Title:	Impact Assessment (IA)
Historic Vehicle MoT Exemption Review **Lead department or agency:** Department for Transport **Other departments or agencies:**	**IA No:** DfT00118 **Date:** 01/10/2011 **Stage:** Consultation **Source of intervention:** Domestic **Type of measure:** Secondary legislation **Contact for enquiries:** Jeaur Rahman, 020 7944 8027, jeaur.rahman@dft.gsi.gov.uk

Summary: Intervention and Options

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

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, which only requires statutory roadworthiness test for post-1960 registered vehicles and does not subject motorcycles to a compulsory test. Pre-1960 registered vehicles have a MoT failure rate significantly below post-1960 registered vehicles. Two-thirds of these vehicles are driven less than 500 miles each year. The Goods Vehicles (Plating and Testing) Regulations 1988 already exempts unladen pre-1960 manufactured Heavy Goods Vehicles (HGVs) from the roadworthiness test. We consider pre-1960 manufactured vehicles to be of historic interest. A Government intervention is required to reduce the regulatory burden on owners of these vehicles.

What are the policy objectives and the intended effects?

As part of the Red Tape Challenge the Government intends to exempt pre-1960 manufactured vehicles from statutory MoT test, as allowed under Article 4(2) of the 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 proposed objective is to ensure motorists in GB are not subject to gold plating of an EU Directive, and that the MoT test, in practice, focuses on vehicles which are not of historic interest and have high MoT test failure rate, road casualty rate and annual mileage. The intended effect is deregulation and lowering motoring costs without significantly affecting road safety.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The policy options that have been considered are:

Option 0: Retaining the MoT scheme as it is (do nothing - baseline);

Option 1: Exempt all pre-1960 manufactured vehicles from the MoT test;

Option 2: Exempt all pre-1945 manufactured vehicles from the MoT test;

Option 3: Exempt all pre-1920 manufactured vehicles from the MoT test.

Option 1 is preferred, because this will bring the MoT test requirement for pre-1960 manufactured vehicles in line with The Goods Vehicles (Plating and Testing) Regulations 1988, which already exempts unladen pre-1960 manufactured HGVs from the roadworthiness test. This option will also meet the Government's Reducing Regulation agenda and reduce the gold plating of the EU Directive on roadworthiness test.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year **What is the basis for this review?** Please select. **If applicable, set sunset clause date:** Month/Year	
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	No

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

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

Signed by the responsible SELECT SIGNATORY: ..... Date: .....

Summary: Analysis and Evidence

Policy Option 1

Description:

Exempt all pre-1960 manufactured vehicles from the MoT test

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 36.6	**High:** 59.6	**Best Estimate: 48.1**

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.09		0.24	**2.05**
High	0.09		2.13	**17.63**
Best Estimate	0.09		1.19	**9.84**

Description and scale of key monetised costs by 'main affected groups'

There may be costs to society as removing the MoT test could have a negative impact on road safety, and the environment as CO^2 and air pollutant emissions may increase. The reduction in volume of initial MoT test by less than 0.3% in VOSA is expected to have almost negligible effect on finance and no effect at all on their contracts. However, any changes to the MoT test would require updating of VOSA IT system and publicity materials which would incur a one-off cost.

Other key non-monetised costs by 'main affected groups'

We have not identified non-monetised costs.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		4.64	**38.61**
High	0		9.29	**77.23**
Best Estimate	0		6.96	**57.92**

Description and scale of key monetised benefits by 'main affected groups'

There will be benefits to owners of pre-1960 manufactured vehicles as they will not have to pay the MoT test fee, or have to travel to a MoT test centre - saving on fuel and time. Only the fuel resource cost was used to estimate the benefit as the savings on fuel duty and VAT would be a loss to taxpayers.

Other key non-monetised benefits by 'main affected groups'

We have not identified non-monetised benefits.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

Assumptions: The MoT test fees remain unchanged. The MoT test fees contain no direct profit element. Estimated 161,995 pre-1960 manufactured vehicles require the statutory MoT test. The number of pre-1960 manufactured vehicles to fall according to the average annual change over the past 14 years. The low estimate assumes that 50% of the pre-1960 manufactured vehicles that carry out the annual MoT test are regularly driven on the highway. The best estimate assumes that 75% of all the pre-1960 manufactured vehicles would be driven regularly on the highway if these vehicles are exempted from the MoT test. The high estimate assumes that all the pre-1960 manufactured vehicles would be driven regularly on the highway if they are exempted from the MoT test.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	**Benefits:** 0	**Net:** 0	Yes	OUT

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			Great Britain		
From what date will the policy be implemented?			01/07/2012		
Which organisation(s) will enforce the policy?			N/A. This is a de-regulatory measure.		
What is the annual change in enforcement cost (£m)?			N/A		
Does enforcement comply with Hampton principles?			Yes/No		
Does implementation go beyond minimum EU requirements?			No		
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** 0	**Non-traded:** 81.9	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			**Costs:** 0	**Benefits:** 0	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	**Micro** 0	**< 20** 0	**Small** 0	**Medium** 0	**Large** 0
Are any of these organisations exempt?	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on…?	**Impact**	**Page ref within IA**
Statutory equality duties[1] Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	27
Small firms Small Firms Impact Test guidance	No	27
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	Yes	27
Wider environmental issues Wider Environmental Issues Impact Test guidance	Yes	24-25
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

[1] Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Summary: Analysis and Evidence

Policy Option 2

Description:

Exepmt all pre-1945 manufactured vehicles from the MoT test.

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 15.5	**High:** 25.4	**Best Estimate: 20.6**

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.09		0.01	**0.18**
High	0.09		0.72	**6.01**
Best Estimate	0.09		0.35	**2.98**

Description and scale of key monetised costs by 'main affected groups'

There may be costs to society as removing the MoT test could have a negative impact on road safety, and the environment as CO^2 and air pollutant emissions may increase. The reduction in volume of initial MoT test by 0.1% in VOSA is expected to have almost negligible effect on finance and no effect at all on their contracts. However, any changes to the MoT test would require updating of VOSA IT system and publicity materials which would incur a one-off cost.

Other key non-monetised costs by 'main affected groups'

We have not identified non-monetised costs.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		1.89	**15.72**
High	0		3.79	**31.43**
Best Estimate	0		2.84	**23.57**

Description and scale of key monetised benefits by 'main affected groups'

There will be benefits to owners of pre-1945 manufactured vehicles as they will not have to pay the MoT test fee, or have to travel to a MoT test centre - saving on fuel and time. Only the fuel resource cost was used to estimate the benefit as the savings on fuel duty and VAT would be a loss to taxpayers.

Other key non-monetised benefits by 'main affected groups'

We have not identified non-monetised benefits.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

Assumptions: The MoT test fees remain unchanged. The MoT test fees contain no direct profit element. Estimated 57,496 pre-1945 manufactured vehicles require the statutory MoT test. The number of pre-1945 manufactured vehicles to fall slightly according to the average annual change over the past 14 years. The low estimate assumes that 50% of the pre-1945 manufactured vehicles that carry out the annual MoT test are regularly driven on the highway. The best estimate assumes that 75% of all the pre-1945 manufactured vehicles would be driven regularly on the highway if these vehicles are exempted from the MoT test. The high estimate assumes that all the pre-1945 manufactured vehicles would be driven regularly on the highway if they are exempted from the MoT test.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	**Benefits:** 0	**Net:** 0	Yes	OUT

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			Great Britain		
From what date will the policy be implemented?			22/06/2012		
Which organisation(s) will enforce the policy?			N/A. This is a de-regulatory measure.		
What is the annual change in enforcement cost (£m)?			N/A		
Does enforcement comply with Hampton principles?			Yes/No		
Does implementation go beyond minimum EU requirements?			No		
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** 0	**Non-traded:** 29.2	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			**Costs:** 0	**Benefits:** 0	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	**Micro** 0	**< 20** 0	**Small** 0	**Medium** 0	**Large** 0
Are any of these organisations exempt?	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on…?	**Impact**	**Page ref within IA**
Statutory equality duties[1] Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	27
Small firms Small Firms Impact Test guidance	No	27
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	Yes	27
Wider environmental issues Wider Environmental Issues Impact Test guidance	Yes	24-25
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

[1] Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Summary: Analysis and Evidence

Policy Option 3

Description:

Exempt all pre-1920 manufactured vehicles from the MoT test

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 0.38	**High:** 0.75	**Best Estimate: 0.54**

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.09		0.004	**0.121**
High	0.09		0.019	**0.242**
Best Estimate	0.09		0.015	**0.207**

Description and scale of key monetised costs by 'main affected groups'

There may be costs to society as removing the MoT test could have a negative impact on road safety, and the environment as CO^2 and air pollutant emissions may increase. The reduction in volume of initial MoT test by 0.006% in VOSA is expected to have almost negligible effect on finance and no effect at all on their contracts. However, any changes to the MoT test would require updating of VOSA IT system and publicity materials which would incur a one-off cost.

Other key non-monetised costs by 'main affected groups'

We have not identified non-monetised costs.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		0.06	**0.50**
High	0		0.12	**0.99**
Best Estimate	0		0.09	**0.75**

Description and scale of key monetised benefits by 'main affected groups'

There will be benefits to owners of pre-1920 manufactured vehicles as they will not have to pay the MoT test fee, or have to travel to a MoT test centre - saving on fuel and time. Only the fuel resource cost was used to estimate the benefit as the savings on fuel duty and VAT would be a loss to taxpayers.

Other key non-monetised benefits by 'main affected groups'

We have not identified non-monetised benefits.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

Assumptions: The MoT test fees remain unchanged. The MoT test fees contain no direct profit element. Estimated 1,873 pre-1920 manufactured vehicles require the statutory MoT test. The number of pre-1920 manufactured vehicles to increase according to the average annual change over the past 14 years. The low estimate assumes that 50% of the pre-1945 manufactured vehicles that carry out the annual MoT test are regularly driven on the highway. The best estimate assumes that 75% of all the pre-1945 manufactured vehicles would be driven regularly on the highway if these vehicles are exempted from the MoT test. The high estimate assumes that all the pre-1945 manufactured vehicles would be driven regularly on the highway if they are exempted from the MoT test.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	**Benefits:** 0	**Net:** 0	Yes	OUT

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			Great Britain		
From what date will the policy be implemented?			22/06/2012		
Which organisation(s) will enforce the policy?			N/A. This is a deregulatory measure.		
What is the annual change in enforcement cost (£m)?			N/A		
Does enforcement comply with Hampton principles?			Yes/No		
Does implementation go beyond minimum EU requirements?			No		
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** 0	**Non-traded:** 0.8	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			**Costs:** 0	**Benefits:** 0	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	**Micro** 0	**< 20** 0	**Small** 0	**Medium** 0	**Large** 0
Are any of these organisations exempt?	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on…?	**Impact**	**Page ref within IA**
Statutory equality duties[1] Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	27
Small firms Small Firms Impact Test guidance	No	27
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	Yes	27
Wider environmental issues Wider Environmental Issues Impact Test guidance	Yes	24-25
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

[1] Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	EU Directive 2010/40/EC
2	Road Traffic Act 1988, sections 45-48
3	Transport Research Laboratory Report on the Effect of Vehicle Defects in Road Accidents
4	Department for Transport, MOT Scheme Evidence-base, December 2008
5	The Goods Vehicles (Plating and Testing) Regulations 1988, Schedule 2, paragraph 30
6	Road Vehicle Construction and Use Regulations 1986
7	Road Vehicle Lighting Regulations 1989 (as amended)
8	Motor Vehicles (Tests) Regulations 1981
9	Vehicle Excise and Registration Act 1994 (as amended)

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y_0	Y_1	Y_2	Y_3	Y_4	Y_5	Y_6	Y_7	Y_8	Y_9
Transition costs										
Annual recurring cost										
Total annual costs										
Transition benefits										
Annual recurring benefits										
Total annual benefits										

* For non-monetised benefits please see summary pages and main evidence base section

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Content

Evidence Base (for summary sheets)

I) Problem under consideration and the rationale for intervention

Sections 45 to 48 of the Road Traffic Act 1988 provide the legislative basis for MoT testing. The purpose of the MoT test is to ensure that cars, other light vehicles (including some light goods vehicles), private buses and motorcycles over a prescribed age are checked at least once a year to see that they comply with key roadworthiness and environmental requirements in the Road Vehicle Construction and Use Regulations 1986 and the Road Vehicle Lighting Regulations 1989 (as amended). A test certificate is issued following successful completion of an examination.

Examples of vehicles exempted from the MoT testing include electronically propelled goods vehicles, track laying vehicles, vehicles constructed or adapted to form part of an articulated combination, works trucks, trailers, pedestrian controlled mechanically propelled vehicles and electronically powered pedal cycles.

The EU Directive on roadworthiness test 2009/40/EC, Chapter I, General Provisions, Article 1 states: *"In each Member State, motor vehicles registered in that State and their trailers and semi-trailers shall undergo periodic roadworthiness tests in accordance with this Directive."*

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 GB go further than the EU Directive on roadworthiness test, which only subjects post-1960 registered vehicles to a compulsory roadworthiness test and does not require motorcycles of any age to carry out a roadworthiness test. The EU Directive 2009/40/EC, 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."

We consider pre-1960 manufactured vehicles to be of historic interest. In GB the pre-1960 registered (vehicles manufactured prior to 1960) vehicles are on average driven 1,300 miles per year (compared to 9,000 miles per year driven by all registered vehicles). Two-thirds of these vehicles are driven less than 500 miles a year. The pre-1960 registered vehicles are largely well maintained by their owners and have a MoT failure rate significantly below the post-1960 registered vehicles. Having to do an annual MoT test for these vehicles may be unnecessarily excessive.

The Goods Vehicles (Plating and Testing) Regulations 1988 already exempts unladen pre-1960 manufactured HGVs from the roadworthiness test.

As part of the Red Tape Challenge the Government intends to exempt pre-1960 manufactured vehicles from statutory MoT test, as allowed under Article 4(2) of the 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. This will also meet the Government's Reducing Regulation agenda and reduce the gold plating of the EU Directive on roadworthiness test.

II) Intended effect

The intended effect is deregulation and lowering motoring costs. The proposed objective is to ensure that the pre-1960 manufactured vehicles, which are on average, driven 25 miles per week, are not subject to gold plating of the EU Directive on roadworthiness test, and that the MoT test focuses on post-1960 manufactured vehicles, which are not of historic interest and have high MoT test failure rate, road casualty rate and annual mileage.

III) Description of options considered (including do nothing)

In all options

- *Motorcycles*

As the EU Directive on roadworthiness test does not subject motorcycles to any compulsory roadworthiness test, this MoT exemption review will cover pre-1960 manufactured motorcycles in all three options. A wider MoT review which is likely take place in the near future will cover post-1960 manufactured motorcycles.

- *Vehicle categories*

The options proposed have not been separated according to vehicle categories. This is because the number of vehicles in each category and the number of casualties associated with these categories are very small. However, the categories of vehicles to be exempted from the MoT test will be put to consultation.

- *Vehicles used for commercial purposes*

Some pre-1960 manufactured vehicles may be used for commercial purposes e.g. cars used for weddings, buses and coaches used for special occasions, light goods vehicles used commercially. Whether or not pre-1960 manufactured vehicles used for commercial purposes should be exempted from the MoT test will be put to consultation.

Options being considered

Option 0 (baseline): Retaining the MoT test scheme as it is - A 'do nothing' approach where the Department for Transport (DfT) continues with the existing MoT test scheme, which does not provide an MoT test exemption for pre-1960 manufactured vehicles.

Option 1 (preferred option): Exempt all pre-1960 manufactured vehicles from the MoT test as allowed under Article 4(2) of the EU Directive 2009/40/EC. This option will reduce burden on owners of these vehicles which are driven on average 25 miles a week, and have a significantly lower MoT test failure rate than post-1960 manufactured vehicles. The inclusion of all categories of vehicles will make the MoT test requirement match the unladen pre-1960 manufactured HGVs, which are exempted from the roadworthiness test under The Goods Vehicles (Plating and Testing) Regulations 1988.

Option 2: Exempt all pre-1945 manufactured vehicles from the MoT test as allowed under Article 4(2) of the EU Directive 2009/40/EC. Under this option, vehicles manufactured between 1945 and 1959 will still be subject to gold plating of the EU Directive.

Option 3: Exempt all pre-1920 manufactured vehicles from the MoT test as allowed under Article 4(2) of the EU Directive 2009/40/EC. Under this option, Vehicles manufactured between 1920 and 1959 will still be subject to gold plating of the EU Directive.

MoT test frequency

As the intended effect of this review is to deregulate, we have decided against pursuing the option of reducing the MoT test frequency for these vehicles.

IV) Data

1) Number of pre-1960 licensed vehicles

Table 1 - Number of licensed vehicles as at December 2010 – DVLA

	MoT required				MoT not required					
Vehicle first registered	**Cars**	**Motorcycles**	**Buses & Coaches**	**LGVs requiring MOT***	**LGVs not requiring MOT**	**Hackney Carriages**	**HGVs**	**Agricul.**	**Others**	**Total**
Post-1960	29,203,926	1,198,190	175,183	2,186,660	1,093,166	44,439	494,105	345,508	210,806	
Total	**32,763,959**				**2,188,024**					**34,951,983**
Pre-1920	1,094	689	18	72	36	2	13	104	311	2,339
1920-1944	36,238	16,202	413	2,770	1,385	59	250	4,271	3,457	65,045
1945-1959	45,836	47,366	1,216	10,081	5,039	43	566	26,139	3,668	139,954
Column total	**83,168**	**64,257**	**1,647**	**12,923**	**6,460**	**104**	**829**	**30,514**	**7,436**	**207,338**
Total	**161,995**				**45,343**					

*Assumes two-thirds of LGVs are 3,500Kg (or less) gross vehicle weight and are required to have a statutory MoT test

Table 2 -Number of licensed vehicles in GB from 1996 to 2010 – DVLA

Year	**MoT required**				
Post-1960 Registered Vehicles	Cars	Motorcycles	Buses & Coaches	LGVs	**Total**
1996	22,145,661	666,065	155,995	1,437,821	**24,405,542**
2000	24,318,708	886,444	170,978	1,576,715	**26,952,845**
2005	27,435,312	1,140,198	176,813	1,949,740	**30,702,063**
2010	29,203,926	1,198,190	175,183	2,186,660	**32,763,959**
Pre-1960 Registered Vehicles					
1996	91,733	72,627	1,639	11,423	**177,422**
2000	86,692	67,206	1,582	11,667	**167,147**
2005	84,908	66,206	1,619	12,502	**165,235**
2010	83,168	64,257	1,647	12,923	**161,995**

*Includes only the two-thirds of the LGVs that are assumed to be 3,500Kg (or less) gross vehicle weight and are required to have a statutory MoT test

Table 3 – A break down of the number of licensed pre-1960 vehicles from 1996 to 2010 - DVLA

Pre-1920 Registered	**Year**				**Average annual**
Vehicle Category	**1996**	**2000**	**2005**	**2010**	**change**
Cars	868	962	1,031	1,094	1.7%
Motorcycles	744	681	715	689	-0.5%
Buses & Coaches	18	15	20	18	0.0%
LGVs*	63	64	67	72	0.9%
Total	**1,693**	**1,722**	**1,833**	**1,873**	

Pre-1945 Registered	**Year**				**Average annual**
Vehicle Category	**1996**	**2000**	**2005**	**2010**	**change**
Cars	39,429	37,668	37,495	37,332	-0.4%
Motorcycles	20,410	18,552	17,945	21,314	0.3%
Buses & Coaches	450	438	418	486	0.6%
LGVs*	2,421	2,478	2,745	3,311	2.3%
Total	**62,710**	**59,136**	**58,603**	**62,443**	

Pre-1960 Registered	**Year**				**Average annual**
Vehicle Category	**1996**	**2000**	**2005**	**2010**	**change**
Cars	91,733	86,692	84,908	83,168	-0.7%
Motorcycles	72,627	67,206	66,206	64,257	-0.9%
Buses & Coaches	1,639	1,582	1,619	1,647	0.0%
LGVs*	11,423	11,667	12,502	12,923	0.9%
Total	**177,422**	**167,147**	**165,235**	**161,995**	

*Includes only the two-thirds of the LGVs that are assumed to be 3,500Kg (or less) gross vehicle weight and are required to have a statutory MoT test

i) The numbers of licensed vehicles may fluctuate or increase over time as a result of the following reasons:

- Vehicles taken off the road using Statutory Off Road Notification (SORN) may be registered again,
- Owners may fail to routinely license their vehicles,
- Vehicles purchased from abroad may be registered in GB,
- Vehicles may be converted e.g. from cars to LGVs

2) Number of road casualties and accidents

Table 4 - Number of casualties resulting from reported personal injury road accidents by casualty severity and year of vehicle registration/manufacture (GB: 2010, DfT)

Accidents involving at least one of the following type of vehicle	Vehicle first registered or manufacture[2]	Number of casualties resulting accidents by severity			
		Killed	Seriously injured	Slightly injured	Damage only accident[1(a)]
Car	<1920	0	1	1	3
	1920-1944	0	0	4	5
	1945-1959	1	4	15	27
Buses/Coaches	<1920	0	0	0	0
	1920-1944	0	0	1	1
	1945-1959	0	0	0	0
Motorcycles	<1920	0	0	0	0
	1920-1944	0	1	2	4
	1945-1959	3	18	16	49
LGV	<1920	0	0	0	0
	1920-1944	0	0	2	3
	1945-1959	0	0	1	1
HGV[(b)]	<1920	0	0	0	N/A
	1920-1944	0	0	0	N/A
	1945-1959	0	0	0	N/A
Total		**4**	**24**	**42**	**93**
All Vehicles		1,857	22,660	184,138	278,000

[(a)]As we do not have a breakdown of the total damage-only claims made by insured motorists by vehicle type and vehicle manufactured date, we have based our estimate above using the ratio of the number of damage-only claims in 2010: 278,000, compared to the number of total road casualties 208,655 in 2010, which provided a ratio of 1:1.33.

[(b)]Heavy Goods Vehicles (HGVs) – are required to have a statutory roadworthiness test under The Goods Vehicles (Plating and Testing) Regulations 1988. However, unladen pre-1960 manufactured HGVs are exempted from roadworthiness test.

[1] Based on total claims from insured motorists in 2010 – Association of British Insurers see www.abi.org.uk/Media/Releases/2011/02/Insurers_helped_over_450000_customers_weather_the_December_2010_freeze.aspx

3) MoT test

Table 5 - MoT Failure Rate (Initial Test) - Year of test 2009 – VOSA

Class of Vehicle[2]	Main category of vehicles included in the class	Vehicle first registered			
		< 1920	1920 - 1945	1946 - 1959	1960 >
C 1&2		323	4,689	18,347	931,168
MoT Failed		2	101	642	126,562
MoT Failure %	Motorcycles	0.7%	2.1%	3.5%	13.6%
C 3&4	Cars	1,226	21,786	31,425	25,795,960
MoT Failed	Three-wheeled vehicles	22	1,354	5,417	7,970,050
MoT Failure %	LGVs <3,000kg	1.8%	6.2%	17.2%	30.9%
C5		0	82	390	49,242
MoT Failed		0	11	43	13,935
MoT Failure %	Private buses & coaches	0.0%	13.4%	11.0%	28.3%
C7		1	17	32	555,449
MoT Failed	LGVs	0	3	7	230,511
MoT Failure %	3,000kg-3,500kg	0.0%	17.6%	21.9%	41.5%
Total		1,550	26,574	50,194	27,331,819
Total MoT Failed		24	1,468	6,109	8,341,059
Total MoT Failure		1.5%	5.5%	12.2%	30.5%
All pre-1960 vehicles					78,318
Total MoT failed					7,601
MoT Failure %					9.7%

[2] A full list of classes of vehicle and type of vehicles within a class is available in the link: www.dft.gov.uk/vosa/mottestingdata-userguide.htm

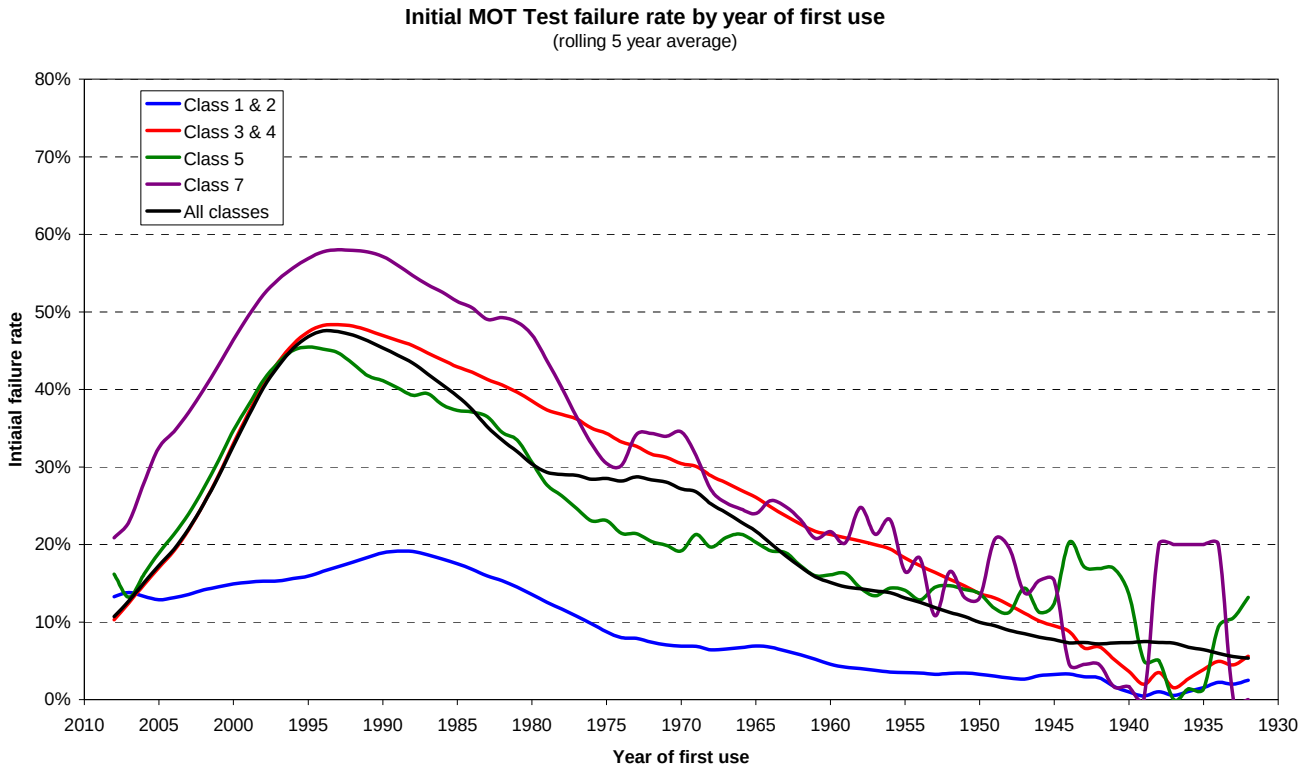
Table 6 – 2011 MOT test fees[3]

Classes 1 and 2 (class 1 engine size up to 200 cc) **Vehicle type**	**Age first test certificate required (years)**	**Fee**
Motor bicycles	3	29.65
Motor bicycles with side car	3	37.80
Class 3 (up to 450 kg unladen weight) **Vehicle type**	**Age first test certificate required (years)**	**Fee**
3 wheeled vehicles	3	37.80
Class 4 **Vehicle type**	**Age first test certificate required (years)**	**Fee**
Cars (up to 8 passenger seats)	3	54.85
Motor caravans	3	54.85
3 wheeled vehicles (over 450 kg unladen weight)	3	54.85
Quads (max unladen weight 400 kg - for goods vehicles 550 Kg and max net power of 15 kw)	3	54.85
Dual purpose vehicles	3	54.85
Private hire and public service vehicles (up to 8 seats)	3	54.85
Ambulances and taxis	1	54.85
Private passenger vehicles and ambulances (9-12 passenger seats)	1	57.30
Class 4a (includes seat belt installation check)	Not applicable	64.00
Class 5 (with more than 13 passenger seats) **Vehicle type**	**Age first test required (years)**	**Fee**
Private passenger vehicles and ambulances - 13-16 passenger seats	1	59.55
Private passenger vehicles and ambulances - more than 16 passenger seats	1	80.65
Class 5a (includes seat belt installation check) **Vehicle type**	**Age first test required (years)**	**Fee**
Private passenger vehicles and ambulances - 13-16 passenger seats	Not applicable	80.50
Private passenger vehicles and ambulances - more than 16 passenger seats	Not applicable	124.50
Class 7 **Vehicle type**	**Age first test required (years)**	**Fee**
Goods vehicles (over 3,000 kg up to 3,500 kg DGW)	3	58.60

Note: the fees shown are the maximum fees and they are not subject to VAT.

[3] Directgov website: www.direct.gov.uk/en/Motoring/OwningAVehicle/Mot/DG_4022514

Graph 1 - Initial MoT Test failure rate by first year of use – DfT MoT Computerisation



4) Average number of miles travelled by pre-1960 registered vehicles

Table 7 - Average miles per year travelled by vehicle category – based on 2009 MoT test[4]

Vehicle first registered	Categories 1 & 2 Motorcycles		Categories 3 & 4 Cars		Category 5 Buses & Coaches		Categories 1-5 All Vehicles	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Pre-1920	751	407	2,673	317	N/A	N/A	2,450	324
Pre-1945	1,045	212	1,589	291	424	191	1,529	280
Pre-1960	1,000	224	1,460	340	445	295	1,317	303

a) Number of pre-1960 registered vehicles driven under 500 miles in 2009 = 63.1%

b) At the end of 2010 there were 34.1 million vehicles registered in GB[5] and the overall motor vehicle traffic volume in GB was 308.1 billion vehicle miles[6]. Thus the average miles driven per registered vehicle was about 9,000 miles per year.

[4] VOSA, based on MoT test carried out on over 30,000 vehicles. Data excludes vehicle data with anomalies.

[5] Department for Transport, Vehicle Licensing Statistics, Summary of latest key results: http://www2.dft.gov.uk/pgr/statistics/datatablespublications/vehicles/licensing/index.html

[6] Department for Transport, Road Traffic Statistics, The latest information on road traffic in GB: http://www2.dft.gov.uk/pgr/statistics/datatablespublications/roads/traffic/index.html

5) Road casualty and accident costs

Table 8 - Average value of prevention of road accidents by severity and element of cost 2011[7]

	Cost Element (In £)						
	Casualty related costs			Accident related costs			
Accident severity	Lost output	Medical & ambulance	Human costs	Police cost	Insurance & admin	Damage to property	Total
Fatal	624,419	5,871	1,229,743	1,934	305	11,170	**1,873,442**
Serious	24,872	14,894	169,233	256	189	5,135	**214,579**
Slight	3,097	1,310	14,745	60	115	3,038	**22,365**
All injury	13,840	3,194	50,803	110	128	3,422	**71,497**
Damage only	-	-	-	3	54	1,913	**1,971**

6) Cost of updating system & advice materials

a) One-off cost[8] for updating VOSA system and materials:

Total manpower costs[9]	£31,657
Change in IT system	£35,000
Re-Issue of fees posters to all MoT Garages	£20,000
Total cost	**£86,657**

b) The reduction in volume of MoT test in VOSA is expected to have a very minor effect on finance (almost negligible) and no effect at all on their contracts as the number of initial MoT tests carried out by pre-1960 manufactured vehicles amounts to less than 0.3% of total initial MoT test carried out each year.

7) Cost of time & vehicle usage and vehicle depreciation

a) Value of Non-Working (Non-commuting) Time per person (£ per hour, 2011 prices and values[10])

Market Price

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Values	5.29	5.44	5.58	5.73	5.88	6.04	6.21	6.37	6.55	6.72	6.9

b) The proportion of petrol cars in 2015 will be approximately 51%[11]. We have used this estimate as this would provide us a central figure to calculate the changes over a decade.

c) The use of vehicles on highway gives rise to operating costs for the user. These include the obvious costs of fuel (see i) below), oil and tyres, and an element of vehicle maintenance. The distance-related costs to vehicle owners are included in the car non-fuel operating costs by inclusion of an allowance for mileage related depreciation (see ii) below).

i) Resource cost in pence per litre petrol and diesel[12]

Fuel type	Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010	2021
Petrol	40.4	40.9	41.3	41.8	42.2	42.7	43.0	43.6	44.1	44.4	45.6
Diesel	44.6	45.1	45.6	46.1	46.6	47.1	47.6	48.1	48.6	49.1	50.4

[7] Source: WebTAG, section 2.2.3 Average value of prevention of road accidents by severity and element of cost, uplifted to 2011 prices using HMT GDP deflators www.hm-treasury.gov.uk/data_gdp_fig.htm

[8] VOSA

[9] Based on DfT 2010 mid-range pay bands (6 months) for Executive Officer and Higher Executive Officer

[10] Source: WebTAG, section 1.1.20 – Values of Time and Operating Costs 2002 prices (paragraph 1.1.20) and Forecast Growth in the Working and Non-Working Values of time (paragraph 1.2.21). Uplifted prices using HMT GDP deflators www.hm-treasury.gov.uk/data_gdp_fig.htm

[11] Source: WebTAG, section 1.3.11a - Proportion of Cars and LGVs Using Petrol or Diesel by Vehicle Kms (%)

[12] Source: WebTAG, section 1.3.10a - Fuel Costs, Fuel Duty and VAT Rates in 2011 *Uplifted prices using HMT GDP deflators: www.hm-treasury.gov.uk/data_gdp_fig.htm

ii) *Estimate of the cost (vehicle depreciation) per mile[13] travelled by category of vehicle*

Cost per mile travelled (in pence)	
Cars	6.99
Other Goods Vehicle	15.95
Buses & Coaches	62.74

8) Calculating the cost to the environment

a) Kg of CO^2e emissions per litre[14]

Year	Petrol	Diesel
2011	2.254	2.544

b) Non-traded central carbon price and sensitivities 2011-2021, 2009 £/tCO_2e[15]

	Non-traded		
Year	Low	Central	High
2011	**26**	**52**	**79**
2012	27	53	80
2013	27	54	81
2014	27	55	82
2015	28	56	84
2016	28	57	85
2017	29	57	86
2018	29	58	87
2019	30	59	89
2020	30	60	90
2021	31	61	92

c) Regional air quality damage cost[16] by fuel

Area	Car petrol	Car diesel
Transport average p/litre (2011 estimate)	0.31	3.35

V) Assumption

9) Manufactured, licensed and registered vehicles

All vehicle registration and licensing is governed by the Vehicle Excise and Registration Act 1994 (as amended). The Act requires all mechanically propelled vehicles that are used or kept on the public road to be correctly licensed. Once licensed, a vehicle must also be registered and this involves allocating each vehicle a unique registration mark. DVLA then sets up a record on its vehicle register. The register maintained by DVLA is based on the vehicle details and records the registered keeper. The registered keeper is the person responsible for the vehicle's use and licensing on the public roads.

The EU Directive 2009/40/EC, Chapter I, General Provisions, Article 1 refers to motor vehicles which are registered as being required to undergo roadworthiness test. Chapter II, Exceptions, Article 4 of the state allows members states to exempt from the road worthiness test vehicles manufactured before 1 January 1960.

As most vehicle statistics are based on the date vehicle first registered (rather than on the date vehicle was manufactured), vehicle data used in this impact assessment are largely based on the date vehicle first registered. The date in which a vehicle is manufactured and registered may vary due to, for example, vehicles being imported from abroad or delay in registration. However, the total number of licensed registered vehicles would be the same as the total number of licensed manufactured vehicles.

[13] Source: WebTAG, section 1.3.17 - Non-Fuel Resource VOCs

[14] Source: DECC toolkit - Table 2b: Converting road fuels to CO^2 (Marginal emissions factors), kgCO2/litre

[15] Source: DECC toolkit - Table 3: Summary of all carbon prices and sensitivities 2008-2100, 2009 £/tCO2e

[16] Source: DECC toolkit - Table 28: Regional air quality damage costs for the transport sector, 2009 p/litre, uplifted to 2011 prices using HMT GDP deflators www.hm-treasury.gov.uk/data_gdp_fig.htm

For the purpose of calculation, we are assuming that the statistics on registered vehicles would be same as statistics on manufactured vehicles. Thus, we have, in this impact assessment, used the terms 'registered vehicles' and 'manufactured vehicles' interchangeable.

10) Number of pre-1960 registered vehicles

a) The data in Table 1 provides a breakdown of the number of pre-1960 registered vehicles by vehicle category and by MoT test requirement. Cars, motorcycles and (private) buses & coaches are required by Sections 45 to 48 of the Road Traffic Act 1988 to have a statutory MoT test.

b) The Light Goods Vehicles (LGVs) under 3,000kg gross vehicle weight are tested as Class 4s (same group as cars). Those between 3,000kg and 3,500kg gross vehicle weight are tested as Class 7s. LGVs over 3,500kg gross vehicle weight are tested by VOSA as HGVs (not in MoT database). For the purpose of calculation, we are assuming that two-thirds of LGVs are 3,500kg (or less) gross vehicle weight and are required by law to have a statutory MoT test.

c) The DVLA database does not provide further (readily available) information on vehicles regarded as 'unknown', which are mostly made up of cranes and other commercial vehicles, and tricycles. For the purpose of calculation we are assuming that they are not required by law to have a statutory MoT test.

d) Following the calculations and assumptions mentioned in paragraphs 10 a to c above, we calculate that there are 161,995 pre-1960 manufactured vehicles that are required by law to have a statutory MoT test.

11) MoT Test Fees

a) Originally, 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 DfT/VOSA specifications. As there is no direct profit element in the MoT test and it is purely a cost to MoT test providers, we assume that there would be no impact on the 20,000 plus MoT test centres if the pre-1960 manufactured vehicles (which accounted for less than 0.3% of initial MoT tests in 2009) are exempted from the MoT test.

b) Some MoT test centres offer discounts on MoT test fees in order to attract customers. As we do not have data on the number of MoT test centres offering discounts on MoT tests and the duration of these offers, for the purpose of calculation, we have not applied any discounts to the MoT test fees.

c) As we do not have a breakdown to quantify the number of manufactured motorcycles with side cars, for the purpose of calculation, we have used the MoT test fee of £29.65 for motor bicycles without side cars for all types of motorcycles.

d) As we do not have a breakdown to quantify the number of manufactured three wheeled cars, for the purpose of calculation, we have used the MoT test fee £54.85 for both cars and 3 wheel vehicles.

e) As we do not have a breakdown of the gross vehicle weight of LGVs, for the purpose of calculation, for LGVs we have used the MoT test fee £54.85, which covers a broad range of vehicles (see Table 6).

f) The MoT test fee for private hire vehicles with up to 8 seats is £54.85, private passenger vehicles with 9-12 seats is £57.30, private passenger vehicles with 13-16 seats is £59.55 and private passenger vehicles with more than 16 seats is £80.65. As we do not have a breakdown of manufactured buses and coaches by the number of seats; for the purpose of calculation, for all buses and coaches, we have used the MoT test fee £59.55, which is for passenger vehicles with 13-16 seats.

12) The basis for low, best and high estimates

a) It is difficult to predict the change in behaviour (if any) of owners of pre-1960 manufactured vehicles if their vehicles are exempted from the statutory MoT test. We assume that the owners of approximately

50% of pre-1960 manufactured vehicles that do not regularly do the MoT test each year rarely drive their vehicles (if at all).

We have based our 'low estimate', 'best estimate' and the 'high estimate' on the potential number of vehicles that may be driven on the highway on a regular basis if the pre-1960 manufactured vehicles are exempted from the MoT test. This is because our calculations show that this would have, by far, the biggest impact on the costs and benefits to motorists compared to other factors.

b) The other factors considered were road casualties, time and fuel savings. The number of additional casualties involving pre-1960 manufactured vehicles (if they are exempt from the MoT test) is expected to be very small (see Tables 10 to 12). Savings made by vehicle owners through time and fuel is also expected to be small as there are little over 160,000 pre-1960 manufactured vehicles that are required to do the statutory MoT test, and the average number of miles these vehicles travelled to and from a MoT test centre was estimated to be less than 20 miles (see paragraph 14).

c) The 'low estimate' assumes that the number of pre-1960 manufactured vehicles driven regularly on the highway equals the approximately 50% of the pre-1960 manufactured vehicles that do the MoT test each year.

d) The 'best estimate' assumes that the number of pre-1960 manufactured vehicles driven regularly on the highway after they are exempted from the MoT test would increase by half to 75% of the total number of manufactured pre-1960 vehicles.

e) The 'high estimate' assumes that all manufactured pre-1960 vehicles would be driven regularly on the highway after they are exempted from the MoT test.

13) Calculation of additional road casualties and accidents

a) According to the TRL report on the Effect of Vehicle Defects in Road Accident[17] about 3% of road casualties could be associated with vehicle defects. The TRL report examined in detail, how road casualty figures are recorded and complied and looked at the reasons why vehicles failed their MoT test.

b) With regard to pre-1960 registered vehicles, we have established that:

i) the initial MoT failure rate was below 10% (see Table 5) compared to over 30% for post-1960 registered vehicles,
ii) the initial MoT failure rate for vehicles over 13 years old declines by age of the vehicle (see Graph 1 in page 15) rather than increase by age,
iii) the average miles pre-1960 registered vehicles are driven each year is 1,300 (see Table 7) compared to 9,000 miles for all vehicles in GB (see paragraph 4.b).

c) We assume from the three points in b) above that the pre-1960 manufactured vehicles are well maintained and are rarely driven by their owners. As a result of this, the estimated road casualties and accidents associated with vehicle defect of 3% calculated by the TRL report for modern vehicles is likely to be higher than the actual link for pre-1960 manufactured vehicles. However, in the absence of a detailed study linking pre-1960 manufactured vehicles to road casualties, we have used the 3% link as the best available estimate.

d) Using Table 4 as the base road casualty and accident data linked to pre-1960 registered or manufactured vehicles, the Table 9 below provides an estimate of the numbers of road casualties and accidents that could be associated to vehicle defects using the TRL report's 3% link.

[17] Transport Research Laboratory, Effect of Vehicle Defects in Road Accidents, March 2011

Table 9 - Number of casualties resulting from reported personal injury road accidents by casualty severity and year of vehicle registration/manufacture linked to vehicle defects

Accidents involving at least one of the following type of vehicle	Vehicle first registered or manufacture	Number of casualties resulting accidents by severity			
		Killed	Seriously injured	Slightly injured	Damage only accident
Car	<1920	0.00	0.03	0.03	0.08
	1920-1944	0.00	0.00	0.12	0.16
	1945-1959	0.03	0.12	0.45	0.80
Buses/Coaches	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.03	0.04
	1945-1959	0.00	0.00	0.00	0.00
Motorcycles	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.03	0.06	0.12
	1945-1959	0.09	0.54	0.48	1.48
LGV	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.06	0.08
	1945-1959	0.00	0.00	0.03	0.04

e) The TRL report's half-conform assumption (conservative assumption) assumes that half of vehicle owners routinely check their vehicles regardless of the MoT test frequency or criteria, and half use the MoT test time to annually trigger any necessary maintenance or service work required. The report assumes that without a MoT test, the number of vehicles with defects in the first year of MoT exemption would increase by about half, and consequently, the number of road casualties caused by vehicle defect would increase proportionally.

f) Using the estimated number of road casualties and accidents linked to pre-1960 registered/manufactured vehicles in Table 9 as a base, Table 10 below applies the TRL report's half-conform assumption to calculate the number of additional road casualties and accidents that may arise if pre-1960 manufactured vehicles are exempted from the MoT test. We assume that the number of road casualties and accidents linked to pre-1960 registered/manufactured vehicles recorded in Table 4, and the number of road casualties and accidents linked to vehicle defects in Table 9 are based on the approximately 50% of pre-1960 registered vehicles we assume are regularly driven on the highway (i.e. the 50% of the registered pre-1960 vehicles that regularly do the MoT test). The Table 10 below is therefore our low estimate.

Table 10 – Estimated number of casualties resulting from reported personal injury road accidents by casualty severity and year of vehicle registration/manufacture linked to vehicle defects and in the first year of MoT test exemption (low estimate)

Accidents involving at least one of the following type of vehicle	Vehicle first registered or manufacture	Number of casualties resulting accidents by severity			
		Killed	Seriously injured	Slightly injured	Damage only accident
Car	<1920	0.00	0.02	0.02	0.04
	1920-1944	0.00	0.00	0.06	0.08
	1945-1959	0.02	0.06	0.23	0.40
Buses/Coaches	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.02	0.02
	1945-1959	0.00	0.00	0.00	0.00
Motorcycles	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.02	0.03	0.06
	1945-1959	0.05	0.27	0.24	0.74
LGV	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.03	0.04
	1945-1959	0.00	0.00	0.02	0.02

g) Using Table 10 as the base data for the number of additional casualties and accidents that could arise if pre-1960 manufactured vehicles (currently in regular use) are exempted from the MoT test, the Tables 11 and 12 below provide an estimate of the number of road casualties and accidents expected if the

number of pre-1960 manufactured vehicles driven regularly on the highway increase to 75% (best estimate) and 100% (high estimate) of the of the total pre-1960 manufactured vehicles that are required by law to do an MoT test.

Table 11 - Estimated number of additional road casualties and accidents using the half conform assumption and 75% of registered vehicles (best estimate)

Accidents involving at least one of the following type of vehicle	Vehicle first registered or manufacture	Number of casualties resulting accidents by severity			
		Killed	Seriously injured	Slightly injured	Damage only accident
Car	<1920	0.00	0.02	0.02	0.06
	1920-1944	0.00	0.00	0.09	0.12
	1945-1959	0.02	0.09	0.34	0.60
Buses/Coaches	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.02	0.03
	1945-1959	0.00	0.00	0.00	0.00
Motorcycles	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.02	0.05	0.09
	1945-1959	0.07	0.41	0.36	1.11
LGV	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.05	0.06
	1945-1959	0.00	0.00	0.02	0.03

Table 12 - Estimated number of additional road casualties and accidents using the half conform assumption and 100% registered vehicles (high estimate)

Accidents involving at least one of the following type of vehicle	Vehicle first registered or manufacture	Number of casualties resulting accidents by severity			
		Killed	Seriously injured	Slightly injured	Damage only accident
Car	<1920	0.00	0.03	0.03	0.08
	1920-1944	0.00	0.00	0.12	0.16
	1945-1959	0.03	0.12	0.45	0.80
Buses/Coaches	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.03	0.04
	1945-1959	0.00	0.00	0.00	0.00
Motorcycles	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.03	0.06	0.12
	1945-1959	0.09	0.54	0.48	1.48
LGV	<1920	0.00	0.00	0.00	0.00
	1920-1944	0.00	0.00	0.06	0.08
	1945-1959	0.00	0.00	0.03	0.04

h) It is difficult to predict with any certainty whether, in the absence of a statutory MoT test, the owners of pre-1960 manufactured vehicles who currently take no action to check on vehicle condition would alter their behaviour if their vehicles are exempted from the MoT test. However, we know for sure that unlike modern vehicles under 10 years old (which the TRL report focused on) where the MoT test failure rate increases by the age of vehicle, the MoT test failure rate for vehicles older than 13 years old decline by age of the vehicle (see Graph 1 in page 16). On this basis, we assume that the number of pre-1960 manufactured vehicles with defects and consequently the number of road casualties and accidents caused by these vehicles would stabilise after increasing by half.

14) Time, travel & vehicle speed

a) Based on the survey carried out in the Department for Transport's MoT Scheme Evidence-base document 2008[18], we assume that average time taken to carry out a MoT test is 1 hour and 55.4 minutes (1.92 hours) which is made up of the following:

- 60 min - MoT service
- 38.5 min – average travel time
- 16.9 min – average waiting time

The MoT Scheme survey takes into account that:

- A proportion of people have to make two journeys to a testing station (delivering and collecting their vehicle),
- Some people wait whilst their vehicle is being tested,
- Some people have to spend further time whilst their vehicle is being retested after an initial test fail.

b) The MoT Scheme survey suggests that 85% of all postal districts have at least one testing station within their boundary. According to the Highway Code, the speed limit in the built up areas is 30 miles per hour (mph), hence we calculate that a vehicle travelling at 30mph for 38.5 min (average travel time to a MoT station and back) would travel a total of 19.25 miles.

c) We assume that in cases where vehicle owners would be using routes with higher speed limits to get to an MoT station (and back), any gain in time or fuel saving would be offset by vehicle owners using routes with speed limits below 30mph or by vehicles stopping at traffic lights, road crossings etc.

15) Fuel Consumption

a) The following fuel consumption[19] by category of vehicle was used with the assumption that vehicles on average would be travelling 30mph:

Fuel type	Vehicle category	Litres / Km	Litres / Mile	Miles / Litre
Petrol	Car (Average)	0.08	0.13	7.95
	Buses & Coaches	0.35	0.56	1.77
	LGVs	0.23	0.37	2.73
Diesel	Car	0.07	0.11	9.24
	Buses & Coaches	0.35	0.56	1.77
	LGVs	0.23	0.37	2.73
Petrol	Motorcycle[20]			19.81

[18] Based on random survey carried out by the Department for Transport for the document: MoT Scheme Evidence-base, December 2008

[19] Source: WebTAG, section 1.3.5 – Vehicle Operating Costs – Fuel

[20] Average fuel consumption by motorcycle was not available on the WebTAG. We used median levels of fuel consumption by motorcycles using the survey on the website www.motorcyclefuelconsumption.com/

VI – Costs and benefits

16) Total costs

The Table 13 below provides the total costs by each option over a 10 year period. This table does not include the one-off cost to VOSA (£86,657) to update its IT systems and publicity materials (as calculated in paragraph 6 a). The one-off cost to VOSA would be the same for all the three proposed options.

Table 13 - Total costs over 10 years (£ 2011 prices)

Costs - Low Estimate	**Option 1**	**Option 2**	**Option 3**
Casualty related costs	2,310,106	106,184	39,746
Accident related costs	88,202	13,030	2,447
Total	**2,398,308**	**119,214**	**42,193**

Costs - Best Estimate	**Option 1**	**Option 2**	**Option 3**
Casualty related costs	3,465,159	20,165	59,619
Accident related costs	132,303	19,545	3,670
CO2 emission costs	8,262,565	3,484,272	83,454
Total	**11,860,027**	**3,523,982**	**146,743**

Costs - High Estimate	**Option 1**	**Option 2**	**Option 3**
Casualty related costs	4,620,212	212,367	79,492
Accident related costs	176,404	26,060	4,893
CO2 emission costs	6,535,241	6,971,486	104,551
Total	**21,331,857**	**7,209,913**	**188,936**

17) Total Benefits

The Table 14 below provides the total benefits by each option over a 10 year period.

Table 14 - Total benefits over 10 years (£ 2011 prices)

Benefits - Low Estimate	Option 1	Option 2	Option 3
Fee Saved	35,329,465	14,486,969	460,713
Time Saved	9,176,176	3,691,454	117,118
Fuel Saving - cars	402,939	184,576	6,196
Fuel Saving - buses	42,327	12,923	462
Fuel Savings - LGVs	228,574	64,142	1,277
Fuel Saving - motorcycles	126,594	45,389	1,387
Vehicle depreciation - cars	535,012	245,004	8,208
Vehicle depreciation - buses	99,678	30,418	1,087
Vehicle depreciation - LGVs	210,204	58,910	1,174
Vehicle depreciation - motorcycles	N/A	N/A	N/A
Reduction CO2 petrol	103,658	43,235	1,402
Reduction CO2 diesel	138,824	49,714	1,418
Reduction Air Quality damage - petrol	2,535	1,056	34
Reduction Air Quality damage - diesel	32,047	11,468	327
Total	**46,428,033**	**18,925,260**	**600,803**

Benefits - Best Estimate	Option 1	Option 2	Option 3
Fee Saved	52,994,198	21,730,453	691,070
Time Saved	13,764,263	5,537,182	175,678
Fuel Saving - cars	604,409	276,865	9,294
Fuel Saving - buses	63,491	19,385	692
Fuel Savings - LGVs	342,861	96,213	1,915
Fuel Saving - motorcycles	189,891	68,083	2,080
Vehicle depreciation - cars	802,517	367,505	12,312
Vehicle depreciation - buses	149,517	45,627	1,630
Vehicle depreciation - LGVs	315,306	88,366	1,761
Vehicle depreciation - motorcycles	N/A	N/A	N/A
Reduction CO2 petrol	155,487	64,853	2,103
Reduction CO2 diesel	208,237	74,571	2,128
Reduction Air Quality damage - petrol	3,802	1,585	51
Reduction Air Quality damage - diesel	48,070	17,203	490
Total	**69,642,050**	**28,387,890**	**901,204**

Benefits - High Estimate	Option 1	Option 2	Option 3
Fee Saved	70,658,931	28,973,938	921,426
Time Saved	18,352,351	7,382,909	234,237
Fuel Saving - cars	805,878	369,153	12,392
Fuel Saving - buses	84,655	25,846	923
Fuel Savings - LGVs	457,148	128,284	2,553
Fuel Saving - motorcycles	253,188	90,778	2,773
Vehicle depreciation - cars	1,070,023	490,007	16,416
Vehicle depreciation - buses	199,356	60,836	2,174
Vehicle depreciation - LGVs	420,408	117,821	2,348
Vehicle depreciation - motorcycles	N/A	N/A	N/A
Reduction CO2 petrol	207,316	86,471	2,804
Reduction CO2 diesel	277,649	99,428	2,837
Reduction Air Quality damage - petrol	5,069	2,113	68
Reduction Air Quality damage - diesel	64,094	22,937	654
Total	**92,856,066**	**37,850,520**	**1,201,606**

VII) Risks and sensitivity analysis

Date vehicle manufactured

The record of the date in which a vehicle was manufactured is not always reliable. The older the vehicle, the less reliable the data.

Voluntary MoT test

Owners or insurers could opt for voluntary testing in the absence of statutory tests. The previous DfT advice has been that vehicles could not enjoy a statutory test if they were exempt from statutory testing. Any voluntary testing would have to have its own non-statutory certificate and this would not be recorded in the MoT database. There are at present no plans to develop any non-statutory solutions in VOSA.

Currently the MoT computer system will allow any identifiable vehicle of a suitable test Class to be tested. Technically vehicles not on the system can also be tested and there is no plan to change this.

If pre-1960 manufactured vehicles are exempted from the MoT test, they will be taken out of VOSA's Inspection Manuals. This will make it difficult for owners of these vehicles expecting to find a voluntary MoT service, because of a lack of relevant information. VOSA has not planned for any pre-1960 manufactured vehicle test information to be issued formally.

Insurance premium

Anecdotal evidence suggests that the insurance premiums for vehicles manufactured between 1945 and 1959 may rise if they are exempted from the MoT test. There is no indication that the insurance premiums would increase for vehicles manufactured prior to 1945. As this evidence is anecdotal we have not included this in our cost calculations. We would, nonetheless, seek views from the insurance industry in our consultation.

Our cost calculations include insurance costs relating to road casualties and damage-only accidents (see Table 8).

Vehicles used for commercial purposes

Some pre-1960 manufactured vehicles may be used for commercial purposes e.g. cars used for weddings, buses and coaches used for special occasions, light goods vehicles used commercially.

Although the insurance industry request information on vehicle use to determine insurance premium, DVLA and VOSA do not keep record of vehicle use.

A change in their IT system would be needed if this information is to be recorded. There are at present no plans in DVLA to record vehicle use. In order to establish the cost of changing VOSA IT system a Notification of Proposed Change (NPC) will need to be submitted to their IT provider for them to evaluate and provide an estimate. The specification of the change would need to be clear. We propose to include the cost of changing VOSA IT system in the final impact assessment once the consultation has ended and we have specific details about the type of vehicles (if any) to be excluded from the MoT test exemption review.

VIII) Specific Impact Tests

a) Greenhouse Gas Assessment

A greenhouse gas assessment test has been considered for Options 1, 2 and 3 (based on best estimates). According to our estimates, Option 1 would lead to a net increase of 81.9 million tonnes of CO^2 emissions over 10 years; whereas Options 2 and 3 would lead to a net increase of 29.2 and 0.8 million tonnes of CO^2 emissions respectively over the same period.

b) Small Firm and or Competition Assessment

This is a deregulatory measure which will affect private drivers. We do not expect this measure to affect the MoT test centres.

As a result of the proposal MoT test providers may receive less business as pre-1960 manufactured vehicles will no longer require a MoT test. The loss to the MoT providers would be the result of an efficiency improvement resulting from the removal of a burden on pre-1960 manufactured vehicle owners. We consider that this would improve the allocation of GB's resources, and hence, we do not consider this to be a cost of this proposal.

We do not expect any impact on competition.

IX) Summary and preferred option with description of implementation plan

Option 1 is preferred, because this will bring the MoT test requirement for pre-1960 manufactured vehicle in line with The Goods Vehicles (Plating and Testing) Regulations 1988, which already exempts unladen pre-1960 manufactured HGVs from the roadworthiness test. This option would reduce regulatory and financial burden on owners of historic vehicles, which are rarely driven and have significantly lower MoT failure rate than post-1960 manufactured vehicles. It will also meet the Government's Reducing Regulation agenda and reduce the gold plating of the EU Directive on roadworthiness test.

In terms of implementation, this is dependent on the outcome of the Consultation.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review , or there could be a political commitment to review (PIR)];
Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]
Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]
Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]
Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]
Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]
Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here] There is no plan to a PIR because this is a de-regulatory measure, bringing GB statutory law on MoT in line with the EU Directive on roadworthiness and The Goods Vehicles (Plating and Testing) Regulations 1988 which already exempts unladen pre-1960 HGVs from the roadworthiness test.

Add annexes here.