 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business
Validation Impact Assessment (IA)	Vehicle Management – Electronic Notifications
Lead Department/Agency	Department for Transport
IA Number	DfT00290
Origin	Domestic
Expected date of implementation	SNR8
Date of Regulatory Triage Confirmation	Not applicable – Red Tape Challenge
Date submitted to RPC	18 June 2014
Date of RPC Validation	14 July 2014
RPC reference	RPC14-FT-DfT-2138
Departmental Assessment	
One-in, Two-out status	OUT
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	-£6.47 million
RPC assessment	VALIDATED
Summary RPC comments <p>The Validation IA is fit for purpose. The Department proposes to reduce burdens on business by giving registered keepers of vehicles the option to notify the DVLA about changes to the vehicle record electronically. The changes mean businesses that choose to do this will no longer have to spend time going to the post office or send documents to the DVLA, saving on postage costs.</p> <p>The RPC can confirm the estimated equivalent (net) savings to business of £6.47 million each year.</p>	
Background (extracts from IA) What is the problem under consideration? Why is government intervention necessary? <i>“Registered keepers currently have to post documentation to the DVLA when they sell their vehicle or need to make changes to their vehicle record. Vehicle traders have to visit a Post Office when they sell a vehicle and need to tax it on behalf of the new keeper. These processes are inefficient and waste business and registered keepers time. An online service through an electronic channel would be much more efficient. Government intervention is required to consider allowing these services to be made available for customers using an electronic channel.”</i>	

What are the policy objectives and the intended effects?

“The policy objective is to give Registered keepers the option of making changes to their vehicle record via an electronic channel and to allow vehicle traders to act on their behalf. The development of an electronic channel fulfils the Government's commitment to improve public services through making them available online.”

RPC comments

The proposal enables registered keepers of vehicles to notify the DVLA electronically about changes to the vehicle record. The changes covered by the proposal are: disposal of a vehicle into trade; a change to the registered keeper; change of address; and requesting a duplicate V5C document. The option to continue to use mail services will remain. Costs to business are reduced through time saved going to the post office and lower postage costs.

The IA uses evidence from the consultation to provide robust estimates for the number of notifications submitted to the DVLA by businesses and the average cost of employee time in visiting the post office.

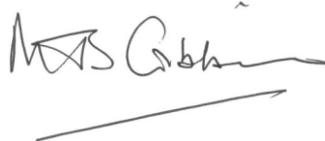
The IA estimates businesses submit approximately 5 million ‘change of keeper’ requests each year. As businesses will visit the post office to send multiple requests at the same time, the IA estimates 2 million visits to the post office each year. The IA estimates the cost of employee time for going to the post office at £4 per visit.

For ‘disposal in trade’ notifications, the IA estimates businesses submit 1.1 million notifications per year, at an average postage cost of £1.62 per notification.

For both ‘change of keeper’ and ‘disposal in trade’, the IA assumes take-up of online services increases gradually over four years to 96.5%. The Department estimates this from the take-up of a DVLA online service for first registration of vehicles. It appears reasonable that the vehicle notification services covered in this IA would experience the same level of take-up amongst businesses.

On the basis of the information provided, we are able to validate the estimated equivalent (net) savings to business of £6.47 million each year.

Signed



Michael Gibbons, Chairman