EXPLANATORY MEMORANDUM TO

(1) THE GOODS VEHICLES (PLATING AND TESTING) (AMENDMENT) REGULATIONS 2012
2012 No. 305

(2) THE MOTOR VEHICLES (TESTS) (AMENDMENT) REGULATIONS 2012
2012 No. 307

(3) THE ROAD VEHICLES (REGISTRATION AND LICENSING) (AMENDMENT) REGULATIONS 2012
2012 No. 304

(4) THE PUBLIC SERVICE VEHICLES (OPERATORS' LICENCES) (FEES) (AMENDMENT) REGULATIONS 2012
2012 No. 306

(5) THE GOODS VEHICLES (LICENSING OF OPERATORS) (FEES) (AMENDMENT) REGULATIONS 2012
2012 No. 308

1. This Explanatory Memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

This Memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instruments

2.1 Instruments (1), (2) and (3) above make changes to fees charged by the Vehicle and Operator Services Agency (VOSA) for annual testing and the issue of reduced pollution certificates for Heavy Goods Vehicles (HGVs – lorries) and Public Service Vehicles (PSVs – buses and coaches used for hire or reward);

2.2 Instruments (4) and (5) make changes to fees charged for HGV and PSV operator licences.

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

3.1 These changes will come into force on 1st April 2012 in preference to the Common Commencement Date of 6th April because:

- the changes affect only the level of fees not the scope or extent of regulation on business; and
- the normal practice is to change licensing related fees on the 1st of a month since some fees are charged per calendar month or part of a month. It is also the practice to change testing related fees on a Sunday to minimise the effects on businesses of shutting down on-line booking systems for the time needed to change the fees.

4. Legislative Context

(1) **The Goods Vehicles (Plating and Testing) (Amendment) Regulations 2012**

4.1 These Regulations further amend the Goods Vehicles (Plating and Testing) Regulations 1988 (S.I. 1988/1478) and are made to change many of the statutory fees for annual roadworthiness testing, for determining permitted weights and for determining the acceptability of post-registration alterations to HGVs.

(2) **The Motor Vehicles (Tests) (Amendment) Regulations 2012**

4.2 These Regulations further amend the Motor Vehicles (Tests) Regulations 1981 (S.I. 1981/1694) and are made to change many of the statutory fees for annual roadworthiness testing of PSVs.

(3) **The Road Vehicles (Registration and Licensing) (Amendment) Regulations 2012**

4.3 These Regulations further amend the Road Vehicles (Registration and Licensing) Regulations 2002 (S.I. 2002/2742) and are made to change some of the statutory fees for determining applications for Reduced Pollution Certificates (RPCs); to clarify some differences in the charging regime between Great Britain and Northern Ireland; and to bring the definition of periods during which "out of hours" supplements are charged into line with that used for annual tests.

(4) **The Public Service Vehicles (Operators' Licences) (Fees) (Amendment) Regulations 2012**

4.4 These Regulations further amend the Public Service Vehicles (Operators' Licences) (Fees) Regulations 1995 (S.I. 1995/2909) and are made to change some of the statutory fees for PSV operator licensing.

(5) **The Goods Vehicles (Licensing Of Operators) (Fees) (Amendment) Regulations 2012**

4.5 These Regulations further amend the Goods Vehicles (Licensing of Operators) (Fees) Regulations 1995 (S.I. 1995/3000) and are made to change the statutory fees for HGV operator licensing.

5. Territorial Extent and Application

5.1 The Road Vehicles (Registration and Licensing) (Amendment) Regulations 2012 (instrument (3)) apply throughout the United Kingdom albeit that it contains some provisions that do not apply in Northern Ireland. The remaining instruments apply to Great Britain only.

6. European Convention on Human Rights

6.1 As the instruments are subject to the negative resolution procedure and do not amend primary legislation, no statement is required.

7. Policy background

- ***What is being done and why***

7.1 The Secretary of State, through VOSA, recovers the cost of carrying out certain functions by charging fees. The level of fees is normally reviewed annually. Certain examinations covered by the Road Vehicles (Registration and Licensing) (Amendment) Regulations 2012 are supplied in Northern Ireland by the Driver and Vehicle Agency (DVA) which is an agency of Northern Ireland's Department of the Environment. Both agencies operate as a Government Trading Fund.

7.2 VOSA is of the view that, even with anticipated changes in demand for services, its cost control measures will enable in-year costs of existing fee-funded services to be fully covered by fees earned. No general increase in fee levels is therefore being applied.

7.3 However, some fees are being adjusted as part of the continued implementation of policies previously announced; to meet additional requirements of EU Regulations; and to spread the cost of services more fairly across users. The changes being made arise from 3 separate main causes, some of which affect fees set in more than one of the instruments being amended. These are described below grouped under related instruments. The main changes are:

- location differentiation: to reflect more accurately the costs to VOSA of delivering testing and related services at premises provided by VOSA and at premises provided at no cost to VOSA;
- National Register funding: to meet the costs of creating and maintaining a National Register of HGV and PSV operators and their transport managers to comply with EU Regulations; and
- PSV operator licence application fee equalisation: to recognise that the present differential between "standard" and "restricted" licence applications is unjustified.

The Goods Vehicles (Plating and Testing) (Amendment) Regulations 2012,
The Motor Vehicles (Tests) (Amendment) Regulations 2012 and
The Road Vehicles (Registration and Licensing) (Amendment) Regulations 2012

7.4 The changes to fees made by these instruments aim to ensure that VOSA's costs are fully recovered and that the fees more fairly reflect the cost of different service delivery methods. They are a further step in a series of changes having the combined long-term aim of encouraging tests to be carried out at locations which are more convenient for customers by expanding private sector test facility provision.

7.5 The changes being made in these instruments are intended to be cost and revenue neutral by re-balancing the cost of using VOSA and non-VOSA test facilities but without changing either the overall cost to customers or the revenue to VOSA. They reduce the fees for services delivered at non-VOSA premises and increase the fees for the same services delivered at VOSA premises by transferring a larger proportion of the cost of providing VOSA premises to those using them.

7.6 The Road Vehicles (Registration and Licensing) (Amendment) Regulations 2012 also apply to Northern Ireland. The fees for examinations in relation to RPCs at DVA premises in Northern Ireland are increased in line with fees for similar examinations at VOSA premises in GB. The Road Vehicles (Registration and Licensing) Regulations 2002 are also being amended to make it clear, by dis-applying the relevant sub-paragraphs, that fee reductions in respect of examinations at non-government facilities are not available in Northern Ireland because DVA only carries out examinations at its own premises; and that supplements charged by VOSA in GB for examinations outside their normal operating hours do not apply in Northern Ireland because DVA do not offer services outside their normal working hours.

7.7 The main fee change implemented by these regulations is the recovery, over 5 years, of the additional costs to VOSA of developing a National Register of operators and transport managers of HGVs and PSVs to comply with EU Regulations which require the Register to be operational by 1 January 2012 and the recovery of the continuing costs of maintaining the database and the additional data. The National Register is required as one element of a package of regulations on international road transport aimed at creating a more level playing field and reducing distortion of competition for international transport operations across the EU.

7.8 The Public Service Vehicles (Operators' Licences) (Fees) (Amendment) Regulations 2012 also equalise the fees for determining applications for "standard" and "restricted" PSV operators' licences. Before these changes, the fees for applications for "restricted" licences were significantly lower than those for "standard" licences; but the costs of processing the applications were not significantly different. These changes remove that anomaly by reducing the application fees for "standard" licences and increasing those for "restricted" licences. The changes are intended to be cost neutral for the road passenger transport industry as a whole and revenue neutral for VOSA.

- ***Consolidation***

7.9 Owing to resource constraints, plans to consolidate changes which have been made to all of the principal regulations are on hold. Informal consolidations are available from a number of commercial sources.

8. Consultation outcome

8.1 A public written consultation took place between 16 June and 28 July 2011. The Minister agreed a shortened consultation period because location differentiation was the continuation of a longer-term change process which had been generally supported in previous consultations; creation of the National Register is an EU requirement and the increase in operator licence fees adds only a tiny proportion to the operating costs of a transport business (less than 0.01% of vehicle operating costs); and the proposal to equalise PSV operator licence application fees represents, to those whose fees increase, only a tiny proportion of the cost of setting up and running even one or two small buses (the cost of about 7 litres of diesel).

8.2 Letters or Emails announcing the consultation were sent out to over 300 individuals and organisations who use or may be affected by VOSA's services; or who had asked to be told of any such consultations. The consultation was also posted on the internet and can now be found at http://www.dft.gov.uk/consultations/dft-2011-18. Twenty-two responses were received. The Consultation Report containing a summary of the responses received and VOSA's consideration of those responses is attached at Annex A.

8.3 The majority of those who commented supported the proposal to have no general increase.

8.4 In respect of proposals on location differentiation of testing and related fees, the majority of respondents favoured differentiation although some had concerns on the timing of the change.

8.5 In respect of National Register funding, the majority favoured spreading the cost over the widest range of fees. However several respondents considered that the National Register should be funded from taxation or hypothecation of penalties on foreign drivers rather than fees.

8.6 All respondents who answered questions on PSV application fee equalisation supported equalisation, though some felt the change should be phased over 3 years.

9. Guidance

9.1 These Regulations do not create any new obligations but amend the level of fees to be paid under existing obligations. To publicise the changes, VOSA will:

- issue a press release on the new fees;
- post the new fees on the VOSA and Business Link websites;
- display posters publicising the fee changes at relevant test stations and offices;
- use other appropriate media, including direct contacts; and
- inform customers of the correct amount to pay when a fee payment is due.

10. Impact

10.1 With the exception of the fee increases to fund the National Register, the impact on business and civil society organisations of the changes covered by this Explanatory Memorandum is intended to be cost neutral – with the total of increases to some customer groups being balanced by equivalent reductions for others. Funding of the National Register increases operator licence fees aimed at increasing revenue by 1.6%. The exact percentage change varies because individual fees are rounded to whole pounds.

10.2 For some customers the cost of fees will be reduced. Of customers facing increased fees, the most affected (in proportion to their total operating costs) HGV operators will see their costs increase by about £5 per year (0.009% of estimated vehicle operating costs). Owing to a lack of information in the public domain on PSV operating costs, an equivalent calculation has not been possible, but the most affected operators will see their fees increase by about the cost of 7 litres of diesel.

10.3 Three Impact Assessments are attached (as Annexes B, C and D respectively) to this Explanatory Memorandum and will be published alongside it on the OPSI website (www.legislation.gov.uk). By reference to the item numbers for the respective instruments listed in the heading and in paragraph 4, the Impact Assessments are applicable as follows:

Annex B: IA DfT 00073 – applies to instrument (4);
Annex C: IA DfT 00074 – applies to instruments (1), (2) and (3);
Annex D: IA DfT 00075 – applies to instruments (2), (4) and (5).

11. Regulating small business

11.1 The legislation applies to small businesses.

11.2 To minimise the impact of the requirements on firms employing up to 20 people, the approach taken is not to differentiate between different categories of customer (i.e. VOSA does not offer discounted rates for bulk test bookings). It should also be noted that the changes

affect the fees paid for particular services; they do not change the frequency with which businesses are required to use those services.

11.3 A number of small businesses were asked for their views in the consultation either directly or through their membership of Trade and Business Associations such as the Road Haulage Association, the Freight Transport Association, the Confederation of Passenger Transport, the Retail Motor Industry Federation and the Federation of Small Businesses. Not all of these bodies responded, but no issues were raised by respondents on the relative treatment of large and small operators. It should be noted that, although 86% of HGV operators and 73% of PSV operators have 5 or fewer vehicles, this gives no indication of the size of the business. While some small operators may be solely engaged in road transport operations, and therefore small businesses as such, other "small operators" may be the transport department of larger businesses such as manufacturers and suppliers of goods or large hotels.

12. Monitoring & review

12.1 As the fee-setting process is normally an annual process this will be ongoing.

13. Contact

13.1 John MacLellan at VOSA Tel: 0117 954 2531 or email: john.maclellan@vosa.gov.uk can answer any queries regarding the instruments.

Vehicle & Operator Services Agency

Driver & Vehicle Agency
An Executive Agency within the Department of the Environment

Fees for HGV and PSV testing and operator licensing for 2011

Consultation report

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1. Introduction

1.1 Purpose of consultation

1.1.1 The consultation ran from 16 June until 28 July 2011 and sought views on proposals to revise a number of fees as summarised below. The changes mentioned apply only to fees payable to the Vehicle and Operator Services Agency:

- no general rise in statutory fees for the second year running;
- location differentiation – i.e. reductions in fees which VOSA (Vehicle and Operator Services Agency) charges for tests non-VOSA test facilities[1] balanced by increases fees at VOSA facilities to reflect the costs to the agency – this would also affect fees for Reduced Pollution Certificates (RPCs) issued at Driver & Vehicle Agency (DVA) facilities in Northern Ireland;
- National Register funding – increases in HGV and PSV operator licence fees to cover the cost of a national register of HGV and PSV operators and their transport managers, to help level professional standards across the EU;
- PSV O licence application fee equalisation – reductions in fees for applications for standard PSV operator licences balanced by increases for applications for restricted licences to rebalance fees to reflect the cost of processing those applications;
- round fees to the next highest pound;
- voluntary service fee increases – fees for voluntary services, such as brake checks and non-statutory roadworthiness tests, to rise in line with general cost increases in addition to the effects of changes to test fees at VOSA facilities.

1.1.2 In addition the consultation sought views on:

- "core hours" – views on proposals to alter the hours during which "out of hours" supplements are charged in GB for RPC and Low Emission Certificates (LEC) and remove redundant provisions in respect of out of hours services which are not available in Northern Ireland from DVA and;
- funding of certain activities of Traffic Commissioners (TCs) – to give stakeholders the opportunity to express their views about the relative importance and value they place on core regulatory work of the Commissioners compared with 'softer' activities they carry out around engaging with the industry and to provide evidence to assist the VOSA Chief Executive in accounting to Parliament for the expenditure – **no** changes were proposed.

1.1.3 The consultation also asked stakeholders if they could provide information to improve breadth and/or accuracy of Impact Assessments.

[1] Non-VOSA test facilities take two forms: Designated Premises (DPs) have existed for many years but have disadvantages for both operators and VOSA in that the relationship is ill-defined; more recent non-VOSA facilities are Authorised Testing Facilities (ATFs) whose relationship with VOSA is more clearly defined in a contract which includes features such as more formal timetabling arrangements, compensation for the ATF operator if VOSA fails to attend an agreed test session and minimum income guarantees to VOSA for each testing session.

1.2 Who did we ask?

1.2.1 The consultation was published on the DfT website and accessible from VOSA and NIDirect websites. Organisations and individuals on VOSA's fee consultation list were told about the consultation directly by email or letter. Operators of non-VOSA test facilities were advised by email that the consultation had been launched. A press notice was sent to trade publications known to the VOSA press office. Those registered to receive electronic "alerts" from VOSA's were informed by an alert. The July edition or "Moving On" which is circulated to all holders of HGV and PSV operator licences included an article on the consultation.

2 Layout of this document

2.1 A high level summary of the responses on each of the above areas and planned actions in light of those responses is given in the Executive Summary below. A more detailed summary of responses to each question follows in Section 5 of this report.

2.2 Where respondents chose not to use the consultation response form supplied but their response seems to relate to a specific question, VOSA have summarised that part of their response against the appropriate question. Where it seemed clear that their comments supported one or other of the answers listed their comment has been attributed to that answer. Where their answer did not appear to clearly be either of the choices given, their comments are summarised under "related comments" heading against the question to which their response appears to relate. Where their comments relate to multiple questions or are on subjects beyond the scope of the questions asked, their comments are summarised in the "General comments" section 6 of this summary.

3 Executive summary of responses

In total 22 respondents provided comments in response to the consultation. The breakdown of respondents was as follows:

Businesses	small to medium	1
	large	4
Representative Organisations		8
Trade Unions		1
Interest Groups		1
Local Government		2
Central Government		1
Police		0
Public		1
Others		3
	Total	22

NOTE:

- Respondents who offered no comments on the proposals but wished to record their wish to continue to receive such consultations or did not wish their responses to be published and attributed are not included in the numbers above or summary of responses.
- Where a response was on behalf of a number of individuals or bodies it was treated for analysis purposes as a single response (e.g. the response from the Traffic Commissioners was signed by six TCs – that from VOSA trade unions was on behalf of 3 unions)

- A small number responded to DfT centrally on question 16. Their responses are included here.

3.1 No general increase (Q1)

Responses

3.1.1 Eleven respondents supported the proposal for no general increase, several commenting on VOSA's efficiency savings. One respondent disagreed, raising concerns that efficiency savings meant job losses, which would restrict VOSA's ability to undertake work.

Consideration

3.1.2 Recognition of and support for efforts to control costs are noted. Whilst the trade unions' concern for jobs is understandable, it should be noted that, to date, staff reductions have been achieved without compulsory redundancies. Every effort is being made to ensure that front-line services are protected.

Decision

3.1.3 There will be no general increase in VOSA fees.

3.2 Location differentiation (Q2 to 4)

Responses

3.2.1 Ten respondents supported continuing to move towards the cost of VOSA test facilities being met by those using them. Two respondents did not support this policy - one generally and one particularly at this time.

Opinions on the preferred option of reducing fees at non-VOSA by 4% and increasing those at VOSA by 4% were more mixed with six supporting the preferred the proposal and four opposing it.

3.2.2 One respondent considered that the non-preferred option of increasing fees at VOSA by 11.6% and reducing those at non-VOSA by 5.8% was too steep an increase, whilst expressing no opinion on the preferred option.

Nine respondents favoured keeping DVA fees for RPCs in Northern Ireland at the same level as at VOSA facilities in GB – one disagreed with that view.

3.2.3 Comments made across the two questions majored on the desire that VOSA should ensure adequate alternative provision in an area before closing its own test facility and on the fairness of differentiation when not all operators had the option of taking their vehicles to a non-VOSA facility.

3.2.4 One respondent believed that fees should not be set on the basis of "speculative volumes" whilst VOSA does not fully understand how the market will develop or whether newer entrants will have the same enthusiasm as early adopters.

3.2.5 One respondent considered it inappropriate to increase fees for RPC and LEC certificates which were issues without physical examination to the same level as those involving tests at VOSA facilities.

3.2.6 No formal responses were received from those operating non-VOSA test facilities other than those for whom vehicle operation was a prime part of their business.

Consideration

3.2.7 While recognising concerns about the effect of increases for tests at VOSA on those with no access to non-VOSA facilities these must be balanced against the effect on those using non-VOSA facilities who are paying the non-VOSA facility provider for the test facilities

(the pit fee) yet still contributing to the cost of the VOSA estate which they don't use. VOSA could not afford to lower its fees for testing at non-VOSA facilities without increasing fees for tests at VOSA facilities.
As more of the operating costs of VOSA facilities are transferred to users and more tests move away from those facilities, the unit cost of testing at VOSA rise because fixed costs are spread over fewer tests. If VOSA continued to maintain unused capacity it would incur wasteful costs which would make those rises considerably greater than would have been the case if facilities were closed.

3.2.8 Although not raised by any respondents, a further factor potential non-VOSA facility providers have raised with VOSA is that many businesses considering setting up facilities see as unfair competition the fact that the fee charged for a test at VOSA is less than the VOSA fee for a test at a non-VOSA facility ***plus*** the pit fee. They are therefore reluctant to invest in a non-VOSA facility until the closure of their local VOSA facility is announced or the differential in VOSA fees is considerably wider than is currently proposed. Thus, both the rate of closure of VOSA facilities and the rate of change of differentials have an effect on the rate of establishment of new non-VOSA facilities; and therefore the availability of savings to many businesses from more convenient test locations.

3.2.9 Rate of change in fee differentials and of closure of VOSA facilities is therefore a complex balance. The approach taken in the preferred option (and implicitly supported by the majority of respondents) of gradual increases in differentials, which limit increases for those using VOSA facilities, is therefore considered appropriate.

3.2.10 In considering the FTA's comment that fees should "not be based on speculative volumes", scrutiny of, and consultation on, proposals to change statutory fees and charges mean that development of fee change proposals has to start at least 18 months before the changes take place. Thus assumptions have to be made on how many tests will be carried out and where they will be carried out.

3.2.11 In respect of facility closures, VOSA has a robust process in place before closure is announced to ensure that there is a high probability, given the stimulus of a closure announcement, that there will be sufficient non-VOSA facility capacity to replace the VOSA capacity being removed. If we waited until alternative provision was in place before announcing a closure, supply of non-VOSA facilities would reduce, if not dry up completely, leaving the worst of both worlds with high cost under-utilised VOSA facilities and only limited choice of non-VOSA facilities providing service nearer to customers.

3.2.12 General support for keeping RPC fees at DVA in line with those at VOSA is noted.

3.2.13 We accept that although increasing fees for RPC and LEC for which there is no physical inspection to the same level as those where a physical inspection takes place at a VOSA facility makes for a simpler fee structure, it is probably an inappropriate burden on those using this service.

Decision

3.2.14 The testing element of fees for tests at non-VOSA facilities will be reduced by 4% and that for tests at VOSA facilities will be increased by 4%. RPC and LEC fees involving tests at non-VOSA will also fall by 4%; those at VOSA facilities will rise by 4%. RPCs at DVA facilities in Northern Ireland will increase by 4% in line with the increase at VOSA facilities in GB. Fees

for RPC and LEC applications which are determined without physical examination will not be changed.

3.3 National Register Funding (Q7 to 11)

Responses

3.3.1 Several respondents considered that the National Register (NR) should be funded from taxation rather than fees and one suggested that it be funded by hypothecation of penalties imposed on foreign drivers.

3.3.2 In respect of the options proposed for funding from HGV fees:

- five considered that funding should come from all licence types; one favoured limiting the funding to those licence types details of which will be included in the NR unless such differentiation was disproportionately costly to administer; one respondent suggested that rather than increase fees for variations, changes of transport manager should be subject to the same fee as a variation application;
- five considered that applicants for variations to existing licences which contributed to NR funding should also contribute; two felt that variation applicants should not contribute.

3.3.3 In respect of options for funding from PSV fees:

- four favoured including applicants for all licence types, whilst three supported exempting restricted licences;
- opinion was split six to two in favour of including applicants for variations; one respondent, qualified their response in favour of including variations by suggesting that the contribution should come from making more variation applications chargeable rather than increasing the fee
- five favoured including applicants for special restricted licences – two were of the opposite view.

3.3.4 Other comments included:

- VOSA already held operator and transport manager details so there should be no extra cost;
- VOSA should fund the changes by selling its existing database system to other Member states; and
- that fees should reduce when the costs of creating the NR had been recovered in 5 years time.

Consideration

3.3.5 It was noted in the consultation document that VOSA expected to be able to reduce the cost of creating and maintaining the National Register as understanding of the work involved developed. This process has resulted in the total cost to be recovered from fees over a 5 year period being reduced from £1.1m to £886k (a reduction of nearly 20%).

3.3.6 Funding of the register has followed the existing policy of VOSA / DfT that the costs of VOSA services be covered by fees unless the agency is requested to carry out specific work by the Department that falls outside the scope of its statutory services.

3.3.7 The fundamental issue with the fee funding options is whether to treat this as part of the general cost of running the operator licensing system and therefore spread across all within the system; or as a cost specific to particular licence types and apply it only to them. In the former case all pay slightly more; in the latter case the cost for some stays the same but the increase for others is greater.

3.3.8 Taking into account that the majority supported including variations in the contributors the main options become:

- spread over all O licence fees (meaning a revised increase of 1.6% across the full range); or
- including only fees for licence types which will be included in the NR (meaning 3.1% across the narrower range of fees).

3.3.9 Only 12 of the 22 respondents expressed a view on whether funding for the national register should be levied across all licences or applied only to standard licences. Of those responses, two trade bodies – RHA and CPT – supported spreading the cost across all licences (FTA and BVLRA felt that it should be funded through taxation). We believe that the existence of the national register has the potential to provide a positive contribution to our targeted approach to enforcement overall through enhanced information about significant infringements by GB operators when abroad, and that we may be able to demonstrate that over time. It can therefore be argued that there would be better levelling of the playing field for GB operators. In addition improved reporting of serious infringements by GB standard licence holders when abroad will benefit restricted licence holders by reducing the likelihood of the latter being targeted for enforcement checks. Seeing the national register as only an administrative tool for operator licensing information exchange and therefore having charges applicable only to standard licence holders could seem narrow-sighted.

3.3.10 It is considered appropriate to make a special case of fees to holders of special restricted PSV licences who provide registered local services using licensed taxis and private hire cars since they also require to be licensed by the Local Authority in whose area they operate.

3.3.11 The suggestion to charge for notification of transport manager changes would need a change to primary legislation. Given limitations in Parliamentary time, it is not seen as a priority at this time.

3.3.12 As explained in the consultation document, details not currently held electronically about operators and transport managers are required and details about restricted licences are not required – this is why there is additional cost.

3.3.13 While the idea of selling “OLBS” to other Member States is superficially attractive, the need to translate input and output screens into the language of the country and the low likelihood that anyone implementing a system now would want to use coding in computer languages of 10 or more years ago is very slim.

3.3.14 The majority of the costs being recovered via this fee increase will certainly be removed from the O licence system cost base 5 years from the implementation of this increase. It is, however not possible, this far ahead to commit to equivalent fee reductions at that time because other investments will need to be made which will alter the cost base. One obvious example is that the OLBS system will almost certainly have to have been replaced by then altering the depreciation attributed to operator licensing.

Decision

3.3.15 All fees for both standard and restricted HGV and PSV operator licences will be increased by 1.6% to fund the National Register

3.4 PSV O licence fee equalisation (Q12 & 13)

Responses

3.4.1 All eight who answered favoured equalisation. Four favoured phasing over 3 years as being easier for operators to adjust; three favoured single step change, one mentioned the possibility of admin cost savings with a single step. One respondent suggested that it would be a disservice to the public and industry to reduce any fee income from PSV sources.

Consideration

3.4.2 The single step increase for restricted licence applicants is about the cost of about 35 litres of diesel at retail prices, a small proportion of the cost of operating even one PSV. This is a one-off cost for a new licence - the "easier to adjust" point would be stronger for a recurring cost. There would be savings of up to £13,000 in resource for both VOSA and lawyers by making the change as a single step.

3.4.3 Increasing restricted licence application fees without a corresponding reduction in standard application fees has obvious attractions to VOSA's finances but is considered incompatible with wider Government aims to minimise the cost of regulatory regimes.

Decision

3.4.4 On balance fees will be equalised in a single step.

3.5 Rounding to the next highest pound (Q14)

Responses

3.5.1 Views on this were evenly split – six on either side. Those opposed to the proposal that made additional comments generally supported rounding to the nearest pound.

Consideration

3.5.2 Six respondents (including RHA) favoured the proposed change in rounding policy that would see VOSA round fees to the next highest pound (rather than the nearest pound as now); six (including CPT and FTA) did not. The proposed change would reduce VOSA's deficit by an estimated £500k (0.7% of income from affected fees) – but add only 0.005% to estimated total vehicle operating costs.

3.5.3 While recognising that changing the rounding policy would add to industry's costs in the short term, it hastens recovery of VOSA's deficit.

Decision

3.5.4 Change VOSA's rounding policy to round fees which are changing to the next highest £1.

3.6 Voluntary service fee increases (Q15)

Responses

3.6.1 Six favoured the proposal to increase fees for voluntary services closely associated with HGV and PSV annual testing by 8.7% and for other voluntary services by 4.7% versus four who did not. One opponent considered that private sector comparison was invalid because

menu pricing of specific services was not normal – such services were bundled with other services in the private sector.

Consideration

3.6.2 While acknowledging the importance of these services to some customers, the prime consideration for these voluntary services must be to minimise risk of non-compliance with Treasury requirements to fully cover costs including a reasonable return on capital.

3.6.3 Noting the point that the transparency of menu pricing of services may not be common practice, the cost of the bundle of services will still take account of the individual services within the bundle.

Decision

3.6.4 To ensure compliance with Treasury guidance, increase voluntary fees for services closely associated with statutory annual testing by 8.7% and other voluntary services by 4.7%.

3.7 Core hours (Q5 & 6)

Responses

3.7.1 All eight who answered supported the change to core hours for RPC and LEC in GB. Four supported and one opposed removal of the redundant NI provision.

Consideration

3.7.2 DVA does not offer out of hours services so removal of this provision removes an ambiguity. Should that change the provision could be re-introduced.

Decision

3.7.3 Change core hours for RPC and LEC in GB and remove redundant NI provision.

3.8 Funding of Traffic Commissioner activities (Q16)

Responses

3.8.1 All 13 respondents who specifically answered this question were content that operator licence fees should fund the TC activities described. Some of these and several others who did not specifically answer the question considered its inclusion in a VOSA fee consultation inappropriate. Many examples were provided of why respondents considered these activities vital to ensure mutual understanding between TCs and the industry they regulated.

Consideration

3.8.2 DfT Ministers consider it is important that we have transparency and visibility of the costs associated with Traffic Commissioner activities that are funded through operator licensing fees which VOSA collect. Ministers asked VOSA to include a question to give industry and other stakeholders the opportunity to express their views about the relative importance and

value they place on the core regulatory work of the Commissioners compared with the 'softer' activities they carry out around engaging with industry more generally.

Responses received clearly demonstrate a high level of support for the non-core work Traffic Commissioners undertake, despite any additional costs that this may impose such as from the additional use of Deputy Traffic Commissioners.

The section on traffic commissioner activities and the question posed was not included to bring into question the independent nature of the Traffic Commissioner public appointments. DfT Ministers have made it clear that they recognise the benefits of an independent Traffic Commissioner system and that there are no proposals to undermine the independence of Traffic Commissioners in any way.

Decision

3.8.3 Not applicable because no change was proposed.

3.9 Information to improve future Impact Assessments (Q17 & 18)

Responses

3.9.1 No respondents were able to provide additional information, though one suggested that the Competition Commission may be able to help.

Consideration

3.9.2 VOSA will seek information from the Competition Commission in preparing the next round of fee change IAs.

4. Summary of responses by question

Q1 Do you agree that VOSA should not apply any general fee increase in 2011/12?
Yes: (11) James Smith (Denny) Ltd; Stagecoach Group plc; Transport Scotland; Traffic Commissioners; FirstGroup plc UK Bus; Transport for London; Confederation of Passenger Transport UK; Skinners of Oxted; Freight Transport Association; Institute of Transport Administration; Road Haulage Association **Comments:** **Stagecoach:** Changes in other Government funding and past above inflation increases in VOSA fees noted; no increases proposal welcomed. **Transport for London:** intention to share efficiency savings with customers and not applying inflationary cost increases for delivering statutory services is clearly welcome **Confederation of Passenger Transport UK:** Following strides made by VOSA to improve efficiency increases should be kept to a minimum **Freight Transport Association:** welcomes no general fee increase and on-going efforts to control costs internally **Institute of Transport Administration:** Fees should be kept neutral.
No: (1) VOSA trade unions **Comments:** **VOSA trade unions:** Fee element of VOSA income around 90% - proportion likely to increase as DfT funding is reduced – additional costs (with 5% inflation) must be met be "efficiency savings" – "efficiency savings" mean loss of staff seriously restricting VOSA's ability to undertake its work.
Related comments **British Vehicle Rental and Leasing Association:** concerned about VOSA's financial position and that the industry is being expected to assist in recovery – ask that all is done to ensure further operating efficiencies are looked at to maximise cost savings and reduce the deficit – expect fees to reduce once the deficit has been paid off – pleased that the enforcement element of test fees is not increasing given their previous views.

Q2 Do you agree that VOSA should continue to move towards the cost of VOSA testing facilities being met by those using them?
Yes: (10) James Smith (Denny) Ltd; Stagecoach Group PLC; Transport Scotland; FirstGroup plc UK Bus; Transport for London; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration; Road Haulage Association; British Vehicle Rental and Leasing Association **Comments:** **Transport for London:** in principle TfL supports this aim, specifically the overall strategy of improving customer service and reducing costs to customers. **Confederation of Passenger Transport UK:** This should only be done when there are sufficient non-VOSA facilities available to all operators across the country. **Institute of Transport Administration:** costs of VOSA facilities should be met by those who use them. **British Vehicle Rental and Leasing Association:** agree in principle with increasing test fees by a higher margin for tests at VOSA.
No: (2) Freight Transport Association; VOSA trade unions **Comments:** **Freight Transport Association:** Support bringing annual tests closer to the point of maintenance – concerns on execution being raised with programme team and Chief Exec – notes uncertainty on enthusiasm for private sites to become established and whether early adopters energy will be replicated going forward – fee structures should not be based on speculative volumes – concerns that location differentials are unfair to those who have no reasonable non-VOSA option – opposes the idea of location differential test fees, particularly at this early stage of the transformation programme – may become viable later. **VOSA trade unions:** VOSA needs to maintain GB-wide presence to support those required to use its services – all should contribute to cost of providing a significant network of VOSA sites – analogous to taxpayers continuing to pay for NHS even if they use private facilities

Q3 Do you agree that the move towards the cost of VOSA testing facilities being met by those using them should be phased with:

- ***the testing element of test fees (and RPC and LEC fees) at non-VOSA facilities and DPs being reduced by 4%; and***
- ***those at VOSA being increased by 4% in 2011?***

Yes: (6) James Smith (Denny) Ltd; Stagecoach Group PLC; Transport Scotland; FirstGroup plc UK Bus; Skinners of Oxted; Road Haulage Association

Comments:

Road Haulage Association: adequate alternative facilities must be made available prior to closure of existing VOSA facilities or lanes within those facilities – member feedback that those in some parts of the country are having to wait longer or travel further to remove prohibitions – non-VOSA facility concept was to reduce time and mileage for operators.

No: (4) Confederation of Passenger Transport UK ; Freight Transport Association; Institute of Transport Administration; VOSA trade unions

Comments:

Confederation of Passenger Transport UK: understands reason behind proposals – many operators unable to access a non-VOSA facility therefore unfair and unacceptable that they should have to pay more for tests at VOSA – recommends that this proposal is postponed until non-VOSA facilities are easily accessible to all operators.

Freight Transport Association: See comments at Q2

Institute of Transport Administration: all fees should be level.

VOSA trade unions: this approach will disadvantage huge areas of industry VOSA is here to serve – VOSA unions do not agree that private sector should provide facilities and VOSA provide the testing staff – moves to encourage presenters to take vehicles away from VOSA sites will leave areas of the country (mainly rural or socially deprived) with no private sector facilities disproportionately affected – "high" earning VOSA sites subsidising "low" earning VOSA sites results in standard service regardless of location – history teaches that short term knee jerk reactions do little to benefit the nation.

Related comments

Stagecoach: The consultation doesn't explain how the additional £2.2m costs associated with the transfer of tests to non-VOSA facilities arises. VOSA should be revising employees terms and conditions including their place of work.

VOSA Comment: Paragraph 48 of the Impact Assessment "Lorry, bus and coach examinations fees – location differentiation" which was annex A to the consultation explains that these costs arise from additional staff needed because of travelling time and less efficient layout of some facilities and of travel costs. These costs arise, to some extent, regardless of employee terms and conditions because fewer non-VOSA facilities have sufficient turnover to support permanently based VOSA staff than existing VOSA facilities and . Not all can even support full-day testing sessions. Holiday and sickness relief are also issues which mean that utilisation of VOSA staff is inherently less efficient

Transport for London: Whilst welcoming the proposed reduction in test fees at non-VOSA facilities TfL considered it inappropriate to increase fees for RPCs and LECs where no physical examination was necessary

British Vehicle Rental and Leasing Association: do not believe that fees at VOSA

should increase as dramatically as in option 1 of the Impact Assessment as they would unduly penalise those operators who do not have non-VOSA sites nearby – recommend that fees at VOSA should increase dramatically if there are operators who have no choice but to use VOSA.

Q4 Do you agree that to avoid unnecessary complication, RPC tests conducted at government facilities throughout the UK continue to attract a common fee?
Yes: (9) Stagecoach Group PLC; Transport Scotland; FirstGroup plc UK Bus; Transport for London; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration; VOSA trade unions; Road Haulage Association **Comments:** **Transport for London:** avoids complication and confusion for customers **VOSA trade unions:** public should get service for the same cost regardless of location.
No: (1) James Smith (Denny) Ltd;

Q5 Do you agree to the removal of provision for Out of Hours supplements in Northern Ireland?
Yes: (4) James Smith (Denny) Ltd; FirstGroup plc UK Bus; Institute of Transport Administration; Road Haulage Association
No: (1) VOSA trade unions

Q6 Do you agree that VOSA should change the core hours for RPCs and LECs to align with those for annual tests?
Yes: (8) James Smith (Denny) Ltd; Stagecoach Group PLC; FirstGroup plc UK Bus; Transport for London; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration; Road Haulage Association **Comments:** **FirstGroup plc UK Bus:** contingent on no consequent increase being passed on to operators. **Transport for London:** unhelpful to maintain different out of hours periods for different services often carried out at the same time. **Confederation of Passenger Transport UK:** sensible if core hours for RPCs and LECs are aligned to those of annual tests. **Institute of Transport Administration:** core hours should be in line.
No: (0)

Q7 Do you think that the HGV fees contributing to the cost of the National Register should include all licences or only standard licences?

All: (5) James Smith (Denny) Ltd; Skinners of Oxted; Institute of Transport Administration; Road Haulage Association; British Vehicle Rental and Leasing Association

Comments:
Institute of Transport Administration: Cost should be borne by all, no matter the licence type.
British Vehicle Rental and Leasing Association: all operators should help fund the NR, therefore support 2% increase across all licence types including variations.

Standard only: **(1)** Traffic Commissioners

Comments:
Traffic Commissioners: In that the national register only applies to standard licence holders it would appear equitable to restrict the fees increase to those licences unless the cost of differentiating the fees was disproportionate.

Related comments
British Vehicle Salvage Federation: considered that VOSA already held operator and transport manager details so there should be no additional costs to meet the EU obligation; therefore did not support any fee increase as a result of EU changes.

Freight Transport Association: Recognised the need for the National Register – broadly exporting GB best practice to the rest of Europe – recognised the principle of differentiating fees to reflect who would "use" the register –believe the principle inappropriate in this case – GB already has OLBS funded by domestic fees - the National register is a cross border enforcement tool to enable those who travel abroad to be better targeted by foreign enforcement agencies (however doubts that this will be effective) – funding should come from those who VOSA target rather than from GB operators funding their own targeting abroad – should therefore be funded by hypothecation of fixed penalties and deposits collected from foreign operators.
VOSA should be trying to licence the use of OLBS to other member states seeking to establish national registers for the first time.
Profile of monetised costs shows transition costs ending in year 5 – would welcome confirmation that there will be a matching fee reduction.

Q8 Do you think that the HGV fees contributing to the cost of the National Register should include applications for variations to licences for which fees are charged?
Yes: (5) James Smith (Denny) Ltd; Transport Scotland; Traffic Commissioners; Road Haulage Association; British Vehicle Rental and Leasing Association **Comments:** **British Vehicle Rental and Leasing Association:** all operators should help fund the NR, therefore support 2% increase across all licence types including variations.
No: (2) Skinners of Oxted; Institute of Transport Administration **Comments:** **Institute of Transport Administration:** Fees should only be applied to fully authorised licences.

Q9 Do you agree that application fees for restricted PSV operator licences should not be increased to contribute to the cost of the National Register?
Yes: (3) James Smith (Denny) Ltd; Transport Scotland; FirstGroup plc UK Bus **Comments:** **FirstGroup plc UK Bus:** inappropriate to pay when they are not on the NR
No: (4) Stagecoach Group PLC; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration **Comments:** **Stagecoach:** the national register should be funded from taxation rather than fees – understand this is being done in other Member States – feel strongly that if the cost of the national register is to be borne by the industry they should be spread equally amongst all operators **Confederation of Passenger Transport UK:** cost of a national register if it is to be applied should be applied equally to all O licence holders regardless of category. **Institute of Transport Administration:** If you use a licence you should contribute to the register.

Q10 Do you agree that application fees to vary PSV operator licences should be increased to contribute to the cost of the National Register?
Yes: (6) James Smith (Denny) Ltd; Stagecoach Group PLC; Transport Scotland; Traffic Commissioners; Skinners of Oxted; Institute of Transport Administration **Comments:** **Stagecoach:** although not supporting fee funding of national register think small variation of fees justified to amend data – feel strongly that if the cost of the national register is to be borne by the industry they should be spread equally amongst all operators
No: (2) FirstGroup plc UK Bus; Confederation of Passenger Transport UK **Comments:** **FirstGroup plc UK Bus:** only additions or deletions to the pool of operators trigger material change to register therefore inappropriate for existing operators to pay part of cost. **Confederation of Passenger Transport UK:** fee should not be increased but should be applied in future if an operator changes transport manager.

Q11 Do you agree that application fees for special restricted PSV operator licences should not be increased to contribute to the cost of the National Register?
Yes: (2) Transport Scotland; FirstGroup plc UK Bus **Comments:** **FirstGroup plc UK Bus:** inappropriate to pay when they are not on the NR
No: (5) James Smith (Denny) Ltd; Stagecoach Group PLC; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration **Comments:** **Stagecoach:** Special restricted licences should be included if their details are to be included in the national register – feel strongly that if the cost of the national register is to be borne by the industry they should be spread equally amongst all operators **Confederation of Passenger Transport UK:** If fees increased to pay for NR then fee should be the same irrespective of type of licence.

Q12 Do you agree that application fees for restricted PSV operator licences should be the same as for standard PSV operator licences, before changes to fund the National Register are applied?
Yes: (8) James Smith (Denny) Ltd; Stagecoach Group PLC; Transport Scotland; Traffic Commissioners; FirstGroup plc UK Bus; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration **Comments:** **Stagecoach:** work is the same **Traffic Commissioners:** Considered that PSV fees required a modest fee increase – agreed that processing restricted licences can be as time consuming as processing standard licences – would be a disservice to public and the industry to reduce any fee income from the PSV source – restricted application fees should be increased. **FirstGroup plc UK Bus:** restricted licence holders can compete with standard licence holders therefore costs should be aligned – consistent with test fees not being licence type related – no justification for differential if licence type is not the major reason for cost differences. **Confederation of Passenger Transport UK:** fee should be the same as administrative work involved is the same. **Institute of Transport Administration:** every operator should be on a level playing field
No:(0)

Q13 Do you think that a move to equalise standard and restricted PSV operator licence fee should be phased over 3 years?
Yes: (4) Stagecoach Group PLC; Transport for London; Confederation of Passenger Transport UK; Institute of Transport Administration **Comments:** **Stagecoach & Transport for London**: 3 year change easier for operators to adjust to. **Confederation of Passenger Transport UK:** enable restricted licence holders to plan for harmonisation.
No: (3) James Smith (Denny) Ltd; FirstGroup plc UK Bus; Skinners of Oxted **Comments:** **FirstGroup plc UK Bus:** no strong views but consider admin cost savings may be made by single stage change.

Q14 Do you agree that VOSA should round fees up to the next highest pound?
Yes: (6) James Smith (Denny) Ltd; Transport Scotland; Traffic Commissioners; Skinners of Oxted; VOSA trade unions; Road Haulage Association
No: (6) Stagecoach Group PLC; FirstGroup plc UK Bus; Transport for London ; Confederation of Passenger Transport UK ; Freight Transport Association; Institute of Transport Administration **Comments:** **Stagecoach:** rounding should remain to the nearest pound. **FirstGroup plc UK Bus:** prefer no rounding – can't be much harder for applicants to pay exact amount – other providers don't round – may help reduce VOSA's deficit but hardly fair on applicants. **Transport for London:** rounding easier to communicate to customers but should be to the nearest pound – not convinced that current rounding policy contributed to VOSA deficit. **Confederation of Passenger Transport UK:** should be rounded to nearest pound. **Freight Transport Association:** contrary to normal accountancy practices – inflationary e.g. for a partial retest of a 1 axle trailer rounding alone accounts for a 4.2% increase – rejects proposal. **VOSA trade unions:** will assist VOSA's financial recovery plan.

Q15 Do you support the proposed increase in charges for non-statutory services?
Yes: (6) Stagecoach Group PLC; Transport Scotland; Confederation of Passenger Transport UK; Skinners of Oxted; VOSA trade unions; Road Haulage Association **Comments:** **Stagecoach:** VOSA costs should be recovered **Confederation of Passenger Transport UK:** cost to VOSA for providing these services should be recovered – service users should pay the correct fee. **VOSA trade unions:** as long as the increase reflects cost and is not an attempt to encourage use of private sector.
No: (4) James Smith (Denny) Ltd; FirstGroup plc UK Bus ; Freight Transport Association; Institute of Transport Administration **Comments:** **FirstGroup plc UK Bus:** increase disproportionate for this valuable service, particularly with VAT impact – would support increases commensurate with other proposed increases. **Freight Transport Association:** important service for which there is no private sector comparator – members do not recognise "menu" pricing in private sector because individual checks are part of wider services purchased – does not believe that there is now a competitive market but one would be created if VOSA could not cope with demand – opposes increase.

Q16 Are you content that operator licence fees fund both core and the consequences of non-core activities by Traffic Commissioners?

Yes: (13) James Smith (Denny) Ltd; TravelWatch Northwest; Stagecoach Group PLC; Transport Scotland; Association of Road Transport Lawyers; Traffic Commissioners; Arriva plc, UK Bus; FirstGroup plc UK Bus; Confederation of Passenger Transport UK; Association of Local Bus Managers; Skinners of Oxted; Institute of Transport Administration; Chartered Institute of Logistics and Transport (UK)

Comments:

TravelWatch Northwest: particularly valued liaison with the TC and considered that the TCs interaction with the media had particular value in improving understanding of the role of TCs in bus service regulation.

Stagecoach: Vital that TCs meet the industry and its trade associations – which aids compliance and reduces the number of Public Enquiries. Speaking to the press can have a significant deterrent effect.

Transport Scotland: Consider stakeholder liaison to be one of the TC's primary duties – should not underestimate its educational and deterrence aspects – aim is to prevent undesirable behaviour from happening in the first place rather than punishing it after the fact.

Association of Road Transport Lawyers: urge that operator licence fees fund both core and the consequences of non-core activities – illustrative examples of the benefits of non-core activities include:

- the maintenance of the integrity of the TCs quasi-judicial role by providing a bridge between industry and enforcement authorities
- enabling TCs to keep in touch with a broader cross section of the industry and examples of best practice to avoid the risk that their views would become jaundiced if they were only exposed to operators who fall below acceptable standards
- helps to maintain and emphasise the independence of the TCs from enforcement agencies which is the cornerstone of the operator licensing system
- increases the knowledge and expertise of the Deputies who may also be needed to cover for illness of TCs.
-

Traffic Commissioners: Provided several examples of the need/benefit for these activities in which the TCs are in a unique position not only to give strong messages to the transport industry about safe and legal operation of vehicles but to involve a full range of stakeholders in wider society.

Arriva plc, UK Bus: important that TCs views are widely known and understood and that TCs understand the needs of operators, their customers and local authorities; entirely appropriate, indeed essential, that TCs undertake stakeholder liaison, education and training events and work with the specialist media and have the opportunity to exchange views away from formal public inquiries to help them to understand what is achievable.

FirstGroup plc UK Bus: essential for TCs to maintain dialogue with all stakeholders to ensure their role has relevance to practical day-to-day considerations and circumstances – reducing role to judges presiding over misdemeanours would seriously reduce their effectiveness and risk them being "out of touch" with the real world – keen to see non-core roles at least maintained at their present level if not augmented – if O licence fees are the means to achieve this so be it.

Confederation of Passenger Transport UK: regard meetings with operators and trade associations as core activities – vital that these meetings continue to take place to enable TCs to hear industry views including those on the way VOSA operates and for industry to hear what TCs expect from compliant operators.

Association of Local Bus Managers: concern at any attempt by VOSA to bring about a reduction in powers and work of TCs – support and advice from TCs valuable to industry – their independence brings respect – non-core work adds value to the industry and strengthens TCs regulatory functions – industry needs TCs and VOSA to work together but function separately – considers TC support from VOSA Central Licensing not fit for purpose – dismayed that such an important fundamental principle to the organisation of the industry is challenged in a short section of a consultation document on VOSA fees – do not see how reducing TC costs saves VOSA money – supportive of TCs, their non-core activities and therefore the associated cost.

Skinners of Oxted: Highly value independence to TCs – non-core activities vital part of getting compliance messages across to operators – ensures operators hear TCs views rather than VOSA's take on them.

Institute of Transport Administration: O licence fees need to fund both – TCs need to be independent of other influences

Chartered Institute of Logistics and Transport (UK): limiting discretion of TCs in the activities quoted is a considerable fettering of their statutory independence – good regulation assisted cost-effectively by regulators building a climate of confidence and trust through sharing their objectives and concerns with the industry they regulate by direct contact, through the media or by other appropriate means – would expect TCs to be involved with stakeholders in determining ground rules for use of information gathered electronically by both operators and local authorities e.g. in relation to bus operators' adherence to registration conditions or allegations about driving standards - potential for lack of clarity in the regulatory process if TCs forced to concentrate on formal enforcement elements of their activities – TCs provide a vital level of protection to the travelling public – TCs accumulated knowledge is also a useful input to the development of transport policy at both local and national level that can be exploited through interaction with stakeholders – note that there has been no Impact Assessment – the costs quoted in the consultation paper are extremely small within the scale of the entire GB road freight and passenger industries.

No: (0)

Related comments

Chris Heaps: questioned "whether VOSA had the powers to seek to determine *"the non-core functions"* and *"core functions"* Traffic Commissioners (TCs) and therefore to seek views as to their justification and sustainability".

Association of Road Transport Lawyers: concerned that there was no Impact Assessment in respect of the role of the TCs.

Association of Road Transport Lawyers: consider that TCs subsidise VOSA because operator licence fees and penalties imposed by the Traffic Commissioner more than cover the cost of the Commissioners, their support and the operation of the operator licensing

system.
VOSA Comment: Penalties are paid to the exchequer and cannot be used to offset Trading Fund costs. Thus only the operator licence fees are available to the Trading Fund to cover the costs mentioned.

Association of Road Transport Lawyers: not for VOSA to comment on activities of TCs.

Traffic Commissioners: raised several issues about the relationship between VOSA and the TCs.

Arriva plc, UK Bus: Questioned whether this consultation was the appropriate place to seek views on these matters.

Transport for London: does not consider this a suitable subject for a VOSA consultation – has strong views but will respond to DfT not VOSA.

Confederation of Passenger Transport UK: concerned that consultation contains proposals to limit TC interaction with industry – TC views of great interest and value to members – restriction of this activity would not be welcome by bus and coach sectors.

Freight Transport Association: objects in the strongest possible terms to a question regarding the fundamental role of the Traffic Commissioners being included as part of this consultation.

Road Haulage Association: Operator licensing system and TCs work exceptionally well – GB arguably has the safest road freight industry in the world, which should not be jeopardised – VOSA acts a police and prosecutor TCs as judge and jury – sees inclusion in a VOSA consultation as totally inappropriate – core duties of TCs include both statutory and non-statutory functions – misguided to describe activities such as informal meetings with stakeholders as “non-core” – they constitute an important element of their work, fully compatible with their statutory role and broader Hampton principles of good regulation – welcomed and fully supported by the industry – understand the desire to manage expenditure but do not believe VOSA should be handling this element of the consultation – not supported by any kind of impact assessment – the Statutory Senior TC should use their powers to consult on the position of TC as regulators and facilitate debate about the ways in which the TCs fulfil their statutory and non-statutory roles; and how their work is done using Deputies and VOCA staff.

Q17 Can you offer any information which we could use publicly that would help us to make the impact assessment more accurate?
Yes: (0(
No: (7) James Smith (Denny) Ltd; Stagecoach Group PLC; FirstGroup plc UK Bus; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration; Road Haulage Association **Comments:** **Stagecoach:** suggested that the Competition Commission may have useful data.

Q18 Can you provide any data which we could use in published documents to assess the effects of our proposals on your industry sector?
Yes: (0)
No: (8) James Smith (Denny) Ltd; Stagecoach Group PLC; FirstGroup plc UK Bus; Transport for London; Confederation of Passenger Transport UK; Skinners of Oxted; Institute of Transport Administration; Road Haulage Association

5 Summary of other comments

General comments
Cllr Gibson (Iver, Bucks): Wishes TCs powers in respect of operating centres to be extended to include "cumulative effect of HGV operating centres" on "local, unclassified and residential roads". **VOSA Comment**: Not within the scope of this consultation but views passed on to DfT officials responsible for policy in this area.
Historic Commercial Vehicle Society: No objections because proposals do not reduce freedom of use of historic commercial vehicles. **VOSA Comment:** Noted
Stagecoach: One in One Out (OIOO) should apply to European Regulation. **VOSA Comment:** The policy on what is in and out of scope of OIOO is set by the Cabinet Reducing Regulation sub-Committee. Their current policy is that the effects of EU legislation are out of scope.
Association of Road Transport Lawyers: "deprecate the opaque suggestion that the cost of Traffic Commissioners should be seen as a possible justification for increasing non-operator licence fees as set out in this consultation" **VOSA Comment:** No such suggestion was made. The activities which can be funded from particular fees are strictly controlled by the legislation containing the fee raising power, the Department of Transport (Fees) Order 1988, the Department for Transport (Fees) Order 2009 and Treasury policies.
Freight Transport Association: Have been told that "licensing fees pay only for the TC System". VOSA Annual Report 2010/11 shows licensing fee income as £11.6M but TC and DTC costs as £1,5M – where is the difference going? The FTA included a table in which they had re-presented some information from the VOSA Annual Report for 2010/11 and asked that consideration be given to presenting information in this format **VOSA Comment:** The "TC system" would, perhaps have been more clearly described as the "operator licensing system" In 2010/11 £1.4m was spent on salaries, travel and subsistence for Traffic Commissioners and their Deputies. The balance of £11.6m was for accommodation, TC support from the Offices of the Traffic Commissioners and Central Licensing Services. VOSA will help FTA to understand the figures during routine meetings with the Association and consider whether clarity can be improved in future annual reports, within standard Treasury reporting formats.

British Vehicle Rental and Leasing Association: Note comments in the National Audit Office report on VOSA's enforcement of regulations on commercial vehicles that VOSA *'could deliver significantly better value for money through refining its systems for scoring risk and its targets and deploying staff so as to make better use of its resources. There are also a number of long-standing issues such as the location of check sites which the Department, together with the Agency, must address both to improve value for money and make the Agency's work more effective.'* – question how many of these long standing issues have been addressed to ensure VOSA is reducing this deficit.

VOSA Comment:
As explained in published Annual Reports and Business Plans, VOSA is working with the industry trade associations and other agencies to develop and implement a number of joint strategic compliance aspirations to tackle the causes of non-compliance aimed at addressing this and other issues raised by the NAO.

British Vehicle Rental and Leasing Association: believe the most cost effective way for annual tests to be carried out would be independent VOSA-accredited testers

VOSA Comment:
Noted

6 Respondents

James Smith (Deny) Ltd
Carol Gibson
Historic Commercial Vehicle Society
British Vehicle Salvage Federation
TravelWatch NorthWest
Stagecoach Group PLC
Chris Heaps
Transport Scotland
Association of Road Transport Lawyers
Traffic Commissioners
Arriva
FirstGroup plc, UK Bus Division
Transport for London
Confederation of Passenger Transport UK
Association of Local Bus Managers
Skinners of Oxted
Freight Transport Association
Institute of Transport Administration
VOSA Trade Union Side
BVRLA
Chartered Institute of Logistics and Transport
Road Haulage Association