

## **Abolition of the Vehicle Identity Check**

### **Department for Transport**

### **RPC rating: fit for purpose**

The IA is now fit for purpose as a result of the Department's response to the RPC's initial review.

### **Description of proposal**

The Department proposes to abolish the Vehicle Identity Check (VIC) currently conducted on written-off vehicles by the Driver and Vehicle Standards Agency (DVSA) or the Driver and Vehicle Agency (DVA). Currently the VIC has to be performed under the Road Vehicles Regulations 2002. It will retain the requirement that insurers must destroy or surrender the registration documents of written-off vehicles.

### **Impacts of proposal**

The Department assumes that 32% of VICs are conducted by businesses such as vehicle salvagers, vehicle repairers and motor dealers. This figure is based on the assumption that motorists who presented more than one vehicle in the period analysed by the department are business owners or employees, and those who presented one vehicle are private individuals.

The Department states that businesses will save the time and fuel used driving to DVSA or DVA sites where checks are conducted. It estimates the annual value of these benefits at £3.6 million for time saved and £0.07 million for fuel saved. The Department estimates that businesses will save £1.2 million each year in fees that are currently paid to the DVSA and DVA to perform VICs.

The RPC can validate the estimated equivalent annual net cost to business of -£4.79 million.

### **Quality of submission**

The Department has made several changes to the IA in response to issues raised by the RPC in its initial review notice.

The proportion of time savings valued as working time now adequately reflects the percentage of VICs undertaken by businesses and a numerical error has been corrected.

There is now a discussion of the effect of abolishing the VIC on vehicle fraud rates. Since the scheme was implemented approximately only 40 cases of fraud have been identified in 942,000 checks and the police stated that the current system has had limited success in

detering vehicle fraud. Given this, and accepting the difficulty of estimating changes in crime rates, the assumption of no increase in vehicle fraud is reasonable.

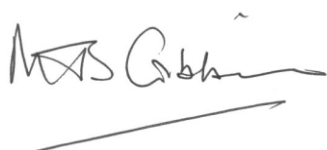
The Department clearly sets out the methodology it uses to calculate the benefits to businesses and references appropriate Departmental guidance justifying specific valuations.

### **Initial departmental assessment**

Classification	OUT
Equivalent annual net cost to business (EANCB)	‑£4.79 million
Business net present value	£41.86 million

### **RPC assessment**

Classification	OUT
EANCB – RPC validated	‑£4.79 million
Small and micro business assessment	Not required (deregulatory)
RPC rating (of initial submission)	Not fit for purpose



**Michael Gibbons CBE**, Chairman