



Driver and Vehicle Agency

Public Consultation

Proposed Amendment to the Fees Charged by Approved Tachograph Centres

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1. Background

Tachographs fitted in Goods Vehicles, Buses and Coaches record information about drivers' driving time, breaks and rest times, as well as time spent by the driver doing other work. They are used to ensure that drivers and employers follow the rules on drivers' hours to safeguard road safety and ensure fair competition.

Tachographs can only be installed, checked, repaired and calibrated by an Approved Tachograph Centre (ATC). The Department for Infrastructure (DfI) is designated as the competent body responsible for the approval and regulation of tachograph fitters and ATC workshops under the retained version of EU Directive 165/2014. There are currently 29 ATCs spread across Northern Ireland. Modern tachographs are calibrated every 2 years, and may, on occasion, require additional attention between calibration periods.

The DVA is responsible for approving and regulating ATCs and currently regulates the maximum level of fees which ATCs can charge for tachograph calibrations and periodic inspections by virtue of The Passenger and Goods Vehicles (Recording Equipment) Regulations (Northern Ireland) 1996 (regulation 8 (4) (a)). The maximum fee is not set in regulations - it is published in the Approved Tachograph Centre Manual.

Before making changes to this scheme, it is in everyone's interests that we consult publicly and, in the absence of a functioning Legislative Assembly, the consultation responses may be considered, and decisions may be made, by the Permanent Secretary of Dfl, in accordance with the Northern Ireland (Executive Formation etc) Act 2022 (as amended) or any relevant decision making legislation which is applicable at the time.

We are conducting this consultation to help us understand what business and the public think about the amendments we are proposing.

We will confirm the date any changes will come into effect once the consultation responses have been considered and decisions made.

2. Why we need to do this

Prevent a reduction or loss of service

The DVA has powers to regulate the maximum fees that centres can charge for tachograph calibrations and periodic inspections by virtue of The Passenger and Goods Vehicles (Recording Equipment) Regulations (Northern Ireland) 1996 (regulation 8 (4) (a)). The maximum fees are published within the NI Approved Tachograph Centre Manual and have remained unchanged since approximately 2006. There is no policy regarding how often to review or how to calculate fee increases, as the NI scheme initially mirrored the GB fee structure; the GB fees have since been de-regulated. The current maximum fees for NI are set out in the table below.

Activity	Fee
Analogue Tachograph 6 yearly calibration	£46.00 + VAT
Analogue Tachograph 2 yearly inspection	£32.00 + VAT
Digital Tachograph 2 yearly calibration	£46.00 + VAT

DVA officials have met with several ATC representatives who outlined that, for many years, they have been unable to recoup their capital investment costs or even cover operational running costs from the current fees structure. The current financial pressures are compounding this issue and putting the provision of this essential service at risk.

Enable ATCs to charge a fair fee for their services

It is recognised that from 2015, ATCs have made significant capital investment to upgrade their calibration equipment and retrain their tachograph technicians to keep pace with modern tachograph technology. The impact of the cost-of-living crisis, energy crisis and repercussions from COVID-19 have further increased the costs borne by ATCs for conducting this work.

In 2010 the Driver & Vehicle Standards Agency (DVSA, previously VOSA) carried out a review of the fees which ATCs could charge for calibrations in GB; the result of this review and subsequent consultation was the

deregulation of these fees from 1 January 2012, enabling ATCs to levy their own charges.

Communication with the National Standards Authority of Ireland (NSAI) has highlighted that their fee is similarly not regulated. The result is that the fees in both GB and Ireland are determined by market forces, meaning that ATCs in Northern Ireland could potentially be at a disadvantage compared to their counterparts.

Deregulation within NI would allow flexibility for the ATCs to react more quickly to market conditions, changes in technology, and allow for service improvements, such as out of hours calibrations. Further considerations can be found in the Regulatory Impact Assessment.

If the fees are not amended

If the fees are not amended, there is a risk that it may no longer be financially viable for some ATCs to continue to provide calibration services. This could result in the loss of some centres, meaning that operators would have to travel further to access services, causing more downtime and higher emissions for these services. It could, in the worst case, lead to the complete loss of this vital service provision in Northern Ireland, which could have a negative impact on road safety.

Additionally, the main deterrent to ATC and technician misconduct is the potential loss of status as an Approved Centre. It is felt that the small/negative profit margins in calibration services currently may dilute this deterrent effect. Any option which provides a reasonable profit margin to ATCs will act as a more robust deterrent against them undertaking improper activities.

3. What we are proposing

We are proposing 2 options to address the current situation, in addition to the 'No Change' option:

- 1. Increase the maximum allowable fees in line with inflation
- 2. Deregulate the function thereby giving individual ATCs the authority to decide how much they charge for calibration services

A full explanation of these options can be found in the attached Regulatory Impact Assessment. Other options which were consulted on by GB are either no longer relevant due to the passage of time, or are not relevant to NI.

4. Key effects of the proposed options

Option 1 – Inflationary increase

This option would retain the DVA as the regulating authority and enable it to increase fees to help address current issues. However, it does not account for the additional investments made by ATCs to keep up with tachograph technology, nor is it flexible enough to cope with fast changing market conditions.

The table below indicates how the current maximum fees may have been affected had an inflationary increase been applied on 1 March 2023:

Activity	Fee
Analogue Tachograph 6 yearly calibration	£74.16 + VAT
Analogue Tachograph 2 yearly inspection	£51.59 + VAT
Digital Tachograph 2 yearly calibration	£74.16 + VAT

Whilst such increases could be implemented reasonably quickly, it does not accurately reflect the full range of additional costs incurred by ATCs since the last fee was set around 2006, nor does it necessarily secure the future of the service. It has also been noted that the fees in the above table are lower than the fees identified by the timing exercise conducted in the GB Regulatory Impact Assessment in 2011.

Option 2 – Deregulation

This is the preferred option, as it creates parity with the schemes in GB, ROI and most other European countries and is supported by the Better Regulation principles. It also negates the need for future government intervention in the fee setting process.

Deregulation would allow tachograph centres to charge a fee based on their commercial costs for the work that they are doing for the customer. No further fee setting consultation process would be required in the future.

It is believed that under deregulation both the tachograph centres and vehicle operators would mutually benefit. Night working and flexible working hours to support vehicle operator demands are best supported by deregulation as this would allow for flexibility when negotiating charges with customers when demand is high, and reducing charges when demand is low.

ATCs will be competing against each other and those located in GB and ROI. If this option is implemented, the DVA will conduct a review of the fees being charged after a period of 5 years and if problems are apparent, regulation could be re-introduced.

Deregulation of fees also supports future changes to the scheme, such as the introduction of new tachograph technology, which requires further training and investment from tachograph centres.

With this option the Regulatory Impact Assessment indicated that the calibration fee for digital tachographs could increase to £104.50 + VAT (every 2 years for digital tachographs). Under deregulation, there would be no requirement for ATCs to charge a fee of this level. Please note that this figure is much lower than in neighbouring jurisdictions, and that it is based on inflation up to the end of 2021; inflationary pressures continue to affect prices up to the present day.

5. Consultation questions

Your views are sought on these proposals.

The online questionnaire includes the following specific questions relating to the proposed increases:

- 1. Which of the 2 options would you prefer is adopted?
 - a. Do Nothing
 - b. Increase the maximum allowable fees in line with inflation
 - c. Deregulate the function thereby giving individual ATCs the authority to decide how much they charge for calibration services
- 2. Do you agree with our analysis of the costs and benefits associated with the proposed options as detailed in the Regulatory Impact Assessment?
- 3. Do you agree with the proposed approach to tachograph calibration fee increases which seeks to protect and improve the service provision to vehicle operators but necessitates an increase in the tachograph calibration fee?
- 4. Do you agree that operators will be adequately protected from excessively high fees by local competition, competition from neighboring jurisdictions, and a future review of the fees being charged?

6. How to respond

The consultation runs from 21 August 2023 for 8 weeks.

Fill in the questionnaire to give your views - Consultation Questionnaire

When you respond, tell us whether you are doing this for yourself or for an organisation.

If you are responding for a larger organisations, please tell us:

- who the organisation represents
- how you gathered members' views (if you can).

Contact the Agency at the following email address if you have any queries about this consultation – <u>dva.tachographcentres@infrastructure-ni.gov.uk</u>

7. Confidentiality and data protection

Freedom of Information Act 2000 - Confidentiality of Responses

The Department may publish a summary of responses following the closing date for receipt of comments. Your response, and all other responses to this publication, may be disclosed on request and/or made available on the Dfl website (redacted). The Department can only refuse to disclose information in exceptional circumstances. Before you submit your response, please read the paragraphs below on the confidentiality of responses as this will give you guidance on the legal position about any information given by you in response to this publication.

The Freedom of Information Act 2000 and Environmental Information Regulations 2004 give the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a consultation.

The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have the responsibility to decide whether any information provided by you in response to this publication, including information about your identity, should be made public or treated as confidential. The Lord Chancellor's Code of Practice on the Freedom of Information Act provides that:

- The Department should only accept information from third parties in confidence if it is necessary to obtain that information in connection with the exercise of any of the Department's functions and it would not otherwise be provided.
- The Department should not agree to hold information received from third parties 'in confidence' which is not confidential in nature.
- Acceptance by the Department of confidentiality provisions must be for good reasons, capable of being justified to the Information Commissioner.

The information you provide in your response, excluding personal information, may be published, or disclosed in accordance with the

Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004 (EIR). Any personal information you provide will be handled in accordance with the UK-GDPR and will not be published. If you want the non-personal information that you provide to be treated as confidential, please tell us why, but be aware that, under the FOIA or EIR, we cannot guarantee confidentiality.

For information regarding your personal data, please refer to the Dfl Privacy Notice at <u>www.infrastructure-ni.gov.uk/dfi-privacy</u>. For further details on confidentiality, the FOIA and the EIR please refer to <u>www.ico.org.uk</u>.

8. What happens next

The consultation responses will be considered before final decisions are taken on fee increases.

We will publish the outcome of this consultation on the NI Direct website.