

Testing and Inspection activities

formula

Assumptions

Low range

High range

Reduction in staff of about 6% would mean:

longer waiting time for appointments;	ave daily standing cost X MV tests per year X effect per vehicle X proportion affected	1 day for [10/30]% of vehicles	£11,334,772	£34,004,315
withdrawal of some TT changes	ave hourly standing costs X MV tests PA X TT savings per test X proportion lost	[10/30] % of savings lost	£257,767	£773,301
opening hours (rural)	Ave cost per mile X extra miles X No of tests X proportion at DPs	20 miles extra round trip for [10/30]% of vehicles tested at DPs	£90,536	£271,609
reduced DP activity				

Reduction in maintenance and investment in facilities and equipment would mean:

reduced maintenance	included in waiting time above			
higher future fees -from higher repair/replacement costs	not modelled			

Reduction in investment in new IT systems would mean:

postponement of more on-line services	not modelled			
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Postponement of upgrading and replacement of existing IT systems would mean:

inability to correct faults in existing systems;	not modelled			
existing systems becoming more prone to breakdown;	not modelled			
some existing systems may need to be switched off	not modelled			
Total testing effects			£11,683,075	£35,049,225

Operator licensing and enforcement activities

Staff reductions of the order of 6% would lead to:

longer turnaround times for licence applications, renewals and variations;	Ave daily standing cost X ((No of new applications X vehicles per licence X added time X proportion affected) + (No of continuation applications X vehicles per licence X added time X proportion affected))	New applications: 1 day delay in [10/30]% of applications Continuations: 1 day delay on [1/5]% of continuations	£788,350	£2,570,705
withdrawal of over the counter enquiry services	not modelled			
reduction in enforcement checks	Total Accident Cost X percentage change	between 0.01% and 0.1% additional accidents	£135,821	£1,358,207

Reduction in maintenance and investment in facilities and equipment would mean:

reduced maintenance	included in accident increase estimates above			
higher future fees -from higher repair/replacement costs	not modelled			

Reduction in investment in IT systems would mean:

less targeting	included in accident increase estimates above			
Total licensing effects			£924,170	£3,928,912
Total effects			£12,607,245	£38,978,136

Variables used in calculation

Tests per year

Source = VOSA Business plan 2007/8	MV	Trailer
Tests per year	472,500	244,000
Retests per year	110,500	52,000
Total tests per year	583,000	296,000
%age at DPs	17%	

per vehicle costs

Source: FTA "Manager's Guide to Operating Costs 2007" and RHA "Goods Vehicle Operating Costs 2007".

Lower of the costs from the 2 sources used.

Type	Standing costs PA		Mileage costs per mile contribution		Average reduction in cycle time from Testing Transformation
	Proportion	£	contribution	p	
7.5t 2 axle rigid	0.36	£34,396	£12,383	30	10.88
12 - 14t 2axle rigid	0.07	£37,954	£2,733	39	2.79
17 - 18t 2 axle rigid	0.14	£42,776	£6,160	37	5.26
24 - 26t 3 axle rigid	0.12	£54,200	£6,721	49	6.11
32t 4 axle rigid tipper	0.06	£52,621	£3,368	78	5.02
32 - 33t 2 + 2 axle artic	0.01	£59,131	£473	50	0.40
38t 2 + 3 axle artic	0.05	£62,243	£2,988	62	3.00
44t 3 + 3 axle artic	0.18	£65,760	£11,837	68	12.21
Average vehicle standing cost		£46,661		Average cost per mile	45.67
Average earning days per annum (as per RHA modelling)			240		
Average earning hours per week (RHA)			55		
daily standing cost per average vehicle			£194.42		
hourly standing cost per average vehicle			£16.32		

Average reduction in cycle time from Testing Transformation		
Source TT project data		
Mins	16.26	

Licensing

Source VOSA Business plan 2007/8

New licences	9,000
Continuations	13,500
Total licences	102,100
Total vehicles	400,000
Vehicles per licence	3.92

HGV Accident costs

Source - (1) Road Casualties Great Britain 2005 (DfT) table 10

(2) Highways Economic Note No 1 (DfT) table 3

	Fatal	Serious	Slight
No involving HGVs (1)	520	1648	9952
Average value of prevention (2)	£1,644,790	£188,920	£19,250
Total cost by type	£855,290,800	£311,340,160	£191,576,000
Total Accident Cost			£1,358,206,960