



Consultation Report: Fees:

- **VOSA Great Britain**

HGV testing, operator licensing,
RPC, IVA, VIC and other services

- **DVA in Northern Ireland**

RPC IVA and VIC only

Closing Date:

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CORPORATE

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1. Introduction

1.1 On 30 April 2013 VOSA (the Vehicle and Operator Services Agency)¹ published a consultation on proposed changes to the fees charged for various services. The majority of those fees were delivered in Great Britain by VOSA or by the independent Traffic Commissioners. Some services covered by the consultation were also provided in Northern Ireland by DVA (the Driver and Vehicle Testing Agency).

1.2 The consultation document explained the rationale behind the proposed package of fee changes. Separate Impact Assessments were annexed for each of the 3 drivers for change. The consultation document:

- asked for on-line responses by giving “yes/no” answers to eight specific questions in relation to particular aspects of the make up of the package;
- asked respondents to explain the reasons for their answers;
- asked for information or data to improve the Impact Assessments– particularly to show the effect on their industry sector; and
- invited general comments.

1.3 The consultation document also provided addresses to which those unable to respond on-line could send their response.

1.4 The consultation was published on the gov.uk website. Around 70,000 potentially interested parties who had signed up to receive electronic alerts via the VOSA Direct alert service were informed of the consultation launch. Emails were also sent to those on a list of interested parties which VOSA has used for some years– these Emails advised recipients who were still interested in the subject to sign up for VOSA Direct alerts to receive notification of further consultations. A press notice was issued to trade media, several of whom announced the launch of the consultation in their publications.

2. Executive summary

2.1 Of respondents that provided yes/no answers the majority supported or were evenly balanced on 6 of the 8 proposals. There was less support amongst the representative bodies with the majority disagreeing with 4 of the proposals. In respect of the effects of widening location differentiation to remove cross subsidy of VOSA test facilities, the explanations associated with the “no” responses majored on the principles of the move to ATFs or test availability, which were not directly related to the subject of the consultation. Some were concerned about the effect of the fee increases at VOSA sites for which no ATF alternative was available – others felt that total test cost differentials should be widened to support ATFs (effectively over recover costs and VOSA to subsidise ATF customers).

¹ DVSA (Driver and Vehicle Services Agency) was formed on April 1 2014 following the merger of Vehicle and Operator Services Agency (VOSA) and Driving Standards Agency (DSA) to form a single entity.

2.2 We explained in the impact assessment² that if we were continue to progress gradually towards removal of the cross subsidy this would prolong the anomaly. It would also mean that, since the majority of customers will be using non-VOSA facilities, the majority of customers were paying more than their fair share of VOSA's costs. The complete removal of the cross subsidy means a very significant percentage increase for some customers using VOSA facilities but it must be remembered that under the preferred option the majority of customers (who use non-VOSA facilities) will see their fees reduce; when typical pit fees are taken into account most users of non-VOSA facilities will still be paying more than those using VOSA facilities; and, as explained later in this IA, fees payable to VOSA represent only a tiny proportion of the cost of operating a vehicle.

2.3 Views on the increases to cover additional costs arising from the interconnection of National registers and on the proposed 1% general increase varied, indeed one opponent suggesting that larger increases should be made to fund more sophisticated equipment to target roadside enforcement. Most general comments were to do with the policy of moving tests to ATFs and current test availability and other issues which had been raised at the Transport Select Committee.

2.4 The aim of the proposals is to cover costs and restructure fees to remove cross subsidy and that many of the reasons for not supporting the proposals are diametrically opposed to each other.

2.5 Having considered the results of the consultation exercise; that aim of the proposals is to cover costs and restructure fees to remove cross subsidy; and that some of the reasons for not supporting the proposals are diametrically opposed to each other, Ministers have decided to implement the package of fee changes as proposed.

3. Overview of responses

3.0.1 Forty five responses in total were received, although not all respondents answered all questions.

3.0.2 A full analysis of responses and explanations/comments is provided with the questions at Annex 1. The following summarises that analysis by question. Percentages quoted are of percentages of those who answered the particular "yes/no" question. Some provided comment without answering the question. We have not attempted to infer what their answer would have been from the comments.

² Lorry, bus and coach examination fees - location differentiation **IA No:** DfT00163

3.0.3 These were split between stakeholder sectors as per the table below:

segment	Grand Total
Large Company	11
Local Government	1
Member of the public	3
Representative Organisation	12
Central Government	2
Registered Transport Museum / Registered Charity/	1
Small to Medium Enterprise (up to 50 employees)	13
Trade Union	2
Grand Total	45

3.0.4 VOSA received 9 responses outside the default digital response format. These were split between Trade Associations, Government bodies, trade unions and other. For the purpose of analysis, their responses have been attributed to the questions to which they seem most appropriate and, a yes/no box ticked if this can be inferred from the comments. Where the comments do not seem directly related to any particular question, they have been included in the “other general comments” area.

3.0.5 Some respondents made comments on matters not directly related to the fee levels about which VOSA was consulting – e.g. about service availability; the principles of bringing tests closer to customers with an enlarged ATF network and reduced VOSA network; or other aspects of VOSA’s operation. Such comments have been brought to the attention of officials responsible for those aspects of VOSA’s operation to inform their views on possible future developments.

4 Questions on particular aspects of the fee change proposals

Question 1 – location differentiation, annual roadworthiness tests

Do you agree that VOSA should charge all of the cost of test facilities provided by VOSA to those that use those facilities and all of VOSA’s additional costs to service ATFs to their customers by reducing the testing element of fees at ATFs and DPs by 4.4% and increasing fees at VOSA by 24.2%?

Analysis

54% “no”. Opinions on the proposed changes to re-balance fees to remove cross subsidies were fairly evenly divided among many groups. A larger proportion of representative organisations disagreed with the proposal, whereas a majority of Small and Medium Enterprises (SMEs with up to 50 employees) supported the proposed change. One recurring theme in the explanations/comments was the effect of the increased charges at VOSA test stations on those who do not have a convenient ATF. Others effectively suggested that charges at VOSA sites should be at above cost recovery levels to ensure that tests at ATFs were always cheaper. Standardised fees regardless of

location was also mentioned, as was a view that the proposed fees would lead to VOSA users cross subsidising ATF users.

Although not directly related to fee levels, several explanations/comments confirmed that there were mixed feelings on the merits of ATFs versus VOSA facilities and concerns on availability of tests. Several mentioned that they considered testing at VOSA was better for smaller operators – others fully supported ATFs.

Consideration

- Although the headline percentage increase in the testing element of fees at VOSA is high, this is unavoidable if the present cross subsidies from customers who do not use those facilities are to be removed.
- For most customers paying pit fees at ATFs, the cost of a test at VOSA would still be less than at an ATF after the proposed changes – thus even with these increases customers using VOSA still get a better deal if only direct fee costs are considered. It would be unfair to the estimated 70% of customers who use ATFs to continue to contribute to the cost of VOSA facilities and still pay more for their tests at ATFs. Raising fees at VOSA test facilities above cost to ensure that ATFs were always cheaper would be inappropriate since it would remove one element of competition pressure to keep their fees as low as possible.
- Regarding small operators, as with many changes there will be winners and losers. Many small operators use repairers who also operate an ATF and will benefit from reduced VOSA fee levels at ATFs. Some who do their own maintenance (now believed to be a minority in the industry as a whole) and are near to an ATF may still gain from reduced journey time – others for whom a VOSA site used to be nearby will lose out.
- The percentage changes proposed were those necessary to charge those using the particular delivery method the full cost attributed to that delivery method with no cross subsidy. This was calculated using the split of test locations predicted when the proposals were being prepared. Recent trends suggest that the proportion of tests at ATFs may have been underestimated, which will result in a shortfall in VOSA's income. However, at some point the rate of change of the split will stabilise as maximum market penetration is reached. It is difficult to predict at the start of a fee change process exactly when that stabilisation will start and therefore what the split will be 2 to 3 years ahead. Further adjustment of fee levels proposed for this change to address this apparent shortfall would further delay implementation of the change and the benefits thereof. The effects of any under or over estimate of split will be a factor in the outcome of the next fee review
- The disparity on percentage changes is due to 2 factors:
 - Moving £4.2m of estate costs from ATF users (70%) to VOSA users (30%) means a greater percentage change for the lower number of customers. To illustrate the effect simply, transferring £100 from a group with 100 people to a group with 10 people, the saving to the first group is £1 each but the cost to the small group is £10 each.

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- The change to VOSA's fees for tests at ATFs also take account of the fact that, because of travelling time and other factors, VOSA has had to take on extra inspectors to service ATFs. The cost of this, estimated at £2.5m has to be paid by those using ATFs.
- Limiting the percentage change for VOSA customers by phasing the change would perpetuate the unfair cross subsidy. It would mean transferring less than the £4.2m mentioned above. If the amount transferred was less than the £2.5m additional costs to VOSA to service ATFs VOSA would have to increase rather than reduce fees at ATFs.
- The consultation was not about the policy of moving testing to ATFs or on availability of so comments on those policies will be passed to those responsible for that policy.

On balance therefore the Minister has decided to apply the fee changes as proposed.

Question 2 –location differentiation – HGV notifiable alterations

Do you agree that HGV notifiable alteration fees should be simplified by applying a common fee to all chargeable notifications?

Analysis

89% “yes”. Proposal clearly strongly supported.

Consideration

For the reasons stated in the consultation document and Impact Assessment, the Minister has decided to apply fee changes as proposed.

Question 3 – RPC & LEC in Great Britain

Do you agree that the same location differentiation changes should be applied to fees for RPCs and LECs in cases where VOSA examines vehicle– i.e. 4.4% reduction at ATFs and DPs and 24.2% increase at VOSA?

Analysis

52% “yes”. Opinions evenly divided, The explanations/comments added little to those for question 1. One respondent suggested that ATFs should not be allowed to charge pit fees but made no suggestion as to how they should recover their costs. One trade association thought that the location differentiation should not be applied to RPC and LEC tests as Government should not create barriers to early adoption of low emission technology.

Consideration

- Because most RPC and LEC examinations are done at the same time as annual tests, most of the considerations discussed for question 1 apply here.

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- VOSA accepts the desirability of not creating barriers to early adoption of low emission technology. However since the majority of tests are now at ATFs, VOSA believes that keeping fees at ATFs artificially high could be considered a barrier to more customers.

On balance therefore the Minister has decided to apply the fee changes as proposed.

Question 4 – RPC in Northern Ireland

Do you agree that RPC fees in Northern Ireland should not be changed?

Analysis

57% “yes”. Responses were fairly evenly balanced amongst large companies however; both representative organisations and SMEs were in favour by at least a 3:1 majority. Explanations/comments suggest that many respondents favour standardised fees for this service throughout UK – but that many respondents are GB rather than NI based.

Consideration

- Fees charged in GB by VOSA already differentiate between examinations at Government provided premises and ATFs. No such distinction is relevant in NI where all examinations (including car MOTs) by DVA are carried out at Government premises, which creates a significantly different cost base for individual test schemes.

On balance therefore the Minister has decided to apply the fee changes as proposed.

Question 5 – Location differentiation - ADR

Do you agree that location differentiation should be applied to ADR fees by reducing the testing element at ATFs and DPs by 23.7% and increasing those at VOSA by 23.7%?

Analysis

61% “yes”. The general tone of explanations/comments was not dissimilar to those for answer 1. Responses to this question from SMEs were largely in favour of the proposals but representative organisations were largely against reflecting a mix of results. Some suggested that fees proposed for examinations at VOSA were being raised above cost to encourage ATF use.

Consideration

- VOSA’s total income from the proposed fees will be unchanged apart from the 1% general increase.
- The location differentiation is based on removing the cross subsidy of VOSA test premises by ATF users. Unlike annual roadworthiness tests, additional costs to support ATFs have not been included because this could be seen as double

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counting costs attributed to roadworthiness tests carried out at the same time. Otherwise the main considerations on relative fee levels are similar to those set out against question 1.

On balance therefore the Minister has decided to apply the fee changes as proposed.

Question 6 – National Register interconnection

Do you agree that VOSA should increase operator licence fees by 1% to fund the running cost of the interconnection of the National Register?

Analysis

58% “no”. On balance large companies and SMEs were not in favour with this proposal. Representative organisations views were evenly balanced. Several explanations/comments considered that VOSA should absorb the cost by further savings. Others suggested that these fees should be increased in line with inflation to fund better targeting technology. Some respondents questioned where the costs associated with interconnection arose from. Some confusion was evident between the funding streams for operator licensing and VOSA’s activities to encourage and enforce safe and legal operation of HGVs and PSVs. One trade association considered that the running costs, as well as the set-up costs should be funded from general taxation. Several suggested that these costs should be met by internal efficiencies. One respondent considered that the new processes were only relevant to non-UK operators and should therefore not be charged to operators whose vehicles did not leave the country.

Consideration

- VOSA has already made considerable efficiency savings in recent years. The predicted costs used to determine the income needed take account of continuing efficiency savings by continuous improvement of working methods. Thus if VOSA were to try to absorb this additional cost, service delivery would suffer, leading to slower turnaround times for licensing transactions.
- Operator licence fees cover the costs of the operator licensing system– primarily central licensing administration and the cost of the independent Traffic Commissioners and their support. The “enforcement” element of test fees covers the cost of activities by VOSA staff to encourage and enforce safe and legal operation of HGVs and PSVs, whether at roadside checks, operators premises or other activities to make those using and providing vehicles aware of the standards expected and target those at greatest risk of failing to meet those standards.
- Interconnection and the activity flowing from it is an integral part of operator licensing administration.
- As explained in the consultation document and associated Impact Assessments, the costs associated with interconnection cover the ongoing running costs of the IT systems needed to exchange data and the additional cost of additional reviews of the licences of British operators committing serious infringements when abroad as well as providing other Member States with information about infringements by their

operators in GB. The additional information on British operators is expected to highlight operators whose inadequacies may not have been recognised using data on their performance in GB alone.

- Updating technology used to support targeting and enforcement is part of the "enforcement" activities and is already in VOSA's spending plans. Whilst VOSA could always use extra money to update these technologies more often than already planned, it considers current spending plans are adequate and that keeping fee levels as low as possible to foster growth is appropriate at this time.
- DfT have listened to comments made at the last fee change consultation and are funding the one-off costs of complying with the additional EU requirements from general taxation. They considered it inappropriate to fund ongoing costs in the longer term from general taxation.
- All operators benefit from the new EU requirements which aim to promote equal treatment of operators throughout the EU reducing unfair competition from illegal operation to all sectors of the industry not just those who operate abroad. A significant part of the activity

On balance therefore the Minister has decided to apply the fee changes as proposed.

Question 7 – General increase

Do you support the proposed general increase of 1% in charges?

Analysis

53% "yes". Explanations/comments reflected similar mix and content to those on earlier questions with most groups having a fairly evenly balance of views for or against the proposals. – there was some recognition that this will be the first general increase for 4 years. Some respondents advocated larger increases "in line with inflation". One trade association recognised VOSA's cost saving efforts but expressed concern that the cost of the operator licensing services was not reducing in line with the number current of licences.

Consideration

- Many earlier considerations apply equally here.
- In respect of licensing schemes, recent trends are for the number of licences applied for and in issue to reduce but for little reduction in the number of transactions, such as transport manager changes and fleet changes– putting greater financial pressure on VOSA. Work is underway to assess the various factors which have lead to this situation and likely future trends which will inform future fee reviews.
- As with any business, VOSA has to balance its books. Over the last few years VOSA has been recovering an historic deficit without any general increase in fee levels for over 4 years. Information on this is published in VOSA's Annual Report

and Accounts and its Business Plans. VOSA has also had to face increases in costs such as energy costs.

- VOSA faces challenges from Government moves to centralise provision of some services, which although intended to deliver cost savings to Government as a whole may not necessarily mean savings to VOSA where processes were already efficient.
- VOSA needs to invest resource over the next few years, particularly to update technologies which support its operations but are now obsolescent.
- At this stage it is not easy to say with certainty what longer term savings these technology updates will deliver, or when they will materialise
- VOSA faces challenges in changes to service delivery methods aimed at delivering benefit to the majority of its customers, but which may increase its operating costs.
- VOSA is also conscious that it needs to continue to strive to minimise the burdens that it imposes on those it regulates but to balance that with the need to discourage unfair competition from those who fail to operate in a safe and legal manner and to promote growth amongst those who operate safely and legally.
- VOSA considered this carefully in the light of HM Treasury advice. VOSA aims to ensure that the cost for services we provide are matched to the customer groups which use those services and in this case, we are not satisfied that applying a 1% general increase across the board to all service users is the right thing to do.
- We have reviewed our current proposal for a general increase of 1% with HM Treasury officials and despite a CPI rise of greater than 15% between April 2009 and May 2014, from 110.1 to 128 – which effectively means that VOSA have made significant efficiency savings over the same period. This represents a real term reduction in the general level of fees paid to VOSA and we believe we can pass on these savings to our customers.

On balance therefore the Minister has decided not to apply the 1% general fee increase proposed.

Question 8 – Non-statutory services

Do you support the proposed increase in charges for non-statutory services?

Analysis

50% “yes”. No consistent trend in the explanations/comments. The majority of large companies and SMEs were in favour of the proposals; representative organisations against. The responses were generally along similar lines to earlier questions– some recognising that costs have to be covered others generally unhappy about the cost of keeping operations safe and legal. One respondent suggested that prices should be the same as statutory tests.

Consideration

- The main reason that voluntary test fees differ from statutory test fees is that voluntary fees do not include a contribution to the cost of VOSA's work to encourage and enforce safe and legal operation (the enforcement element of statutory fees for full tests). Additionally, the VAT treatment of statutory fees differs from voluntary fees.
- These charges are levied for voluntary services at VOSA test facilities. We would expect that ATFs would use their own staff for customers who wish similar services and set its own charging regime. Should an ATF wish to use a VOSA inspector for such activity, VOSA would charge the ATF at the same as at a VOSA facility. The charge to the ATF's customer is a matter between the ATF and their customer.
- In consideration of these charges VOSA took into account HM Treasury advice and Managing Public Money July 2003³ section 6 which relates to fees, charges and levies. Section 6.6 refers to commercial services as those provided by VOSA and we noted that VOSA do not have a monopoly on these services.
- Our charges for these services are set at what we feel is a commercial rate in order to ensure we deliver a commercial return on the use of the services that we deploy in supplying the service. Our financial return is set with a low risk rate of return on the capital we employ and we assessed the rise in our services to reflect full cost recovery.
- The prime reason for increases larger than equivalent statutory fees is to ensure that VOSA covers its costs, does not use statutory fee income to subsidise non-statutory services and does not distort the market in provision of these services by cross subsidy from statutory services.

On balance therefore the Minister has decided to apply the fee increases as proposed.

Questions 9 & 10 – Request for information

VOSA asked for any data which could be used to improve the accuracy of the Impact Assessment or to help understand the impact on particular industry sectors

Analysis

Most explanations/comments were about the way in which the service is delivered and the effect of changes on particular businesses. Some reiterated answers to specific questions to the effect that charges for tests at VOSA should be raised above cost levels to support ATFs.

Some gave views on how their particular business was affected or gave generalised views on the impact on particular business sectors but no numerical data.

³ Managing Public Money sets out the main principles for dealing with resources in UK Public Sector organisations.
<https://www.gov.uk/government/publications/managing-public-money>

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One respondent recognised that it would be inappropriate to draw cross industry conclusions from such disaggregated data.

Consideration

- The general thoughts were not in a form that can support improved analysis of the effect of fee levels on the industry or sector as a whole. However they add to the general anecdotal picture VOSA has of these effects and have been passed to those managing relevant operational policies within VOSA.
- The consultation was about fee levels, thus comment about service delivery is not directly relevant. Again they have been passed to those responsible for managing delivery of VOSA's services for consideration.
- Many other comments confirm that businesses are struggling, which reinforces VOSA's aims of striving to keep fees as low as possible and to ensure that any changes relate charges more fairly to the service delivery method being used and not to negate the benefits on end customer costs of competition between ATFs to supply testing facilities and other services..

General comments

Analysis

The majority of general comments were about the way in which the service is delivered and availability of test slots. One trade association member commented that the test fee was less significant than test availability. One trade association offered anecdotal examples from a number of its members relating to test availability (particularly for ADR tests) and perceived variation of standards.

Some commented on VOSA's overall financial position and the possible effects on fee levels once the historic deficit has been recovered and the level of estate cost reduction achieved to date or on other aspects of VOSA's financial management.

One respondent was concerned about the cost of providing VOSA testers.

Several respondents mentioned views they had expressed to the Transport Select Committee.

One trade association was concerned about the period of time allowed for consultation compared with the time taken to obtain internal Governmental agreement to consult on the proposed fee change package.

The Traffic Commissioners mentioned concerns they had expressed elsewhere about the transparency of VOSA's accounts and on the interaction of various parts of the legislative framework which empowers their activities and those of the VOSA Trading Fund.

Consideration

Many of which are outwith the scope of this consultation and have not been reproduced in Annex A, but have been passed to those within VOSA who are responsible for those aspects of our operational policy

- Although the policy of moving testing to ATFs was not part of this consultation, VOSA recognises that by using ATFs it can offer tests at more locations than it could have done had it not gone down that path. On average this brings the testing provision closer to where vehicles are maintained and kept and, amongst other benefits, will lead to lower costs for operators because of shorter average journeys to test. VOSA also recognises that closing its own facilities in areas where the ATF market is sufficiently mature reduces the number of facilities slightly the net effect is still significantly more test locations than VOSA could have provided– thus, although for some this does mean longer journeys, the net effect lowers average journey to test. The policy avoided significant future fee increases which would have resulted from the capital expenditure that would have been needed to renew VOSA's testing estate, much of which was life expired and/or in unsuitable locations. The policy also takes account of the fact that a significant proportion of HGVs are now subject to long term "fixed price" repair and maintenance or lease contracts (70% according to one respondent. The policy has also enabled vehicle maintenance providers to grow their businesses by offering their customers a greater range of services on-site. These comments have been passed to those within VOSA who are responsible for our service delivery policy.
- Similarly comments on test availability are not directly relevant to this consultation but have been passed to those within VOSA who are working to address this issue.
- A significant part of VOSA's testing costs are not just from estate costs and the cost of employing, training and managing inspection staff and estate costs; but from the costs of keeping test standards and methods up to date; recording test results; and various other aspects of operating and administering the testing schemes and providing information to support other agencies.
- Whilst VOSA will be able to reduce its estate costs in the longer term and to avoid future costs, the current state of the property market and the need to keep using VOSA facilities with fixed overheads and reducing volumes until the ATF market in their catchment area is sufficiently mature, together with accounting rules on estate valuation mean that it is difficult to predict when those savings will reach its bottom line.
- In considering the impact of the fee changes it must be borne in mind that fees form a tiny proportion of the operating cost of commercial vehicles. The model attached to the Impact Assessments uses data published by the RHA on their members costs in 2010/11 and taking average fleet mix from data published by DfT. Using that data, fees for HGV testing, licensing and enforcement represent no more than 0.38% of operating costs and, the most badly affected operators would see their costs increase by 0.031% - the least affected operator would see costs reduce by 0.003%. Comparable figures for the vehicle rental and leasing industry as a whole are 0.622%, 0.092% and -0.008%.

- Discussions between DfT, the Senior Traffic Commissioner and VOSA continue.

VOSA recognise that the process of gathering members' views is of major significance to representative bodies. The time allowed for responses is a matter for judgement of the most appropriate balance between allowing sufficient time for this process and minimising the time between developing and implementing proposals to enable fee changes to be more responsive to changing market conditions. As explained in the consultation document we considered a 6 week period appropriate because the major changes were a continuation of approaches taken in previous years.

5. General considerations

5.1 The aim of the proposed fee changes is to ensure that VOSA's costs are recovered whilst striving to maintain adequate service levels to meet customer demands and attribute costs more fairly between groups of fee payers. These proposals have been prepared taking account of the principles on setting fees set out in the treasury document *Managing Public Money*⁴. They form part of VOSA's wider financial management strategy.

5.2 In respect of growth, VOSA carefully considered the effects of its proposals. While any cost increase is unwelcome, the small general increase we proposed after 4 years with no general increase, represented a significant real term reduction in general fee levels – i.e. it was well below general inflation over the same period. However, we considered the effect of the general increase upon our front line service delivery and assessed that the significant efficiency savings we had made over the same period should be taken into account. VOSA acknowledge that this represents a real term reduction in the general level of fees paid to VOSA and with agreement from HM Treasury; we agreed to pass on these savings to our customers by not applying the general increase to our fees.

5.3 On balance, the Minister believes that the proposed fee changes strike a reasonable balance between the interests of the many stakeholders in the circumstances.

6. Next steps

6.1 In light of this, the Minister proposes to go ahead with the introduction of location differentiation changes and the national register interconnection changes as proposed.

6.2 We do not propose to implement the general increase changes.

6.3 Looking beyond this present fee round a number of factors will need to be considered:

- For HGV and PSV testing services, the fixed cost of the remaining facilities will have to be spread over fewer tests because the majority of remaining VOSA facilities are likely to be in more rural areas with little prospect of viable ATFs. In these circumstances VOSA's policy is to seek alternative partnership arrangements with local maintainers and operators. Although VOSA expects to be able to reduce

⁴ <https://www.gov.uk/government/publications/managing-public-money>

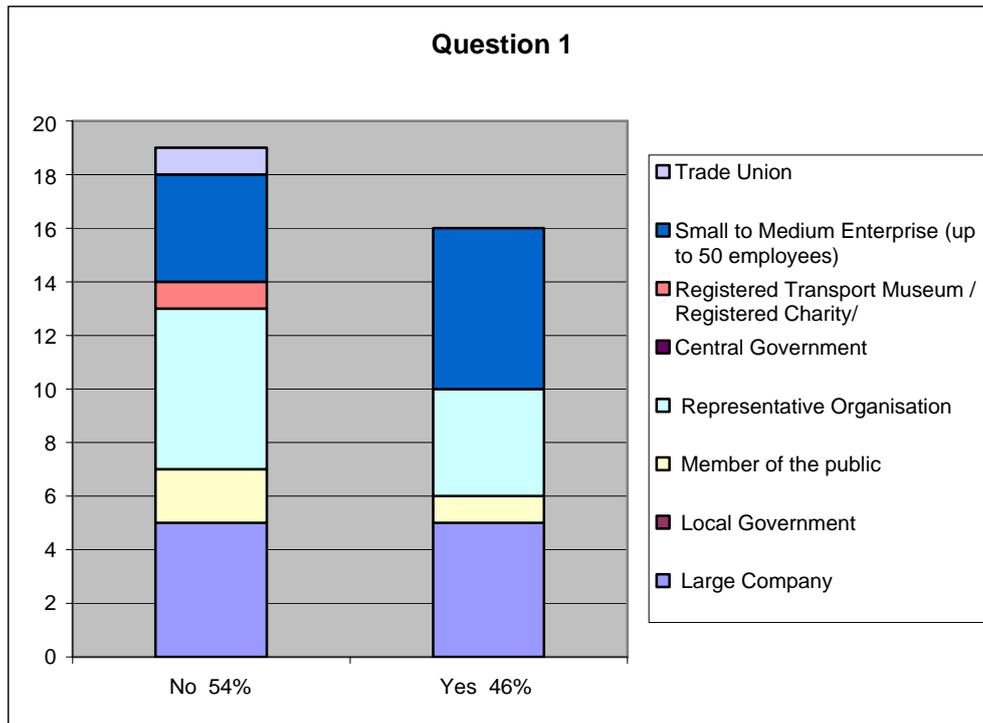
its estate costs, utilisation of the remaining estate will be lower. One possible outcome is that tests at VOSA will become more expensive than at ATFs. Consideration may therefore have to be given to whether some form of cross subsidy should be reintroduced to avoid unduly disadvantaging operators in those rural areas.

- A further factor will be whether the reduction in demand for services over recent years continues, stabilises or reverses and the extent to which VOSA can adjust costs in response; which may affect the level of overheads that each fee will have to bear. This is particularly an issue for operator licence fees, where the numbers of licences is reducing but there is little change in the number of change notifications and other activities needed to monitor and support licence holders, which drive up transactional costs to VOSA.
- There will be other areas in which VOSA needs to adjust the relative fee levels or restructure the fees for particular schemes to ensure that they recover their fair share of costs as workloads vary; particularly where workload changes do not reflect the fee income.
- One respondent asked if the industry could expect to see fees reduce after the Trading Fund deficit was recovered. VOSA has made, and continues to make, significant real terms efficiency savings. The benefit of those savings has been split between recovering the deficit and avoiding any general increase in fee levels despite inflation. It is anticipated that the Trading Fund will return to balance by the end of 2014/15. Although because of the ATF programme VOSA expects to avoid much capital expenditure which would have been necessary to upgrade its testing estate, there are still significant uncertainties on how much will need to be invested in other areas of the business, which will result in higher running costs due both to in-year revenue costs to specify and procure updated services but also in increased depreciation costs to for those elements of the replacement services which have been capitalised. Examples of this are:
 - Some contracts for Information Technology and Communication (ITC) services run out over the next few years and need to be replaced. Whilst the aspiration is to reduce running costs in the longer term, VOSA needs to invest resources now to procure the new contracts. Some of that investment comes from revenue and some is capitalised (i.e. spread over the life of the new service as a depreciation charge).
 - Wider Government policies require us to make greater use of centrally procured services – mainly in back office transactional areas such as Accounts and Human Resources. Although the aim is to reduce the costs of these services to Government as a whole, because VOSA is already relatively efficient in some of the areas affected, it is possible that some such central services will increase VOSA's running costs.

The combined effect of these factors means on present predictions there may be little scope the general level of fees can be reduced in cash terms without significant detriment to service levels.

Question 1 –

“Do you agree that VOSA should charge all of the cost of test facilities provided by VOSA to those that use those facilities and all of VOSA’s additional costs to service ATFs to their customers by reducing the testing element of fees at ATFs and DPs by 4.4% and increasing fees at VOSA by 24.2%?”



segment	No 54%	Yes 46%	(blank)	Grand Total
Large Company	5	5	1	11
Local Government	0	0	1	1
Member of the public	2	1	0	3
Representative Organisation	6	4	2	12
Central Government	0	0	2	2
Registered Transport Museum / Registered Charity/	1	0	0	1
Small to Medium Enterprise (up to 50 employees)	4	6	3	13
Trade Union	1	0	1	2
Grand Total	19	16	10	45

Explanations/comments from large companies

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

answer	Comments
Yes	First agrees with this principle but given the scale of the increase at VOSA test locations considers that it would appropriate to apply this change over a two year period in two equal increments.
Yes	With numerous VOSA stations still open, the fee differential needs to be greater. Ideally an ATF fee + lane fee should roughly equal the fee at a VOSA site. The industry as a whole has got it's head around pit fees but any reduction would be welcome. If the test fee covers the entire cost of a VOSA site test, I don't see how a £2 reduction can be justified when the cost to VOSA of an ATF test must be greatly reduced.
Yes	The ATF's are responsible for their own equipment, wear and tear and maintaining the building, although we are still restricted to the 420 minutes. Employing our own testers would make us more profitable, flexible and reliable.
Yes	at the moment providing and operating an atf lane is a large investment with poor return and at little cost to vosa yet you charge almost the same test fee with very low overheads ie a tester and his transport ,this should be reflected in the fee to off set the pit lane fee we charge to cover our overheads ,at the moment we are not a very attractive offer financially to a potential customer compared with them testing at a vosa site
Yes	PSV and trailer differentials need to be increased to encourage companies to stop using VOSA facilities
No	If there was insufficient ATF / DP coverage then this would leave users who have to use VOSA sites at a disadvantage.
No	I don't believe this to be fair to operators who don't have access to an ATF. Our company is 17 miles from the VOSA premises and there isn't anywhere nearer that could open an ATF. I also feel this has a detrimental affect on the VOSA premises, where business will be driven away from these sites due to their non competitive pricing against ATF's making them unviable and easier to close
No	VOSA charge the same and we have to pay an additional fee on top of the normal fee to the ATFE. This extra cost is £30 to £50 extra on an average price of £95, this increase in percentage terms is criminal and flies in the face of money against safety
No	Reduction to ATF should be greater to bring about parity of cost for operators i.e. ATF fee + Lane fee = VOSA station fee
No	No. I agree with reducing ATF's and DP's by 4.4%, but why should VOSA stations go up by 24.2% and not 4.4%? What cost changes justify this? 70% of HGV customers take a 5 year fixed price contract (R&M or Lease) with the manufacturer, 3rd party repairer or lease company. This means the Customer does not see the increase as it's a fixed contract. But the manufacturer, 3rd part repairer or lease company has to take the increase which if is out of proportion causes big problems financially over a long period.

Explanations/comments from members of the public

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

answer	Comments
No	Inflicting excessive increases to those that have no choice but to use the VOSA test facilities is beyond a joke. I know of operators who carry out there own maintenance and are going to be further penalized by VOSA's short sightedview on testing facility availability.
No	Using example of 2 axle tractor with single axle trailer; Total test fee for 11/12 was £138, Total test fee for 12/13 including ATF fee is (£135+£101inc vat) = £236 an increase of 70%. The considerable increase in cost due to the closure of the public site and opening of the private site is unjustified as the service provided is largely unchanged. The additional cost imposed discriminates against those who do not have a public site available to them within a reasonable distance. The proposed increase of VOSA site fees to which this consultation relates adds costs to the public and businesses at a time when they should be reducing to a level closer to that offered in the public sites remaining available.

Explanations/comments from Representative organisations

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

answer	Comments
Yes	Many understand the advantage of having their vehicles tested at ATF's nearer to their business base but some resent paying a lane fee or operate closer to a VOSA main testing station and this fee change will encourage them to use an ATF.
Yes	Whilst CPT agrees in principle to this proposal. There needs to be safeguards built in for operators in remote areas who may have no alternative to using a VOSA test station because there are no ATF's in close proximity in the area.
Yes	The UK automotive industry welcomes the proposals outlined in the consultation document that seek to reduce fees for tests at non-VOSA facilities and increase those for tests at VOSA sites. These proposed changes both reflect and support the increased migration of testing away from VOSA sites, a migration that is supported by industry.
No	We note the move to bring invoiced charges to HGV operators using ATFs more into line with GVTSSs, by more strongly differentiating the test fees charged by VOSA. But VOSA should go further, by reducing the charge to ATFs so that the charge they make to operators is in line with what they would charge doing the tests themselves within a system of high quality regulation. Testing should be made available to ATFs within a system of high quality regulation without further delay.
No	The proposed change would disproportionately affect smaller bus operators, whose businesses are not large enough to justify their own ATF and those based in market towns / rural areas, who are located some distance from the nearest ATF. Many ALBUM members would suffer on both these counts, being too small to operate their own ATF, but remote from an alternative. Although at least one ALBUM member has opted to provide its own ATF and make it available to other companies' vehicles too, this form of diversification is not appropriate for many ALBUM members, who would not wish to divert management attention away from the core business of running buses. The lower percentage fee increases for using ATFs do not fully represent the additional costs ATF customers will be required to pay. Over and above the test fee itself, users pay a 'pit' or 'lane' fee for use of the facilities, which is normally around £50 per visit, but can be as high as £70. There is no standard lane fee, the charge being set by the provider of the facility.
No	60 % voted no. The fee alterations mentioned will still denote cheaper tests at VOSA facilities compared with ATF's when one takes into account the additional "pit fee" ATF's have to charge to remain in business. If VOSA were unequivocally committed to testing in the community then why are they missing yet another opportunity to adjust the unfair fee differential by continuing to compete with their partners at a cheaper rate? If I were a haulier that was equidistant between an ATF or DP and a VOSA test lane then I would still go to VOSA because they are cheaper. VOSA need to consider increasing their fees more than 24.2% and decreasing AFT's and DP's by more than 4.4% to allow for this. Overall I expect the change in fees will increase demand at ATF's and DP's but despite paying for VOSA's testing facilities and administering the process there is no consideration made in the document to address the limited opportunity to make a profit from operating an ATF. VOSA need to be addressing the disproportionate differential of the daily reserve fee ATF's pay compared to the capped charges and 420 minutes that limit revenue, growth and profitability
No	The BVRLA agrees with the principle of increasing test fees by a higher margin for tests at VOSA sites than at non-VOSA sites, to help VOSA remove the cross subsidy that currently takes place and achieve the objective of moving tests away from VOSA sites and closer to the point where the inspection takes place. However, we do not believe this should be a dramatic shift as proposed as it could unduly penalise those operators who do not have non-VOSA sites near them. Especially as even if there is a non-VOSA site near an operator it may not be an open access authorised testing facility. We would like assurances from VOSA that as per our previous recommendation in our response on last years' consultation on fees that VOSA have looked closely at where smaller operators are based and the access they have to non-VOSA sites. If there are operators who will be unduly penalised due to having no choice but to use a VOSA site then we believe a less dramatic increase in fees should be applied. If these assurances cannot be given then we would suggest the increases should be spread
No	The principles of the continuation of the test fee location differential are understood but the impact on fees at VOSA sites as a result of the "big bang" approach may be too significant, amounting to punishment of operators who still use VOSA sites, often where there is no alternative choice. FTA recognises the principles of the location differential – that VOSA's costs in delivering the annual test should be shouldered by those customers who take the "high-cost" services. However, it remains the case that some areas have no choice about the location of their test because the market has failed to provide ATFs. In these cases fee increases of around 20% are wholly unacceptable and vehicle operators are being punished for the ATF market's failure to provide. Equally, however, FTA is aware of the concerns of many ATF operators who feel that even with the full differential in place Government test stations will still be undercutting ATFs once the pit fee has been applied. It should be noted that at least 130 open access ATFs are in
No	The test rates should be reduced or at least a FREE re-test offered. Re-tests should also be available at short notice and irrespective of VOSA or ATF's, the test fee should be on a level playing field with no differential in charges.

Explanations/comments from registered transport museum/registered charity

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

answer	Comments
No	The Trust does not accept that at present there are suitable ATF's in the locality to act as an alternative to the VOSA facilities (e.g. Kidderminster). It would appear that ATF's are being allowed to 'cherry pick' the services that they wish to offer in terms of vehicle types for testing (i.e several are unable to offer 'Tapley' brake testing where RBT is inappropriate for the vehicle type, or able to accommodate certain vehicle dimensions etc). This means that it is necessary to continue to use VOSA facilities (to which we have no fundamental objection), because their facilities cater for 'all types', however it is of concern that the fees for such facilities should increase in a totally disproportionate manner, especially when it is further considered that such arrangements can often now only be offered 'out of hours' with the related attendant penalties.

Explanations/comments from, small to medium enterprises (with up to 50 employees)

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

answer	Comments
Yes	this plan suits me and my customers well as I only use atf,s but we also a huge problem of getting in for test as there is not enough axles going through our area so by doing this you will only make matters worse. Its all well and good saying the hauliers should plan better but that does not take in thought people buying vehicles out of test or requiring a re-test. You really need to have a full house of testers at atfs before pushing people to them
Yes	The facility is a very large cost for the ATFs,a better return is requirec
Yes	I have always advocated testing on Vosa Only sites.We now have to go to an AFT ,they charge us £30 lane fee for each unit ,so our tests now cost us an extra £60 per lorry and trailer.if Vosa raised the test fee at their own sites then we would not have to close test Stations down.AFT Do not give the same flexibility as Vosa Staions,mainly because they have only 1 lane.what do we do if that lane breaks down?all the other test stations are booked .
Yes	the pit lane fee needs to be offset by reduced VOSA fees. The savings made by VOSA in rates, calibration, maintenance etc are all now being carried by ATF lanes. Many operators cannot see the saving on traveling to a VOSA sight as opposed to a local test. they only see the figure charged to their company accounts.
No	Can VOSA justify why they are only reducing testing fees by up to 4.4% at ATFs, given that they have no overhead costs. VOSA have taken the decision to close the majority of their testing stations, but to still take the majority of the revenue costs. Operators are therefore being charged considerably more(when also taking into account lane fees charged by ATFs) than before the closure of VOSA facilities. VOSA fees should be reduced to take into account their cost base e.g. tester, admin etc.
No	In this time of recession I find it difficult to see how you can justify the increase you are proposing. I am aware that a consultation is currently under way and it would be my view that a rise in line with inflation would be more acceptable and realistic. ...VOSA are currently reducing their own operating costs by shutting by shutting testing stations and then expect their customers to pay extremely increased costs and incur greater operational difficulties in arranging tests at other stations. The current economic climate does not allow me to pass on these costs to our customers who are already finding things difficult in this time of austerity. This move does not promote growth. In my particular area the station at Pontypool 61 was closed with very little consultation or consideration for the people using the facility. At the time of closure there were only 2 ATFs in the vicinity and they were only undertaking tests on limited days. The third station could only test certain vehicles. All these ATFs charge a lane fee, which I accept, as they have to make a return on their
No	This disproportionately hits smaller operators who rely on VOSA sites for annual test and periodic voluntary inspections. I have 4 vehicles, I am 8km from a VOSA site and 16km from my maintenance contractor who isn't ever going to become an ATF. There are four HGV main agents within 3km of me, one of whom is an ATF but his test lane is not deep enough to allow testing of PSVs. All these HGV dealer sites that are ATFs have yards packed full of trucks. These are not good places to take or leave a coach unless you want it scratching. VOSA sites are drive-in and drive-out, there is no parking and you are not fighting for space. For a coach operator this is a much safer environment. There is no cost benefit for me to book a test at an ATF, and I suspect that this is true for most other small operators because if it wasn't you wouldn't see us all at your test sites. Increasing test fees at VOSA sites hits smaller operators disproportionately hard.
No	Test should be the same price across the board and not increased to cover the costs of the ATF's

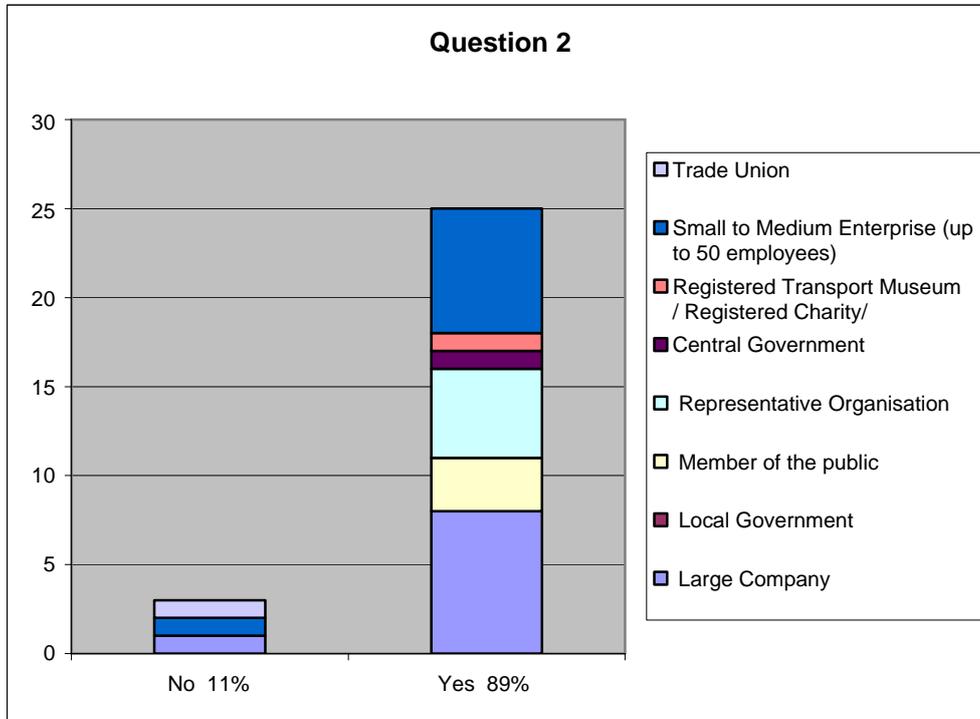
Explanations/comments from Trades Unions

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

answer	Comments
No	<p>Given the financial situation of VOSA, the insistence of reducing the costs of tests at private facilities whilst at the same time increasing fees at VOSA sites seems to fly in the face of logic. The impact of this will be to incur further losses and bring into doubt whether or not the requirements of the Government Trading Fund Act 1973 in respect of VOSA are being complied with. The very nature of tests conducted at private facilities mean that VOSA staff have to;</p> <ul style="list-style-type: none"> • travel to/from these (at a cost), • incur extra time (often on overtime at enhanced rates), • do less tests per shift (because of physical layout and/or operation of site) <p>and yet this consultation is suggesting that we should reduce the fees at the facilities, whilst increasing the fees at a VOSA site. As it is, VOSA are expected to stand these additional costs and not the privately run facility, and we believe that this amounts to the public sector effectively subsidising the private sector.</p> <p>The reality is that VOSA are not, in this consultation, comparing like with like. In the VOSA fees they will include many of the overheads you would expect them to, including estate costs</p>
No specific answer	<p>Hidden fees at ATF sites (load simulation etc) distort the true cost of testing at 3rd party sites, in addition when you factor in the additional costs of travel, some very considerable, to obtain a test within a reasonable time, to state "further reduce" is not in reality a reflection of how many, perhaps most small operators/owner drivers are having to fund an annual test. The real cost of manning the ATF sites is we believe also under estimated.</p> <p>The further separation of fees between VOSA and 3rd party sites could be seen as a deliberate attempt to manipulate and distort the need for VOSA's sites and to artificially support 3rd party sites, many, perhaps most small operators/owner drivers still wish to use VOSA sites, their needs and wishes are not addressed within this consultation.</p>

Question 2 –

“Do you agree that HGV notifiable alteration fees should be simplified by applying a common fee to all chargeable notifications?”



Large Company	1	8	2	11
Local Government	0	0	1	1
Member of the public	0	3	0	3
Representative Organisation	0	5	7	12
Central Government	0	1	1	2
Registered Transport Museum / Registered Charity/	0	1	0	1
Small to Medium Enterprise (up to 50 employees)	1	7	5	13
Trade Union	1	0	1	2
Grand Total	3	25	17	45

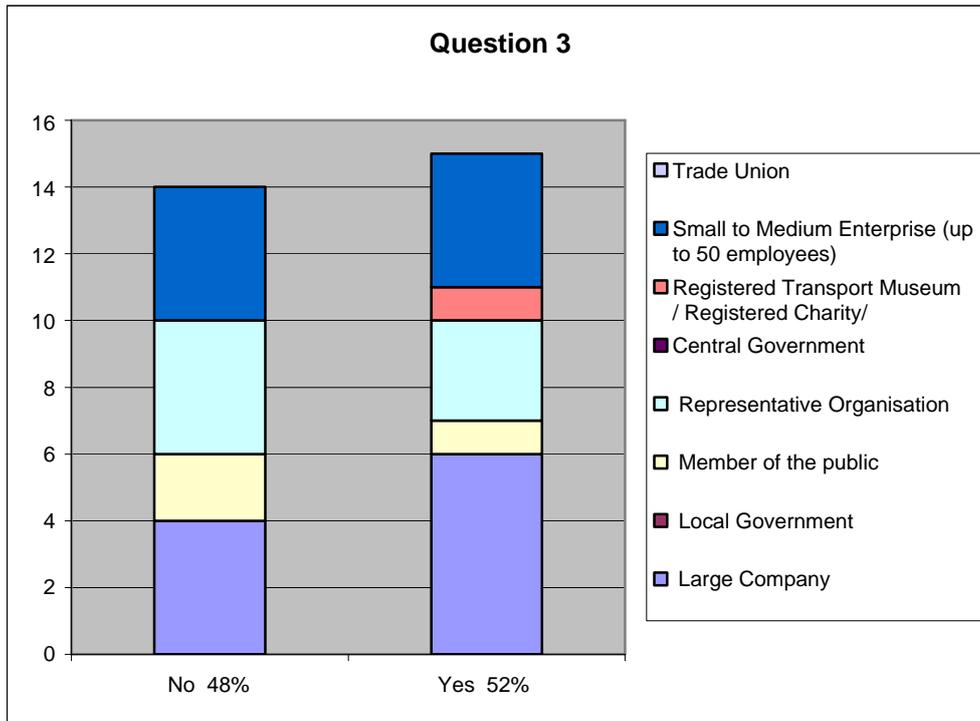
Explanations/comments

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

segment	answer	Comments
Large Company	Yes	too many different fees over complicate the system
	Yes	Yes , but not at the detriment at of a price increase
	No	The industry cannot take any more chargeable fees
Member of the public	Yes	First piece of sense I have seen in this consultation (aka, this is what we are doing)
	Yes	It is accepted that simplification is likely to keep costs lower.
Representative Organisation	Yes	It simplifys the situation
	Yes	96% voted yes
	Yes	FTA agrees with proposals to simplify charging of notifiable alterations.
Small to Medium Enterprise (up	Yes	Anything to make things simple is good
	Yes	Why complicate things.
	Yes	This seems sensible.
Trade Union	No	Simplification of a scheme can assist some but many who may not require a physical examination, probably would not agree, historically when an application was received technical staff could assess the need for a physical inspection before the vehicle was presented, due to the reduction of those skilled and experienced staff this is no longer possible, if their skills were retained or new staff trained to the same standard, this would still be possible and a two tier fee system used would not disadvantaging those who may not need an inspection.

Question 3 –

“Do you agree that the same location differentiation changes should be applied to fees for RPCs and LECs in cases where VOSA examines vehicle– i.e. 4.4% reduction at ATFs and DPs and 24.2% increase at VOSA?”



segment	No 48%	Yes 52%	(blank)	Grand Total
Large Company	4	6	1	11
Local Government	0	0	1	1
Member of the public	2	1	0	3
Representative Organisation	4	3	5	12
Central Government	0	0	2	2
Registered Transport Museum / Registered Charity/	0	1	0	1
Small to Medium Enterprise (up to 50 employees)	4	4	5	13
Trade Union	0	0	2	2
Grand Total	14	15	16	45

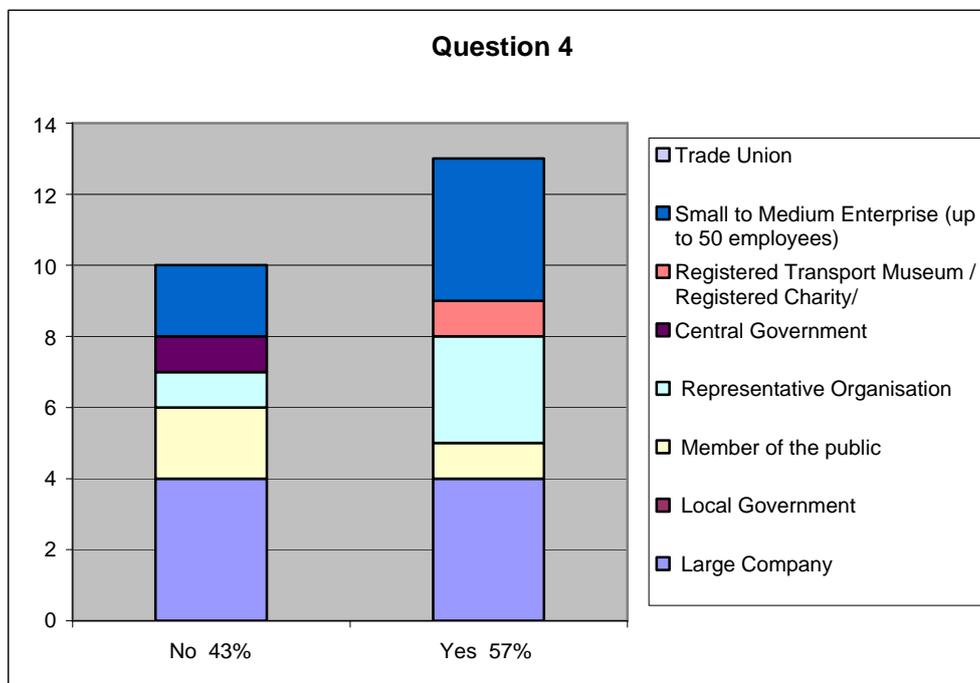
Explanations/comments from large companies

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

segment	answer	Comments
Large Company	Yes	same reason as q 1
	Yes	The industry is forced to take the lead in Environmental changes and we have to pay for this, the real fact is that some under-age kid has to dig half a mountain out to get some precious metals, then send it half way around the world, the fact is globally we are suffocating the environment, so we pay more for no benefit, so that's why we shouldn't pay any more for an impractical solution.
	No	Due to the fact that that this leaves those who do not have an ATF / DP nearby at a disadvantage.
	No	Same as Q1
	No	Reduction to ATF should be greater to bring about parity of cost for operators i.e. ATF fee + Lane fee = VOSA station fee
	No	No. I agree with reducing ATF's and DP's by 4.4%, but why should VOSA stations go up by 24.2% and not 4.4%? What cost changes justify this? 70% of HGV customers take a 5 year fixed price contract (R&M or Lease) with the manufacturer, 3rd party repairer or lease company. This means the Customer does not see the increase as it's a fixed contract. But the manufacturer, 3rd part repairer or lease company has to take the increase which if is out of proportion causes big problems financially over a long period.
Member of the public	No	ATF's should not be allowed to charge a pit fee. Then this ludicrous illegal difference in test fees would not be necessary.
	No	Costs of attending a private site as to a public site would remain disproportionately high at a private site.
Representative Organisation	Yes	See answer to Question 1
	No	See our answer to Q1. The same reasoning should apply.
	No	See response to Q1.
	No	75% VOTED NO: As previously discussed in Q1. VOSA need to consider making their ATF partners cheaper than VOSA sites to ensure customers can make a simple choice.
Small to Medium Enterprise (up to 50 employees)	Yes	see above reasons.
	No	see Q1 above
	No	When you end up closing all your own sites because you've deliberately priced yourselves into obsolescence, where will you take vehicles for checking when you do a roadside pull? Where will your mobile patrols be based? Where will your driving test stations work out of? Where will your testing staff be based where they can meet and continue to learn together instead of just reading a PDF briefing and kicking about in an ATF? It can be hard enough now getting a test slot because you are de-manning test stations, all part of the plan to get rid of testing sites????
	No	Fees should not be hiked up at VOSA station because it is dearer at ATF's!

Question 4 –

Do you agree that RPC fees in Northern Ireland should not be changed?



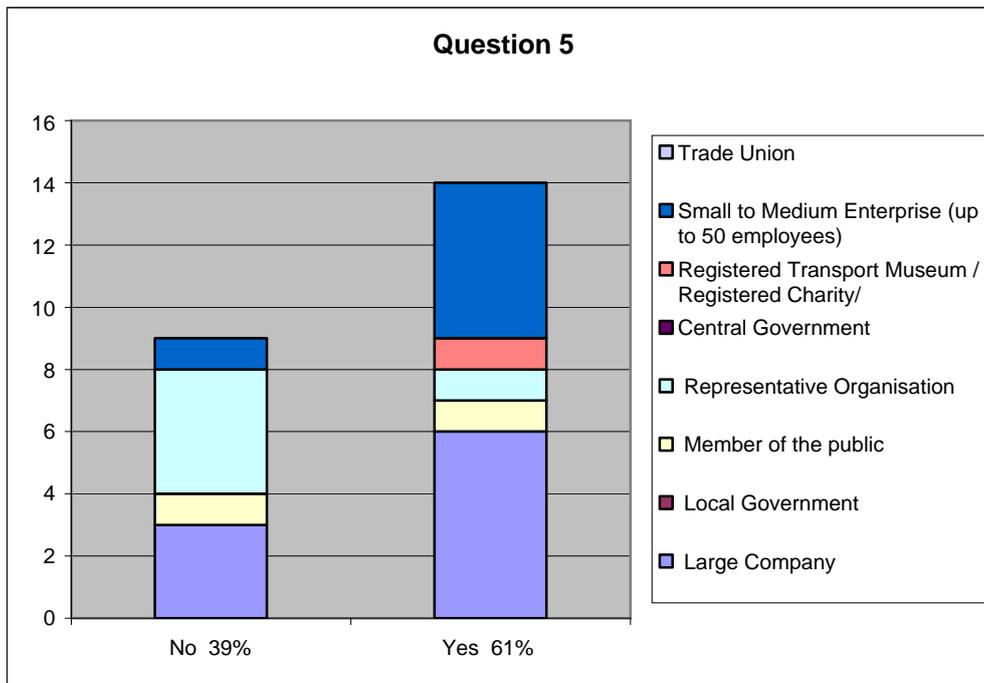
segment	No 43%	Yes 57%	(blank)	Grand Total
Large Company	4	4	3	11
Local Government	0	0	1	1
Member of the public	2	1	0	3
Representative Organisation	1	3	8	12
Central Government	1	0	1	2
Registered Transport Museum / Registered Charity/	0	1	0	1
Small to Medium Enterprise (up to 50 employees)	2	4	7	13
Trade Union	0	0	2	2
Grand Total	10	13	22	45

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

segment	answer	Comments
Large Company		This should be the same price in N/Ireland as the main land UK – no difference
	Yes	Good luck to NI and hope they survive the recession
	No	To make everyone on a level playing field, they are part of the British Isles
	No	Although I am not fully aware of these fees, I do think that fees should be consistant across GB
	No	63% VOTED NO
Central Government	No	AS A GOV ORGANISATION WE NEED TO BE IN LINE WITH BUT LESS THAN INFLATION

Question 5 –

Do you agree that location differentiation should be applied to ADR fees by reducing the testing element at ATFs and DPs by 23.7% and increasing those at VOSA by 23.7%?



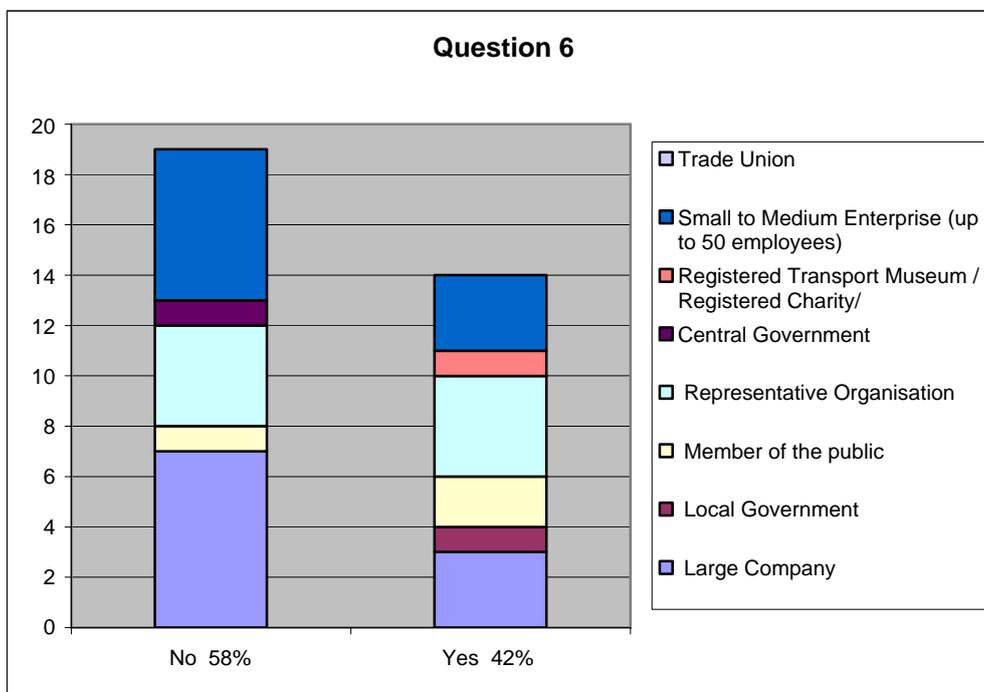
segment	No 39%	Yes 61%	(blank)	Grand Total
Large Company	3	6	2	11
Local Government	0	0	1	1
Member of the public	1	1	1	3
Representative Organisation	4	1	7	12
Central Government	0	0	2	2
Registered Transport Museum / Registered Charity/	0	1	0	1
Small to Medium Enterprise (up to 50 employees)	1	5	7	13
Trade Union	0	0	2	2
Grand Total	9	14	22	45

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

segment	answer	Comments
Large Company	Yes	Testing times need to be assessed when combined with an annual test.
	Yes	same as q1
	Yes	Consideration needs to be given to the administration of ADR and other technical fees
	Yes	If this brings about parity in cost to operators between ATF & VOSA sites
	Yes	As the increases are equal one will offset the other, so this is ok
	No	As stated above
	No	As Q1
	No	No, why should VOSA look to profiteer? if there is an adjustment in favour of cost saving to operators why should VOSA put its hand out to skim off the top?
Member of the public	No	ATF's should not be allowed to charge a pit fee. Then this ludicrous illegal difference in test fees would not be necessary.
Representative Organisation	No	See response to Q1. The same reasoning should apply.
	No	See response to Q1.
	No	80% VOTED NO:As previously discussed the price alterations do not go enough to adjust the unfair differential when taking into account the extra cost to the customer when using an ATF. Chairman answered No
	No	Obviously ADR operations are a niche market, and proposals do not affect all operators. 11 respondents to FTA's survey identified that they operated ADR vehicles. Around half of those indicated that they felt test availability for ADR vehicles had broadly worsened or significantly worsened in the last 3 years. FTA highlighted to VOSA at least 3 years ago that problems would be caused for ADR operators if the Testing Transformation was driven by the "normal" (non-hazardous) HGV testing market while specification of ATFs to allow them to accept ADR vehicles was voluntary. When he came to FTA's Road Freight Council in 2010 Alastair Peoples remarked that "we will have to find innovative solutions for dealing with small series testing." Three years have passed and still no "innovative solutions" have been forthcoming. In 2012 VOSA did establish a working group to consider the difficulties of ADR operators accessing tests. An FTA member who took part in that group reported that the group addressed two key issues: the slow processing of the required paperwork by VOSA in Swansea, and the
Small to Medium	Yes	same reasons as answer 1
	No	Fees should not be hiked up at VOSA station because it is dearer at ATF's!

Question 6 –

Do you agree that VOSA should increase operator licence fees by 1% to fund the running cost of the interconnection of the National Register?



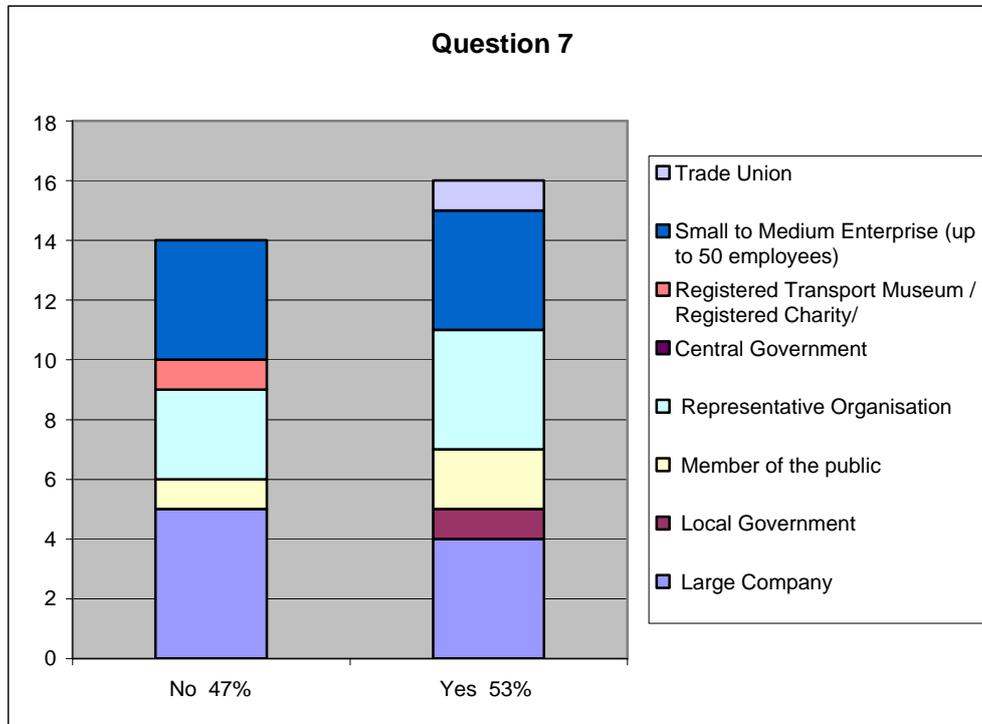
segment	No 58%	Yes 42%	(blank)	Grand Total
Large Company	7	3	1	11
Local Government	0	1	0	1
Member of the public	1	2	0	3
Representative Organisation	4	4	4	12
Central Government	1	0	1	2
Registered Transport Museum / Registered Charity/	0	1	0	1
Small to Medium Enterprise (up to 50 employees)	6	3	4	13
Trade Union	0	0	2	2
Grand Total	19	14	12	45

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

segment	answer	Comments
Large Company	Yes	On the basis that there is an EU mandate for this interconnection and that it ought to increase the safety standards across the EU this modest increase is considered reasonable.
	Yes	I have no problem with this
	No	They are already paying VOSA and enforcement fees on the tests
	No	to much cost is already put on the operator ,vosa should look inwards to reduce costs as there over heads will become lower with the reduction of test premisis
	No	Cannot see how sharing information electronically that has already been collected costs £100k pA
	No	There is plenty of ways to reduce cost in house, I think you should join the rest of us in the reality world and take a PAY cut.
	No	The charge should be clearly shown to operators and not hidden in MOT fee. Then an agreed rate increase mechanism could be introduced.
	No	If Vosa want to impose increases to end Customers then the O license fee should be increased to accommodate above inflation increases. Otherwise the Manufacturer, 3rd part repairer or lease company will have to absorb the cost through the fixed priced contract and the Customer will have no cost impact.
Local Government	Yes	It is more appropriate for the costs for the running cost of the interconnection of the National Register to be met from increased licence fees than from general taxation. We anticipate that the impact on bus services and competition will be minimal.
Member of the public	No	Increase should be the same as inflation, to allow for better technology to assist VOSA in targeting non compliant operators.
Representative Organisation	Yes	At 1% the increase is justified
	Yes	We note the proposal to increase the O-licence fee and believe that all operators should help fund the establishment of an electronic national register. We therefore support the proposal for a 2% increase across all licence types including variations.
	No	Any additional sum should be found elsewhere from VOSA's total budget. Members have suggested that sale of the estate could be accelerated. Also, we question the extent of funding for the delivery of education, which we do not consider should be a core function of VOSA.
	No	55% VOTED NO
Small to Medium Enterprise (up to 50 employees)	Yes	No problem with increasing fees in general in line with inflation and increases in regulation - each new rule costs me more to manage, so it will also cost you more.
	No	The general fees charged are more than sufficient of meeting these costs if the organisation was run economically
	No	This information should already be available to VOSA so i do not see why we as operators should pay more towards it.
	No	Government should absord this!
	No	These are already disporportionately high for very small businesses and the accompanying bureaucracy is a major bar to business. The interconnection only relates to pan EU operations. The majority of operators are solely UK based. Such a register benefits the enforcement agencies in relation to non UK operators only.

Question 7-

Do you support the proposed general increase of 1% in charges?



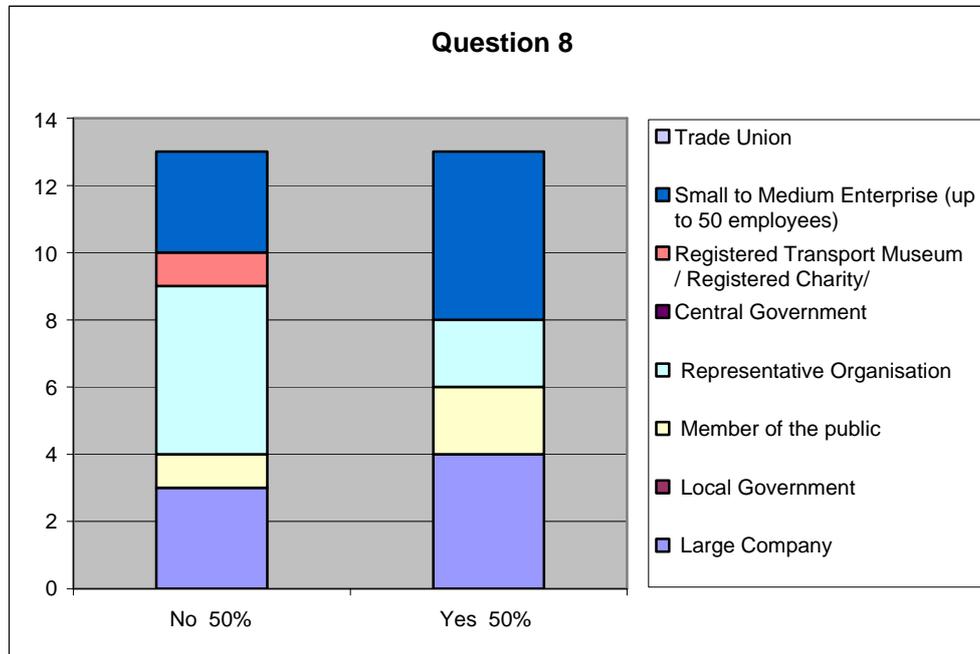
segment	No 47%	Yes 53%	(blank)	Grand Total
Large Company	5	4	2	11
Local Government	0	1	0	1
Member of the public	1	2	0	3
Representative Organisation	3	4	5	12
Central Government	0	0	2	2
Registered Transport Museum / Registered Charity/	1	0	0	1
Small to Medium Enterprise (up to 50 employees)	4	4	5	13
Trade Union	0	1	1	2
Grand Total	14	16	15	45

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

segment	answer	Comments
Company		Is this a qualified increase or is it the end user having to absorb the estate costs Vosa are having to bare due to the divestment of the test stations into ATF's ?
	Yes	All fee increases should be kept below the rate of inflation
	Yes	i agree with the increase providing there is investment in the vosa services
	Yes	I have no problem with this
	No	First would prefer not to see such an increase at a time of national economic hardship where operators' costs are still increasing, but does not consider the scale of the increase to be excessive. First considers that VOSA ought to continue to strive to achieve cost savings through increased efficiency. However First considers it inappropriate to exclude Section 19 and Community Bus permit fees from these increases when PSV O licence holders will be subject to the increase.
	No	It is already a tough time for operators with high fuel costs and poor economic conditions.
	No	The industry is in a pressure pot, adding to it is not the way, adjusting would be a better way forward. I am Not anti VOSA at all, I believe VOSA in the old days made it a better place; working together is the only way forward, charging more is just an insult.
	No	All charges should be clearly identified and not hidden in "MOT" fee and agreed mechanism for increase agreed
Local Government	Yes	Given that "do nothing" is not an option, a small increase in charges will be preferable to a reduction in services offered, particularly if increased delays in testing or in processing registrations results. We anticipate that the impact on bus operators in Bath & NE Somerset will be slight.
Member of the public	No	Increase should be the same as inflation, to allow for better technology to assist VOSA in targeting non compliant operators.
Representative Organisation	Yes	Yes, this increase is below inflation
	Yes	FTA welcomes efforts made by VOSA to reduce its cost base in recent years and commends the reduction of its balance sheet deficit in that time. To this end, a 1% general increase in prices – the first for industry in 4 and a half years – could be recognised as modest. FTA recognises and welcomes the Agency's efforts at cost reduction and tackling its balance sheet deficit since May 2009. The Association recognises the pressures on the public purse in the current economic environment in which all FTA members are operating. However, the Association is concerned at the outlook for the funding of operator licensing. The consultation cites reducing operator licence numbers not being matched by reductions in volume of transactions. But irrespective of levels of licence application, the "in-licence" transactions such as variations which are considered to carry a cost also carry a fee to the operator. If licence numbers are dwindling then it stands to reason that the costs of the Office of the Traffic Commissioner should be falling also. It would be of significant concern if, for some reason, the "costs per transaction" to the regulator were increasing, since this im
	No	See answer to Q6. We would want to see greater clarity as to how the licensing fees are spent.
	No	60% VOTE NO
Registered Transport Museum / Registered Charity/	No	Whilst it is noted that VOSA is obliged to ensure that 'taking one year with another' income ' is not less than sufficient' to cover costs there must be no element of 'profit' to cross subsidise other loss making Government departments. The Trust can find no publicly available documentation to justify the present scale of charges (in particular PSV / HGV testing).
Small to Medium Enterprise (up to 50 employees)	Yes	No problem with fees increasing with inflation (or less) since that is what inflation does. I don't agree with skewing costs against the long term viability of your own estate and encouraging business to go elsewhere.
	Yes	Only if the Fees remain the same as those now charged at VOSA's own stations and only increased by a marginal amount. ATF fees should be reduced. Why should operator pay extra for the ATF's?
	No	The general fees charged are more than sufficient at this present time, perhaps they should look at their internal costs and introduce savings there
	No	Business costs are too high as it is. There is no benefit to the operator. While it is right that standards should be maintained, the costs of compliance are a significant drain on business and as a result are counter productive. The fees only appear to be related to the costs of providing facilities and employment of staff. Reduce those and the associated regulatory and bureaucratic burden and the fees could be reduced helping business, industry and ultimately society in general.
Trade Union	Yes	Can we firstly welcome the fact that the Department is consulting on an increase to VOSA test fees. It is a number of years since VOSA was allowed to increase Test fees due to the restriction placed upon it (by successive Governments), and as a result financial losses were incurred. These were due not only as a result of increases in the baseline costs, but also as a result of increased operating costs incurred as a result of implementing a policy of forcing more and more tests out of VOSA sites and into private facilities. This policy has led to additional staffing costs (extra time to be paid for, extra travelling and subsistence costs, etc) combined with a reduction in productivity (less tests being able to be conducted in private facilities than in VOSA site). An increase in fees will enable VOSA attempt to recover some of these losses
		VOSA operated purpose built efficient sites have a much greater throughput when compared to many inefficient and poorly designed 3rd party sites, with the addition of travel, sometimes for a considerable period and distance, at the start and end of the day, in real terms we estimate this represents in the region of a 30% reduction in productivity, this together with the increase of other associated costs, overtime and travelling etc, clearly indicates the true reason for the down turn in revenue

Question 8 –

Do you support the proposed increase in charges for non-statutory services?



segment	No 50%	Yes 50%	(blank)	Grand Total
Large Company	3	4	4	11
Local Government	0	0	1	1
Member of the public	1	2	0	3
Representative Organisation	5	2	5	12
Central Government	0	0	2	2
Registered Transport Museum / Registered Charity/	1	0	0	1
Small to Medium Enterprise (up to 50 employees)	3	5	5	13
Trade Union	0	0	2	2
Grand Total	13	13	19	45

Note that if a yes/no answer was given but no explanation/comment was offered the answers been counted but there is no entry in the following table.

segment	answer	Comments
Large Company	Yes	Except where provided at non VOSA sites - eg IVA. If you want private sector to move into providing facilities such as IVA you need to consider a differential in rates.
	Yes	As these are largely voluntary.
	Yes	Costs need to be covered
	No	It gives people more incentive to have the voluntary test done
	No	This is getting boring now, I think you know the answer to this
		To enable the ATF's to take full advantage it would be beneficial if the prices where standardised and in parity to normal test charges
Member of the public	No	Comissioner wants operators to carry out brake tests as part of their maintenance regime. However increasing the fee for such checks would put a greater burden on the small operator.
Representative Organisation	No	See answer to Q1.
	No	We are concerned at proposed fee increases for certification (e.g. for DDA compliance)
	No	56% VOTE NO
	No	Notwithstanding the above stated position on the test fee differential, it is recognised that voluntary services associated with the statutory test should share their costs accordingly. However, members had concerns where this is applied to operators of vehicles exempt from testing and plating who undertake a voluntary test to the standards of the statutory test because of their responsible attitude to road safety risk. Members are concerned that faced with such significant increases on a voluntary test, many may choose not to take it and thus this proposal could have negative implications for road safety. Notwithstanding FTA's stated position on the differential test fee for statutory test, the Association accepts that voluntary services associated with the annual test should bear their share of the costs where there is an established, competitive local ATF market. However, the differential should not be applied to voluntary tests to statutory test standards for vehicles exempt from testing and plating as this may deter responsible operators from making use of this service and could have implications for road safety standards.
	No	Whilst we accept that fees have to rise with Inflation a number of our Legislation committee are concerned regarding the 25% rise in getting Heavy vehicles Brake tested. Especially those safety conscious bus owners who carry more than 8 passengers occasionally and whose vehicles are pre 60, and thus are exempted from testing. Whilst they can easily have their vehicle checked by a competent engineer, it is beyond their resources to own a rolling Road!!!
Registered Transport Museum / Registered Charity/	No	Response is 'No' but accept that none statutory services can be obtained from other suppliers.
Small to Medium Enterprise (up to 50 employees)	No	Business costs are too high as it is. There is no benefit to the operator. While it is right that standards should be maintained, the costs of compliance are a significant drain on business and as a result are counter productive.
Trade Union		Whilst VOSA has control over non statutory fees at its own sites, it is clear they do not and will not over the predicted 70% of non VOSA sites. This does not indicate if this applies to VOSA and or non VOSA sites, nor does it say, if it applies to 3rd party sites, whether VOSA have the authority to determine non statutory fees at those sites.

Questions 9 and 10 –

Can you offer any information which we could use publicly that would help us to make the impact assessment more accurate?

Can you provide any data which we could use in published documents to assess the effects of our proposals on your industry sector?

Statistical analysis of these questions was not carried out. Text of the explanations/comments follows for completeness.

Large Company	<p>I have a new approach which is common to other individuals that I have spoken to and also debated in the FTA freight councils and North West Goods Vehicle Maintenance Liaison Committee.</p> <p>Rather than opening ATF's and closing VOSA premises, I believe that statutory MOT testing should be abolished. Vehicles are inspected and maintained in line with operator licence obligations normally at 6 weekly intervals. Vehicles need to be able to remain above the minimum maintenance standard for the declared maintenance interval. When vehicles are MOT'd, they only have to meet the minimum standard on that day. If testing was abolished, there would be no need to invest in any extra premises by VOSA, but rather the VOSA resource could be used for more roadside roadworthiness checks and targeting more effectively operators who choose not to comply with O licence obligations. Penalties could be increased for non compliances which would encourage operators to comply more stringently with their O licence obligations.</p> <p>There would be an obvious shortfall in revenue due to the lack of test fees paid. This could be compensated for, but a charge on each vehicle and trailer specified on an operators licence equal to the test costs of that vehicle minus any savings that could be passed on from the reduced VOSA overheads.</p> <p>A couple of points to note: PCV's and trailers are not normally specified on operators licences. This could be made mandatory which would improve non compliant operators performance, capture actual trailer/PCV numbers on licences and also encourage operators to utilise vehicles that they have. These suggestions could be rolled out to other services mentioned in the consultation</p>
Large Company	Businesses closing down is the first impact.
Large Company	It needs to be considered that 70% of HGV operators take out a fixed price R&M or lease contract for 5 years.
Member of the public	Stop asking ATF and main dealers what they think. They will continue to incorrectly influence decisions that should be designed to help all operators, not just the major players.

Representative Organisation	<p>9.1 Operators who are based remotely from an ATF and are too small to justify their own facility will be doubly penalised if the VOSA centre they currently use closes: by the increase in fees; and by the need to travel further to have vehicles tested. The latter will incur a time and cost penalty (additional miles driven, staff and vehicle time away from productive work). There is an element of 'postcode lottery' in the availability of test facilities, some being well-provided, others having none.</p> <p>Urban and industrial areas are generally better provided for than rural areas and smaller towns. In one case closure of a VOSA test centre 12 miles from the operator's base would be replaced by a 45 mile journey to the nearest ATF. This penalty will be particularly acute in respect of voluntary tests, which are used by operators as part of the pre-test preparation process, to ensure vehicles are ready to take the statutory test. Increasing the distance between an operator's base and the test facility makes it less likely that the operator will be able to put vehicles through a pre-test, with a higher failure rate at the actual test being the unwanted consequence. A high failure rate may lead to the company being investigated by the Traffic Commissioners on the grounds of unsatisfactory repute.</p> <p>9.2 ATFs may only be available on a limited number of days, mostly only 1-2 days per week. Non-availability of testers on other days causes delays and inefficiency as operators are made to wait until the next 'open' day, rather than being able to have the vehicle tested as soon as it is ready. They are staffed by DfT/VOSA personnel, for whom a minimum income of £800 per day is demanded; which may be as high as £1,200 at some centres in order to ensure profitability. To achieve this, there has to be a high throughput of vehicles. This disadvantages small companies, which only need a small number of tests carrying out each year.</p> <p>9.3 Some ATFs are unable to accept all types of vehicle, e.g. may not be able to take full-height double-deckers, articulated buses and/or low floor vehicles, for reasons of the height of the premises, length of inspection area and / or ground clearance. In such situations, operators would be faced with even longer and more time-consuming drives to the nearest suitable ATF.</p>
Representative Organisation	<p>VOSA's impact assessments don't mention the impact of the consultation to their ATF partners which I find quite disconcerting as we are responsible for funding the scheme. VOSA's savings of over £40 million have largely come from the private sectors investment thus relieving them of their administration and real estate responsibilities. I applaud VOSA for taking another step to make ATF's more competitive. However if they really want the ATF scheme to remain sustainable then why are they stopping short of making the choice for customers a simple one? It's quite simple - if a customer has to choose between a cheaper VOSA test station that he knows and has used for years and a more expensive ATF then he will stay where he is. Even with the proposed fee changes its still cheaper for customers to use VOSA sites on many axle combinations. Further more there doesnt appear to be any consideration for ATF's to increase their charges that have remained capped at the same level for over 3 years. During this period we have absorbed all inflationary costs which further reduces our margins.</p>

Small to Medium Enterprise (up to 50 employees)	Consider the burden on small operators, and stop assuming that just because we have a business we are a bottomless pit of funding to employ civil servants. The burden on small operators is disproportionately higher than for large businesses.
Trade Union	The data does not appear to account for the wide variation in additional, sometimes hidden costs, VOSA have no control over pit fees, voluntary fees and additional service fees (load simulation etc) and is therefore floored. An example witnessed "HGV presented for RPC test only" the test did not require an under vehicle inspection (nox sensing euro 5 engine) the presenter was charged the RPC fee plus a pit fee of £70.00 + VAT, this could easily apply to any vehicle.
Large Company	It would not be appropriate to provide such data at such a disaggregated level and draw wider conclusions across the industry.
Large Company	<p>Local market is at saturation point with ATF's and local station closed, so biggest benefit relates to the reduction in testing premium local operators have had to pay by way of the lane fee.</p> <p>I do hope though that a number of operators who travel some way to the nearest VOSA facility will start to think again</p>
Small to Medium Enterprise (up to 50 employees)	We are a bus sales company as as such do not have or require a PSV operator license however we have a requirement for 2 annual psv tests every week as a minimum though more probably 125 per year + any retests. my now redundant VOSA station was 5 miles away my ATF is 12 miles away the cost of operator discs is now absorbed into the test fee which is a cost to me also the extra distance and additional lane fee for the ATF is an additional cost for me in total approx £100 per mot this can not be right,its a situation that has fallen through you system but penalize me constantly. I look forward to an explanation
Small to Medium Enterprise (up to 50 employees)	<p>You know the fees that you charge and that an ATF charges for use of their lane, so already have the comparative costs.</p> <p>Try looking through your own records of how many smaller operators use the overpriced main dealers that are ATFs for their routine maintenance and safety inspections- the ones that you think make for cost savings by having tests carried out at the ATF. Then re-run your impact assessment for smaller operators given that it then becomes clear that not many of them will be using main dealers in the first place.</p>

General Comments –

Statistical analysis of these comments was not carried out. Text of the comments follows for completeness.

Large Company	I feel that VOSA have driven the ATF policy very hard and a lot of private sector money has been invested into it. Therefore they should stop this interim/half way house policy making and go ahead and properly privatise the service and allow ATF's to effectively run their businesses without the constraints of government policy making.
Large Company	The fees at ATF's could still be cheaper to make it fairer for our customers and to increase our profits.
Large Company	if vosa wish the support of atf stations for a long term partner ship then the financial play field should be level and common sense appllied more than at present which is a veiw shared with all our commercial customers when using an atf site
Large Company	Most of my comments are in Q9 above, but I do believe that cost is at the forefront of this consultation and not enough thought has been applied to alternatives such as mentioned in Q9 above
Large Company	Obviously I don't agree with any price increases, there is no money left.
Member of the public	I believe that having two different fees for the same service is illegal and may be challenged in court. (I really hope someone does)
Member of the public	The additional cost of the annual testing of vehicles imposed on individuals and small businesses as a result of using private facilities is disproportional and should be addressed in this and future consultations. The example given relates to my personal experience as a non profit making organisation. That said it is clear that if I were to be operating larger vehicles as a business the costs of using a local private facility would be considerably higher than those appertaining when the local public site was available.

Representative Organisation	<p>The National Franchised Dealer Association supports the proposals outlined in the consultation document that seek to reduce fees for tests at non-VOSA facilities and increase those for tests at VOSA sites.</p> <p>Whilst supporting the movement of testing away from VOSA sites and often nearer the operator, the NFDA calls upon VOSA to go further than the current incremental process and to announce a timeframe for the transfer of all testing operations to non-VOSA facilities.</p> <p>The NFDA has recently expressed our wish to go further and privatise HGV testing in our submissions to the Transport Select Committee inquiry into the work of VOSA (January 2013), and the Department for Transport's Motoring Services Strategy consultation (March 2013).</p> <p>The current situation of partial privatisation has led to industry uncertainty and lack of clarity over the future of vehicle testing. A commitment for the closure of all VOSA testing facilities will provide industry and the market with the confidence required to invest in the building of new test centres. The benefits of the privatisation of testing sites are numerous: providing more sites for inspection for businesses, greater diversity of choice, and will in turn, reduced costs.</p>
Representative Organisation	<p>ALBUM members represent bus companies in the non-aligned sector, which includes medium-sized and small businesses, many with fleets of well under 100 and some with as few as a handful of buses. They run a mixture of types of bus service: some commercial, although often 'only just' and with small profit margins in the face of competition from the car and, in some areas, services run by large bus groups - the PLCs and multi-nationals; many competitively tendered by local transport and education authorities, typically at low and decreasing margins of profitability, as local authorities are financially squeezed . Formulae for reimbursing operators for carrying 'concessionary' passengers (mainly pensioners) continue to become less favourable and compensation in respect of fuel duty is being whittled down.</p> <p>Additional, above inflation, cost rises such as those proposed for VOSA test fees are therefore an unwelcome and damaging imposition on businesses that are already under considerable financial pressure.</p>
Representative Organisation	<p>As previously discussed, there has been little or no consideration in these documents to discuss solutions to help improve the poor investment/profit opportunities from owning an ATF.</p>
Representative Organisation	<p>On behalf of their members the BVSF cannot see how it is justified that the Current and Proposed charges "at non-VOSA" sites completely overlook the fact that members costs are going to be increased by another £30 to £40 in lane hire charges. The BVSF can find no-where, that we were advised that members would be charged up to £40 additional to hire the lanes for testing.</p> <p>The increase in MOT testing charges is scandalous,It is the opinion of the BVSF that there should be a reduction of up to £30 to offset the lane hire costs,in support of this is the fact that VOSA testing stations are closing and thereby saving VOSA in maintenance/running costs.</p>

Representative Organisation	<p>Whilst supporting the movement of testing away from VOSA sites, industry calls upon VOSA to go further than the current incremental process and to announce a timeline for the wholesale transfer of testing operations to non-VOSA facilities. SMMT has recently expressed these views in submissions to the Transport Select Committee inquiry into the work of VOSA (January 2013), and the Department for Transport's Motoring Services Strategy consultation (March 2013).</p> <p>The current situation of partial privatisation has led to industry uncertainty and lack of clarity over the future of vehicle testing. An explicit commitment to a framework and deadline for the closure of all VOSA testing facilities will provide industry and the market with the confidence required to invest in the building of new centres, helping ensure that the market can develop at those locations where non-VOSA testing facilities are currently unavailable. The benefits of the privatisation of testing sites are numerous: providing more sites for inspection for businesses, greater diversity of choice, and consequently, reduced costs.</p> <p>Industry strongly believes in the need to retain the integrity, quality and consistency of vehicle testing, whilst reducing the regulatory burden and enforcement costs for government and business. VOSA endorsement of an OFT approved Code of Practice, such as Motor Codes, to ensure levels of service and testing carried out at non-VOSA testing facilities is of a high standard, could provide a suitable way forward that would maintain safety standards, whilst allowing VOSA to target its limited resources more effectively on enforcement.</p>
Representative Organisation	<p>We note that VOSA's annual accounts for 2011/12 showed an accumulated deficit at the end of the year of £17m (reduced from £35m at the end of 2009/10). In addition, that VOSA's Business Plan for 2012/13 is to generate a surplus of £7m in the year (on an income estimated at £183m) to reduce that deficit further.</p> <p>We fail to understand why operators are once again being asked to pay for VOSA's past failures to effectively manage their finances and would ask that all is done to ensure further operating efficiencies within VOSA are looked at to maximise cost savings and reduce the deficit.</p> <p>One area which could be looked at further is who carries out the annual test. The BVRLA still believes that the most cost efficient way for annual tests to be carried out would be by independent VOSA-accredited testers.</p> <p>We are also interested to know if the industry can expect fees to reduce once the deficit has been paid off. Any fee increases which are introduced to cover a deficit should in our view only be in place whilst there is a deficit and we would expect to see the fees reduce at the point where it is paid off.</p>
Representative Organisation	<p>Unfortunately this consideration of the principles of the differential test fees does not take into account test procurement in the real world. In a survey of FTA Freight Council members nearly 40% indicated that the annual test for their vehicles was procured by maintenance providers as part of their Repair and Maintenance (R&M) contracts or vehicle leasing contracts. Of these, 90% stated that they had no visibility of the 4%</p>

decrease at ATFs introduced in April 2012. Obviously many of these maintenance providers will be ATF operators. In many cases the differential test fee serves only to improve the margin of the ATF operator with no visible benefit to the vehicle operator.

This relates also to a far more important factor in testing transformation. Many operators who we were able to speak to demonstrated indifference to the fee changes which represent marginal costs when compared to the costs generated as a result of difficulties with test availability. To quote one FTA member:

“£30 on the price is irrelevant after I've spent the fuel money for a 100 mile round trip to find a test.”

As FTA stated in its evidence to the Transport Select Committee, operators are facing difficulties in accessing the annual test. It is accepted that this is not an endemic problem, but VOSA does not have any sight of the potential difficulties. The reasoning, once again, is reflected in repair and maintenance contracts. Many ATFs have been opened by established maintenance providers – as was the intention of the model – but they offer annual testing on site as a bonus to their maintenance product. A number of ATF providers have stated explicitly to FTA that they have established an ATF to test their maintenance customers but go to the open market to “fill in the gaps.”

It is understood that VOSA is monitoring test availability at ATFs based on the ATFs' request for additional testing resources. However, the ATFs' resource requirements will not necessarily reflect the demand for tests. As stated above, where an ATF has been established for the purpose of providing an enhancement to its operator's maintenance product, they may be satisfied with the resources VOSA is providing, yet with no interest in demand from the “test-only” open market. In Mr Peoples's evidence to the Transport Select Committee he conceded that the Agency has no information available to monitor the availability of tests at ATFs.

VOSA must establish a more effective mechanism for monitoring test availability on the open market at ATFs.

Consultation process

The Association also has grave concerns about the erosion of the consultative process by the Government and seeks the Agency's support in redressing the situation.

FTA has raised previously its concerns regarding the constrained industry consultation period for this review. The reasons for the reduced period are understood, and it is recognised that the delays were not specifically of VOSA's doing: once completed the consultation spent around two months awaiting clearance from the Government's regulation reduction machinery before publication. However, critical as they are to our industry, it is difficult to accept that a Cabinet sub-committee spent two months discussing the statutory fees for the haulage industry. The perception therefore prevails that Ministers may consider these issues at their leisure, but at the expense of the opportunity to consult fully with

	<p>industry experts. It will be noticeable later in our response that some aspects of our own consultation process were not as thorough as we should have hoped to be able to provide</p> <p>FTA looks forward to learning what representations the Chief Executive has made to the Secretary of State and the Cabinet Office regarding the impact the regulatory approvals process is having on consultation with industry experts.</p> <p>FTA provided a number of supporting responses that have been attached as a separate document.</p>
Representative Organisation	<p>The Road Rescue Recovery Association would like to reply to this consultation as follows:</p> <p>Over the past 4 years, fees have increased and now with "lane fees" for 2 axle vehicles.</p> <p>By using independent centres and charging £800 a day for your tester to attend, this has cut most of VOSA's operating costs and this is paid to VOSA whether VOSA gets any tests in any one day or not, and all VOSA has to do is pay their testers wages.</p> <p>If ATF's charge £800 a day for the testing operative, you should ensure it is Value for Money.</p> <p>VOSA's operating profits have increased greatly and VOSA's costs reduced drastically.</p> <p>The test rates should be reduced or at least a FREE re-test offered. Re-tests should also be available at short notice and irrespective of VOSA or ATF's, the test fee should be on a level playing field with no differential in charges.</p>
Representative Organisation	<p>The consultation document makes great play on the strategic policy of VOSA in directing tests to ATF's rather than its own test facilities.</p> <p>Nowhere does the document mention class 5 testing and the paucity of ATF's willing to undertake this test - many ATF's do not accommodate Double Deck vehicles or petrol engine coaches even if the latter pre date the use of emission equipment. Visible smoke does not need equipment!!!</p> <p>There is still no listing available whereby a person can see all the ATF's in their county which undertake class 5 and test DD's or petrol vehicles</p> <p>I hope that someone will think about the impact on class 5 owners before we have to travel 50 miles each way for a test and are restricted to one day only testing.</p> <p>Your comments will be appreciated</p>

Central Government	<p>VOSA NEEDS OPERATORS TO ADMINISTER THEIR LICENCES AND VEHICLES PROPERLY CURRENTLY WE ARE PENALISING SMALL OPERATORS WITH DISPROPORTIONATE FEES. I SUGGEST WE ADD A CHARGE FOR ADDING VEHICLES TO LICENCES AND HAVE NO CHARGE FOR REMOVAL. COMMERCIAL INSURERS CHARGE FOR ANY CHANGES. THE MAINTAIN THE INSURANCEINDUSTRY IS SUPPOERTED BY LEGISLATION AS ARE WE BUT THEY ARE IN THE BUSINESS OF MAKING MONEY FROM SERVICES OUR BUSINESS IS PROVIDING SERVICES AN WE ALSO HAVE LEGISLATIVE UNDERPINNINGS.</p> <p>i WOULD BE MORE THAN HAPPY TO BE INVOLVED IN THE FINANCIAL STRUCTURE CONSULTATION OR DEVELOPMENT PROCESS.</p>
Central Government	<p>Traffic Commissioners (TCs) wish to respond formally to the consultation exercise that is taking place on fees.</p> <p>We responded to the Transport Select Committee's review on VOSA only a very few months ago, this included specific comments on fees and income, see paragraphs 12 to 15 inclusive of our response. For ease of reference it is repeated below:</p> <p>Allocation of Fee Income</p> <p>12. The Department for Transport consulted in 2005 on plans to simplify fee administration by co-locating the collection of the annual operator licence enforcement fee with the HGV annual test fee. The central focus of the consultation was to reduce the number of transactions and so the administrative burden associated with compliance. There were secondary fairness issues, particularly relating to operators who used hire vehicles and in relation to trailer operation. Neither the consultation nor the following implementation proposed any strategic shift in the purpose or use of the fees collected. This was a customer service issue.</p> <p>13. The legislation on the powers to collect fees and their purpose is unequivocal. The power to charge fees resides with TCs according to s45 of the Goods Vehicles (Licensing of Operators) Act 1995 and s52 of the Public Passengers Vehicles Act 1981 and they are charged for prescribed purposes. The continuation fee is for the ongoing supervision of the licence including interventions by VEs and TEs. The collection of this element has become a single transaction with the collection of annual MoT test fees for HGVs and PSVs.</p> <p>14. A result of the streamlining of fee collection means that TCs are now excluded from discussions relating to how the money is allocated. The streamlining happened in a similar timeframe to the introduction within the Department of the Single Enforcement Budget and that further blurs lines of accountability and legislative authority. Administrative simplification has had an apparently unintended consequence of a conflict between statute and policy. 15. VOSA has been highly progressive in technology terms in relation to roadside enforcement and systems such as online annual test bookings. These systems were implemented at a time when IT costs were very high and now account for</p>

a significant proportion of the Agency's costs. In contrast, the operator licensing IT system was built over ten years ago and is now out of support. It appears on the face of it that operator licensing may be picking up an unfair allocation of the Agency's overall IT costs.

In the statutory guidance issued to the Senior Traffic Commissioner under the Public Passengers Vehicles Act 1981, as amended by the Local Transport Act 2008, the Secretary of State rightly places great weight on the fact that TCs' functions are funded by the regulated industries through fees. Under the heading of 'Transparency and Accountability' the Secretary of State requires clarity about how fee income is used. We agree entirely with this sentiment and through the Senior Traffic Commissioner, we want to work with VOSA to achieve that clarity.

That Guidance was issued by the Secretary of State in November 2009 and we have yet to achieve the level of clarity in VOSA's accounting processes that can meet the expectations of the Secretary of State, the industries which we regulate and wider partners.

It is of course for the Secretary of State to set the appropriate level of fees but as the current consultation concerns the use of TC statutory powers set out in primary legislation it is disappointing that there has been no earlier dialogue of the type envisaged in the Secretary of State's Guidance. It is apparent that there are elements of the fees which are the subject of the current consultation which have been 'merged' with other fees so that the method of collection no longer reflects the intentions of Parliament as set out in primary legislation. This makes accountability and transparency for the use of operator licence fees near impossible to achieve. The diversion of fees to fund activities by VOSA which are unconnected with operator licensing has resulted in increasing pressure on the service provided to operators and thereby risks the principles outlined in the DfT/VOSA/TC Framework Agreement.

The consultation pro forma poses a number of questions; we do not wish to comment on specific points other than to make these general comments. The economic environment has changed and so has demand for the different types of service offered on behalf of TCs. The statistics illustrate how new applications have reduced but the type of variation application, requiring significant input during the processing, has increased. The TCs seek a position where fees are allocated proportionately and which allow the provision of service required by industry to remain competitive and flexible in difficult trading conditions. It is right that operators and applicants can see that the operator fees they pay are used for those purposes. The Senior Traffic Commissioner continues to work with VOSA officials. It is only with real transparency that an accurate picture of where fees should be charged can be reached.

There is a risk that operator licensing is viewed as a "paper" exercise in which the outcome is a licence document. In practice operator licensing is a dynamic process requiring the interrogation of the application and any subsequent documentation and data in the life of any licence granted or monitoring the consequences of refusal. Operator licensing plays an essential gatekeeping role in the interests of road safety, fair competition

	<p>and bus reliability.</p> <p>Securing the correct level of fees to do the work is critical to our success.</p>
Registered Transport Museum / Registered Charity	Please see response to Q7 relating to justification of present charges (data is not available in the public domain).
Small to Medium Enterprise (up to 50 employees)	Costs for LGV MOTs have risen way above inflation over the last ten years. Time to look internally for savings
Small to Medium Enterprise (up to 50 employees)	In addition to the point i made earlier i am charged 2 x test fees by the ATF for a single PSV 6A test
Small to Medium Enterprise (up to 50 employees)	Why are we going backwards with ideas. Testing should be at Vosa Test Stations only. I think the testers are being put under pressure at most AFT's. Think of your customers first its should be able to self finance its self if done properly.
Small to Medium Enterprise (up to 50 employees)	Fees went up at ATF's even though VOSA did not have to supply anything except the tester. This was a blantant rip off as VOSA were now saving costs at there own stations by closing them. VOSA should still be expanding and carrying out all tests themselves. We are now being forced to use the ATF's at nearly 50% increase as the stations are being closed down and those that are still open are forcely being made too busy toi deal. Cannot get a VOSA station test for 2 to 3 months - outrageous!!

Trade Union	<p>For many if not most small operators/owner drivers the cost of statutory testing has increased substantially, many have to travel substantial distances to obtain a test within a reasonable time thus incurring additional fuel expenses as well as considerable down time, they are also faced with pit fees and other costs (load simulation etc (a cost that was included in the test fee at VOSA sites)) in addition to a test fee. Whilst the claim (that we dispute) that VOSA's increase in costs to service 3rd party sites is out weighed by savings to operators (see above) it is not clear how that would feed in to funding VOSA staff or costs. The claims of savings in VOSA's estate have yet we believe to be realised, many closed sites are still a burden, some still attracting substantial costs.</p> <p>We believe saving of any substance have yet to be seen, the estate no longer in use is still a significant burden and there is no indication of when and if disposal of sites will benefit VOSA's account.</p> <p>As stated we believe that in reality most are incurring addition costs to obtain their test, this assumption is disputed.</p> <p>We conclude that whilst the need for review and consult on test fees is required, this consultation does not address or recognise the true impact of the ATF strategy upon heavy vehicle testing, nor does it recognise or address the true costs for possibly the majority of operators for testing heavy vehicles, the difficulty in obtaining a test or the cost of servicing 3rd party sites and closing VOSA GVTS sites</p>
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