EXPLANATORY MEMORANDUM TO THE DRIVER AND VEHICLE LICENSING AGENCY TRADING FUND ORDER 2005

2005 No.1672

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of her Majesty.

2. Description

2.1 The instrument amends the Driver and Vehicle Licensing Agency Trading Fund Order 2004 (SI 2004 No. 1037).

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 The sums allocated as reserves in the Driver and Vehicle Licensing Agency Trading Fund Order 2004 (made under the Government Trading Funds Act 1973) were based upon estimated valuations as final figures were not then available. This order revises the reserves on the basis of audited figures

5. Extent

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

6.1 Not applicable

7. Policy Background

7.1 The Driver and Vehicle Licensing Agency Trading Fund Order 2004, made on 29th March 2004, was based on estimated valuations which were made before year-end, in accordance with normal practice.

7.2 Following the year-end process and a subsequent audit, actual figures are included in DVLA's accounts. Those figures differ from the estimates included in the 2004 Order. DVLA have discussed and agreed the revised figures and accounts with the National Audit Office and HM Treasury.

7.3 In order to ensure that the amounts attributed to reserves and public dividend capital in the Order are correct, the 2004 Order is being varied to replace the estimates with figures supported by the accounts.

7.4 As the Order is not made in respect of operations which are not already financed by means of the trading fund, the Secretary of State was not required to allow representation to be made under section 1(3) of the Government Trading Funds Act 1973. In addition, it was not considered necessary to hold any informal consultation in view of the restricted effect of the Order.

8. Impact

8.1. A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

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