EXPLANATORY MEMORANDUM TO

THE RETENTION AND SALE OF REGISTRATION MARKS REGULATIONS 2015

2015 No. 193

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

2. Purpose of the instrument

2.1 The purpose of the Statutory Instrument covered by this Memorandum is to allow customers (and in certain circumstances agents on their behalf) to retain and assign personalised registration marks via an electronic service and to assign a personalised registration, which has been purchased via the Driver and Vehicle Licensing Agency (DVLA) website, via an electronic service. Customers will also be able to change their details or add or change nominated persons details through an electronic channel.

2.2 This Statutory Instrument also removes the £25 element of the fee for retaining the rights to a personalised registration and removes the fees for extending a right of retention or adding or changing the nominee details. In addition the retention/entitlement period will be extended to 10 years.

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

3.1 None.

4. Legislative Context

Personalised Registrations (PR)

4.1 The primary legislation governing vehicle registration and licensing is contained in the Vehicle Excise and Registration Act 1994 (VERA). This Act provides for the Secretary of State for Transport to make regulations governing the retention and assignment of registration numbers. The Retention of Registration Marks Regulations 1993 (as amended in 1994, 2008 and 2014) provide for the retention and sale of registration marks. The Sale of Registration Marks Regulations 1995 (as amended in 2008 and 2014) provide for the sale of registration marks by the Secretary of State (in practice DVLA) and their subsequent retention and assignment.

Retentions

4.2 Presently, only paper applications can be made and these changes mean these applications can be made using an electronic service. The 1993 Regulations are accordingly amended to permit this.

4.3 In addition, the law currently requires a fee of £105 to be paid when applying to retain a personalised registration. A fee of £25 is also incurred when

extending the right of retention or when adding/changing a nominee. The Regulations will be amended to reduce the initial fee to £80 and to remove all subsequent fees.

Sale of Registration Marks

4.4 While it is already possible to transact electronically with DVLA, this option is only available for a limited range of services. These changes will give all customers the option to transact electronically with the DVLA in all circumstances relating to the sale of marks.

4.5 In addition, a fee of £25 is currently incurred when extending the right of entitlement or when adding/changing a nominee. The Regulations will be amended to remove these fees.

5. Territorial Extent and Application

5.1 This instrument extends to the United Kingdom.

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

7.1 The Government's Red Tape Challenge focuses on reducing regulatory burdens on vehicle keepers and business. The Personalised Registrations Online policy allows motorists and businesses to buy, retain, assign and amend details using an electronic notification.

7.2 The electronic system will allow a retention and either an immediate or delayed assignment. In addition the vast majority of customers will no longer be required to apply to extend an entitlement or a retention period where a mark is not assigned as the period will be extended to 10 years. The removal and reduction of fees are aligned to a more streamlined and efficient process.

8. Consultation outcome

8.1 There is demand for the Government to offer more electronic channels to its customers. The recent Motoring Services Strategy Consultation outlined the vision to be at the forefront of digital services and to maximise the digital delivery of services to motorists. Additionally, the Transforming DVLA Services consultation focused on the increase in digital services.

8.2 The Government's Red Tape Challenge website focused on reducing regulatory burden. During the Road Transportation Theme of the Red Tape Challenge, comments were received about the lack of electronic services for

notifying changes to vehicles. Comments surrounded the bureaucracy of the administration process and timeliness of delivery for manual notifications.

8.3 A 6 week public consultation exercise was launched on 1st October 2012 in relation to vehicle online services and 49 responses were received. Trade associations, businesses and individuals responded, and there was a unanimous consensus for a facility to transact electronically. Respondents were in favour of a self serve channel.

8.4 Representatives of the Society of Motor Manufacturers and Traders (SMMT), Retail Motor Industry Federation (RMIF), Cherished Number Dealers Associations (CNDA) and the Scottish Motor Trade Association (SMTA) took part in a targeted survey on the proposal to reduce the initial retention fee. Their views were unanimous in supporting the reduction of fees by £25. In addition, the driver's fees consultation launched on the 25 July 2014 included the proposal to separately consider the removal of retention fees for personalised registration.

9. Guidance

9.1 Information will be available on the Gov.uk website and communications on the new processes will be available through a range of media.

10. Impact

10.1 There is no negative impact on business, charities or voluntary bodies.

10.2 The following Impact Assessments will be published alongside this Explanatory Memorandum on www.legislation.gov.uk:

- IA DfT 00314 (Personalised Registrations Online); and
- IA DfT 00313 (Changes to fees associated with the Retention and Sale of Personalised Registrations).

11. Regulating small business

11.1 There is no impact on small businesses.

12. Monitoring & Review

12.1 A Post Implementation Review is planned in 5 years.

13. Contact

13.1 John Vale at the Driver and Vehicle Licensing Agency (tel: 01792 783864) or email: john.vale@dvla.gsi.gov.uk) can answer any queries regarding the instrument.