EXPLANATORY MEMORANDUM TO

THE ROAD VEHICLES (REGISTRATION AND LICENSING) (AMENDMENT) (No. 2) REGULATIONS 2014

2014 No. 2676

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 implement the first phase of measures to allow vehicle keepers (and in certain circumstances vehicle traders on their behalf) to notify the Secretary of State or make applications by electronic means or orally by telephone in relation vehicle registrations ("Vehicle Records Management"). This Statutory Instrument allows notifications in this way where a vehicle is transferred to a vehicle trader and allows the trader to give notifications and make declarations similarly on behalf of the registered keeper. The Statutory Instrument will also allow vehicle traders, as registered keepers, to notify electronically or by telephone that they have become the vehicle keeper or that the vehicle has been passed to someone other than a trader (the initial phase of "Vehicle Records Management").

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

3.1 None.

4. Legislative Context

<u>Vehicle Records Management</u>

4.1 The primary legislation governing vehicle registration and licensing is the Vehicle Excise and Registration Act 1994 ("VERA 1994"). This Act provides for the Secretary of State to make regulations governing the registration of vehicles. These regulations are contained in the Road Vehicles (Registration and Licensing) Regulations 2002 (S.I. 2002/2742) ("the 2002 Regulations").

4.2 Where a person, as registered keeper of a vehicle, transfers it to a trader (regulation 23 of the 2002 Regulations), or where a vehicle trader becomes the registered keeper (regulation 24), those regulations at present only allow for paper applications or notifications. This Statutory Instrument will allow for such applications or notifications to be made or given electronically or by telephone.

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 Vehicle Management policy will allow registered keepers and vehicle traders to make electronic notifications (online) or orally by telephone about any changes to the vehicle record.

Vehicle Management

7.2 The Driver and Vehicle Licensing Agency (DVLA) already offers a number of electronic services to motorists. Building on the success of current electronic service delivery, the DVLA now wants to offer customers services to enable registered keepers and vehicle traders to have the option of making changes to the vehicle record via an electronic channel. Customers, or vehicle traders on their behalf, will be able to notify online or by telephone when their vehicle has been disposed of into trade. Also, vehicle traders will be able to notify DVLA electronically when a vehicle is sold to a member of the public.

7.3 There is demand for the Government to offer more scope for the use of electronic forms of communication to its customers. The Government's Red Tape Challenge 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 mentioned the bureaucracy of the existing administrative processes and timeliness of delivery following paper notifications.

7.4 This Statutory Instrument covers the delivery of the electronic notifications of disposals into and out of the trade. Further amendments to the 2002 Regulations will be made in early 2015 to enable customers to transact electronically with DVLA more widely.

8. Consultation Outcome

8.1 The Transforming DVLA Services Consultation undertaken by DVLA in December 2011 outlined the vision for the Agency to be at the forefront of digital services and to maximise the digital delivery of services to motorists. Additionally, the Vehicle Online Services Consultation undertaken in October 2012, proposed allowing motorists to be able to notify DVLA electronically of changes to their vehicle record. The overall majority of responses were in favour of an electronic channel and a summary of the responses was published in September 2014.

9. Guidance

9.1 The Department intends to publicise the changes in legislation. 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 Assessment will be published alongside this Explanatory Memorandum on www.legislation.gov.uk:

- IA DfT 00290 (Vehicle Management – Electronic Vehicle Notifications). The provisions concerning notifications into and out of the vehicle trade are being introduced first with the other notifications to amend the vehicle record being introduced in 2015. This does not affect the underlying validity of the Impact Assessment.

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.