

Non-qualifying regulatory provision assessment

RPC rating: confirmed as a non-qualifying regulatory provision

Title of proposal(s)	Transposition of 2014/45/EU – Introduction of Roadworthiness testing for fast tractors and assorted legislative changes
Department	Department for Transport
Expected date(s) of implementation	May 2018
Justification of non-qualifying status (which exemption(s))	Low-cost regulation – under £1million gross costs in every year; and measure of EU origin with no gold-plating.
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Description of the proposal(s) and expected scale of impacts

EU Directive 2014/45 concerns roadworthiness testing of cars, motorcycles, vans, public service vehicles (PSVs) and HGVs.

The Directive requires the introduction of a roadworthiness testing regime for fast (T5 category) tractors that are used mainly 'on public roads for commercial haulage purposes' (this does not include use for agriculture) as well as minor technical amendments to the existing testing regimes for cars, motorcycles, vans, PSVs and HGVs.

Fast Tractors

Fast tractors¹ are tractors capable of speeds greater than 40km/h. The Directive brings these vehicles into the scope of mandatory testing on the grounds that, if used for commercial haulage, they could present similar road safety risks as other large motor vehicles, such as HGVs. The EU Directive states that fast tractors are increasingly being used on the road for commercial haulage purposes.

The proposal is to introduce a legislative requirement for testing (that complies with the requirements of the Directive) from May 2018, and consequently improve road safety by ensuring vehicle roadworthiness and reducing vehicle defects. The vehicles affected by this change are those used for commercial haulage in excess of 15 miles from their operating base. Tractors used solely for agriculture are not affected. Tractors will be tested within the current goods vehicle testing regime (at private, authorised testing facilities with tests conducted by DVSA personnel). Vehicles will require a first test four years after the date of registration, and every two years thereafter – matching the EU minimum requirement. We estimate that there are up to 180 vehicles in the UK that will require biennial roadworthiness testing as a result of this Directive.

Other legislative amendments

The other legislative amendment that will create a cost to vehicle owners are changes to the testing exemption for small Scottish islands. This will have the effect of removing the current testing exemption for HGVs where they are:

¹ 'tractor' means any motorised, wheeled or tracked agricultural or forestry tractor having at least two axles, the main function of which lies in its tractive power and which has been especially designed to pull, push, carry and actuate certain interchangeable equipment designed to perform agricultural or forestry work
Category T5 is wheeled tractors with a maximum design speed of more than 40 km/h.

- Based on Arran, Great Cumbrae, Islay, Mull, Tiree or North Uist but used on mainland Britain
- Based or used on Bute.

We will also remove the current exemption for Class VII vans (those between 3 and 3.5 tonnes) that are used on Bute.

We are aware that there is currently no test site on Bute authorised to test HGVs or class VII vans. The Government will proceed with the change in such a way that it will not require vehicles to make special visits to mainland Britain in order to have a roadworthiness test, which would be unduly costly to these operators.

A small number of regulatory amendments are being made to the vehicle testing regulations in order to align with the Directive, for example introducing an exemption from testing for vehicles incapable of exceeding 25km/h, and changes to the testing procedure for vehicle lights. The changes to the MOT test method are very minor and we do not estimate that they will have a material cost impact on MOT test sites. No responses to our consultation indicated otherwise. MOT testers are expected to remain familiar with these and are required to undergo annual training and assessment to demonstrate their aptitude to perform testing. Updates to the MOT manual and technical notes are made regularly so familiarisation with any changes is an ongoing, business-as-usual cost, therefore the changes here do not present additional costs relative the baseline, do-nothing option.

Costs to business

The Directive imposes a regulatory burden on a very small number of businesses (up to around 360 if businesses are operating only one vehicle each).

The costs to business of the proposals are:

- Familiarisation costs for vehicle operators who will need to become acquainted with the requirements of the roadworthiness testing regime.
- Test fee charged by DVSA (this represents the cost to DVSA of conducting the test, such as staff costs).
- Travel costs (including fuel and vehicle running costs), for the vehicle operator to travel to an authorised testing facility (ATF) or other DVSA site.
- Time costs for the vehicle operator and down-time for the vehicle while undergoing testing and travelling to the testing facility.

Number of vehicles

The majority of fast tractors are registered for agricultural use and therefore will be exempt. The upper estimate of vehicles affected by our measure is 180. This is based on data from Vehicle Excise Duty (VED) tax categories and no further data was provided during public consultation. This figure is likely to be an upper bound since some vehicles will be deemed out of scope if they are not mainly used on the public road for commercial haulage. The impacts on business estimated in this document use a best estimate of 128 vehicles derived from this VED data. We assume a growth in the relevant vehicle population of 6% per year (based on DVLA tractor registration figures).

For the small islands exemptions, we do not consider there will be an impact on vehicles used on mainland GB but *based* on the small Scottish islands, as consultation responses indicated these were either already tested or are used exclusively on the islands. In any case, the number of vehicles affected would be very small. For Bute, where vehicles used *exclusively* on the island will now require testing, the number of affected vehicles is:

Class VII vans: 150

We lack data on the number of these vehicles that already undergo testing, so have considered an upper bound where all these vehicles would be brought into testing for the first time. In reality, the number of vehicles affected, and thus the cost, is likely to be lower.

Familiarisation Costs

The cost to businesses of familiarising themselves with the terms of the proposals is believed to be very low. The information that operators need to be aware of is minimal: several short pages of accessible gov.uk guidance² about testing and identifying a suitable ATF (also available on gov.uk³). It is not necessary for operators to familiarise themselves with the technical roadworthiness requirements themselves, as this is an existing legal obligation. Conservatively allowing for an hour per vehicle of the operator's time to read the guidelines, the cost to business would be approximately £5,366 in the first year of the proposal's implementation. In the following years there will be a familiarisation cost for any new vehicle owners. The total familiarisation cost over the appraisal period is £8,002.

Costs to fast tractor Operators

The test fees for tractors will be the same as for two-axle HGVs (£91 test fee, plus £66 ATF fee). DVSA estimates are that around 30% of the current ATF sites (that is 135 sites) would gain approval to carry out tests⁴. ATFs may have small costs to do this (for example up to £1,000 for purchasing equipment) but these are entirely discretionary and so is not considered as an imposed cost. We have no better information than to assume that these ATF sites, and tractors, are distributed approximately evenly across the country. Thus, we estimate that, on average, the distance of a round trip to an ATF centre will be 120 miles. We assume that the average speed of tractors on the road is 25mph (some tractors are entitled to run at 40mph, though we do not know how many). This leads to an estimated 4.8 hours average travelling time to and from the test centre. The test itself will take around 65 minutes to complete⁵. The total cost to the tractor operator of each roadworthiness test is thus calculated to be £362.

Tests are taken biennially. On this basis, the total business cost in the most expensive year (2026) of the ten-year appraisal period is £85,298. The total discounted cost to business across the appraisal period is estimated to be £346,600.

Costs for operators of vehicles on Bute

For Bute, the test fee for class VII vans is the MOT test fee (£58.60). Noting the range of HGV configurations that could be affected, the costs have been calculated using an illustrative test fee will be of £164 (the mid-point of the range of DVSA fees (£112-£215) and an average round trip to/from a test site of 30 miles (the length of the island). We assume the average speed to the test site is 42mph (average speed of 4-axle HGVs on single carriageways). This leads to an estimated 43 minutes average travelling time to and from the test centre. The test itself will take 55 minutes to complete⁶. Vehicle registration statistics show that from 2005 to 2015 light goods vehicles increased by 2.3% per year, on average, while HGVs reduced 0.5% per year, on average. We assume a high

² <https://www.gov.uk/annual-test-for-lorries-buses-and-trailers>

³ <https://www.gov.uk/find-atf-dvsa-test-station>

⁴ This estimate is based on DVSA expertise as the agency that inspects and authorises ATFs. DVSA has unsuccessfully attempted to collect this information from ATFs via direct communications. There is no industry body for the sector to provide a single market view to corroborate this assumption.

⁵ Test timings are provided by DVSA who undertake timing exercises as part of their operational planning.

⁶ From DVSA timing exercise

conservative growth in the number of affected vehicles on Bute of 3% per year (based on general DVLA vehicle registration figures).

The cost to business of each roadworthiness test for class VII vans is estimated to be £116, and for HGVs is estimated to be £222. On this basis, the total business cost in the most expensive year (2027), of the ten-year appraisal period, is approximately £35,736. The total discounted cost to business across the appraisal period is estimated to be £305,198.

Total Costs

The total cost of the proposals in the first year of implementation is £76,682. The total business cost in the most expensive year of the ten-year appraisal period (2026), is approximately £120,041. The total discounted cost to business across the appraisal period is estimated to be £651,799.

The proposals do not go beyond the minimum requirements of the Directive.

Justification of non-qualifying regulatory provision(s) assessment

The policy proposals here all derive from an EU Directive on roadworthiness testing. The UK does not have discretion on whether to implement testing for the affected vehicles. We are ensuring the impact on business is as small as possible by not gold plating, i.e.:

- Applying the measure to the minimum number of vehicles permitted by the Directive and taking up all available exemptions.
- Applying the minimum test frequency required by the Directive.

We have ensured that the test fee is not unduly burdensome on the small number of vehicle operators affected; they will match HGV test fees.

We estimate the non-discretionary impact on business to be £120,041 in the most expensive year of the ten year appraisal period. Therefore we consider these proposals are clearly low cost (well below £1m gross costs in the most expensive year) and, because it is transposing the minimum required by an EU Directive, is a non-qualifying regulatory provision.