



Driver and Vehicle Agency

Proposed Amendment to the Fees Charged by Approved Tachograph Centres

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Section 1: Introduction

The Driver and Vehicle Agency (DVA) is an Executive Agency of the Department for Infrastructure (DfI). The Agency's key business activities include:

- Driver licensing and passenger transport licensing
- Driver and vehicle testing and standards
- Compliance and enforcement
- Regulation of Approved Driving Instructors and Motorcycle Instructors
- Regulation of the Approved Tachograph Centre network

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 two 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. The maximum fees which ATCs are allowed to charge for their services have not been increased in over 15 years.

On 21 August 2023, the Department issued a consultation on changing the fees charged by approved tachograph centres. This document provides a synopsis of the responses to the public consultation.

The consultation ran for eight weeks from 21 August 2023 and closed on 16 October 2023. 12 responses were received, ten from individuals and two from organisations, namely Logistics UK and Bus and Coach NI.

A Section 75 Equality of Opportunity Screening Analysis was conducted regarding the proposals. The screening, which is published on the government's NI Direct website, concluded that there were no groupings that would be subject to a significant disproportionate impact.

Section 2: Overview

General observations

A total of 12 responses were received to the consultation. The majority of the responses were from individuals. Two respondents indicated that they were representing business / organisations.

82%* of respondents selected the option to deregulate the fee setting function, thereby giving individual ATCs the authority to decide how much they charge for calibration services. 18% preferred to apply an increase in line with inflation. No respondents selected the “Do Nothing” option.

Two of the respondents noted that they did not believe an inflationary increase was itself adequate. One industry respondent noted that members who provided calibrations services preferred Option c (deregulation) whilst those who use the services preferred Option b (inflationary increase).

As part of the consultation the DVA said that, unless the respondents made clear that their responses were to be treated as confidential, at the end of the consultation period, it would publish some of the responses. This report only quotes comments from respondents who did not request confidentiality. However, the statistical analysis takes account of all the responses.

Changing the calibration fees which can be charged by ATCs

In the consultation we explained that the maximum fees which ATCs are allowed to charge for calibration services have not been increased since approximately 2006, and that the rising cost of delivering their services coupled with mandatory investments in new technology and associated training, means that many ATCs are providing these services at a loss. Some ATCs have said that they are at risk of closure.

We explained that the ATCs provide an essential service on behalf of the Department and highlighted the disparity between the service provision in Northern Ireland and in GB and the ROI.

We ran the consultation exercise to help us understand what business and the public think about the proposals.

We asked a number of preliminary, identifier questions, for example the capacity in which the respondent was replying to the consultation. Further questions asked if the responder agreed or disagreed with the questions relating to the proposals.

Section 3: Consultation questions, responses and analysis on points raised

Question 1. Which of the 3 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.**

Responses: Ten individuals and two organisations responded to this question.

82% of respondents selected Option C to deregulate the fee setting function, thereby giving individual ATCs the authority to decide how much they charge for calibration services. 18% selected Option B to apply an increase in line with inflation. No respondents selected Option A “Do Nothing”.

Two of the respondents noted that they did not believe an inflationary increase was itself adequate, one of those highlighting the additional costs borne by ATCs due to advancing technology. One industry body noted that members who provided calibrations services preferred Option C (deregulation) whilst those who use the services preferred Option B (inflationary increase).

Inflation Increment not Sufficient

We acknowledge that an inflationary increase is unlikely to cover the extent of the financial commitment made by ATCs in maintaining the service to date nor does it provide a flexible mechanism to reflect any further investment which developments in this specialist field may require in the future.

Representative Organisations

Responses were received from two representative organisations: Logistics UK and Bus and Coach NI.

Bus and Coach NI supported deregulation but highlighted the importance of a post implementation review.

Logistics UK reported that the inflationary increase was preferred by the majority of their members who were operators purchasing the services, although no further explanation for this response was provided. (Logistics UK represents both ATCs and Transport Operators and it should be noted that they have also provided feedback that other members who were providing the service supported deregulation).

Question 2. Do you agree with our analysis of the costs and benefits associated with the proposed options as detailed in the Regulatory Impact Assessment?

Responses: Ten individuals and two organisations responded to this question.

92% agreed with the analysis in the Regulatory Impact Assessment, and 8% disagreed. The respondent who disagreed noted that the assessment used outdated figures and hourly rates. In response it was noted that in the RIA the figures and hourly rates had been adjusted to reflect inflationary increases.

Question 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?

Responses: Ten individuals and two organisations responded to this question.

100% respondents agreed with this approach.

Logistics UK highlighted that, whilst a majority of members supported this approach of increasing fees to support the sector, differing opinions were provided by their members as to whether deregulation (Option C) or an inflationary increase (Option B) was the best way to achieve this.

“Vehicle operators are already operating under tight margins as a result of increasing operational costs and many expressed concern that fees could continue to rise if unregulated under option c. Members who provide tachograph services expressed the view that deregulation would ensure continuation of this essential service, provide parity with GB and the Republic of Ireland (ROI), and lead to a more flexible and responsive service for operators.”

We believe that both local and national competition, and the post-implementation review, will help to ensure prices remain competitive.

Question 4. Do you agree that operators will be adequately protected from excessively high fees by local competition, competition from neighbouring jurisdictions, and a future review of the fees being charged?

Responses: Ten individuals and two organisations responded to this question.

82% of respondents agreed with the statement, and 18% did not.

Of those who did not agree, one respondent, Bus and Coach NI, commented on behalf of their members. They highlighted that they understood the need for ATCs to cover operational costs but were not comfortable or confident that the fees would not be increased excessively. They expressed a concern that “cartel” type arrangements could potentially develop between centres to raise prices excessively. They also re-iterated the importance of the post-implementation review.

Logistics UK’s response was again split for this question, and so has not been included in the figures above. They noted that members who provided the service were confident that prices would remain competitive, whereas vehicle operators expressed greater reservation.

We believe that both local and national competition, and the post-implementation review, will help to ensure prices remain competitive. We will consult all stakeholders at the time of the review and will conduct the review after a period of 5 years after implementation, or sooner if required.

Section 4: Next Steps

We believe that the best decision for ATCs and Operators, which has been broadly supported by the consultation responses, is to deregulate the fees which ATCs can charge for calibration services.

This approach is supported by the better regulation principles, to ensure that NI businesses are not put at a disadvantage compared with other businesses elsewhere. While there have been some negative comments in response to the consultation, mainly relating to a concern of future excessive pricing of these services, we are confident that adequate controls will ensure that this does not happen.

The Minister for Infrastructure has agreed that the preferred option can be progressed.

This does not require a change to legislation and will be effective from the 22nd July 2024. Industry representatives and ATCs will be notified, and the Approved Tachograph Centre Manual will be updated in due course.

A subsequent review, in association with stakeholders, will be instigated after a period of 5 years, or earlier if necessary, to evaluate the fairness or otherwise of the deregulated pricing scheme.