

Modernising Operator Licensing: Summary Of Responses To The Public Consultation

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Introduction

Purpose of consultation

1. The White Paper "The Future of Transport" included a commitment to modernise and streamline the licensing of operators of heavy goods vehicles (HGVs) and public service vehicles (PSVs). The Department for Transport issued a consultation paper on 19 December 2005 putting forward three key proposals for change. The aim of the proposals is to significantly reduce the burdens of the licensing system on all parts of the road freight and passenger transport industries while maintaining safety standards. The document was sent to 158 stakeholders (see Annex for full list of respondents.) It was also published on the Departmental website.

Key Proposals

New administrative arrangements for holders of more than one licence based on the concept of a lead Traffic Commissioner (TC)

2. The operator licensing system is organised on a regional basis. A TC is appointed to a regional traffic area and is responsible for licences in that area. There are currently six traffic areas in England plus one each for Scotland and Wales. For large national operators with multiple licences, the administrative burden of having a licence in each area is considerable. The proposed arrangements would simplify arrangements for these operators by allocating them to a lead TC. In most cases operators would make a single application and receive a single decision, although local circumstances (such as the suitability of a particular operating centre) would still be taken into account.

Revised fee structure

3. Operators currently pay an application fee for each licence, plus a five yearly licence fee plus a further five yearly fee for each vehicle being used under the licence (there are options to pay yearly at higher cost). They also have to pay a fee for yearly vehicle roadworthiness testing. The application fees pay for the administration of licence applications; the five yearly licence fees pay for the ongoing administration of the licensing system; the vehicle fees pay for most of the cost of commercial vehicle enforcement work by the Vehicle and Operator Services Agency (VOSA) with the balance being provided by DfT. Test fees pay for the cost of VOSA carrying out the yearly tests. Views were sought on two broad options:
 - a. merging all of the O licence, vehicle fees and application fees with the fee for the yearly test;
 - b. merging O licence and vehicle fees with the test fee and retaining a separate application fee.
4. In each case, the restructuring was intended to be revenue neutral (ie the changes were intended to raise the same income as current fees). Both options would reduce considerably the number of financial transactions operators undertake with VOSA, particularly for larger firms. The total fees payable by some smaller operators would be reduced. The total fees payable by larger operators would increase but this would be very small in relation to the costs of running vehicles and the increase would be partly offset by the administrative savings provided through cutting the number of transactions with VOSA. There would be a larger increase for operators of trailers. However, the change would mean that the cost of enforcement work on trailers would be recovered from those who used them rather than being borne by the industry as a whole as at present.

Abolition of vehicle discs and the one month margin concession

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5. A licence authorises the maximum number of vehicles that may be used. Goods vehicle operators are required to notify the registration details of the vehicles actually being used within this limit to the TC and are issued with a vehicle specific paper windscreen disc. The issue and return of paper discs takes time. To allow for emergencies where vehicles may need replacing urgently there is a concession which allows the use of vehicles up to the maximum authorised for up to one month without notifying the TC ("the margin concession").
6. New IT systems now allow operators to notify changes online and around 50% of changes are now done using this service. Enforcement agencies can immediately check the licensing database to see if a vehicle is licensed. It was therefore proposed to abolish both the paper discs and the margin concession for HGVs by commencing powers contained in the Transport Act 2000. Operators who do not have online access would be able to notify changes by other means.

Executive summary of responses

1. In total, 53 responses to the consultation were received. The breakdown of respondents was as follows:

Businesses	17
Professional Bodies and Trade Associations	31
Voluntary, Community and Charitable Organisations	0
Government and Other Agencies	2
Individuals	3

In addition to these written responses DfT and VOSA also held subsequent meetings with representatives from the road haulage, passenger transport and vehicle hire industries.

The responses to the key issues are summarised below.

Lead TC for multiple licence holders and procedures for dealing with licences.

2. There was overwhelming support for the general principle from those who specifically commented, twenty two expressed general support whilst three agreed with minor comments and two were opposed. The most popular criteria for deciding the allocation of the lead TC was where the operator's HQ is situated. There were some concerns that some TC's could be overloaded. The FTA, RHA and Royal Mail Group suggested that the allocation should be left to the operator to choose.
3. Sixteen responded on the issue of fixed allocation of a TC for five years, fourteen agreed, one disagreed and one offered an alternative. Royal Mail Group thought there should be flexibility if circumstances changed. Seven respondents agreed with the suggestions for considering licence applications, including the FTA and RHA. A further seven respondents agreed but had concerns, such as preserving the TC's ability to make decisions. The Royal Mail were concerned that there should still be a timely processing of applications.

Bringing forward licence review dates, taking disciplinary action against licence holders, specifying vehicles on a single licence.

4. Seven respondents agreed that bringing forward the review dates of multiple licences in order to have a common review date was sensible. There were concerns that operators should not be financially worse off if this happened. DHL Exel thought there could be resource problems if licences were reviewed at the same time. Eight operators agreed with the procedures suggested for taking disciplinary action. There were concerns that local problems should not lead to action being taken on a wider national scale against operators. Eleven respondents supported future legislative changes to allow multiple licence holders to specify vehicles on a single licence. However, the Royal Mail thought that a single licence would make it more difficult for them to control their fleet.

Fees

5. Twelve respondents were in favour of fee restructuring, the most popular choice was merging all fees with the yearly test fee. A further seven had concerns over the details, eg would there also be an increased charge for a retest? Six respondents rejected the fee proposals including RHA, DHL Exel and Calor Gas. The main concern was that operators with larger fleets would have large increases in fees. This concern was also shared by FTA and the Scottish Accident Prevention Council who suggested that the licence fee is kept separate and that only the vehicle fee is merged with yearly test fee. Some respondents were concerned that the changes would affect 5 yearly discounted payments. Currently operators can pay fees up to five years in advance at a lower rate than yearly fee payers. However, moving to yearly fees would remove the discount scheme.

Treatment of exemption categories, hired vehicles and vehicles that need a PSV licence but are not subject to yearly tests

6. Two organisations thought the exempt categories should also pay an increased test fee. The RAC thought that exempt vehicles should not pay towards administering a licence system. Five respondents thought exempt vehicles should only pay a reduced fee. Six respondents thought that hire companies could pass on increased costs of the yearly tests to their customers.
7. The British Vehicle Rental and Leasing Association thought that hire companies would have to absorb the costs themselves as they could not pass these onto their customers. They also thought it was unfair that hire companies would be collecting enforcement costs on behalf of the Government. They suggested ways in which hired vehicles could be exempt from the increased test fee or pay a reduced fee.
8. DHL Exel suggested splitting increased test fees between the hire company and operator. National Express and Royal Mail Group thought that small PSVs should still be subject to the MOT test regime rather than VOSA tests. However, three respondents thought small PSVs should be tested by VOSA and pay the appropriate test fee.

Prepayments of licence fees

9. Eleven respondents suggested ways of dealing with prepayments, six thought that operators that had paid in advance should be credited.

Margin concession and discs

10. Twelve respondents wanted to keep the discs as they help with enforcement. Thirteen respondents suggested that rather than abolish the margin concession it should be reduced from the current one month period. They were concerned that immediate notification could be a significant burden and they would still need a grace period. Fourteen respondents thought that ANPR technology was needed if discs are abolished, several stressed the importance that such technology was proven to be adequate. Two police organisations recommended linking VOSA enforcement officers with police information systems.

PSVs

11. Two respondents agreed that a similar approach was needed for PSV discs as HGVs. However, CPT were concerned that abolition of PSV discs and immediate specification should not affect flexibility, such as when companies loan vehicles with discs to each other to cover short term emergencies. Seven agreed but had reservations, such as concerns over the access of operators to online systems and possible problems with enforcement that may result from abolishing discs. Seven respondents suggested keeping PSV discs but making them vehicle specific.

Comments on the RIA

12. The FTA thought there may be a slight reduction in administration costs for multiple licences but this would be outweighed by operators with large trailer fleets paying more. They estimated that the fee increases could increase their member's costs by 25% per year. The Royal Mail Group thought costs would increase as a result of the proposals and it is unlikely that administration costs will be greatly reduced. They estimated an additional £300K over a 5 year period (per year this broke down as: £50K due to trailers fees and up to £50K due to loss of 5 yearly discount). Calor Gas estimated increased costs of 100k over five years.

Detailed responses received and chosen solutions

<p>Q1. The concept of the lead TC for multiple licence holders (paragraph 8)</p>
<p>Agree: 44%</p> <p>The British Association of Removers, FTA, The Guild of British Coach Operators, National Association of Agricultural Contractors, RHA, CPT, Council on Tribunals, ACPO, Association of Road Transport Lawyers, National Express, Calor Gas Ltd, Trimtruk, MRS (Distribution) Ltd, Tuffnells Parcels Express Ltd, Royal Mail Group, BVRLA, DHL Exel, Thomas Knowles Transport Consultant, Mr Jay Curtin, Mr Chris Rhoades, Lafarge Aggregates, Pteg</p>
<p>Agree with reservations 6%:</p> <p>FSB: need to balance the number of TCs in regions against the number of businesses.</p> <p>AIRSO: large operators could gain financially whilst more costs are imposed on smaller operators.</p> <p>SAPC: lead TC should inform local TCs about applications.</p>
<p>Disagree 2%:</p> <p>Historic Commercial Vehicle Society: TC in London might not know what is acceptable in Wales.</p>
<p>Chosen solution. Due to the widespread support from both the road haulage and PSV industries it is proposed to proceed with the lead TC concept. TCs will set out further details about how the arrangements will work in draft Practice Directions and they will consult with the industry.</p>

<p>Q2. The criteria for allocating operators to a lead TC (paragraph 10)</p>
<p>Agree with one of the three options: 20%</p> <p>Trimtruk: prefer area where the greatest number of vehicles are based (option A)</p> <p>Council on Tribunals: prefer area with greatest number of operating centres (option B)</p> <p>Association of Road Transport Lawyers, ACPO, National Express, Calor Gas Ltd, RDL Distribution Ltd, MRS (Distribution) Ltd, Mr Jay Curtin, BVRLA: prefer area in which the operator's registered office or HQ is situated (option C).</p>
<p>Disagree 4%:</p> <p>Historic Commercial Vehicle Society: may result in nearly all operators being registered with one TC.</p> <p>National Council on inland Transport : standards will fall as companies could reduce local managers and thereby accountability.</p>

Alternative suggestions: 20%

FTA, RHA, The British Association of Removers, DHL Exel, Royal Mail Group : all prefer operators to choose their lead TC. However, RHA say option A is the most attractive of the three options offered.

CPT, Lafarge Aggregates Ltd: Ideally, prefer operators to choose their lead TC. However, of the three options, prefer option C but HQ is more relevant than registered office which can be geographically remote from actual operation. CPT also suggests that the definition of operator should be extended to incorporate management units.

Transport 2000: Traffic Areas should be co-determinate with government regions and national boundaries.

Ryder Plc: determine by operator's correspondence address.

IoTA: Senior TC should give up regional role and deal with multiple licence holders.

Chosen solution. The most popular criterion for allocating operators to a lead TC is the location of the operator's administrative headquarters, although some operators suggest they should choose. TCs will consult by means of a Practice Direction setting out the options available to them when deciding who should act as lead TC. If the chosen criteria produces an unacceptable workload for some TCs then alternatives may need to be considered.

Q3. The proposal that allocations should be fixed for five years (paragraph 11)

Agree 28%:

FTA, RHA, The British Association of Removers, FSB, CPT, Historic Commercial Vehicle Society, IoTA, National Express, Calor Gas Ltd, Trimtruk, DHL Exel, Lafarge Aggregates Ltd, Mr Jay Curtin, Association of Road Transport Lawyers

Disagree 2%:

National Council on Inland Transport: will have detrimental effect on road safety.

Alternative suggestions 2%:

Royal Mail Group: change in operators' circumstances affecting TC allocation should be built into review.

Chosen solution. It is proposed to proceed with the consultation proposal for five year allocation. However, TC's workloads will be kept under review.

Q4. The procedures for TCs considering licence applications and variations (paragraph 13 to 21)

Agree 14%:

FTA, RHA, National Association of Agricultural Contractors, Association of Local Bus Undertaking Managers, Retail Motor Industry Federation, Calor Gas Ltd, Mr Jay

<p>Curtin</p> <p>Agree with reservations : 14%</p> <p>SAPC: should not remove the decision making capability of individual TCs</p> <p>CPT: should not limit the number of deputy TCs in any traffic area.</p> <p>BVRLA: guidance should be issued to applicants to avoid possible confusion over need to place local notices.</p> <p>The Guild of British Coach Operators: need to be proper safeguards and VOSA service levels. Notices and Proceedings publications should continue.</p> <p>Council on Tribunals: locally based inquiries should stay and there should be no adverse impact on local planning considerations.</p> <p>Association of Road Transport Lawyers: proposals must provide an improved and efficient service for operators. Guidance should be issued to operators to make clear the criteria and timetable for interim licence applications.</p> <p>Royal Mail Group Plc: changes must not delay the time it takes for processing applications.</p>
<p>Disagree: 2%</p> <p>National Council on Inland Transport: present system should remain unchanged.</p>
<p>Chosen solution. To proceed in line with the recommendations set out in the consultation paper. However, the detailed arrangements will be dealt with in Practice Directions and TCs will consult on these.</p>

<p>Q5. The proposal to bring forward five yearly compliance reviews in order to achieve a common review date for multiple licence holders but preserving the 5 yearly protected period for existing operating centres (paragraph 22 and 23)</p>
<p>Agree 14%</p> <p>FTA, CPT, IoTA, National Express, Calor Gas Ltd, Trimtruk, MRS (Distribution) Ltd</p>
<p>Agree with reservations:4%</p> <p>The British Association of Removers: operators should not be financially penalised if review dates brought forward.</p> <p>Royal Mail Group: may cause administration problems and large one-off costs.</p>
<p>Disagree 4%</p> <p>RHA: bringing forward could lead to financial penalties, however, a pro-rata credit mechanism would address concerns.</p> <p>DHL Exel: common review date would make it impossible for large operators to make various checks. Present system of review dates and local traffic areas spreads the load for operators.</p>
<p>Chosen solution. It is recognised that there may be a need for some flexibility on review dates. TCs and VOSA will determine the arrangements for reviewing multiple licences. However, an operator could request that a different arrangement is considered. It is now proposed that licence fees will remain separate from yearly test fees. DfT and VOSA will discuss with the industry how a possible credit mechanism can be set up where review dates</p>

are brought forward.

<p>Q6. The procedures for disciplinary action (paragraphs 24 to 27):</p>
<p>Agree: 16%</p> <p>FTA, The British Association of Removers, The Guild of British Coach Operators, Trimtruk, MRS (Distribution) Ltd, National Express, Mr Jay Curtin, CPT</p>
<p>Agree with reservations: 6%</p> <p>Calor Gas Ltd, Royal Mail Group: TCs must not take draconian measures on the entire fleet where there has been a minor lapse of standards on a local issue.</p> <p>RHA: must not result in more operators losing all their licences.</p>
<p>Disagree 6%:</p> <p>Historic Commercial Vehicle Society: proposals will make it a lot harder for TCs to obtain evidence of operators' malpractice.</p> <p>National Council on Inland Transport: lead TC may be unable to handle workload and will delegate to deputy, leading to delay.</p> <p>Association of Road Transport Lawyers: potential conflict if TCs gather evidence and assess it. Proposals should not increase enforcement and disciplinary burden.</p>
<p>Alternative suggestions 2%:</p> <p>Council on Tribunals: lead TC should consult local TC and give reasons for a decision whether to hold a public inquiry.</p>
<p>Chosen solution. DfT recognise there are concerns over the detailed arrangements. TCs will consult the industry on draft Practice Directions setting out detailed procedures, including the scenarios where all licences, or just one, could be put at risk.</p>

<p>Q7. Possible future legislative changes to allow multiple licence holders to specify vehicles on a single licence (paragraph 30)</p>
<p>Agree 22%:</p> <p>FTA, BVRLA, CPT, IoTA, Association of Road Transport Lawyers, DHL Exel, The British Association of Removers, RDL Distribution Ltd, MRS (Distribution) Ltd, Lafarge Aggregates Ltd, RAC</p>
<p>Agree with reservations 6%:</p> <p>FSB: operators should be made aware that this proposal could prove burdensome.</p> <p>Mr Jay Curtin: not suitable to have a national licensing system with a single office. England & Wales could be combined and Scotland needs own office.</p> <p>The Guild of British Coach Operators: problems at a local depot should not lead to revocation of the single national licence.</p>
<p>Disagree 8%:</p> <p>Historic Commercial Vehicle Society: system for transferring vehicles to another area's licence should remain.</p> <p>Trimtruk, Royal Mail Group: it will be more difficult for operators, particularly large ones,</p>

to manage/control their fleet to ensure that vehicles are at the correct operating centre.

National Council on Inland Transport: could lead to problems for transport managers, ensuring that correct vehicle maintenance and servicing is carried out at other depots.

Chosen solution. We recognise that there is significant support from respondents for the concept of a single licence, however, such a system will require primary legislation. The Government does not intend to introduce legislation at this stage.

Partial RIA at annex A

Comments 8%:

FSB: operators should be made aware that any changes to the system to allow multiple licence holders to specify vehicles on a single licence, could prove burdensome, and should be fully discussed in RIA.

IoTA: agree with RIA subject to their concerns covered in this summary

FTA: slight reduction in administration costs for multiple licences but outweighed by operators with large trailer fleets paying more.

Royal Mail Group: costs would increase as a result of proposals and it is unlikely that administration costs will be greatly reduced.

Q8. The options for reform (paragraph 7) including the proposed fee structure for different categories (paragraph 8) and which approach is preferred:

Agree 24%:

Lafarge Aggregates Ltd , Pteg, MRS (Distribution) Ltd, RDL Distribution Ltd, Historic Commercial Vehicle Society, RAC, Trimtruk: option A (merging all of the O licensing and vehicle fees with the yearly test fee)

Metrobus Ltd, FSB, National Express, Mr Jay Curtin: option B (merging all fees with the yearly test fee, except those for application and variations to licences)

Merseyside Passenger Transport Authority and Executive: both proposals would reduce administration and costs to operators. Charges to be used for investment in public transport.

Agree with reservations 14%:

The Guild of British Coach Operators: support merging fees subject to the fee for retests being lower than the combined fee.

National Association of Agricultural Contractors: prefer option B, but with a zero rated application fee for agricultural vehicles that fall out of the exempted category.

IoTA: what happens with test failure fees and vehicles taken out of service that don't have an annual test?

Inter Crate Rentals: will test failures pay a lower re-test fee?

Royal Mail Group: prefer option B. How would newly registered vehicles first yearly fees be paid if have to wait until test? What happens if test dates need to be brought forward for operational reasons? Once test fee paid and vehicle is sold, is there any refund and what does new owner pay? Refunds for written off vehicles?

Association of Road Transport Lawyers: prefer option B but resistance to trailers being subject to O licence charges.

Association of Local Bus Undertaking Managers: prefer option B but what happens if annual tests are brought forward to avoid overcrowding at same time? Will two lots of fees be payable in one 12 month period?

Disagree 12%:

BRAKE: maintenance providers may have already fixed the testing fees as part of existing contracts.

The British Association of Removers: potentially huge savings for Government but larger fleets will pay more under proposals whilst savings for smaller fleets will only be marginal.

RHA: reject both options.

Calor Gas Ltd: reject both options. What will be rate for a re-test or failure? Trailers should not be subject to O licence charges increased costs for them will be considerable.

DHL Exel: proposals penalise larger operators. O licence element payable each time they change traffic area. Suggest only merge fees with test fees if vehicles owned by operator. Proposals do not acknowledge that online system and disc removal means the administration costs are much reduced. New equipment will not have test for up to three years?

Retail Motor Industry Federation: dealer's engaged in service and repair will have their cash flow affected by paying for annual tests, although they can re-invoice customer.

Alternative suggestion 6%:

FTA: only merge vehicle fee (and a fee for trailers) with annual test fee.

SAPC: keep a separate licence fee to cover administrative costs as well as separate application fee. The annual test fee could be a combination of vehicle fee and test fee similar to option b less a small percentage.

CPT: keep separate application and variation fees but unfair to penalise variations. What happens if a newly registered vehicle? Can test dates be brought forward?

Chosen solution.

There were concerns that operators with larger fleets were being asked to pay an unequal share of the costs of administering licences. To address these concerns it is proposed that only the vehicle fee should be consolidated with the test fee and that the fee for trailers should be reduced to reflect the actual costs of enforcement work. Therefore the annual equivalent of the five yearly vehicle fee (£36) will be added to the test fee for rigid vehicles and tractor units. A revised lower sum of £13 will be added to the test fee for trailers.

Operators who do not use trailers would pay exactly the same amount of money as they do now. Operators who pay vehicle fees yearly would see a reduction. Operators who use trailers would see a smaller increase than under the options originally proposed in the consultation paper. Overall, the restructuring would still be revenue neutral. The costs of processing licence applications and administering the licensing system will continue to be recovered through application and licence fees. Retest fees would be lower than yearly test fees and would not contain an enforcement element.

Overall the PSVs sector preferred the second option proposed in the consultation (merging all fees except fees for applications and variations) and it is proposed that this should be adopted for their sector.

Q9. How to treat operators who are outside the scope of O Licensing (paragraph 12)

Exemptions should pay the same test fees as non exempt.

Agree: 4%

Inter Crate Rentals: these operators should be able to pay the increased test fee as it will not be excessive.

Royal Mail Group: if trailers are to pay increases then so should the exemptions as there is still an enforcement cost for them.

Alternative suggestion 4%:

The British Association of Removers: all vehicles over 3500 kg should be included in O licence system, ie no exemptions, and contribute towards enforcement.

RAC: exempt vehicles should not bear costs of administering a licence system that they are not a part of. Lower fees would still be an increase.

Exemptions pay reduced fee.

Agree 10%:

Mr Jay Curtin, Lafarge Aggregates Ltd, DHL Exel:

The Rt. Hon. Greg Knight MP: historic commercial vehicles are exempt from O licence therefore should pay a reduced fee as it is unfair that they should subsidise administration costs through test fees.

British Federation Of Historic Vehicle Clubs: preserved vehicles should only pay for basic mechanical test. These vehicles are not an enforcement issue.

Disagree 2%:

FTA: different rates for exemption categories will be too complicated.

Chosen solution.

We consider it is reasonable for users of vehicles outside of the scope of licensing (eg historic vehicles and horse boxes) to contribute towards the cost of enforcement work but not the cost of running the licensing system. The proposed restructuring will achieve this.

Q 10. Treatment of hired vehicles (paragraph 14)

Hire companies to absorb test fee costs and pass on to customers.

Agree 12%:

Calor Gas Ltd: rental companies would need to raise charges to cover these proposals.

Lafarge Aggregates Ltd: market rates will determine how much is passed to hirer.

Royal Mail Group, Inter Crate Rentals: charges for hire vehicles would only need a minor increase to recoup the additional cost involved.

Mr Jay Curtin: hire companies will have the choice to increase rates.

RDL Distribution Ltd: fees could be recovered within the rental charge

Alternative suggestions 12%:

BVRLA: Unfair to hire companies to merge fees with annual test, not in line with user pays principle. Hire companies cannot absorb costs due to market pressures. Will the Competition Act/ Enterprise Act allow it? It may not be possible to alter existing leasing agreements. Operator should pay charges according to the total number of replacement vehicles they use.

The British Association of Removers, National Council on Inland Transport: hire companies should have an O licence and pay combined test/licence fees.

National Express: operator should be responsible for annual test under all circumstances.

SAPC: if test fee is only combined with vehicle fee then hire companies could pass on test fees to operators.

DHL Exel: hire vehicles to have different markers on TAN. If less than 7 days hire pro rata charge, if longer the charge is paid by the operator.

Chosen solution.

The new fee restructuring proposal will mean that hire companies will not contribute towards the licence fee costs. However, they will be required to pay higher yearly testing fees for their vehicles. In effect they would be collecting the extra £36 for HGVs and £13 for trailers on behalf of the Government. The consultation document suggested that the industry could consider passing these costs onto their customers.

Alternative proposals were suggested but on balance DfT considered that these would be unfair on operators who did not hire vehicles or mean abandoning the fee restructuring altogether. It was also felt the alternatives would be too complex and expensive for VOSA to administer. If vehicle hire companies pass on the cost of the supplement then all operators, whether they own or hire vehicles should either directly or indirectly be paying the same.

Q 11. How to treat operators who need an O licence but use vehicles exempted from testing (paragraph 15)

Suggestions 12%:

National Express, Royal Mail Group: keep existing system

SAPC, Trimtruk, National Council on Inland Transport: PSVs to be subject to VOSA testing and pay relevant fee.

Association of Local Bus Undertaking Managers: how much would non operators of PSVs pay for annual test? Vehicles with less than 9 seats should have the same test fees as those with more.

Chosen solution.

The second of the proposed fee restructuring options will be adopted for all PSV licences (see question 8 above). However, where the PSV operator is not subject to the VOSA test this means there will not be an opportunity to collect licence administration and enforcement costs from them in the yearly test fee. As a result of this VOSA will undertake further work to review the expected income for this category against actual costs.

Q12. How to treat prepayments under the existing system (paragraph 16)

Suggestions 22%:

Association of Local Bus Undertaking Managers, Trimtruk, The British Association of Removers, RDL Distribution Ltd: prepaid fees should be credited against future fees.

Inter Crate Rentals: needs to be an arrangement to allow credit if an operator has already paid a 5 year fee.

BVRLA: single financial statement to be issued to multiple O licence holders so that all credits from different traffic areas are accrued in a single account.

IoTA: merge prepayments made to VOSA under MOT and O licence.

Calor Gas Ltd: major operators to be invoiced monthly in arrears for transactions.

Royal Mail Group: cash refund, need to take into account that some prepayments would have 5 yearly discount so may be disadvantaged when calculating higher annual costs before 5 year renewal date.

Association of Road Transport Lawyers: will there still be a discount for 5 yearly payments?

National Council on Inland Transport: any prepayments should be honoured and new payment come into force after 5 year period. Take into account that VOSA has had interest on prepayments.

Chosen solution

DfT and VOSA recognise there are concerns that when the new system is introduced operators should receive proper credit for any vehicle fees which may have been paid in advance. Before implementation of the fee restructuring there will be further consideration of the detailed arrangements for prepayments.

We also recognise that test fees are often paid by operators' maintenance contractors and they in turn recoup the cost by invoicing the operator. If the operator has prepaid vehicle fees to VOSA there may be ways of transferring credits between different parties and this will need examination. Cash refunds may be an alternative option, although this would be a resource intensive exercise for both parties. VOSA will consult operators on possible fee paying mechanisms to take account of these issues in due course.

Q 13. The proposal to abolish the margin concession and windscreen discs for goods vehicles. (paragraph 8)

Agree 4%:

Trimtruk, SPC Transport Consultancy Service:

Agree with reservations 6%:

The British Association of Removers: remove MC as long as adequate access to new technology.

DHL Exel: "immediate notification" needs to be defined. How long will the transitional period be before changes are introduced?

FSB: abolishing discs could provide loophole for offenders. Need for some leniency for larger sized fleets.

Disagree 18%:

National Council on Inland Transport, ACPO, The British Association of Removers, Historic Commercial Vehicle Society, IoTA: all want to keep discs because the police use them as a visual check.

West Yorkshire Police, Police Federation of England and Wales, Metropolitan Police: all want to keep discs until enforcement agencies and officers have access to database and ANPR technology.

Mr Jay Curtin: keep discs, MC to be set at 14 days (24 hours for emergencies).

Alternative suggestion 28%:

SAPC: Keep discs for goods vehicles and PSVs but operator issues them not VOSA. Remove MC if immediate changes can be notified by telephone, followed up in writing within 48 hours.

AIRSO: Keep disc but print from online.

Ryder Plc, BVRLA, FTA: immediate notification will be too much of a burden for short term hirers. There should be 2-3 days grace period. Need for safeguards so that rental companies are not penalised.

RHA: would accept 3 working days MC but prefer 7. Only remove discs if customers are able to telephone hot line to check registration numbers so they know operators are legitimate.

Calor Gas Ltd, RDL Distribution Ltd, Lafarge Aggregates Ltd: agree with abolishing discs but immediate notification not practical so MC should be 14 days (Calor Gas Ltd refer to experiencing problems with the online system)

Inter Crate Rentals: suggest a 7 day MC, hire companies should notify VOSA if short term hire. Telephone system will need to be properly staffed.

MRS (Distribution) Ltd: suggest 7 day MC

Tuffnells Parcels Express Ltd: suggest 10 day MC (to correspond with 10 day notification in EU 4th Motor Insurance Directive)

Royal Mail Group: keep discs so police can enforce, MC should be 24 hours for permanent vehicles and 3 days for short hire.

Association of Road Transport Lawyers: suggest a MC of 3 to 14 days

Chosen solution

DfT and VOSA recognise that a requirement for immediate notification will impose a much higher burden on the industry than originally thought. It has become apparent from further discussions with the industry that the emergency short term hire of vehicles, often outside business hours, presents a particular problem as access to the online system may not necessarily be available.

DfT and VOSA will carry out further work to evaluate the costs and benefits of this proposal, including looking at the options for minimising the burden of an immediate notification requirement, before making a decision.

There remains a commitment from DfT and VOSA to abolish discs but not until new technology has been properly rolled out. Currently an operator's customers (or their employees) may rely on the disc to check that a vehicle is being used under a licence. VOSA's online system enables members of the public to check whether an operator holds a licence but they cannot check individual vehicle details. VOSA will examine if there is scope for changes to the system to address this and the legal and practical difficulties that are involved.

Q 14. The alternative methods for notifying changes for those who do not have access to the online system (paragraph 8)

Agree 14%:

Lafarge Aggregates Ltd, DHL Exel, Calor Gas Ltd, RHA, AIRSO, Historic Commercial Vehicle Society: all agree they are needed.

SAPC: suggest the use of text messaging.

Agree with reservations 8%:

Trimtruk: difficulties with fax notification

Royal Mail Group: telephone, fax, e mail are logical but letters unlikely to arrive within 24 hours.

Association of Road Transport Lawyers: if alternative methods used operator needs acknowledgement. **Mr Jay Curtin:** suggests a call back system from TC offices.

Disagree 2%:

FTA: 24 hour system for those not online would be expensive. Letters will not provide real time information.

Chosen solution

The commitment to provide alternative methods for those who need them remains. VOSA will review acceptable alternative methods in due course.

<p>Q15. The need to ensure adequate access to new technology for enforcement officers before discs are withdrawn (paragraph 9)</p>
<p>Agree 14%:</p> <p>Trimtruk, RHA, Historic Commercial Vehicle Society, Calor Gas Ltd, TCs, National Express:</p> <p>Royal Mail Group: police should have access to system</p>
<p>Agree with reservations 6%:</p> <p>Association of Road Transport Lawyers: raised concerns about effectiveness of ANPR, consultation document says "currently...ineffective" (page 38).</p> <p>DHL Excel: in conjunction with ANPR, TAN must be updated more frequently than every 24 hours.</p> <p>BVRLA: if use ANPR there must be safeguards to protect owners of hired vehicles.</p>
<p>Disagree 2%:</p> <p>ACPO: enforcement would rely on station officers with access to TAN, also believe there is evidence of limited take up of access to website.</p>
<p>Alternative suggestions 8%:</p> <p>SAPC: Agree that ANPR is essential but also suggest public should have access to database to check registration numbers and O licences.</p> <p>Mr Jay Curtin: ANPR to be used with discs.</p> <p>West Yorkshire Police, Federation of England and Wales: Link PNC to licensing database as well as access to ANPR. Telephone link to VOSA not enough.</p>
<p>Chosen solution</p> <p>We recognise there is some concern among industry and enforcers as to whether electronic enforcement means will be sufficiently robust. We are committed not to abolish the discs until we are satisfied that current enforcement levels can be maintained by alternative means. VOSA are liaising with the police about what system links forces may require. All forces may have access to VOSA's online system should they require it and a number are now registered to use this facility.</p>

<p>Q 16 Whether we should adopt a similar approach for PSVs (paragraph 19 of Chapter 1 and annex C)</p>
<p>Agree 4%:</p> <p>Metrobus Ltd</p> <p>London TravelWatch: would enable better targeted enforcement activity.</p>
<p>Agree with reservations 14%:</p> <p>The Guild of British Coach Operators: PSV vehicles to be specified but reservations about abolition of discs, recognise the ease of using online systems.</p>

Merseyside Passenger Transport Authority and Executive: agree with abolition of PSV discs, but some operators will not have online access. VOSA could target operators more easily.

ATCO: concern about abolition of PSV discs and enforcement, suggest local authority officers have access to database, tax discs to show PSV license details.

CPT: agree but subject to discussion on details, any online systems should be easily accessible. Can PSVs have "headroom" of discs to vehicles, will they pay a fee for vehicle tests not incurred? **FirstGroup:** want to maintain flexibility when using vehicles.

Pteg: support abolishing discs for PSVs but enforcement checks may become more difficult, especially small minibuses. Local authority staff to have access to database.

Transport 2000: PSV disc system should only be changed if new system has same ease of checking compliance.

Disagree 8%:

P & J Travel, SAPC, Association of Road Transport Lawyers, Association of Local Bus Undertaking Managers: keep current PSV system and discs.

Alternative suggestion 16%:

ACPO, Historic Commercial Vehicle Society, Trimtruk, SPC Transport Consultancy Service, IoTA, Mr Jay Curtin: all agree PSV disc should be kept but vehicle specific.

Thomas Knowles Transport Consultant: keep discs on PSVs but they should be vehicle specific, also generated at test station and linked to DVLA and ANPR system to deal with change of ownership.

National Express: keep vehicle non specific discs but vehicle registrations could be supplied to VOSA.

Chosen solution.

DfT and VOSA recognise the merits of PSVs being specified on licences coupled with the abolition of PSV discs to enable enforcement to be targeted on the non-compliant. However, the consultation reveals that opinion is not unanimous and there are concerns about the enforcement consequences of abolishing discs (as with HGVs). CPT were particularly concerned that the current flexibility for operators to transfer vehicles to others, either with or without a disc, for up to 14 days should be maintained. Further work will be carried out by DfT and VOSA officials and we do not recommend legislative changes at this point.

General comments on issues raised in consultation:

DVLA: agree with proposals

National Express: raised concerns about the centralisation of licensing work in Leeds, this may lead to a loss of local knowledge and would have a detrimental effect on both operators and the public.

Metrobus Ltd: centralisation risks impersonal relationships with operators and a possible lack of urgency.

IoTA: centralised office should be able to deal with operators in Welsh.

National Council on Inland Transport: Traffic Police must be informed of vehicle changes.

The following respondents had no comments:

Institute of Directors, Scottish Environment Protection Agency

Taking the consultation forward: summary of actions

1. The new arrangements for multiple licence holders can be implemented administratively. Traffic Commissioners will be consulting industry on the detailed arrangements and changes are expected to be implemented in 2007.
2. The fee restructuring is currently planned to take place simultaneously with the annual up rating exercise in April 2008. The legal and procedural changes required preclude the possibility of implementing the fee restructuring from April 2007 as originally planned.
3. DfT and VOSA will carry out further work to evaluate the costs and benefits of the proposal to abolish the margin concession, including looking at the options for minimising the burden of an immediate notification requirement, before making a decision.
4. The timetable for abolition of discs will depend on the roll out of electronic enforcement means.
5. Regulatory Impact Assessments will be produced in conjunction with regulations to implement changes to the fee structure, abolition of windscreen discs and (if proceeded with) the margin concession at the appropriate time.

Annex: The following organisations and people responded to the consultation

Association of Chief Police Officers of England, Wales and Northern Ireland (ACPO)

Association of Industrial Road Safety Officers (AIRSO)

Association of Local Bus Undertaking Managers

Association of Road Transport Lawyers

Association of Transport Co-ordinating Officers (ATCO)

BRAKE

British Federation of Historic Vehicle Clubs

British Vehicle Rental and Leasing Association (BVRLA)

Calor Gas Ltd

Confederation of Passenger Transport (CPT)

Council on Tribunals

DHL Exel

Driver and Vehicle Licensing Agency (DVLA)

Federation of Small Businesses (FSB)

First Group

Freight Transport Association (FTA)

Historic Commercial Vehicle Society

Institute of Directors

Institute of Transport Administration (IoTA)

Inter Crate Rentals

Lafarge Aggregates Ltd

London TravelWatch

Merseyside Passenger Transport Authority and Executive

Metrobus Ltd

Metropolitan Police

Mr Chris Campbell

Mr Chris Rhoades

Mr Jay Curtin

MRS (Distribution) Ltd

National Association of Agricultural Contractors

National Council on Inland Transport

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National Express

Passenger Transport Executive Group (Pteg)

P & J Travel

Police Federation of England and Wales

RDL Distribution Ltd

Retail Motor Industry Federation

RAC

Royal Mail Group Plc

Ryder Plc

Scottish Accident Prevention Council (SAPC)

Scottish Environment Protection Agency

SPC Transport Consultancy Service

The British Association of Removers

The Guild of British Coach Operators

The Road Haulage Association Ltd (RHA)

The Rt. Hon. Greg Knight MP (Chairman of the All-Party Parliamentary
Historic Vehicles Group)

Thomas Knowles Transport Consultant

Traffic Commissioners (TCs)

Transport 2000

Trimtruk

Tuffnells Parcels Express Ltd

West Yorkshire Police