

EXPLANATORY MEMORANDUM TO
THE ROAD VEHICLES (REGISTRATION AND LICENSING) (AMENDMENT)
(No. 4) REGULATIONS 2004

2004 No. 2099

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

2.1 These Regulations increase the fee payable under the Road Vehicle (Registration and Licensing) Regulations 2002 for a Vehicle Identity Check from £26.50 to £35.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 This instrument imposes a fee increase above the rate of inflation. The increase of £8.50 (32.1%) is necessary because the number of vehicles undergoing a Vehicle Identity Check has been significantly lower than the number forecast when the fee was first set (only 27,000 vehicles were inspected in the first year, as opposed to the initial estimate of 180,000 per annum). The fee was also introduced at an artificially low level in order to ease the initial introduction of the scheme. As a result, the current fee does not cover the cost to the Vehicle and Operator Services Agency (“VOSA”) of carrying out the inspections on behalf of the Secretary of State.

3.2 The fee increase will enable VOSA to begin to administer the Vehicle Identity Check Scheme on a cost-recovery basis in the next few years.

3.3 It is anticipated that measures to increase the number of Vehicle Identity Checks conducted, and to reduce VOSA’s excess operational capacity, will prevent such a significant fee increase in the future.

4. **Legislative Background**

4.1 These Regulations are made under powers conferred by sections 22(1)(h), 22A(2)(a) and 22A(3)(d) of the Vehicle Excise and Registration Act 1994.

5. **Extent**

5.1 This instrument applies to all of the United Kingdom.

6. **European Convention on Human Rights**

Not applicable.

7. Policy background

7.1 The Vehicle Identity Check scheme was introduced in April 2003 to help combat vehicle crime, in particular to help prevent car thieves from swapping the identity of a stolen vehicle with that of a vehicle that has been written off or scrapped (the illegal practice known as vehicle ‘ringing’).

7.2 Under the Road Vehicles (Registration and Licensing) Regulations 2002, where a damaged vehicle is uneconomical to repair the registration document must be destroyed or surrendered to the Secretary of State. This usually takes place on change of keeper to a scrap yard or insurance company. If the vehicle is subsequently repaired, it must undergo a physical inspection (i.e. a “Vehicle Identity Check”) to confirm it is the original registered vehicle, before a new registration document is issued. The Vehicle Identity Check verifies that the vehicle conforms to the registered particulars on the DVLA database.

7.3 These Regulations increase the fee for a Vehicle Identity Check to ensure that it more accurately reflects the cost to VOSA of conducting the examination and administering the scheme.

7.4 The Department consulted interested parties on the fee increase. Out of a total of 55 organisations contacted, 12 responses were received. The majority of respondents agreed with the proposal to increase the fee from £26.50 to £35 but some organisations, particularly those representing the salvage industry, were opposed to the proposal. The Department has met with such groups to discuss their concerns.

8. Impact

8.1 A Regulatory Impact Assessment is attached to this memorandum.

8.2 There is no impact on the public sector.

9. Contact

Hayley Bowen at the Department for Transport Tel: 020 7944 6575 or e-mail: Hayley.Bowen@dft.gsi.gov.uk can answer any queries regarding the instrument.