

Summary: Intervention & Options

Department /Agency: Department for Transport, Vehicle and Operator Services Agency (VOSA)	Title: Impact Assessment of VOSA Fee revisions for 2009/10	
Stage: Implementation	Version: 1.0	Date: 17 March 2009
Related Publications:		

Available to view or download at:

<http://www.dft.gov.uk/consultations>

Contact for enquiries: **John MacLellan**

Telephone: **0117 954 2531**

What is the problem under consideration? Why is government intervention necessary?

- a) The costs to the Vehicle and Operator Services Agency (VOSA) Trading Fund, of providing services funded by statutory fees continue to rise. If no action is taken the Agency will fail to meet its statutory obligations under the Government Trading Funds Act and will contravene requirements set out in the Treasury guidance on Government fees and charges.
- b) The present fee structure inhibits Ministers' announced intention to carry out more tests at locations more convenient to vehicle operators.

What are the policy objectives and the intended effects?

- a) To ensure that the income from statutory fees for services provided by the Agency fully covers the costs of providing those services which VOSA delivers to customers on behalf of the Secretary of State.
- b) To revise fees for testing at test facilities provided by 3rd parties to ensure a fairer balance between the fees which VOSA charges for testing at its own and 3rd party test facilities.
- c) To transfer the funding of some activities from operator licence fees to test fees (see separate IA).

What policy options have been considered? Please justify any preferred option.

A number of options have been looked at, these ranged from; 1) do nothing (change neither fees, service levels or investment plans), 2) maintain statutory fees at their current levels and cut costs, 3) increase fees as per detailed proposals.

Option 1 has not been pursued as it would not enable VOSA to meet its legal obligations. As Option 1 is not sustainable, Option 2 has been adopted as the base case scenario in this appraisal. Option 3 is preferred as it allows VOSA to maintain service levels; further invest in meeting future customer needs in respect of vehicle technology developments and changes in industry patterns and practices; and to develop service enhancements such as E-enabled services and targeted enforcement.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? Reviews will be considered together with other general fee issues which normally occur on an annual cycle.

Ministerial Sign-off For Implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

Jim Fitzpatrick

Date: 25/3/2009

Summary: Analysis & Evidence

Policy Option: 2

Description: Maintain statutory fees at their current levels and cut costs (Base Case Scenario)

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Maintaining fees at current levels and cutting costs will require cuts in services and hence, increases in operating costs. This leads to increased costs to customers in proportion to their usage of the services. Compared to Option 1, the additional costs to customers resulting from the poorer service levels equate to (£13.6 – 42.0m per annum)
	One-off (Transition)	Yrs	
	£		
	Average Annual Cost (excluding one-off)		
	£		Total Cost (PV) £

Other **key non-monetised costs** by 'main affected groups' **None identified**

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' There would be no identifiable benefits from this scenario compared to Option 1.
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£		Total Benefit (PV) £

Other **key non-monetised benefits** by 'main affected groups' **None identified**

Key Assumptions/Sensitivities/Risks Main assumptions are that volumes of vehicles tested, permit applications and authorisations etc; will not change dramatically. Late implementation of changes or significant changes in volumes of business are the main risks.

Price Base 2008	Time Period 2	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £		
What is the geographic coverage of the policy/option?					Great Britain
On what date will the policy be implemented?					April 2009
Which organisation(s) will enforce the policy?					VOSA
What is the total annual cost of enforcement for these organisations?					£ Nil
Does enforcement comply with Hampton principles?					N/A
Will implementation go beyond minimum EU requirements?					N/A
What is the value of the proposed offsetting measure per year?					£ N/A
What is the value of changes in greenhouse gas emissions?					£ N/A
Will the proposal have a significant impact on competition?					No
Annual cost (£-£) per organisation (excluding one-off)			Micro	Small	Medium
Are any of these organisations exempt?			No	No	N/A
Impact on Admin Burdens Baseline (2005 Prices)					(Increase - Decrease)
Increase	£	Decrease	£	Net Impact	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Summary: Analysis & Evidence

Policy Option: 3

Description: : Increase fees as detailed in evidence

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Relative to the base case, Option 2, the annual costs represent the increase in annual fees, which will pay for maintaining services at existing levels. These will affect all users of VOSA services in proportion to their usage of the services.
	One-off (Transition)	Yrs	
	£ N/A	N/A	
	Average Annual Cost (excluding one-off)		
	£ 7.1m	2	Total Cost (PV) £ 14m

Other **key non-monetised costs** by 'main affected groups' **None identified**

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' The fee increase is essentially a transfer, so it is also counted as a benefit to VOSA. The other key benefit is that it will prevent business costs rising as set out against option 2, amounting to £13.6m-42m per annum.
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£ 20.6m – 48.6m	2	Total Benefit (PV) £ 40.42m –95.51m

Other **key non-monetised benefits** by 'main affected groups' **Limited investment in providing service improvements to meet identified customer needs will still be possible.**

Key Assumptions/Sensitivities/Risks Main assumptions are that volumes of vehicles tested, permit applications and authorisations etc; will reduce by 5%. Late implementation of changes or significant changes in volumes of business are the main risks.

Price Base 2008	Time Period 2	Net Benefit Range (NPV) £ 26.42m – 81.5m	NET BENEFIT (NPV Best estimate) £ 53.96m
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What is the geographic coverage of the policy/option?		Great Britain			
On what date will the policy be implemented?		April 2009			
Which organisation(s) will enforce the policy?		VOSA			
What is the total annual cost of enforcement for these organisations?		£ Nil			
Does enforcement comply with Hampton principles?		N/A			
Will implementation go beyond minimum EU requirements?		N/A			
What is the value of the proposed offsetting measure per year?		£ N/A			
What is the value of changes in greenhouse gas emissions?		£ N/A			
Will the proposal have a significant impact on competition?		No			
Annual cost (£-£) per organisation (excluding one-off) at VOSA (at ATF)		Micro £14 (8)	Small £67 (33)	Medium 153 (71)	Large 3.9k(1.8k)
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)					(Increase - Decrease)
Increase	£	Decrease	£	Net Impact	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE IMPACT ASSESSMENT OF OPERATOR LICENSING FEES MODERNISATION

1.0 This Impact Assessment covers -

1.1 Fees payable to VOSA covered by this Impact Assessment are those for:

- Heavy Goods Vehicles (HGVs):
 - HGV plating and testing for motor vehicles and trailers
 - Issue Design Weight Certificates
 - HGV operator licensing
 - Certification for carriage under customs seal (TIR)
 - certification for international carriage of dangerous goods (ADR)
 - international journey authorisation/permit fees
 - reduced pollution certificate
 - design weight certificates (for HGVs not subject to plating and testing)
- Public Service Vehicles (PSVs):
 - PSV, vehicle certification and tests
 - PSV Operator licensing
 - Registration of local bus services
 - Accessibility certificates
 - international journey authorisation fees
 - reduced pollution certificate fees
- Other services
 - single vehicle approval fees for cars and light goods vehicles (SVA) and motorcycles (MSVA) – note that passenger cars currently approved under this scheme will be approved under the new individual vehicle approval (IVA) scheme when it comes into force during 2009 – IVA is not covered in this Impact Assessment
 - Identity checks for re-registration of certain written off vehicles (VIC)
 - authorisation of tachograph calibration centres

1.2 Fees payable to VOSA but not covered by this Impact Assessment are those for:

- the MOT testing scheme which covers vehicles other than HGVs and PSVs and where most tests are carried out by private sector testing stations;
- the new IVA scheme for pre-service approval of passenger cars (currently approved under the SVA scheme) which comes into effect during 2009;
- Issue of permits for some minibuses and other buses under section 19 of the TA 1985 and for community buses
- voluntary services such as brake, emission or headlight aim checks other than at statutory test.

1.3 It should also be noted that fee changes as a result of the first phase of implementation of the merger of certain operator licence and testing fees as part of operator licensing modernisation (“fee reform”) will be subject to the same levels of general increase as others in the same schemes. The fee reform itself is the subject of a separate Impact Assessment.

1.4 Fees payable to the Driver and Vehicle Agency in Northern Ireland for reduced pollution certificates, design weight certificates and vehicle identity checks are also covered by this Impact Assessment.

2.0 General Background

- 2.1 VOSA is a Government Trading Fund and an Executive Agency of the Department for Transport. The majority of income (approximately 82%) comes from its statutory fee earning services for example motor vehicle and trailer test fees. The principles governing VOSA's financial management and how the Secretary of State sets fees payable to VOSA are contained in legislation and in the HM Treasury document 'Managing Public Money'.
- 2.2 VOSA operations cover Great Britain (i.e. England, Scotland and Wales). As mentioned above, this Impact Assessment includes fees for 3 activities which carried out in Great Britain by VOSA and in Northern Ireland by the Driver and Vehicle Agency.
- 2.3 VOSA carries out a wide range of activities on behalf of the Secretary of State for Transport and also the Traffic Commissioners. These activities include:
- testing vehicles at VOSA and third party premises;
 - checks and examinations at roadside enforcement sites, operator's premises and other locations at which vehicles are kept or operate, to ensure that goods vehicles, buses and coaches are operated in a safe and legal manner;
 - other activities to encourage the safe and legal operation of goods vehicles, buses and coaches; and
 - providing support to Traffic Commissioners to carry out their statutory functions, concerned primarily with the licensing of operators of heavy goods vehicles (HGVs) and public service vehicles (PSVs).
- 2.4 Funding of checks and other activities to ensure safe and legal operation is split between general taxation via DfT and fees.
- 2.5 In addition, VOSA is responsible for supervising the MOT testing of vehicles other than HGVs and PSVs, which is largely carried out by private sector organisations. The MOT testing scheme is not within the scope of this Impact Assessment.
- 2.6 This Impact Assessment includes the reduction by half of the supplement currently charged when HGVs or PSVs are tested at non-VOSA premises. This is the first step of a longer term strategy, we are proposing to deliver testing services which can be better integrated with vehicle maintenance processes whilst maintaining the independence and integrity of the testing regime. This is intended to be the first change of many.
- 2.7 The Impact Assessment takes account of the anticipated effect of reduced demand for services as a result of the current downturn in the general economy. It also takes the effect of VOSA's cost base and investment plans into account. More detail of the investment plans will be included in VOSA annual business plan to be published next spring.

3. Options considered

- 3.1 Early consideration was given to how VOSA might function with or without fee increases and the options looked at were:-
- 1) do nothing (change neither fees, service levels or investment plans),
 - 2) maintain statutory fees at their current levels and cut costs, *and*
 - 3) increase fees.
- 3.2 **Option 1** – the 'do nothing' option – has not been pursued because:
- Failing to cover in-year costs is against both the spirit of the Government Trading Funds Act 1973 and Treasury policy. It would lead to significantly increased fees the following year to cover 2 years' worth of cost increases plus interest on the shortfall in 2009/10. This option is not sustainable.
- 3.3 **Options 2** – maintaining fees at current levels would require not only a complete halt to investment in developing improved customer services, such as self service bookings and applications, but also cutbacks in services. These cutbacks would increase operator costs along the lines modelled in Annex D to this Impact Assessment.

As Option 1 is unsustainable, for the purpose of this appraisal we have treated Option 2 as the base case scenario. In fact, relative to option 1, it is estimated that the cut to service levels required to balance the budget, if existing fees were maintained, would cost £13.6m - £42m per annum in time costs to operators and potential accidents resulting from lower quality enforcement. Refer to Annex D for estimates. As this option is considered the base case, we do not present these costs in the template sheet.

3.7 Option 3 – with the changes proposed, VOSA will:

- halve the supplements currently charged for carrying out tests away from VOSA premises;
- leave statutory fees for passenger vehicles within the Single Vehicle Approval scheme unaltered (these vehicles move to a new approval scheme in April 2009)
- apply a general increase of 9% to statutory fees for all other testing services; and
- apply a 5% general increase to the statutory fees for all other services.

This will enable VOSA to maintain a stable financial footing, whilst allowing existing services levels to be maintained and allow a continuing modest investment in updating systems and facilities to maintain and improve future services.

4 Proposed fees and other supporting information

4.1 Annex A shows the proposed changes to fees affected by the proposals.

4.2 Summary scheme accounts are shown in Annex B.

4.3 The effects on costs to the road freight industry are modelled in Annex C1. The effects on the rental and leasing sector of that industry are modelled in annex C2. We were unable to locate published data on operating costs for PSVs. Were such data available we have no reason to believe that the effect of proposed changes in VOSA fees as a proportion of total operating costs would be of a different order of magnitude to that for HGVs. Neither have we been able to obtain public domain information on the operating costs of other business sectors affected by other schemes such as vehicle importers using the SVA scheme.

4.4 Annex D models the effect on the road freight industry of not increasing fees. The assumptions used in the assessing this effect have not been updated from those used for 2008/9 fees. This is because of the difficulty of validating the assumptions for the more complex package of changes proposed for 2009/10. Costs used have been updated using more recently published data.

5 Consultation

5.1 A public consultation on the proposals was held between 6 November 2008 and 29 January 2009. A total of 13 responses were received. A summary of those responses has been published at <http://www.dft.gov.uk/consultations/closed/vosafees/>. The majority of respondents who expressed views supported the proposals:

- to reduce the premium paid for tests at non-VOSA premises;
- to charge only until 31 March 2010, for fees to be abolished in 2010;
- to implement the fee reform in 2 stages;
- to apportion costs being transferred from operator licence fees to test fees in proportion to activity levels (though this was opposed by those outside the operator licensing system; and
- to leave fees for passenger vehicles within the Single Vehicle Approval scheme unaltered.

5.2 The majority of respondents who expressed views opposed the proposed levels of general fee increase proposed.

6 Competition Assessment

6.1 The reduction in supplements for tests away from VOSA premises will help those who currently use such facilities. This is the initial step towards a fairer distribution of costs aimed at giving businesses greater choice. In overall terms, the introduction of higher fees and charges remains

marginal compared to other costs of vehicle operation and will not affect the balance within the relevant transport and support industries in Great Britain. The increases in fees will apply to all operators and presenters equally whether large or small, largely in proportion to the number and type of vehicles in the fleet operated or supported. The knock-on effect on the users of transport services will be proportional to the use made of such services and have no effect on competition.

7 Other Environment Impact Test

7.1 The proposed fee changes are not believed to have any measurable effect on the environment. However, the increasing integration of testing and maintenance, which elements of these proposals encourage, will have minor environmental benefits.

8 Small Firms Impact Test

8.1 Over half of all licensed operators operate between 1 and 5 vehicles, so a large proportion of the businesses affected by the cost increases are small businesses. VOSA's fees are set on the basis of the service required, with no discounting for bulk purchase of services, so do not discriminate either for or against small businesses. The effect of fees will vary depending on the business sector in which companies operate.

8.2 We have been able to find public domain information to model the effect of fees on the operating costs of small businesses operating in the road freight industry. The Road Haulage Association has carried out surveys involving a range of hauliers and published figures on operating costs. These vary according to the nature and policies of individual businesses. Nonetheless, overall, the total fee burden for a licensed operator of one 7.5 tonne truck represents about 0.42% of operating costs and the proposed increases covered by this Impact Assessment represent around 0.025% (one fortieth of one percent) of operating costs.

8.3 The consultation sought views from small businesses 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. No individual small businesses responded. However, the main vehicle operator trade associations did respond and we believe their membership to include a cross section of business sizes.

9 Race, Disability and Gender Equality, Human Rights; and Rural impact

9.1 The proposed fee changes are not believed to have any specific effect in the areas of race equality, disability equality, gender equality, human rights or rural affairs.

10 Specific Impact tests not carried out

10.1 Other specific impact tests were not carried out since the proposed fee changes do not impact on these areas.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	Yes	No
Health Impact Assessment	No	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

Annexes

HGVS Test Fees under the Goods Vehicle (Plating and Testing) Regulations 1988 (SI 1988/1478)

HGVS Test fees not affected by testing transformation and merger

Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Motor Vehicle	Test & retest beyond 14 days	Out of hrs supplement	£35.00	£3.00	£38.00
	Retest Fee	Next day	£12.00	£1.00	£13.00
		Out of hrs supplement	£18.00	£2.00	£20.00
Trailer	Test & retest beyond 14 days	Out of hrs supplement	£22.00	£2.00	£24.00
	Retest Fee	Next day	£6.00	£1.00	£7.00
		Out of hrs supplement	£12.00	£1.00	£13.00
Motor Vehicle or Trailer	Notifiable Alteration	Out of hrs supplement	£12.00	£1.00	£13.00
	Appeal		£27.00	£2.00	£29.00
	Duplicate Document		£12.00	£1.00	£13.00

HGV Test Fees affected by testing transformation and merger							
Fee Description			Current Fee	Testing Transformation	O licence vehicle fee merger	General Annual Fee Increase @ 9%	New Fee
Motor Vehicle							
Test & retest beyond 14 days	2 Axle	At VOSA Site	£51.00		£18.00	£6.00	£75.00
		At DP/ATF	£64.00	£-7.00	£18.00	£7.00	£82.00
	3 Axle	At VOSA Site	£73.00		£18.00	£8.00	£99.00
		At DP/ATF	£86.00	£-7.00	£18.00	£9.00	£106.00
	4 Axle	At VOSA Site	£96.00		£18.00	£10.00	£124.00
		At DP/ATF	£109.00	£-7.00	£18.00	£11.00	£131.00
retest within 14 days	2 Axle	At VOSA Site	£34.00			£3.00	£37.00
		At DP/ATF	£42.00	£-4.00		£3.00	£41.00
	3 Axle	At VOSA Site	£48.00			£4.00	£52.00
		At DP/ATF	£56.00	£-4.00		£4.00	£56.00
	4 Axle	At VOSA Site	£63.00			£6.00	£69.00
		At DP/ATF	£71.00	£-4.00		£6.00	£73.00
Trailer							
Test & retest beyond 14 days	1 Axle	At VOSA Site	£25.00		£7.00	£3.00	£35.00
		At DP/ATF	£32.00	£-3.00	£7.00	£3.00	£39.00
	2 Axle	At VOSA Site	£38.00		£7.00	£4.00	£49.00
		At DP/ATF	£45.00	£-3.00	£7.00	£4.00	£53.00
	3 Axle	At VOSA Site	£48.00		£7.00	£5.00	£60.00
		At DP/ATF	£55.00	£-3.00	£7.00	£5.00	£64.00
retest within 14 days	1 Axle	At VOSA Site	£17.00			£2.00	£19.00
		At DP/ATF	£21.00	£-2.00		£2.00	£21.00
	2 Axle	At VOSA Site	£24.00			£2.00	£26.00
		At DP/ATF	£28.00	£-2.00		£2.00	£28.00
	3 Axle	At VOSA Site	£32.00			£3.00	£35.00
		At DP/ATF	£36.00	£-2.00		£3.00	£37.00
Notifiable Alteration							
	Motor Vehicle or trailer At VOSA Site		£24.00			£2.00	£26.00
	Motor Vehicle At DP/ATF		£32.00	£-4.00		£2.00	£30.00
	Trailer at DP/ATF		£28.00	£-2.00		£2.00	£28.00

Design Weight Certificates under the Vehicle Excise (Design Weight Certificate) Regulations 1995 (SI 1995/1455)					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Application			£13.50	£1.50	£15.00
Saturday Supplement			£8.40	£0.60	£9.00
Appeal			£25.00	£2.00	£27.00

HGV O Licence Fees under the Goods Vehicle (Licensing of Operators) (Fees) Regulations 1995 (SI 1995/3000)

HGV O Licence Fees not affected by merger					
Fee Description			Current Fee	Annual General Increase @ 5%	New Fee Payable
Application for Licence			£238.00	£12.00	£250.00
Application for Variation			£238.00	£12.00	£250.00
Grant of Licence			£372.00	£19.00	£391.00
Continuation of Licence			£372.00	£19.00	£391.00
Issue of Interim Licence			£63.00	£3.00	£66.00

HGV O Licence Fees affected by merger							
Fee Description			Current Fee	Testing Transformation	O licence vehicle fee merger	General Annual Fee Increase @ 5 %	New Fee
Vehicle fees (per specified motor vehicle)	per quarter (or part thereof)	5 years in advance	No longer available as at April 2009 due to fee merger				
	per quarter (or part thereof)	1 year in advance	No longer available as at April 2009 due to fee merger				
	Per month (or part thereof)	For period till 31/3/10	New fee from April 2009 replacing the two fees above.				£2.00
Vehicle fees on interim licence (per motor vehicle specified)			£12.00		-£6.00		£6.00

TIR Fees under the International Transport of Goods under Cover of TIR Carnets (Fees) Regulations 1988 (SI 1988/371)					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Individual Inspection	Initial		£97.00	£9.00	£106.00
	Retest		£64.00	£6.00	£70.00
Type Approval	Type vehicle		£591.00	£53.00	£644.00
	Type Variation		£97.00	£9.00	£106.00
	Certificate of Conformity		£13.00	£1.00	£14.00
	Duplicate Document		£13.00	£1.00	£14.00

ADR Fees under the International Carriage of Dangerous Goods by Road (Fees) Regulations 1988 (SI1988/370)					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Individual inspection (full test fee added to these fees)	Initial		£91.00	£8.00	£99.00
	Re-test		£46.00	£4.00	£50.00
	Duplicate		£13.00	£1.00	£14.00
Type Approval	Tractor Cert		£26.00	£2.00	£28.00

Fees under the Goods Vehicles (Authorisation of International Journeys) (Fees) Regulations 2001 (SI2001/3606)					
Fee Description			Current Fee	Annual General Increase @ 5%	New Fee Payable
ECMT licence	1 year		£127.00	£6.00	£133.00
	3 months or part		£32.00	£2.00	£34.00
Journey permit	per return journey		£8.00	£0.00	£8.00
	per 4 return journeys – Turkey		£13.00	£1.00	£14.00
	per 15 return journeys – Morocco		£48.00	£2.00	£50.00
Removal authorisation			£17.00	£1.00	£18.00

Fees under the Road Vehicles (Registration and Licensing) Regulations 2002 (SI2002/2742)**Reduced Pollution Certificate**

Reduced Pollution Certificate fees not affected by testing transformation					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
OoH Supplement			£11.00	£1.00	£12.00

Reduced Pollution Certificate fees affected by testing transformation							
Fee Description			Current Fee	Testing Transformation	O licence vehicle fee merger	Annual General Increase @ 9%	New Fee Payable
With annual test/COIF		At VOSA Site	£17.00			£2.00	£19.00
		At DP/ATF	£24.00	£-4.00		£2.00	£22.00
At other times		At VOSA Site	£29.00			£3.00	£32.00
		At DP/ATF	£36.00	£-4.00		£3.00	£35.00

PSV Test Fees under the Motor Vehicle (Tests) Regulations 1981 (SI 1981/1694)

PSV Test Fees not affected by testing transformation and merger					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
PSV Test	Out of hrs supplement	23+ seats	£48.00	£4.00	£52.00
		9 - 22 seats	£35.00	£3.00	£38.00
PSV Retest Fee	Retest (minor)		£11.00	£1.00	£12.00
		Out of hrs supplement	23+ seats	£23.00	£2.00
		9 - 22 seats	£17.00	£2.00	£19.00
Duplicate Certificate		This fee also covers duplicate MOT certificates for other classes of vehicle covered by these regulations and is subject to separate consultation along with those other fees			

PSV Test Fees affected by merger							
Fee Description			Current Fee	Testing Transformation	O licence vehicle fee merger	General Annual Fee Increase @ 9%	New Fee
PSV Test + retest beyond 14 days	23 + seats	At VOSA Site	£84.00		£20.00	£9.00	£113.00
		At DP/ATF	£96.00	-£6.00	£20.00	£10.00	£120.00
	9 - 22 seats	At VOSA Site	£59.00		£20.00	£7.00	£86.00
		At DP/ATF	£71.00	-£6.00	£20.00	£8.00	£93.00
PSV retest within 14 days	23 + seats	At VOSA Site	£55.00			£5.00	£60.00
		At DP/ATF	£63.00	-£4.00		£5.00	£64.00
	9 - 22 seats	At VOSA Site	£38.00			£3.00	£41.00
		At DP/ATF	£46.00	-£4.00		£3.00	£45.00

PSV O Licence Fees under the Public Service Vehicles (Operators' Licences) (Fees) Regulations 1995 (SI 1995/2909)

PSV O Licence Fees not affected by merger					
Fee Description			Current Fee	Annual General Increase @ 5%	New Fee Payable
Application – Standard Licence			£224.00	£11.00	£235.00
Application – Restricted Licence			£148.00	£7.00	£155.00
Variation Application			£113.00	£6.00	£119.00
Application – special licence			£58.00	£3.00	£61.00
Continuation – special licence			£58.00	£3.00	£61.00

PSV O Licence Fees affected by merger							
Fee Description			Current Fee	Testing Transformation	O licence vehicle fee merger	General Annual Fee Increase @ 5%	New Fee
Grant or continuation - standard or restricted		5 years in advance	No longer available as at April 2009 due to fee merger				
		1 year in advance	No longer available as at April 2009 due to fee merger				
	Per month (or part thereof)	For period till 31/3/10	New fee from April 2009 replacing the two fees above.				£1.00
Vehicle disc	Per month (or part thereof)	5 years in advance	No longer available as at April 2009 due to fee merger				
	Per month (or part thereof)	1 year in advance	No longer available as at April 2009 due to fee merger				
	Per month (or part thereof)	For period till 31/3/10	New fee from April 2009 replacing the two fees above.				£3.00
Duplicate disc fee			£15.00		-£7.50	£0.50	£8.00

Fees under the Public Service Vehicles (Registration of Local Service) Regulations 1986 (SI 1986/1671)
Fees under the Public Service Vehicles (Registration of Local Service) (Scotland) Regulations 2001 (SI 2001/219)

Fee Description			Current Fee	Annual General Increase @ 5%	New Fee Payable
Registration – normal			£57.00	£3.00	£60.00
Variation – normal			£57.00	£3.00	£60.00
Registration – community			£12.00	£1.00	£13.00
Variation – community			£12.00	£1.00	£13.00

Fees under the Road Transport (International Passenger Services) Regulations 1984 (SI 1984/748)

Fee Description			Current Fee	Annual General Increase @ 5%	New Fee Payable
Copy of Authorisation			£12.00	£1.00	£13.00
Special Regular Service or TA '85 s.6	Application		£168.00	£8.00	£176.00
Shuttle or Regular Service	Application		£171.00	£9.00	£180.00
regular or special regular service	Issue – per year of validity		£36.00	£2.00	£38.00
Own Account Certificate	application per year of validity		£6.00	£0.00	£6.00

PSV CoIF Fees under the Public Service Vehicles (Conditions of Fitness, Equipment, Use and Certification) Regulations 1981 (SI 1981/257)

Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Individual Approval					
Initial Application			£269.00	£24.00	£293.00
Re-application	With tilt test		£269.00	£24.00	£293.00
	no tilt test		£32.00	£14.00	£35.00
Duplicate			£21.00	£3.00	£23.00
Type Approval					
Type variation (inspected)			£1,558.00	£140.00	£1,698.00
Type variation (no inspection)			£143.00	£13.00	£156.00
New body/chassis combination			£770.00	£69.00	£839.00
All Other			£3,335.00	£300.00	£3,635.00
Certificate of Conformity			£29.00	£3.00	£32.00
Duplicate			£21.00	£2.00	£23.00

Fees under the Public Service Vehicles Accessibility Regulations 2000 (SI 2000/1970)					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Individual Approval					
Individual application	One schedule		£47.00	£4.00	£51.00
	Two schedules		£95.00	£9.00	£104.00
Re-application	One schedule		£16.00	£1.00	£17.00
	Two schedules		£33.00	£3.00	£36.00
Duplicate			£12.00	£1.00	£13.00
Type Approval					
Significant variant, new chassis for approved body: new body for conformant chassis	One schedule		£168.00	£ 15.00	£183.00
	Two schedules		£336.00	£30.00	£366.00
Minor variant	One schedule		£16.00	£1.00	£17.00
	Two schedules		£32.00	£3.00	£35.00
new combination of approved chassis and body	One schedule		£83.00	£ 7.00	£90.00
	Two schedules		£166.00	£15.00	£181.00
Other cases	One schedule		£368.00	£33.00	£401.00
	Two schedules		£725.00	£65.00	£790.00
Certificate of Conformity			£16.00	£1.00	£17.00
Duplicate			£12.00	£1.00	£13.00

**Fees under the Road Vehicles (Registration and Licensing) Regulations 2002 (SI2002/2742)
reduced pollution certificate**

Reduced Pollution Certificate fees not affected by testing transformation					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Out of hours			£11.00	£1.00	£12.00

Reduced Pollution Certificate fees affected by testing transformation						
Fee Description		Current Fee	Testing Transformation	O licence vehicle fee merger	Annual General Increase @ 9%	New Fee Payable
With annual test/COIF	At VOSA Site	£17.00			£2.00	£19.00
	At DP/ATF	£24.00	£4.00		£2.00	£22.00
At other times	At VOSA Site	£29.00			£3.00	£32.00
	At DP/ATF	£36.00	£4.00		£3.00	£35.00

Single Vehicle Approval Fees under the Motor Vehicles (Approval) (Fees) Regulations 2001 (SI 2001/2486)					
Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Basic SVA	1. Examination; or Appeal		£190.00	£0.00	£190.00
	Advice after test Non statutory charge (includes VAT)		£44.00	£4.00	£48.00
	2. E Certificate; or Appeal		£76.00	£0.00	£76.00
Enhanced SVA	3. Examination with Model Report; or Appeal		£240.00	£0.00	£240.00
	4. Examination without Model Report; or Appeal		£228.00	£0.00	£228.00
	5. E Certificate + Examination with Model Report; or Appeal		£127.00	£0.00	£127.00
	6. E Certificate + Examination without Model Report; or Appeal		£114.00	£0.00	£114.00
	7. New vehicle with EC Type Approval		£38.00	£0.00	£38.00
Basic or Enhanced SVA	8. Retest		£38.00	£0.00	£38.00
	Failure to attend or refusal without examination		£64.00	£0.00	£64.00
	Replacement Certificate		£12.00	£1.00	£13.00
	Out of Hours supplement - examinations 1, 3 & 4		£95.00	£0.00	£95.00
	Out of Hours supplement - examinations 2, 5, 6 & 7		£25.00	£0.00	£25.00
	Out of Hours supplement - retest 8		£19.00	£0.00	£19.00

Single Vehicle Approval Fees under the Motor Vehicles (Approval) (Fees) Regulations 2001 (SI 2001/2486) (continued)
Goods Vehicles

Fee description		Current Fee	Annual General Increase @ 9%	New Fee Payable
Basic SVA	9. Examination; or Appeal	£76.00	£7.00	£83.00
	Advice after test Non statutory charge (includes VAT)	£44.00	£4.00	£48.00
	10. E Certificate; or Appeal	£76.00	£7.00	£83.00
Enhanced SVA	11. Examination with Model Report; or Appeal	£127.00	£11.00	£138.00
	12. Examination without Model Report; or Appeal	£114.00	£10.00	£124.00
	13. E Certificate + Examination with Model Report; or Appeal	£127.00	£11.00	£138.00
	14. E Certificate + Examination without Model Report; or Appeal	£114.00	£10.00	£124.00
	15. New vehicle with EC Type Approval	£38.00	£3.00	£41.00
Basic or Enhanced SVA	16. Retest	£19.00	£2.00	£21.00
	Failure to attend or refusal without examination	£64.00	£6.00	£70.00
	Replacement Certificate	£12.00	£1.00	£13.00
	Out of Hours supplement - examinations 9, 11 & 12	£31.00	£3.00	£34.00
	Out of Hours supplement - examinations 10, 13, 14 & 15	£25.00	£2.00	£27.00
	Out of Hours supplement - retest 16	£7.00	£1.00	£8.00

Fees under the Motor Cycle Etc. (Single Vehicles Approval) (Fees) Regulations 2003 (SI 2003/1960)

Fee Description			Current Fee	Annual General Increase @ 9%	New Fee Payable
Initial Application or Appeal	Lower Power Moped		£50.00	£5.00	£55.00
	2 Wheeler		£78.00	£7.00	£85.00
	3 or more wheels		£95.00	£9.00	£104.00
Out of Hours Supplement			£22.00	£2.00	£24.00
Re application	All		£16.00	£1.00	£17.00
Duplicate			£11.00	£1.00	£12.00

Fees under the Road Vehicles (Registration and Licensing) Regulations 2002 (SI 2002/2742) - Vehicle Identity Check

Fee Description		Current Fee	Testing Transformation	O licence vehicle fee merger	Annual General Increase @ 9%	New Fee Payable
Examination	At VOSA Site	£38.00			£3.00	£41.00
	At DP/ATF	£44.00	-£3.00		£4.00	£45.00
OoH Supplement		£8.00			£1.00	£9.00

Fees under the Passenger and Goods (Recording Equipment) (Approval of Fitters and Workshops) (Fees) Regulations 1986 (SI 1986/2128)

Fee Description	Current Fee	Annual General Increase @ 5 %	New Fee Payable
Initial Approval	£344.00	£17.00	£361.00
Annual Renewal	£141.00	£7.00	£148.00

Summary scheme accounts

Note: 2009/10 forecasts for schemes marked * include the effect of phase 1 of the merger of certain operator licence fees with test fees.

HGV Plating and Testing* and Reduced Pollution Certificate

Note: Fees set within this group on the basis of time to process each application type

	2007-08 <i>Actual £m</i>	2008-09 <i>Estimate £m</i>	2009-10 <i>Forecast £m</i>
Fee charged/proposed	See fee table		
Fee income from service (before proposed increase)	46.2	47.6	54.7
Increased income from new/revised fee			4.5
Operating budget for service (before input price increases and any other added expenditure)	51.0	50.9	56.6
Additional costs of providing service			1.8
Accumulated surplus / (deficit) brought forward from previous period	(5.1)		
Net surplus / (deficit) for service at year end	(9.9)	(13.1)	(12.4)

HGV Operator Licensing*

	2007-08 <i>Actual £m</i>	2008-09 <i>Estimate £m</i>	2009-10 <i>Forecast £m</i>
Fee charged/proposed	See fee table		
Fee income from service (before proposed increase)	25.8	30.2	22.1
Increased income from new/revised fee			1.1
Operating budget for service (before input price increases and any other added expenditure)	25.8	26.8	20.2
Additional costs of providing service			0.7
Accumulated surplus / (deficit) brought forward from previous period	(10.9)		
Net surplus / (deficit) for service at year end	(10.9)	(7.6)	(5.2)

TIR Inspections

	2007-08 <i>Actual</i> £k	2008-09 <i>Estimate</i> £k	2009-10 <i>Forecast</i> £k
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	14	14	14
Increased income from new/revised fee			1
Operating budget for service (before input price increases and any other added expenditure)	7	7	7
Additional costs of providing service			0
Accumulated surplus / (deficit) brought forward from previous period	15		
Net surplus / (deficit) for service at year end	22	29	37

ADR Inspections

	2007-08 <i>Actual</i> £k	2008-09 <i>Estimate</i> £k	2009-10 <i>Forecast</i> £k
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	631	651	651
Increased income from new/revised fee			56
Operating budget for service (before input price increases and any other added expenditure)	508	490	490
Additional costs of providing service			19
Accumulated surplus / (deficit) brought forward from previous period	(473)		
Net surplus / (deficit) for service at year end	(350)	(189)	9

GV International Permits

	2007-08 <i>Actual £k</i>	2008-09 <i>Estimate £k</i>	2009-10 <i>Forecast £k</i>
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	21	25	25
Increased income from new/revised fee			1
Operating budget for service (before input price increases and any other added expenditure)	18	25	25
Additional costs of providing service			0
Accumulated surplus / (deficit) brought forward from previous period	(16)		
Net surplus / (deficit) for service at year end	(13)	(13)	(12)

PSV Testing*

	2007-08 <i>Actual £m</i>	2008-09 <i>Estimate £m</i>	2009-10 <i>Forecast £m</i>
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	7.6	8.3	11.6
Increased income from new/revised fee			9
Operating budget for service (before input price increases and any other added expenditure)	7.1	9.2	12.7
Additional costs of providing service (0.3
Accumulated surplus / (deficit) brought forward from previous period	3.1		
Net surplus / (deficit) for service at year end	3.5	2.1	1.5

PSV O Licensing*

	2007-08 <i>Actual £m</i>	2008-09 <i>Estimate £m</i>	2009-10 <i>Forecast £m</i>
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	6.6	7.7	3.9
Increased income from new/revised fee			0.2
Operating budget for service (before input price increases and any other added expenditure)	7.7	8.0	4.0
Additional costs of providing service			0.1
Accumulated surplus / (deficit) brought forward from previous period	8.2		
Net surplus / (deficit) for service at year end	7.1	6.9	6.9

Registration of Local Bus Services, Minibus and Community Bus Permits

Note: Fees set within this group on the basis of time to process each application type

	2007-08 <i>Actual £m</i>	2008-09 <i>Estimate £m</i>	2009-10 <i>Forecast £m</i>
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	0.7	0.8	0.8
Increased income from new/revised fee			0.0
Operating budget for service (before input price increases and any other added expenditure)	0.6	0.8	0.8
Additional costs of providing service			0.0
Accumulated surplus / (deficit) brought forward from previous period	(0.4)		
Net surplus / (deficit) for service at year end	(0.3)	(0.2)	(0.2)

PSV Certificate of Initial Fitness and Accessibility Certificate

Note: Fees set within this group on the basis of time to process each application type

	2007-08 <i>Actual</i> £m	2008-09 <i>Estimate</i> £m	2009-10 <i>Forecast</i> £m
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	1.6	1.7	1.7
Increased income from new/revised fee			0.1
Operating budget for service (before input price increases and any other added expenditure)	1.6	1.8	1.8
Additional costs of providing service			0.1
Accumulated surplus / (deficit) brought forward from previous period	0.2		
Net surplus / (deficit) for service at year end	0.2	0.1	(0.1)

PSV International Permits

	2007-08 <i>Actual</i> £k	2008-09 <i>Estimate</i> £k	2009-10 <i>Forecast</i> £k
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	4	5	5
Increased income from new/revised fee			0
Operating budget for service (before input price increases and any other added expenditure)	4	5	5
Additional costs of providing service			0
Accumulated surplus / (deficit) brought forward from previous period	(11)		
Net surplus / (deficit) for service at year end	(11)	(10)	(11)

Vehicle Identity Check

	2007-08 <i>Actual £m</i>	2008-09 <i>Estimate £m</i>	2009-10 <i>Forecast £m</i>
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	3.8	3.9	3.9
Increased income from new/revised fee			0.3
Operating budget for service (before input price increases and any other added expenditure)	5.4	3.8	3.8
Additional costs of providing service			0.2
Accumulated surplus / (deficit) brought forward from previous period	0.1		
Net surplus / (deficit) for service at year end	(1.4)	(1.4)	(1.1)

Single Vehicle Approval

	2007-08 <i>Actual £m</i>	2008-09 <i>Estimate £m</i>	2009-10 <i>Forecast £m</i>
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	2.4	2.4	0.26
Increased income from new/revised fee			0.02
Operating budget for service (before input price increases and any other added expenditure)	3.5	2.9	0.28
Additional costs of providing service (0.01
Accumulated surplus / (deficit) brought forward from previous period	(1.1)		
Net surplus / (deficit) for service at year end	(2.2)	(2.5)	(2.5)

Motorcycle Single Vehicle Approval

	2007-08 <i>Actual</i> £k	2008-09 <i>Estimate</i> £k	2009-10 <i>Forecast</i> £k
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	451	465	465
Increased income from new/revised fee			43
Operating budget for service (before input price increases and any other added expenditure)	589	417	417
Additional costs of providing service			14
Accumulated surplus / (deficit) brought forward from previous period	(590)		
Net surplus / (deficit) for service at year end	(728)	(680)	(603)

Tachograph Centre Approval

	2007-08 <i>Actual</i> £k	2008-09 <i>Estimate</i> £k	2009-10 <i>Forecast</i> £k
Fee charged/proposed		See fee table	
Fee income from service (before proposed increase)	84	87	87
Increased income from new/revised fee			8
Operating budget for service (before input price increases and any other added expenditure)	189	93	93
Additional costs of providing service			3
Accumulated surplus / (deficit) brought forward from previous period	(142)		
Net surplus / (deficit) for service at year end	(247)	(253)	(254)

**Vehicle operating costs
 per vehicle costs**

Type	Source: RHA "Goods Vehicle Operating Costs 2008"			
	Time PA	Mileage costs	Miles PA	Total PA
	£	p	Miles	£
7.5t 2 axle rigid	£39,115	38.7	45,000	£56,530
12 - 14t 2axle rigid	£43,930	44.7	45,000	£64,045
17 - 18t 2 axle rigid	£49,400	51.4	50,000	£75,100
24 - 26t 3 axle rigid	£56,970	65.3	50,000	£89,620
32t 4 axle rigid tipper	£61,830	78.7	50,000	£101,180
32 - 33t 2 + 2 axle artic	£61,563	67.2	60,000	£101,883
38t 2 + 3 axle artic	£68,358	74.5	70,000	£120,508
44t 3 + 3 axle artic	£74,538	82.4	70,000	£132,218

Annex C1 – Effect on HGV operating cost of proposed fee changes
Including the effects of phase 1 of operator licence fee reform and general increases but excluding specialist inspections

per business costs

Trailer ratio 1.98 Artic tractors 121,600
Trailers 240,350

	Business size											
	Micro			small			medium			large		
	No	Cost PA	No	Cost PA	No	Cost PA	No	Cost PA	No	Cost PA		
7.5t 2 axle rigid	1	£56,530	2	£113,060	4	£226,120	90	£5,087,700				
12 - 14t 2axle rigid		£0		£0		£0	18	£1,152,810				
17 - 18t 2 axle rigid		£0	1	£75,100	2	£150,200	36	£2,703,600				
24 - 26t 3 axle rigid		£0		£0	1	£89,620	31	£2,778,220				
32t 4 axle rigid tipper		£0		£0	1	£101,180	16	£1,618,880				
32 - 33t 2 + 2 axle artic		£0		£0		£0	2	£203,766				
38t 2 + 3 axle artic		£0		£0		£0	12	£1,446,098				
44t 3 + 3 axle artic		£0	1	£132,218	2	£264,436	45	£5,949,816				
Total	1	£56,530	4	£320,378	10	£831,556	250	£20,940,889				

NOTE 1: Fleet mix for medium and large derived from DfT publication "Transport Statistics Great Britain 2007 Edition" – Table 9.6

NOTE 2: Trailer ratio for artics derived from trailers tested by VOSA for 2006/7 (VOSA Business Plan 2008/9) with licensed motor vehicles 2006 (DfT statistics table 9.6 – see above). This knowingly ignores the effect of drawbar trailers since no figures readily available from which to derive numbers.

VOSA charges

O licence per licence fees

	Licences in issue		Variations per year		Average
	New applications PA	8,000	Continuations PA	8,000	
2008	New App £238.00		Grant / Cont (5 years) £372.00	Variation £238.00	£112.63
2009	£250.00		£391.00	£250.00	£118.36
Change	£12.00		£19.00	£12.00	£5.73

O licence vehicle related charges

O Licence per vehicle (paid 5 yearly)	per quarter		per year
	2008	£10.00	£40.00
2009	£2.00	£24.00	
Op cost Change			-£16.00

Test fees at VOSA premises by vehicle type

Failure rates
Motor vehicles Trailers 20.3%

Vehicle	2 axle motor vehicle			3 axle motor vehicle			4 axle motor vehicle		
	Test	retest	average veh	Test	retest	average veh	Test	retest	average veh
2008	£51.00	£34.00	£57.63	£73.00	£48.00	£82.36	£96.00	£63.00	£108.29
2009	£75.00	£37.00	£82.22	£99.00	£52.00	£109.14	£124.00	£69.00	£137.46
Op cost Change	£24.00	£3.00	£24.59	£26.00	£4.00	£26.78	£28.00	£6.00	£29.17
Trailer									
	2 axle trailer			3 axle trailer					
	Test	retest	average veh	Test	retest	average veh			
2008	£38.00	£24.00	£42.87	£48.00	£32.00	£54.50			
2009	£49.00	£26.00	£54.28	£60.00	£35.00	£67.11			
Op cost Change	£11.00	£2.00	£11.41	£12.00	£3.00	£12.61			

Test Fees at ATFs by vehicle type

Failure rates
Motor vehicles Trailers 20.3%

Vehicle	2 axle motor vehicle			3 axle motor vehicle			4 axle motor vehicle		
	Test	retest	average veh	Test	retest	average veh	Test	retest	average veh
2008	£64.00	£42.00	£72.19	£86.00	£56.00	£96.92	£109.00	£71.00	£122.85
2009	£82.00	£41.00	£90.00	£106.00	£56.00	£116.92	£131.00	£73.00	£145.24
Op cost Change	£18.00	-£1.00	£17.81	£20.00	£0.00	£20.00	£22.00	£2.00	£22.39
Trailer									
	2 axle trailer			3 axle trailer					
	Test	retest	average veh	Test	retest	average veh			
2008	£45.00	£28.00	£50.68	£55.00	£36.00	£62.31			
2009	£53.00	£28.00	£58.68	£64.00	£37.00	£71.51			
Op cost Change	£8.00	£0.00	£8.00	£9.00	£1.00	£9.20			

Total VOSA per vehicle charges by vehicle type (tests at VOSA premises)

Type	2008	2009	Change
7.5t 2 axle rigid	£97.63	£106.22	£8.59
12 - 14t 2axle rigid	£97.63	£106.22	£8.59
17 - 18t 2 axle rigid	£97.63	£106.22	£8.59
24 - 26t 3 axle rigid	£122.36	£133.14	£10.78
32t 4 axle rigid tipper	£148.29	£161.46	£13.17
32 - 33t 2 + 2 axle artic	£182.37	£213.50	£31.13
38t 2 + 3 axle artic	£205.34	£238.85	£33.51
44t 3 + 3 axle artic	£230.07	£265.78	£35.70

Total VOSA per vehicle charges by vehicle type (Tests at ATFs)

Type	2008	2009	Change
7.5t 2 axle rigid	£112.19	£114.00	£1.81
12 - 14t 2axle rigid	£112.19	£114.00	£1.81
17 - 18t 2 axle rigid	£112.19	£114.00	£1.81
24 - 26t 3 axle rigid	£136.92	£140.92	£4.00
32t 4 axle rigid tipper	£162.85	£169.24	£6.39
32 - 33t 2 + 2 axle artic	£212.37	£229.99	£17.62
38t 2 + 3 axle artic	£235.35	£255.34	£20.00
44t 3 + 3 axle artic	£260.08	£282.27	£22.19

Annex C1 – Effect on HGV operating cost of proposed fee changes
Including the effects of phase 1 of operator licence fee reform and general increases but excluding specialist inspections

Total VOSA cost changes per business (tests at VOSA premises)

Vehicles	Business size											
	Micro			Small			Medium			Large		
	No	2008	Change	No	2008	Change	No	2008	Change	No	2008	Change
7.5t 2 axle rigid	1	£97.63	£8.59	2	£195.26	£17.17	4	£390.52	£34.34	90	£8,786.70	£772.65
12 - 14t 2axle rigid	0			0			0			18	£1,757.34	£154.53
17 - 18t 2 axle rigid	0			1	£97.63	£8.59	2	£195.26	£17.17	36	£3,514.68	£309.06
24 - 26t 3 axle rigid	0			0			1	£122.36	£10.78	31	£3,793.16	£334.18
32t 4 axle rigid tipper	0			0			1	£148.29	£13.17	16	£2,372.56	£210.72
32 - 33t 2 + 2 axle artic	0			0						2	£364.74	£62.26
38t 2 + 3 axle artic	0			0						12	£2,464.14	£402.09
44t 3 + 3 axle artic	0			1	£230.07	£35.70	2	£460.15	£71.40	45	£10,353.36	£1,606.61
Total vehicles	1			4			10			250		
per licence		£112.63	£5.73		£112.63	£5.73		£112.63	£5.73		£112.63	£5.73
VOSA charges		£210.26	£14.31		£635.60	£67.19		£1,429.21	£152.59		£33,519.31	£3,857.83

Annex C1 – Effect on HGV operating cost of proposed fee changes
Including the effects of phase 1 of operator licence fee reform and general increases but excluding specialist inspections

Total VOSA changes per business (tests at ATFs)

Vehicles	Business size											
	Micro			Small			Medium			Large		
	No	2008	Change	No	2008	Change	No	2008	Change	No	2008	Change
7.5t 2 axle rigid	1	£112.19	£1.81	2	£224.38	£3.61	4	£448.76	£7.22	90	£10,097.10	£162.45
12 - 14t 2axle rigid	0			0						18	£2,019.42	£32.49
17 - 18t 2 axle rigid	0			1	£112.19	£1.81	2	£224.38	£3.61	36	£4,038.84	£64.98
24 - 26t 3 axle rigid	0			0	£0.00	£0.00	1	£136.92	£4.00	31	£4,244.52	£124.00
32t 4 axle rigid tipper	0			0			1	£162.85	£6.39	16	£2,605.52	£102.24
32 - 33t 2 + 2 axle artic	0			0						2	£424.74	£35.24
38t 2 + 3 axle artic	0			0						12	£2,824.15	£239.94
44t 3 + 3 axle artic	0			1	£260.08	£22.19	2	£520.15	£44.38	45	£11,703.40	£998.56
Total vehicles	1			4			10			250		
per licence		£112.63	£5.73		£112.63	£5.73		£112.63	£5.73		£112.63	£5.73
VOSA charges	0	£224.82	£7.53	0	£709.28	£33.33	0	£1,605.69	£71.33	0	£38,070.33	£1,765.63

Annex C1 – Effect on HGV operating cost of proposed fee changes
Including the effects of phase 1 of operator licence fee reform and general increases but excluding specialist inspections

Proportion of total business costs from VOSA charges (tests at VOSA premises)

Business size							
Micro		Small		Medium		Large	
VOSA Charges	Business cost change	VOSA Charges	Business cost change	VOSA Charges	Business cost change	VOSA Charges	Business cost change
0.372%	0.025%	0.198%	0.021%	0.172%	0.018%	0.160%	0.018%

Proportion of total business costs from VOSA charges (Tests at AFTs)

Business size							
Micro		Small		Medium		Large	
VOSA Charges	Business cost change	VOSA Charges	Business cost change	VOSA Charges	Business cost change	VOSA Charges	Business cost change
0.398%	0.013%	0.221%	0.010%	0.193%	0.009%	0.182%	0.008%

Financial effect of proposed 2009 fee changes on rental and leasing sector

Vehicle operating costs

per vehicle

costs

NOTE: These costs are derived from cost tables for 2008 published by the RHA. They include depreciation, insurance, interest on capital, tyre and maintenance costs for motor vehicles from the RHA tables but exclude any element of overhead. Mileages per annum are as used in RHA tables for motor vehicles but halved for trailers to take account of trailer to vehicle ratio of just under 2:1.

Type	Source: RHA Cost Tables 2008" (see NOTE)			
	Time PA £	Mileage costs p	Miles PA Miles	Total PA £
7.5t 2 axle rigid	£9,930	8.7	45,000	£13,845
12 - 14t 2axle rigid	£10,930	10.4	45,000	£15,610
17 - 18t 2 axle rigid	£12,600	11.4	50,000	£18,300
24 - 26t 3 axle rigid	£16,790	14.8	50,000	£24,190
32t 4 axle rigid tipper	£19,960	18.7	50,000	£29,310
32 - 33t 2 axle tractor	£12,740	8.8	60,000	£18,020
38t 2 axle tractor	£14,720	9.0	70,000	£21,020
44t 3 axle tractor	£17,720	9.9	70,000	£24,650
3 Axle curtain sided trailer	£2,640	5.5	35,000	£4,565

Rental and leasing fleet operating costs

Proportion of commercial vehicle rental and leasing fleet provided by BVRLA members (source BVRLA website)	65%
	BVRLA members
Fleet size	Total fleet
Motor vehicles	180,396
Trailers	22,866
	277,532
	35,178

NOTE 1: motor vehicle figures from BVRLA website for fleet at 31/12/08 - trailers figures supplied separately by BVRLA are at 31/12/2007

NOTE 2: Fleet mix for motor vehicles derived from DfT publication "Transport Statistics Great Britain 2007 Edition" – Table 9.6

	Fleet operating costs		Test fee cost at VOSA premises (including average proportion of retests)		Test fee cost at ATF (including average proportion of retests)	
	No	Cost PA	2008/9	2009/10	2008/9	2009/10
7.5t 2 axle rigid	99,912	£1,383,276,528	£57.63	£82.22	£72.19	£90.00
12 - 14t 2axle rigid	19,982	£311,924,111	£57.63	£82.22	£72.19	£90.00
17 - 18t 2 axle rigid	39,965	£731,353,137	£57.63	£82.22	£72.19	£90.00
24 - 26t 3 axle rigid	34,414	£832,474,809	£82.36	£109.14	£96.92	£116.92
32t 4 axle rigid tipper	17,762	£520,606,204	£108.29	£137.46	£122.85	£145.24
32 - 33t 2 axle tractor	2,220	£40,009,057	£57.63	£82.22	£72.19	£90.00
38t 2 axle tractor	13,322	£280,018,997	£57.63	£82.22	£72.19	£90.00
44t 3 axle tractor	49,956	£1,231,410,849	£82.36	£109.14	£96.92	£116.92
Total motor vehicles	277,532	£5,331,073,693				
Total trailers (assume all 3 axle)	35,178	£160,589,677	£54.50	£67.11	£62.31	£71.51
FLEET TOTAL	312,711	£5,491,663,370				
			Fee increase proportion of total operating costs	0.14%	Fee increase proportion of total operating costs	0.10%

Testing and Inspection activities	formula	Variables	Low range	High range
Reduction in staff of about 6% would mean: longer waiting time for appointments;	ave daily standing cost X MV tests per year X effect per vehicle X proportion affected	1 day for [10/30]% of vehicles	£12,323,265	£36,969,794
withdrawal of some TT changes	ave hourly standing costs X MV tests PA X TT savings per test X proportion lost	[10/30] % of savings lost	£280,247	£840,740
opening hours (rural)	Ave cost per mile X extra miles X No of tests X proportion at DPs	20 miles extra round trip for [10/30]% of vehicles tested at DPs	£108,327	£324,982
reduced DP activity				

Reduction in maintenance and investment in facilities and equipment would mean:

reduced maintenance	included in waiting time above			
higher future fees -from higher repair/replacement costs	not modelled			

Reduction in investment in new IT systems would mean:

postponement of more on-line services	not modelled			
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Postponement of upgrading and replacement of existing IT systems would mean:

inability to correct faults in existing systems;	not modelled			
existing systems becoming more prone to breakdown;	not modelled			
some existing systems may need to be switched off	not modelled			
Total testing effects			£12,711,838	£38,135,515

Operator licensing and enforcement activities	formula	Variables	Low range	High range
Staff reductions of the order of 6% would lead to: longer turnaround times for licence applications, renewals and variations;	Ave daily standing cost X (No of new applications X vehicles per licence X added time X proportion affected) + (No of continuation applications X vehicles per licence X added time X proportion affected))	New applications: 1 day delay on [10/30]% of applications Continuations: 1 day delay on [1/5]% of continuations	£777,201	£2,548,884
withdrawal of over the counter enquiry services	not modelled			
reduction in enforcement checks	Total Accident Cost X percentage change	between 0.01% and 0.1% additional accidents	£135,821	£1,358,207
Reduction in maintenance and investment in facilities and equipment would mean:				
reduced maintenance	included in accident increase estimates above			
higher future fees -from higher repair/replacement costs	not modelled			
Reduction in investment in IT systems would mean:				
less targeting	included in accident increase estimates above			
Total licensing effects			£913,022	£3,907,091
Total effects			£13,624,860	£42,042,607

Variables

per vehicle costs used for No increase effects
 Source: RHA "Goods Vehicle Operating Costs 2008".
 Lower of the costs from the 2 sources used.

Type	Proportion	Standing costs PA		Mileage costs per mile contribution		Tests per year
		£	contribution	p	(p)	
7.5t 2 axle rigid	0.36	£39,115	£14,081	39	13.93	Source = VOSA Business plan 2008/9 MV Trailer
12 - 14t 2axle rigid	0.07	£43,930	£3,163	45	3.22	Tests per year 470,600
17 - 18t 2 axle rigid	0.14	£49,400	£7,114	51	7.40	Retests per year 92,000
24 - 26t 3 axle rigid	0.12	£56,970	£7,064	65	8.10	Total tests per year 562,600
32t 4 axle rigid tipper	0.06	£61,830	£3,957	79	5.04	%age at DPs 17%
32 - 33t 2 + 2 axle artic	0.01	£61,563	£493	67	0.54	Average reduction in cycle time from Testing Transformation
38t 2 + 3 axle artic	0.05	£68,358	£3,281	75	3.58	Source TT project data
44t 3 + 3 axle artic	0.18	£74,538	£13,417	82	14.83	Mins 16.26
Average vehicle standing cost			£52,570	Average cost per mile	56.63	
Average earning days per annum (as per RHA modelling)			240			
Average earning hours per week (RHA)			55			
daily standing cost per average vehicle			£219.04			
hourly standing cost per average vehicle			£18.38			

Licensing

Source VOSA Business plan 2008/9

New licences	8,000
continuations	13,000
Variations	8,000
Total licences	99,600
Total vehicles	380,000
Vehicles per licence	3.82

HGV Accident costs

Source - (1) Road Casualties Great Britain 2005 (DfT) table 10

(2) Highways Economic Note No 1 (DfT) table 3

	Fatal	Serious	Slight
No involving HGVs (1)	520	1648	9952
Average value of prevention (2)	£1,644,790	£188,920	£19,250
Total cost by type	£855,290,800	£311,340,160	£191,576,000
Total Accident Cost			£1,358,206,960