

# Historic Vehicles MOT Exemption Review

## Summary of Consultation Responses and Government Response

### Introduction

As part of the Reducing Regulation agenda and the desire to remove unnecessary burdens on society, the Government is proposing to exempt pre-1960 manufactured vehicles from statutory MOT test, as allowed under Article 4(2) of EU Directive 2009/40/EC, and bring the age of vehicles requiring the statutory MOT test in line with The Goods Vehicles (Plating and Testing) Regulations 1988.

The EU Directive 2009/40/EC of the European Parliament and of the Council, Chapter II, Exceptions, Article 4 states: *“Member States may, after consulting the Commission, exclude from the scope of this Directive, or subject to special provisions, certain vehicles operated or used in exceptional conditions and vehicles which are never, or hardly ever, used on public highways, including vehicles of historic interest which were manufactured before 1 January 1960 or which are temporarily withdrawn from circulation. Member States may, after consulting the Commission, set their own testing standards for vehicles considered to be of historic interest.”*

Whilst it is important to ensure that vehicles are safe to use on the highway, it is also important to ensure that regulations imposed are not excessive. Currently, both the age and the categories of vehicles requiring the MOT test in Great Britain (GB) go further than the EU Directive on roadworthiness test 2009/40/EC.

We consider vehicles manufactured prior to 1 January 1960 to be of historic interest. The purpose of the consultation, which was launched on 3 November 2011, was to invite views on proposals to exempt these vehicles from the statutory MOT test in GB.

The consultation closed on 26 January 2012. In total there were 447 responses received by the closing date: 335 from general members of the public (including 1 from a Member of Parliament (MP) and three responses sent by MPs on behalf of their constituents), 36 from representative and interest groups, 32 from those who voluntarily confirmed they were owners of historic vehicles, 23 from small and medium enterprises (SMEs), 9 from large companies and the remaining 12 respondents selected ‘other’ – this category included vehicle museums, historic vehicle collectors, clubs, classic car part suppliers, workshops and charitable trusts.

The following summary provides a brief overview of key themes emerging from the consultation responses – it is not intended to be comprehensive in its coverage.

### **Q1. Do you agree that the Government should review the MOT test requirement for vehicles of historic interest (vehicles manufactured prior to 1 January 1960)?**

In all, 73% of respondents agreed to review the MOT test requirement for vehicles of historic interest. 83% of ‘other’ respondents, 78% of general members of the public and 70% of representative and interest groups favoured a review.

On the other hand, 56% of large organisations and classic car owners, and 52% of SMEs opposed an MOT exemption review.

The respondents that support an MOT exemption review have said that vehicles of historic interest are usually owned by enthusiasts who generally keep their vehicles in pristine condition, drive carefully and rarely, and hence their vehicles would pose no significant risk if they were to be exempted from the MOT test. Some have said that historic vehicles cannot be

tested properly in standard MOT test stations. A few pointed out that vehicles would still be required by law to be roadworthy and the police have powers to stop vehicles which appear to be unsound and contravene regulations.

Those who oppose an MOT exemption review are largely concerned that road related casualties could increase if pre-1960 manufactured vehicles are exempted from the MOT test. They also believe that many classic car owners are mechanically unqualified and hence do not have the skills to restore their vehicles in the absence of an MOT test. Some SMEs in the MOT trade have said that they have come across alterations and repairs done by owners of vehicles which were incorrectly done.

Some large organisations have pointed out that older vehicles were not designed to be able to continue in service as long as modern vehicles and that the braking performance and suspension of pre-1960 manufactured vehicles are far below modern vehicles standards. They added that older vehicles tend to be both heavy and powerful and unlikely to have the passive and active safety systems of modern vehicles, therefore impacts caused and experienced by these vehicles in an accident would possibly be greater than modern vehicles.

Members of some large and representative organisations have said that they value the existing MOT as an independent safety check, whilst others have said the absence of a test certificate may cause difficulties following road traffic accidents.

## **Q2. If you agree to Q1 above, which of the three options do you prefer?**

Of those in favour of an MOT exemption review, 81% favoured Option 1 – exempting pre-1960 manufactured vehicles from the MOT test. 5% favoured Option 2 - exempting pre-1945 manufactured vehicles from the MOT test, and 8% favoured Option 3 - exempting pre-1920 manufactured vehicles from the MOT test. About 6% preferred alternative options.

Those that have suggested alternative options have, for example, suggested exempting from the MOT test vehicles manufactured after 1960, linking MOT to mileage or reducing the MOT frequency for historic vehicles. One respondent has said that if historic vehicles are exempted from the MOT test, then those that have declared Statutory Off Road Notification should still be required to do a MOT test before being allowed back on the road.

Some of those that have suggested Options 2 or 3 as their preferred choice have said that pre-1945 and pre-1920 manufactured vehicles are completely different to those manufactured after 1945 in terms of vehicle parts and how they are restored, and hence, they feel only these vehicles should be exempted from the MOT test.

Members of historic vehicle clubs were generally divided over which MOT exemption option they favoured. Whilst most preferred exempting pre-1960 manufactured vehicles from the MOT test, others preferred exempting only pre-1945 manufactured vehicles. There is considerable interest amongst historic vehicles clubs in maintaining some form of voluntary test.

**Q1 & Q2 Government response:** *We have considered all three options and prefer Option 1 (exempting all pre-1960 manufactured vehicles from the statutory MOT test), because this maximises the Government's reducing regulation agenda, it matches the exemption allowed under EU Directive 2009/40/EC, and brings the MOT requirement for historic vehicles in line with unladen pre-1960 manufactured HGVs, which are already exempted from the periodic roadworthiness test under The Goods Vehicles (Plating and Testing) Regulations 1988.*

*We have not considered any of the alternative options suggested by respondents for the reasons stated below:*

**Including post-1960 manufactured vehicles to MOT exemption** - The Article 4(2) of the EU Directive 2009/40/EC does not allow vehicles (except motorcycles) manufactured after 1 January 1960 to be exempt from the MOT test.

**Exempting historic vehicles from the MOT test on mileage basis** – Law does not require an odometer to be fitted, working or calibrated. There is no duty on any motorist to report or declare recorded mileage. A mileage based MOT exemption need a mechanism for motorists to observe their vehicle mileages themselves and remember to have their vehicles tested. There is likely to be widespread abuse and a whole new industry peddling mileage fraud.

**Reducing MOT frequency for vehicles of historic interest** - This option would not meet the Government's reducing regulation agenda and is likely to make enforcement complicated as MOT test for vehicles over three years is currently done on an annual basis.

**Q3. Should motorcycles be included for exemption from the statutory MOT test under each of the options?**

Of those who support an MOT exemption, 86% agreed that motorcycles should be included in any exemption. Some have said that there is no evidence to suggest that motorcycles are maintained to a lower standard than cars. A couple of respondents pointed out that motorcycles are easier to maintain than cars.

The only objections received regarding the inclusion of motorcycles to an MOT exemption, were from those who wanted no MOT exemption, and their comments applied to all categories of vehicles (e.g. cars, buses and coaches etc).

**Q4. Do you agree that all vehicle categories subject to MOT testing be treated equally under each of the options?**

Of those who support an MOT exemption, 79% agreed that all vehicles categories (i.e. cars, motorcycles, buses and coaches etc) subject to MOT testing should be treated equally. Some have said that a level of consistency is needed so as to ensure clarity and clear compliance with the rules by owners and operators of such vehicles in all categories.

**Q5. If you disagree with Q4, please state which type of vehicle(s) you would like to be excluded from the proposed MOT test exemption.**

A couple of respondents have said that buses, coaches and large vehicles may be beyond the resources of private owners and hence they should be treated differently and still be subject to an MOT test.

**Q3, Q4 & Q5 Government response:** The government does not wish to exclude any categories of vehicles (e.g. cars, motorcycles, buses and coaches etc) from the MOT exemption, because the number of vehicles in each category and the number of casualties associated with these categories are very small. In the case of motorcycles, the initial MOT failure rate for pre-1960 motorcycles in 2009 was just 3.2% (the initial MOT failure rate for all pre-1960 vehicles was 10%). If some vehicle categories are excluded from the MOT exemption, this would make enforcement complicated as MOT test currently includes all private vehicles.

**Q6. Should vehicles used for commercial purposes be included in the options?**

Overall, a majority of respondents (57%) opposed including vehicles used for commercial purposes to any MOT exemption. Of those who supported a MOT exemption review, 51% favoured exempting vehicles used for commercial purposes from the MOT test.

A few respondents who were in favour of including vehicles used for commercial purposes in an MOT exemption cited that pre-1960 unladen heavy goods vehicles were already exempted from the MOT test.

The respondents that opposed including vehicles used for commercial purposes to any MOT exemption have said that these vehicles are likely to have higher mileage than historic vehicles used for pleasure. Most historic vehicle clubs opposed exempting vehicles used for commercial purposes from the MOT test, as did insurance representatives.

**Q6 Government response:** *The Government does not wish to exclude vehicles used for commercial purposes from the MOT exemption. This is because both the DVLA and VOSA do not keep a record of vehicle use and enforcement is likely to be left to the police. Automatic Number Plate Recognition would not be able to tell police whether or not a vehicle was being used for commercial purposes. It would take a physical stop and a number of probing questions to enforce the commercial use aspect, at a time when police resources are stretched. The Government, nevertheless, is allowing voluntary MOT tests. A voluntary test could leave room for businesses to opt for an MOT test and motor insurance providers to require historic vehicles used for commercial purposes to do a MOT test. A voluntary MOT test could also address concerns regarding difficulties motorists could face following road traffic accidents in the absence of a test certificate.*

**Q7. Do you have any comments on the consultation-stage impact assessment, or any data or analysis that would enable the Department to refine its analysis of costs, benefits and other impacts likely to arise from the options?**

Only 73 out of 447 respondents commented on the consultation-stage impact assessment. A few respondents have said that the impact assessment has covered the historic vehicles quite thoroughly and in detail, and were pleased to see an analysis done on historic vehicles.

Some large organisations in the motor trade have stated that they disagreed with the assumption that there is no direct profit element in the MOT test fee and the assumption that exempting pre-1960 manufactured vehicles from the MOT test would have no impact on business. A couple of respondents felt that the impact assessment relied too heavily on the Transport Research Laboratory (TRL) report on the Effect of vehicle defects in road accidents to calculate possible road accidents and injuries if historic vehicles are exempted from the MOT test. The TRL report, they argued, was too limited in its scope and analysis. One respondent pointed out that the vehicle depreciation cost did not include the cost of repairs due to depreciation. Two respondents raised question about the calculation of the number of historic vehicles that have an MOT test each year.

**Q7 Government response:** *The Government remains of the view that the cost of the MOT test was calculated using the actual (average) time to conduct the test, the average labour cost rates and the recovery of the investment required to provide and equip a garage to Department for Transport/VOSA specifications, hence there is no direct profit element in the MOT test fee.*

*With regard to MOT exemption having impact on business, the Regulatory Policy Committee (an independent committee established to scrutinise proposed regulatory measures) has said that it appears to them that the loss to MOT providers (loss of repair trade) is the result of an efficiency improvement resulting from the removal of a burden on pre-1960 manufactured car owners. Given this, this should be considered as improving the allocation of the UK's resources and should not be considered as a cost of this proposal.*

*The calculation of projected road casualties in the impact assessment was based on the TRL report, because this report provided the most recent study of the link between casualties and vehicle defects.*

*With regard to calculating vehicle depreciation, the impact assessment calculates the benefits of not driving vehicles to an MOT station, so the benefit in this case is the reduction in depreciation from additional mileage and lower maintenance costs.*

*Whilst there are approximately 162,000 pre-1960 manufactured vehicles that are required by law to do a MOT test, according to VOSA, just over 78,000 MOT tests were done by pre-1960 manufactured vehicles in 2009. Hence the MOT tests done by pre-1960 manufactured vehicles accounted for less than 0.3% of the total initial MOT test done that year.*

**Q8. Would the insurance premiums for pre-1960 manufactured vehicles be likely to rise if these vehicles were to be exempted from the MOT test?**

Only 70 out of 447 respondents commented on the possible impact MOT exemption would have on vehicle insurance premium. Whilst 31 respondents believed there would be no change, overwhelming majority of the remaining 39 respondents speculated that the motor insurance industry is likely take advantage of any exemption to raise insurance premium.

The insurance industry representatives have said they do not expect an immediate impact on insurance premiums simply from a change in the MOT requirement of itself. Any change would depend, all other factors being equal, on whether insurers noticed any change in the claims experience of these vehicles. If this were noted, then they would expect to see premiums rise. They stated that vehicles are not generally rated by their age.

**Q9. If the answer to Q8 is yes then please indicate by how much the insurance premiums may rise for each of the three proposed options. If the rise in insurance premium is likely to differ according to vehicle category, please provide a breakdown of the likely rise by vehicle category for each option as best as possible.**

We have not received any authoritative quotes of how much the insurance premiums may rise if historic vehicles are exempted from the MOT test. One insurance representative stated that if the claims frequency and cost increased then insurance premiums would increase proportionally to cover these losses.

**Q8 & Q9 Government response:** *Research in the impact assessment show that the pre-1960 manufactured vehicles made up only 0.6% of the 35.2m licensed vehicles in Great Britain and were involved in just 0.03% of road casualties and accidents. Two-thirds of them are driven under 500 miles a year and their initial MoT test failure rate (10%) is only a third of that of post -1960 manufactured vehicles. The Government is of the view that the pre-1960 manufactured vehicles will largely continue to be well maintained by their owners, and as is the case for all motorists, insurance premiums are likely to be high for high risk drivers.*

*As mentioned in the answer to question 6, the Government is giving exempt vehicles the option to do a voluntary MOT test. A voluntary MOT test could leave room for motor insurance providers to require historic vehicles to do a MOT test. A voluntary MOT test could also address concerns regarding difficulties motorists could face following road traffic accidents in the absence of a test certificate.*

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