

Cost of Three Mandatory Driving Lessons and Minimum Learning Period

[This document was prepared by DfT officials in the context of considering three mandatory driving lessons (motorways/dual carriageways; rural roads, and after dark; and a minimum learning period).

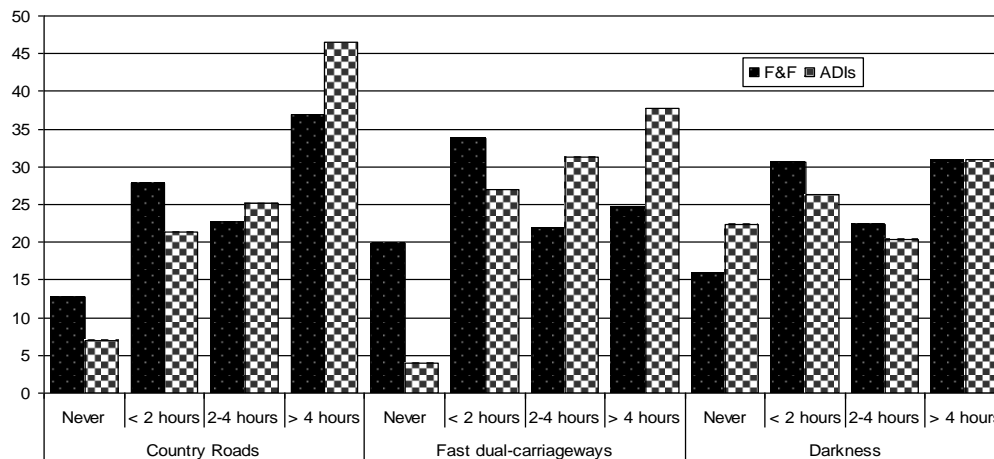
We estimate that the total cost of the extra lessons would be £78 for the 1% of learners who do not currently use an ADI. The other 99% of learner drivers would incur no extra cost.

Consideration

The costs of three mandatory lessons would fall on ADIs and learners. Estimating the costs is not straightforward, as the following points are relevant:

- These mandatory lessons would be incorporated into driving teaching and practice. Previous studies¹ suggest that many learners already spend time driving on rural roads and after dark. The proposal might not, therefore, mean that a learner has any additional lessons, just that those lessons now have a particular feature. This is supported by the graph below:

Figure 1: Estimated time spent by respondents driving in different conditions with friends or family and driving Instructors



- Virtually all learners have some lessons with an ADI. Earlier studies² have suggested that only 1% of learners have no lessons with an ADI.
- The cost to a learner driver will depend on whether they need to travel to a rural road, dual carriageway or motorway in order to carry out the lesson. That travel time could form part of a longer lesson – or the

¹ Cohort II study, Driving Standards Agency, 2008

² Cohort II study, Driving Standards Agency, 2008

learner might meet their instructor at a relevant location.

- The Driving Standards Agency will need to develop a syllabus for these lessons, and that will affect the length of the lessons.

However, to assess the proposal we have assumed that:

- each lesson would last one hour,
- all three lessons (motorway/dual carriageway, rural and after dark) became mandatory
- a driving lesson costs on average £26³ – so £78 for all three lessons
- only the 1% of learners who do not currently use an ADI would have to pay for additional lessons
- learners would not take time off work to learn to drive
- there were 870,000 people who received a provisional licence in 2012, of whom approximately 470,000 were aged between 17 and 24. We have assumed that all of them then learnt to drive.

However, when calculating the economic cost of an intervention we do not typically consider money transfers between parties. From the perspective of the whole economy who spends the money (£26) is not thought to be relevant. The economic cost is the cost of the resources employed, in this case time. Therefore resource costs to each ADI and each learner is the opportunity cost of three hours of lessons. The value of one hour of an ADI's time is assumed to be equal to the market price of one hour long lesson, or £26. The opportunity cost to learners of a one hour lesson is the value of one hour of leisure time. According to existing economical appraisal guidance⁴ this is equal to £6. This is illustrated in the table below:

	All drivers	Young Drivers (17-24)
Cost of extra lessons to learners /benefit to ADIs (£26 per hour x 3 lessons x number of learners)	£680,000	£370,000
Opportunity cost (£6 per hour x 3 lessons x number of learners)	£160,000	£85,000

³ Driving Standards Agency average, based on a range of £20 – 30 per hour

⁴ WebTag

Minimum Learning Period

A minimum learning period is a way of encouraging learners to get more driving experience (not necessarily more lessons), before their driving test, resulting in them being safer drivers.

We are explicitly not mandating the number of hours a learner must do before they're test ready. A learner could if they wished take more paid-for lessons with an ADI, to allow more time for learning to 'sink in' and gain a wider range of experience (for instance of different weather conditions). These lessons would have the benefit of broadening a learner's experience and not just simply go over well practised areas. But this wouldn't be compulsory, and so it would be up to the learner driver whether or not they spent more on their driver education during a minimum learning period.

The Cohort ii study^[1] suggests that, for drivers of all ages, the reduction in collision liability that occurs in the first and second year of driving post-test may be as high as 42.5% as a result of gaining experience alone. If the amount of experience gained prior to the test can be increased there should therefore be a safety benefit, with a consequent impact on premiums. Research^[2] also indicates that male drivers who take longer to learn to drive have significantly fewer collisions than drivers who completed their training in just a few months.

Furthermore, more experienced learner drivers would be more likely to pass their test first time, thus avoiding the cost of additional tests (£62 each time).

Department for Transport
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^[1] Quoting Cohort II data

^[2] Select Committee on Transport – Seventh Report Section 4 – A minimum learning period