EXPLANATORY MEMORANDUM TO

THE PASSENGER AND GOODS VEHICLES (RECORDING EQUIPMENT) (TACHOGRAPH CARD FEES) (AMENDMENT) REGULATIONS 2014

2014 No. 2557

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 instrument

2.1 These Regulations reduce tachograph card fees for businesses and drivers.

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

3.1 The Passenger and Goods Vehicles (Recording Equipment) (Tachograph Card Fees) Regulations 2005 were made exclusively under section 2(2) of the European Communities Act 1972. It was explained to the JCSI in the Explanatory Memorandum to those Regulations that it was regrettably not possible to base the fees provisions on section 56 of the Finance Act 1973 because of problems obtaining signatures of two Lords Commissioners of H.M. Treasury by the time the instrument had to be laid. There were not the same problems with time constraints for signature at the time of making these amending Regulations so section 56 of the Finance Act 1973, as the more specific charging power, has been used in this instance to amend the fees.

4. Legislative Context

4.1 This instrument amends the Passenger and Goods Vehicles (Recording Equipment) (Tachograph Card Fees) Regulations 2005 to reduce the statutory fees for issue of new driver and company tachograph cards.

5. Territorial Extent and Application

5.1 This instrument applies to Great Britain.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- What is being done and why:

7.1 The Driver and Vehicle Licensing Agency (DVLA – which is an executive agency of the Department for Transport) is required to recover its operating costs through statutory fees and wider commercial (non-statutory) charges. The DVLA is continuing to become more efficient but also wants to focus on its customers and increase its digital services. As a result of the improvements already made, the DVLA's costs have reduced and are forecast to continue to reduce over time. The DVLA needs to ensure that it passes on reductions in costs to its customers by reducing fees.

- Consolidation:

7.2 There is no plan to consolidate these Regulations at present.

8. Consultation outcome

8.1 Motor industry stakeholders and the general public were consulted on the reduced fees policy over a four week period starting on 28th July 2014 and ending on 25th August 2014. The general response was that the proposal was positive and that fee reductions to customers were very welcome. The consultation was widely publicised but the response rate was minimal compared to the number of people that were targeted. The consultation was advertised via GOV.UK and Twitter and it is the latter that maximised our message getting out to the public.

8.2 There were 94 responses to the consultation. Of these, 82 were from private individuals, 10 from organisations, one from the Northern Ireland Assembly and one from the Scottish Parliament.

8.3 48 responses were in favour of reducing the fees with the main reason being given that any savings that were being passed to the motorist were welcome. 9 responses were against the reduction in fees but this was mainly due to discrimination in cost between customer channels for driver licence applications. There were no specific objections to the reduction of tachograph fees. 37 respondents did not express an opinion for or against the fee reduction or give an answer to any of the questions asked.

9. Guidance

9.1 These Regulations do not impose any new obligations so there is no need for guidance. These changes will be communicated to drivers as part of the information given in forms and guidance on tachograph card applications.

10. Impact

10.1 The impact on business, charities or voluntary bodies will be positive for those businesses that use tachograph cards. The reduction is savings can be substantial depending on how much money the business spends on tachograph cards per annum. Drivers of buses and lorries will also benefit from the reduced costs.

10.2 Based on the DVLA's figures, there will be 293,192 tachograph cards issued in 2014. The number of issues is forecast to remain steady. Reducing the fee for a tachograph card from £38 to £32 will save businesses £6 per tachograph card. Over the next 10 years, it is estimated that savings to business could be in the region of £13.6M.

10.3 There are no costs to business associated from reducing tachograph card fees.

10.4 The impact on the public sector is a neutral one; the reduction in fee income reflects reductions in costs of administering these applications for new tachograph cards.

10.5 An Impact Assessment accompanies this memorandum and will be published alongside the Explanatory Memorandum on the legislation.gov.uk website.

11. Regulating small business

11.1 The legislation applies to small business; the impact on small businesses will be a positive one as they will have to pay lower fees for tachograph cards.

12. Monitoring & review

12.1 The DVLA will be conducting a comprehensive review of its funding focusing on the way it delivers services to customers in light of the introduction of further digital services. This will include reviewing appropriate fees for different DVLA services.

13. Contact

13.1 Russell Trowbridge-Matthews at the Driver and Vehicle Licensing Agency Tel: 01792 786767 or email: Russell.trowbridge-matthews@dvla.gsi.gov.uk can answer any queries regarding the instrument.