in road safety and doing nothing would result in some damage to this standing.
15. **Policy option 1** is therefore that Regulation (EU) No 165/2014 enters into force and that UK legislation is updated to reflect the requirements of the Regulation.
16. The changes required to UK legislation are largely technical and reflect the similarity of the new and old Regulations; for example, updating existing domestic legislation to refer to the new Regulation instead of the current, 'old' Regulation.
17. Beyond this, the changes will include the addition of 'advertising' tachograph interruption devices as an offence.
18. There are some areas of flexibility where a decision has been needed, and in all cases we have consulted with stakeholders and taken their view on what the least burdensome outcome is. There is broad support from industry for these measures, which are detailed below:
 - a. The directly applicable EU legislation extended the exemption range for certain types of vehicles from 50km to 100km from 2 March 2015. These changes mean that more drivers may fall out of scope of EU drivers' hours rules. The extent to which this may be a benefit is explored in the costs-and-benefits section, below. The UK legislation being introduced in 2016 to transpose the Regulation will not change this.
 - b. This amends drivers' hours rules in the following way:
 - i. They are now a directly applicable exemption with vehicles or combinations of vehicles with a maximum permissible mass not exceeding 7.5 tonnes used for

⁴ DfT (2015) Reported road casualties Great Britain: annual report 2014 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/467465/rrcgb-2014.pdf), Table RAS60001: Average value of prevention per reported casualty and per reported road accident: GB 2014.

carrying materials, equipment or machinery for the driver's use in the course of his work, and which are used only within a 100 km radius from the base of the undertaking and on the condition that driving the vehicle does not constitute the driver's main activity. This was previously a national derogation with a 50km radius.

- c. Where 50km is mentioned in the below three derogation references, this has been increased to 100km since 2 March 2015:
- i. vehicles or combinations of vehicles with a maximum permissible mass not exceeding 7.5 tonnes used by universal service providers as defined in Article 2(13) of Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service to deliver items as part of the universal service; these vehicles shall be used only within a 50 kilometre radius from the base of the undertaking, and on condition that driving the vehicle does not constitute the driver's main activity.
 - ii. vehicles used for the carriage of goods within a 50 km radius from the base of the undertaking and propelled by means of natural or liquefied gas or electricity, the maximum permissible mass of which, including the mass of a trailer or semi-trailer, does not exceed 7.5 tonnes;
 - iii. vehicles used for the carriage of live animals from farms to local markets and vice versa or from markets to local slaughterhouses within a radius of up to 50 km.
- d. The responses to the consultation on implementation of EU Regulation 165/2014 on tachographs highlighted broad support for the extension to 100km as a deregulatory and proportionate measure reducing the administrative and financial burden on businesses and individuals.

19. Operators will also continue to be conditionally liable for offences committed by their drivers. This is a common-sense approach, as they will only be held liable if it can be proven that they have breached their obligations as an employer and operator, with the alternative option being to make them fully liable in all situations. This was felt to be overly regulatory and burdensome on compliant operators, as if a driver is properly trained and intentionally deceives the operator and commits a drivers' hours offence in spite of their employers best efforts to comply with the law, the operator should not be held accountable.
20. If this option is taken then, in broad terms, operators would only be liable for drivers' infringements of the new Regulation if:
- a. They have offered drivers bonuses based on distance covered or weight carried where the availability of those bonuses prejudices road safety or encourages disregard for drivers' hours rules; or
 - b. They have offered other incentives that might encourage misuse of the tachograph; or
 - c. They have failed to organise drivers' work in a way that enables drivers to comply with tachograph regulations; or
 - d. They have failed to give proper instructions to their drivers regarding tachograph regulation and the correct functioning of tachographs; or
 - e. They have failed to regularly check that drivers are complying with tachograph regulations.
21. Another area of flexibility is on the issuing of temporary drivers cards to non-EU/AETR drivers.
22. Paragraph 4 of Article 26 provides that Member States may issue, in duly justified and exceptional cases, a temporary and non-renewable driver card which is valid for up to 185 days to a driver that does not have his normal residence in a Member State or AETR country provided the driver is working for an undertaking in a Member State.
23. UK card issuing authorities do not intend to take up this option or issue temporary cards. Card issuing authorities would require significant changes to their systems to be able to issue temporary cards which would be lengthy and very costly for these issuing authorities. DVLA has

judged the cost of this to be high and demand low, and we therefore do not consider that this would have any benefit to organisations in the UK.

24. Finally, with regard to field-testing of tachographs, the UK is unlikely to host field-testing of non-type-approved tachographs due to the fact that there are no UK-based manufacturers. However, the UK will recognise authorisations for field tests issued by other Member States. Respondents to the consultation agreed that it is unlikely that field testing would take place in the UK. However, given the minimal administrative effort to authorise field testing and the fact that failing to authorise field tests could place UK industry at a competitive disadvantage, we will ensure that DVA in Northern Ireland and the DVSA have the necessary powers to field-testing.

Costs and Benefits of Policy Option 1

Overview

25. This Impact Assessment considers the additional costs and benefits of Policy Option 1 compared to the Do Nothing scenario.
26. As Policy Option 1 is that the Regulation enters into force and that UK legislation is updated to reflect the requirements of the Regulation, this section discusses the impacts of the directly applicable EU legislation and the impact of the changes to UK legislation separately.
27. However, due to the limitations of the available evidence base (e.g. stakeholders did not provide any quantified evidence on the costs and benefits of Policy Option 1 during the consultation process), none of the costs and benefits of Policy Option 1 have been monetised in this Impact Assessment.
28. Given that the Regulation is directly applicable and the UK is required to update our legislation to reflect the requirements of the Regulation, the level of analysis in this Impact Assessment is considered to be proportionate. For example, it was not considered proportionate to make any further efforts to obtain additional evidence from stakeholders beyond the engagement with relevant stakeholders and targeted consultation that have already been undertaken.

Costs and Benefits of the directly applicable EU legislation

Changes that will enter into force from 2 March 2016

29. The directly applicable EU legislation sets out the specification for the next-generation of tachographs. The Regulation requires these to be fitted in vehicles 15 years after the Regulation has come into force. As discussed earlier in the impact assessment, these tachographs will incorporate a range of new technologies that will have benefits for both drivers and enforcement agencies, and make the devices more resilient to tampering/fraudulent use.
30. Benefits to the driver are automated location recording, which will result in small time savings as the driver no longer needs to enter these details (although there is uncertainty over exactly how many minutes are saved through this technology). In addition, benefits to enforcement agencies are more detailed data, updated IT interfaces, and wireless enforcement capability, which will in future make it easier to detect drivers' hours offences and fraudulent activity, and could reduce DVSA's enforcement costs.
31. However, as the new generation of tachographs has yet to be built, there is uncertainty surrounding the costs to industry of complying with the directly applicable EU legislation. In particular, we do not yet know whether the new generation of tachographs will be substantially different to the current generation (or whether the changes will be minimal). Therefore, there is uncertainty regarding whether the costs purchasing the new generation of tachographs would be substantially different, and the extent of any familiarisation costs that would be incurred by industry. Nevertheless, the industry has been consulted on the new tachograph specification, and as such are aware that the changes will be taking place.
32. DVSA may also see some costs to updating their guidance and IT systems to reflect the new Regulation (e.g. changing references from 3821/85 to 165/2014), but these are not expected to be significant.

Changes that entered into force on 2 March 2015

33. The policy changes detailed at paragraph 19 mean that more drivers may have fallen out of scope of EU drivers' hours rules from 2 March 2015. This may be a benefit, although drivers will

still have to comply with GB domestic rules. Guidance on drivers' hours and tachographs will be reissued to ensure that these changes are widely-known about and enforcement practices adjusted accordingly. Refreshed guidance is published periodically, and we do not foresee this updated guidance imposing significant additional costs on businesses. Industry raised no concerns around this during the consultation process.

34. We consider these changes are likely to be deregulatory for the sectors involved since the exemptions/national derogations have previously been supported and these increases widen them. Any drivers now out of scope of the EU drivers' hours rules as a result of these changes will fall within the relevant domestic drivers' hours rules. Under domestic rules the drivers would still need to abide by certain driving and duty rules although they would not need to have a tachograph fitted to record their time.
35. Therefore, drivers who fall out of scope of the EU drivers' hours rules could see time savings as a result of not needing to use a tachograph (for example, the 37.8 minutes⁵ currently estimated for manual entry of location data or downloading of the data by operators every 28 days for the cards and up to every 90 days for the vehicle unit).
36. In addition, for new vehicles or new operators entering the market they could also see a benefit from not having to have tachographs fitted and not needing to purchase various other equipment, such as that to enable downloading of data. We consider this would only benefit new companies or new vehicles, since those currently in existence would likely already have a tachograph and the necessary equipment.
37. However, drivers of large goods vehicles, which would normally come under the EU drivers' hours rules and need an operator's licence, will need to keep a manual record of their time.
38. The number of vehicles that are likely to be affected by these changes is likely to be relatively small and it is difficult to know how many additional drivers this will include. This is because it will only include those which drive up to 100km, whenever these vehicles are driven further than 100km they will need to meet EU rules, including using a tachograph – and if they do this frequently they may opt to continue to use a tachograph to ensure they meet the requirements for mixed EU/domestic drivers' hours rules. Furthermore, most of the extending of the exemptions is for vehicles with a gross weight of no more than 7.5 tonnes, which it will be difficult to identify – it is likely to include vans with trailers or smaller lorries, but would depend on gross weight and consequently the cargo at any particular time.
39. It is difficult to assess the benefits for drivers of being required to meet the relevant domestic drivers' hours rules rather than the EU drivers' hours rules. It is likely to differ for each transport operation, depending on whether they would benefit from more driving time and less duty time. The GB domestic rules allow 10 hours driving a day, whilst the EU rules allow 9 hours (which can be increased to 10 hours twice a week). The GB domestic rules also have a duty limit of 11 hours a day, whilst the EU rules have no duty limit, but have a minimum daily rest requirement of 11 continuous hours (which can be reduced to 9 hours three times a week). This means that under the EU rules a driver can be on duty for 13 hours; at most 15 hours, in one day.
40. In summary, and in terms of benefits, an increase to the distance that can be driven under one of the EU derogations from 50km to 100km should therefore result in reduced compliance costs for some GB drivers. However, no evidence has been provided and GB drivers' hours rule will still apply.
41. We do not consider taking advantage of the new derogations would have an impact on road safety given the relatively small increase in the distance and the fact that the drivers in question would still need to comply with domestic drivers' hours rules, which are also in place to address road safety concerns.
42. In addition, DVSA have indicated that there are unlikely to be any changes to their enforcement practices. However, if there needed to be a change, this could incur costs or reduce the ability of DVSA to carry out their other responsibilities.

⁵ Consultation - Government's proposals on the implementation of EU Regulation 165/2014 on tachographs in road transport, repealing Council Regulation (EEC) No 3821/85 on recording equipment in road transport and amending Regulation (EC) No 561/2006 of the European Parliament and of the Council on the harmonisation of certain social legislation relating to road transport (Department for Transport and Northern Ireland's Department of the Environment)

Costs and Benefits of the changes to UK legislation

The authorisation of field tests for non-type approved tachographs, so that new models can undergo trials prior to reaching the market

43. Under option 1, we will be seeking to allow DVSA to authorise field tests of non-type approved tachographs in the UK.
44. Whilst we do not believe that there is much likelihood of UK operators wishing to trial new tachographs (there are no tachograph manufacturers based in the UK), there is no reason to prevent operators who wish to conduct field tests from doing so, and it ensures that UK operators are not placed at a disadvantage to their European counterparts.
45. If there were manufacturers that wished to use the UK, and we did allow this, we do not consider that this will have any cost implications for drivers or operators who participate in field tests, and in any case it would be down to the operator in question to agree to participate. If it is taken up, it will allow tachograph manufacturers to test their tachographs in real-life situations, thus ensuring that any functionality problems later down the line could be avoided.
46. However, DVSA could incur costs as they will need to be able to register and authorise field trials.

Introducing offences in line with the Regulation, including changing the wording of our offence structure for tachograph interruption devices from 'produces, supplies or installs' to 'produces, distributes, advertises, sells and/or installs'.

47. DVSA have indicated that there are unlikely to be any changes to their enforcement practices.
48. For example, the impact of including changing the wording of our offence structure for tachograph interruption devices from 'produces, supplies or installs' to 'produces, distributes, advertises, sells and/or installs' should be minimal as DVSA – who lead on enforcement in this area - have indicated that they have not come across anyone advertising tachograph interruption devices, and the offence of supplying is being replaced by distribution and selling
49. However, if there needed to be a change to DVSA's enforcement practices, this could incur costs or reduce the ability of DVSA to carry out their other responsibilities. For example, if roadside checks were to take longer, this would either impose additional costs on industry or reduce the number of checks that take place.

Direct costs and benefits to business calculations (following OITO methodology)

50. The proposal is out of scope of OITO as it is a directly applicable EU regulation, and the measure does not go beyond the minimum EU requirements.

Wider impacts

Statutory Equalities Duties

Race

51. The proposals relate to all stakeholders in the tachograph sector – including trade associations, trade unions, road safety organisations, tachograph manufacturers, workshops, enforcement agencies. We therefore do not anticipate that these amendments will lead to:
 - a. Different consequences according to people's racial group;
 - b. People being affected differently according to their racial group in terms of access to a service, or the ability to take advantage of proposed opportunities;
 - c. Discrimination unlawfully, directly or indirectly, against people from some racial groups;
 - d. Different expectations of the policy from some racial groups;
 - e. Harmed relations between certain racial groups, for example because they will be seen as favouring a particular group or denying opportunities to another; or
 - f. Damaged relations between any particular racial group (or groups) and the Department for Transport (DfT)

Disability

52. The Disability Discrimination Act (DDA) 1995 now gives rights to disabled people in the area of access to goods, facilities and services. The proposals apply equally to all stakeholders in the tachograph sector, so we do not anticipate any disadvantages or discrimination for disabled people in line with this Act.

Gender

53. The proposals will apply to all stakeholders in the tachograph sector. Therefore we do not anticipate that these amendments will lead to:

- a. Different consequences according to people's gender;
- b. People being affected differently according to their gender in terms of access to service, or the ability to take advantage of proposed opportunities;
- c. Discrimination unlawfully, directly or indirectly, against genders; or
- d. Different expectations of the policy from different genders.

Competition

54. Under Policy Option 1, some businesses may benefit from the changes to the derogations. However, since the number of vehicles that are likely to be affected by the changes to the derogations is likely to be relatively small and any drivers that benefit will still have to comply with GB domestic rules, it is assumed that there would not be a significant impact on competition compared to the 'Do-Nothing' scenario.

Small and Micro Business Assessment

55. The Regulation will come into force on 2 March 2016 (some elements of this already came into force on 2 March 2015) regardless of what action is taken by the UK government. The UK does not have a choice not to adopt the Regulation and how it is implemented.

56. On 17 March 2015, DfT and the Northern Ireland Government's Department of Environment launched a targeted 8-week consultation with stakeholders, mainly organisations or individuals that have an interest in tachographs, including trade associations, trade unions, road safety organisations, tachograph manufacturers, workshops, enforcement agencies, and others involved in the tachograph industry; seeking views on the implementation of the new Regulation.

57. Many of the stakeholders engaged work with, or alongside small and micro businesses. The UK has relatively little flexibility with regard to implementing the Regulation, and the purpose of the consultation was to ensure that the impact and costs to the sector – including these businesses - are minimised.

58. As highlighted above, small and micro businesses are not exempt from the new Regulation as they and their drivers are subject to the same drivers' hours rules and regulations as other businesses – including larger ones. However, the changes to the derogations may potentially benefit some small and micro businesses.

Greenhouse Gas Assessment

59. Under Policy Option 1, stakeholders in the tachograph sector would continue under broadly similar requirements as is currently the case. Therefore, under Policy Option 1, it is assumed that greenhouse gas emissions would be unchanged compared to the "Do Nothing" scenario.

60. However, if the Regulation is not transposed, it will not be possible to monitor or enforce drivers' hours. There could therefore be an increase in driving and hence greenhouse gas emissions.

Wider Environmental Issues

61. Under Policy Option 1, stakeholders in the tachograph sector would continue under broadly /similar requirements as is currently the case. Therefore, under Policy Option 1, it is assumed that wider environmental issues would be unchanged compared to the "Do Nothing" scenario.

62. However, if the Regulation is not transposed, it will not be possible to monitor or enforce drivers' hours. There could therefore be an increase in driving and hence wider environmental impacts, such as noise pollution and air quality.

Health and Well-being

63. Under Policy Option 1, none of the proposals are expected to have a direct impact on health, directly to affect wider determinants of health such as income or the environment, or affect relevant lifestyle-related factors such as physical activity or diet. In addition, there is no anticipated impact on the demand for health and social care services.

Human Rights

64. Under Policy Option 1, it is not anticipated that the proposals will have any human rights impacts.

Justice System

65. Under Policy Option 1, it is not anticipated that the proposals will have any implications for the justice system.

Rural Proofing

66. Under Policy Option 1, it is not believed that any of the proposals will have a different impact on people in rural areas because of their particular circumstances or needs.

Sustainable Development

67. Sustainable development entails the current generation satisfying its basic needs and enjoying an improving quality of life without compromising the position of future generations. Under Policy Option 1, the proposals do not affect the resources available to future generations, and are therefore compatible with sustainable development.

Summary and Preferred Option with Description of Implementation Plan

68. The Regulation coming into force requires the UK to amend domestic legislation accordingly. If this is not completed, then the UK would be at risk of infraction, enforcement powers would expire, and offenders would not be able to be held accountable. Policy Option 1 is therefore the preferred option. Under this option, the Regulation will be implemented in domestic legislation through secondary legislation.

69. We have also consulted with industry and stakeholders on a number of areas where we have flexibility on the way forward and have taken their views into consideration to ensure costs and burden are minimised.

Post Implementation review

70. DfT intends to review the implementation of this Regulation in line with the final Statutory Instrument's review clause.