



# Driver Fee Proposals

A Summary of the Findings from the  
DVLA August 2007 Consultation on  
Drivers Fees



CUSTOMER SERVICE EXCELLENCE

Department for  
**Transport**

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# Introduction

This report summarises the feedback received from the consultation exercise, together with initial conclusions on a preferred approach and an outline of the way forward in taking the consultation results and stakeholder views fully into account for the emerging solution.

The start of the 10-year renewal cycle for Driver Licences will commence during 2008, with the first licences issued in July. This will be another transaction which may interact with others already established, such as loss of licence, change of details (primarily address) and upgrade from paper to photocard licence.

These separate transactions currently have different fees that reflect both the underlying cost of delivering the service and the balance of benefits for DVLA and individual drivers in terms of incentivisation. The increasing complexity of fees, for both customers and, administratively, for DVLA, is moving in the opposite direction to that desirable for introducing and encouraging electronic services. We therefore propose replacing the current fee structure (the status quo) with a more common fee set with simple rules, whilst retaining free licence issue for key details changes.

At present, if more than one of the transactions coincide, it may not be clear to customers which of the fees they should pay. The number of such multi-event transactions is set to increase significantly with the initiation of the 10-year photocard renewal cycle and the gradual movement from paper to photocard licences.

As a result our contact centre receives many enquiries from customers to clarify the position and applications also need to be rejected because wrong amounts are tendered. This is wasteful in time and cost for both customers and DVLA - rationalising the fees into a single common fee level will help address the problem.

External representations have suggested that it may be easier for the public if we rationalise the fee structure and introduce a common fee for five of our driver transactions. The consultation, which ran from 30 August 2007 until 22 November 2007 proposed a common fee of £17.50 for the following five driver transactions:

- Provision of a duplicate when a driving licence has been lost, stolen or destroyed;
- Exchange of a driving licence for removal of endorsements;
- An exchange for a photo that no longer provides a “good likeness” (commonly known as a “vanity” exchange) - the photo is the only detail changed on the licence;
- Processing the 10-yearly renewal; and
- Exchanging a paper licence for a photocard licence.

One important aspect to note is that DVLA will encourage drivers undertaking either of the first two of these transactions to include a photograph with their applications (it is of course already the point of the other three). The licence issue will then have a full 10-year validity, rather than merely the remaining life of the initial licence as is now commonly the case.

**This was put forward as Option 2 in the consultation;** Option 1 was retention of the status quo.

The proposed common fee level of £17.50 has been calculated to generate approximately the same funding level as is now (in Option 1).

In fact, for these transactions in total as a group, Option 2 would produce around £7m lower funding than Option 1 in 07-08. The funding recovers in 2008-09 as the volume of 10-Year renewal applications increase. In overall terms, the funding forecast for 08-09 is relatively stable as we have updated the volume forecasts for other transactions outside this consultation.

The already agreed fee increases taking effect from 1 April 2008 will not be affected if the Option 2 proposals are adopted and will proceed as planned. – These relate to the First Driving Licence and the exchange of a licence from an overseas jurisdiction. Similarly, the changes to fee levels for driving licence renewals after revocation, after disqualification and for high risk offenders after disqualification agreed and arising from the 2006 Consultation are not affected if Option 2 proposals are adopted. Both changes were considered in the Agency's last Fees and Charges Consultation, completed on 21 July 2006.

Both of these sets of increases are included in the Option 1 status quo position. Other previously proposed changes to the drivers' fees structure, including the introduction of a fee for the ten-yearly renewal of a photocard licence, would be superseded by the introduction of the common fee level if the Option 2 proposals are adopted.

# Conclusion and Way Forward

## Responses to the Consultation

The consultation paper was sent directly to 317 organisations and was available on the Direct.gov website. There was a low response to the consultation with only 12 replies received.

## Analysis of feedback received

It is clear that there is support for the introduction of a simplified charging regime for certain driver transactions, both from the point of view of simplicity and clarity for the customer and for simpler and more efficient processing by DVLA. In a very small sample there was a third as much more support for Option 2 as there was for maintaining the status quo, it should also be noted that most respondents had no particular preference.

In the past we have had high levels of responses to our fees consultations and this has been especially so where there have been strongly held views and opposition to specific change proposals. Our experience is that those against change are more vociferous than those without a preference or who support the proposals. Whilst not conclusive, the very low level of response to this latest consultation suggests that there is little opposition to the proposals and the small sample of responses may well be indicative.

## Conclusion

The responses means DVLA should seek ministerial and HM Treasury approval to implement the introduction of the common fee, at £17.50, for the five driver transactions as proposed in Option 2 of the consultation. The new common fee structure should be introduced from 1 April 2008 in line with the other changes already agreed as a result of the 2006-07 consultation.

## Way Forward

In terms of the next steps, we will:

- Submit this report to ministers for consideration and agreement ;
- develop a detailed framework for implementation, including any exemptions and transition arrangements, together with HM Treasury discussions and clearance; and
- publicise the preferred option, incorporating updated cost estimates and developing the basis for the introduction of new regulations for both new fees and fee level changes for existing fees.

# PART A

## Summary of Findings from the Consultation Exercise

DVLA is grateful to all those who provided responses to the consultation document on drivers fees proposals. As there were only 12 responses received, all views have been taken into account in the preparation of this summary report and in deciding upon the recommendation and way forward.

The objective of the consultation exercise was to establish whether there was public support for our proposal to introduce a common fee level for five specific driver transactions. The proposed level of £17.50 for this common fee would ensure that the move to the simplified structure would have a negligible impact on the overall funding cover required through fees income.

A table showing the summary of responses by preferred option is given below.

<b>Option 1 Status Quo</b>	<b>Option 2 Common fee level</b>	<b>No Preference</b>	<b>Total</b>
3	4	5	12

### Option 1 - Specific Feedback

The three respondents who preferred Option 1 were the Drivers Action Movement, Age Concern and the Road Haulage Association.

Drivers Action Movement preferred Option 1 because *“it differentiates based on the reason for the transaction. This makes the system fairer, with those undertaking voluntary transactions or those caused by their own carelessness, paying more, and those only undertaking transactions which are a legal requirement, paying less.”*

Age Concern preferred Option 1 as they *“were extremely disappointed that the DVLA chose to charge for people exchanging paper licences.”* They feel it is not the fault of licence holders that European Directives have been passed requiring that they are re-issued with new licences<sup>1</sup>; they say *“if it cannot be made free, we think this fee should remain at £10.”* They also feel that it is *“unacceptable”* that fees *“where the re-issue of a licence is due to the holder having committed motoring offences”* are at the same level as those for other transactions such as ten-yearly photocard renewals<sup>2</sup>. They want the fee for removing endorsements to remain at £25.

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<sup>1</sup> Note that this is a misunderstanding of the position in that the 3<sup>rd</sup> EC Directive does not yet require this and this is not a compulsory exchange.

<sup>2</sup> This is a good example of the importance of a common fee level – where endorsements have expired the 10 year renewal would automatically in any event result in the issue of a “clean” licence (as would the issue of a duplicate when a licence is lost or stolen) and the existence of different fees provides confusion for both customers and added administrative complexity.

The Road Haulage Association's explanation for choosing Option 1 was *"increases in mandatory fees should not be used to offset reductions on fees which are due to carelessness, removal of time expired endorsements or vanity exchanges which are directly attributable to an individual's actions or personal preference"*.

This is similar to the objection raised by Drivers Action Movement. To an extent, this misunderstands the proposition in that the encouragement from DVLA will be to submit a photograph with the application and receive a "renewed" licence with a full 10 year validity. The objective for DVLA is always to have as up to date and accurate details of Drivers as possible (including image likeness) and this process meets this aim. In many ways, thus, these two transactions will merely represent an acceleration of the renewal cycle for the drivers concerned and hence the position remains fair for all.

## Option 2 – Specific Feedback

The four respondents who preferred Option 2 were the Confederation of Passenger Transport UK (CPT), the Society of Motor Manufacturers and Traders (SMMT), the British Motorcyclists Federation (BMF), and the Association of Industrial Road Safety Officers (AIRSO).

The general tenor of the replies received in support of Option 2 was that of clarity and simplicity:

- CPT stated that in their opinion *"a common fee structure for the five levels of transactions is extremely sensible and should be supported"*
- SMMT supported the *"consistency and clarity in fees for drivers as introduced by Option 2"*
- BMF *"recognises the merit of having a simplified fee structure"*
- AIRSO *"believe it would be simpler all round if we adopted Option 2 which standardised many of the fees for the various changes which were made"*.

## No Preference – Specific Feedback

Derbyshire Constabulary (DC), the Welsh Consumer Council (WCC), the Road Rescue Recovery Association (RRRA), the Defence Movements & Transport Division of the Ministry of Defence (MoD) and the Historic Commercial Vehicle Society (HCVS) all expressed no preference. Only the MoD and HCVS gave a reason for no preference, which was little impact on their respective organisations.

# PART B

## Conduct of the Consultation Exercise

The consultation was conducted according to the principles of the Government's Code of Practice on Consultation, which applies to all UK public sector consultations, by government departments and agencies, including consultations on EU directives.

Though the code does not have legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community Law), it should otherwise generally be regarded as binding unless Ministers conclude that exceptional circumstances require a departure.

The following six criteria applied:

- Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
- Be clear about what the proposals are, who may be affected, what questions are being asked and the time-scale for responses.
- Ensure that the consultation is clear, concise and widely accessible.
- Give feedback regarding the responses received and how the consultation process influenced the policy.
- Monitor our effectiveness at consultation, including through the use of a designated consultation co-ordinator.
- Ensure the consultation follows better regulation best practice, including carrying out an Impact Assessment if appropriate.

## Timing and Content of Consultation

On 30 August 2007 DVLA issued a consultation document on its drivers fees proposals. The consultation set out to generate constructive feedback on the principles underlying the proposals and to seek preferences for either maintaining the status quo (Option 1) or to move to a common fee structure for five specific driver licence transactions (Option 2).

The consultation document provided a background to the proposals and set out the reasons for moving from the existing fee structure. The underlying principles adopted in constructing the proposals were also explained and the 2 different options put forward were summarised separately.

## Impact Assessment

A partial Impact Assessment was an integral part of the fee consultation document and the subjects covered included:

- The problem under consideration and why government intervention is necessary,
- The policy objectives and intended effect,
- The options considered,
- The policy and financial risks,
- Costs and Benefits,
- The equity and fairness of the proposals,
- Small firms' impact test, and
- Competition assessment.

The over-riding conclusion from the impact assessment was that it was neutral in overall impact, involved little risk and reduced costs – the overall fee envelope remained stable.

## Availability of individual responses

All responses have been retained and all views that presented new ideas or added value were considered and discussed for inclusion in this summary.

It is not presumed that all general public respondents are aware of the implied presumption in the consultation document that the names of respondents could be published. However, in this case, there were no general public responses and none of the stakeholder organisations that responded requested confidentiality.

## Contact details

The consultation document was made available on the DVLA website at [www.dvla.gov.uk](http://www.dvla.gov.uk). Details of the website, e-mail fax, and postal addresses were provided in the consultation document.

All responses to this consultation were acknowledged and anyone requesting a copy of the consultation was sent one. No charge was made for the consultation at any stage.

# Annex 1: List of those consulted directly

3Ms  
Age Concern Cymru  
Age Concern England  
Age Concern Scotland  
Alliance of Small Firms & Self Employed People  
Amateur Motor Cycle Association Ltd  
Ambulance Service Association  
Ambulance Service Institution  
Approved Driving Instructors  
Approved Driving Instructors of Scotland  
Association of British Chambers of Commerce  
Association of British Drivers  
Association of Car Fleet Operators  
Association of Chief Police Officers Scotland  
Association of Independent Road Safety Officers  
Association of Loading & Elevation Equipment Manufacturers  
Association of Local Bus Managers  
Association of Local Governments  
Association of London Authorities  
Association of London Boroughs Road Safety Officers  
Association of London Government  
Association of National MOT Testers  
Association of Retired and Persons Over 50  
Association of Street Lighting Engineers  
Association of Tanker Container Operators  
Association of Vehicle Recovery Operators  
Arthritis Care  
Auto Economics Salvage  
Benefits Agency  
BMI Health Services Ltd  
Bradford Transport Training  
BRAKE  
British Association for Service to the Elderly  
British Association of Amusement Catering  
British Association of Removers  
British Chambers of Commerce  
British Deaf Association  
British Historical Vehicle Club Federation  
British Institution of Traffic & Education Research  
British Numberplate Manufacturers Association  
British Safety Council  
British School of Motoring  
BSI  
BT Safety Unit  
Building Employers Federation  
Building Merchants Federation  
Bus & Coach Council  
Business in the Community  
Campaign Against Drink Driving  
Campaign for Homosexual Equality  
CBI  
CBI Scotland  
CBI Wales  
Central Scotland Roads AIU  
Chairman Transport Committee  
Cherished Number Dealers Association  
Citizens Advice (Scotland)  
Civil Service Motoring Association  
Civil Service Pensioners Alliance  
Commercial Motor Magazine  
Commission for Racial Equality  
Community Development Foundation  
Community Transport Association  
Confederation of British Road Passenger Transport UK  
Confederation of Passenger Transport UK  
Construction Plant Hire Association  
Consumer Congress  
Consumer's Association  
Contractors & Mechanical Plant Engineers  
Convention of Scottish Local Authorities  
Co-operative UK  
Countryside Agency  
County Road Safety Officers Association  
County Trading Standards  
Credit Industry Fraud Avoidance System  
Croners Coach and Bus Operators  
Dairy Trade Federation  
Dale Farm Dairy Group  
Department for Transport  
Department of Culture, Media and Sport  
Department of Education and Skills  
Department of Health  
Department of International Development  
Department of Trade and Industry  
Department of Work and Pensions  
Direct Line Group  
DPTAC  
Drivers Action Movement  
Driving Instructors Association  
Driving Instructors Scottish Council  
DVLNI  
DVO Group  
e-Government Unit  
Environmental Transport Association  
Equal Opportunities Commission  
European Secure Vehicle Alliance  
Exel Ltd  
Federation of British Historic Vehicle Clubs  
Federation of Manufacturers  
Federation of Public Passenger Transport Employers

Federation of Small Businesses	Motor Insurers Bureau
Film & TV Lighting Contractors	Motor Schools Association of GB Ltd
Fire Brigades Union	Motor Vehicle Dismantlers Association of GB
Fire Fighting Vehicles Manufacturers Association	Motor Vehicles Repairers Association
Fire Services Unit	National Advisory Unit for Community Transport
First European Numberplates (UK) Ltd	National Alliance of Womens Organisations
Fleet & Leasing Association	National Association of Agricultural Contractors
Foreign & Commonwealth Office	National Association of Citizens Advice Bureaux
Forum of Private Businesses	National Association of Driving Instructors
General Consumer Council for NI	National Association of Funeral Directors
Glass' Information Services Ltd	National Association of Local Government Officers
Green Flag Motoring Assistance	National Association of Street Clubs
Guild of Experienced Motorists	National Association of Vintage Tractor & Engine Club
	Archivists
Halfords Ltd	National Association of Waste Disposal Contractors
Health & Safety Commission	National Chamber of Commerce and Industry
Health & Safety Executive	National Consumer Council
Heavy Transport Association	National Consumer Federation
Historic Commercial Vehicle Society	National Council on Inland Transport
HM Customs & Excise	National Federation of Post Office and BT Pensioners
HM Treasury	National Federation of Self Employed Business
Home Office	National Freight Consortium (Now Exel)
INF	National Guild of American Vehicle Clubs & Traders
Information Commissioner	National Joint Committee for Young HGV Drivers
Inland Revenue	National Outdoor Events Association
Innovative Training Concepts	National Owner Drivers Association UK
Institute of Advanced Motorists	National Pensioners Convention
Institute of Directors	National Playbus Association
Institute of HGV Driving Instructors	National Salvage Group Ltd
Institute of Race Relations	National Street Rod Association
Institute of Registrations Agents and Dealers (MIRAD)	National Union of General & Municipal Workers
Institute of Road Safety Officers	National Union of Road Transport Operatives
Institute of Road Transport Engineers	Nationwide Auto Salvage Amalgamation
Institute of Transport Administration	Newport Transport Ltd
Institution of Highways & Transportation	NHS Supplies
Institution of Municipal Transport	North East Vocational
Institution of Trading Standards	North Lincs Training School
International Powered Access Federation	Northern Ireland Office
Joint Committee on Mobility for the Disabled	Norwich Union
Justices' Clerks' Society Wrexham	Office of Fair Trading
Keep Deaths Off Our Roads	Office of Paymaster General
LACORS	Police Federation of England and Wales
LIBERTY	Police Science & Technology
Lifting Equipment Engineers Association	Police Service NI
Local Authority Road Safety Officers Association	Post Office Ltd
Local Government Association	RADAR
Local Government Information Unit	Register of Private Ambulances
London Association of Independent Businesses	Retired Persons Action Group
MD Autoglass	Road Haulage & Distribution
Ministry of Agriculture	Road Rescue Recovery Association
Ministry of Defence	Road Safety Council in Wales
Motability	

Road Safety Markings Association  
Road Transport (Industry)  
Road Transport Association  
Royal National Institute for Deaf People  
Royal Scottish Automobile Club(Motor Sport) Ltd  
Royal Society for the Prevention of Accidents  
Safety Standards Commission Inst  
Scotland Office  
Scottish Consumer Council  
Scottish Executive Development Dept  
Showman's Guild of Great Britain  
Society of Allied & Independent Funeral Directors  
Society of Independent Roundabout Proprietors  
Society of Motor Auctions  
St Ivel Westway Ltd  
St John's Ambulance  
Standing Conference of Fixed Penalty Clerks  
Sun Alliance  
TGWU  
The Approved Driving Instructors  
The British Agricultural & Garden Machinery Association  
The British Ambulance Association  
The British Chambers of Commerce  
The British Motorcyclists Federation  
The British Retailers Consortium  
The British Road Federation  
The Camping and Caravanning Club  
The Caravan Club  
The Chartered Institute of Logistics & Transport  
The Chief and Assistant Chief Fire Officers Association  
The Coach Operators Federation  
The Disabled Drivers Association  
The Disabled Drivers Motor Club  
The Disabled Motorists Federation  
The Environment Agency  
The Federation of British Vehicles Club  
The Jill Dando Institute of Crime Science  
The Motorcycle Action Group  
The National Council for Voluntary Organisations  
The Trading Standards Institute  
The Transport Association  
The Vintage Motorcycle Club Ltd  
Trade Union Congress  
Transport 2000  
Transport Policy Division  
Transport Registration Branch  
Transport Research Laboratory  
Transport Week Magazine  
Truck & Driver  
Union of Independent Companies

UNISON Convenor  
United Road Transport Union  
Universal Salvage  
Vehicle Certification Agency  
Vehicle Industry Consultants  
Veteran Car Club  
Wales Community Transport  
Wales Community Transport Consultative Committee  
Welsh Consumer Council  
Welsh Counties Committee  
Welsh Local Government Association  
Welsh Office  
Welsh Office Library

#### **Industry Liaison Group Members**

Agricultural Engineers Association  
Association of British Insurers  
Automobile Association  
British Car Auctions Ltd  
British Industry Motor Trade Association  
British Vehicle Rental and Leasing Association  
British Vehicle Salvage Federation  
Finance & Leasing Association  
Fleet Audits Ltd  
Freight Transport Association  
Manheim Auctions  
Motorcycle Industry Federation Ltd  
National Farmers Union  
Retail Motor Industry Federation  
Scottish Motor Trade Association  
Society of Motor Manufacturers & Traders  
The Road Haulage Association Ltd  
Vehicle Builders & Repairers Association

#### **Courts Liaison Group**

Barnstaple Magistrates Court  
Courts Service HQ  
Crown Office  
Crown Prosecution Service  
Department for Constitutional Affairs  
District Courts Association  
District Judges (Magistrates Court)  
Driving Standards Agency  
Justices' Clerks' Society  
MCC Management & Training Centre

Newcastle Magistrates Court  
Scottish Courts Service  
Scottish Executive  
Scottish Executive (Justice Department)  
The Districts Courts Association  
The Magistrates Association  
Vehicle and Operator Services Agency

**Consumer Liaison Group**

City and Council of Swansea  
Consumer Association  
RAC Foundation  
RAC Motoring Services  
Race Equality  
Trading Standards

**Police Liaison Group**

Association of Chief Police Officers  
Avon and Somerset Police  
Derbyshire Constabulary  
Durham Constabulary  
Lancashire Constabulary  
Metropolitan Police  
Metropolitan Police  
National Criminal Intelligence Service  
Norfolk Constabulary  
Police Information Technology Organisation  
South Wales Police  
Staffordshire Police  
Strathclyde Police  
Tayside Police

## Annex 2: List of those who responded to the Consultation

Age Concern  
Association of Industrial Road Safety Officers  
British Motorcyclists Federation  
Confederation of Passenger Transport UK  
Defence Movements & Transport Policy Division (MoD)  
Derbyshire Constabulary  
Drivers Action Movement  
Historic Commercial Vehicle Society  
Road Haulage Association  
Road Rescue Recovery Association  
The Society of Motor Manufacturers and Traders  
Welsh Consumer Council