



Driver & Vehicle
Licensing
Agency

Consultation Document

Future of Vehicle Registration and Licensing Services in Northern Ireland

Response from:

British Vehicle Rental and Leasing Association

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Response to DVLA

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Bona-fides **BVRLA, the industry and its members**

- Established in 1967, the British Vehicle Rental and Leasing Association is the UK trade body for companies engaged in the rental and leasing of cars and commercial vehicles. Its members operate a combined fleet of 2.75 million cars, vans and trucks.
- BVRLA members buy nearly half of all new vehicles sold in the UK, supporting around 184,000 jobs and contributing more than £14bn to the economy each year.
- By consulting with government and maintaining industry standards, the BVRLA helps its members deliver safe, sustainable and affordable road transport to millions of consumers and businesses. For more information, visit www.bvrla.co.uk.



Response to DVLA

Executive Summary

The BVRLA welcomes the opportunity to comment on the consultation from the Driver and Vehicle Licensing Agency (DVLA) on the future of vehicle registration and licensing services in Northern Ireland.

We note that the main aim of the proposals is to modernise the way vehicle registration and licensing services are delivered in Northern Ireland (NI) and to align these with services available to motorists in Great Britain (GB). Whilst the BVRLA and its members welcome the idea of aligning the services available for commercial customers who operate vehicles in NI, we believe that they will not be able to benefit from this change due to the MOT testing rules.

The proposals, as currently drafted, will result in our members being forced to take motor cars and vans out of NI and bring them back into GB for their MOT test on the 3rd year after the motor vehicle was first registered. We have calculated that the cost of doing so on our members will be circa £390 per affected motor car or van - details on how this is calculated is provided below. Similar costs would be applicable for commercial vehicles as well although the volumes are not as high.

To help ensure the proposals deliver maximum benefit to fleet owners, we have put forward a number of alternative suggestions which we believe will help to secure the benefits anticipated by the DVLA, and importantly ensure our members can meet their road safety compliance obligations in the least burdensome manner.

Our primary concern relates to the adverse impact the proposal would have on fleet / leasing companies which operate a fleet of vehicles both in GB and NI. To help address our concerns we have put forward the following suggestions for your consideration:-

- **Introduce a second fleet address on a DVLA fleet code** – In doing so would enable our members to register vehicles against their fleet code with a Northern Ireland address and as a consequence would not need an MOT until the fourth year from first registration. The vehicles would be re-licensed electronically and fleets would be able to take full advantage of using their fleet code. Any correspondence (for example licensing reminders, penalty charge notices etc.) regarding these vehicles would be sent to the main address on the DVLA fleet code.



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- Use the numberplate to help determine when the MOT test is due – As vehicles used in NI will have a numberplate with geographical identifiers “I” and “Z” any vehicle registered with one of these plates should be due an MOT test in NI in the fourth year from registration. For cherished or personalised numberplates a check could be conducted on the original registration plate.
- Allow dealers based in NI to be registered or authorised by VOSA for them to carry out MOT / Test to GB standards. Given the volume of vehicles our members operate anticipate that some dealers who operate in Northern Ireland would benefit from being able to offer roadworthiness to GB registered fleets with vehicles based in NI.

We would welcome further dialogue with the DVLA on this aspect of the proposals as without one of the above solutions there will be no benefit to commercial customers when the changes are introduced.

Specific Comments

What happens today

It may be helpful to explain how leasing companies / fleet owners current manage fleets which are operated in GB and NI today. The charts below will assist to help illustrate this point.

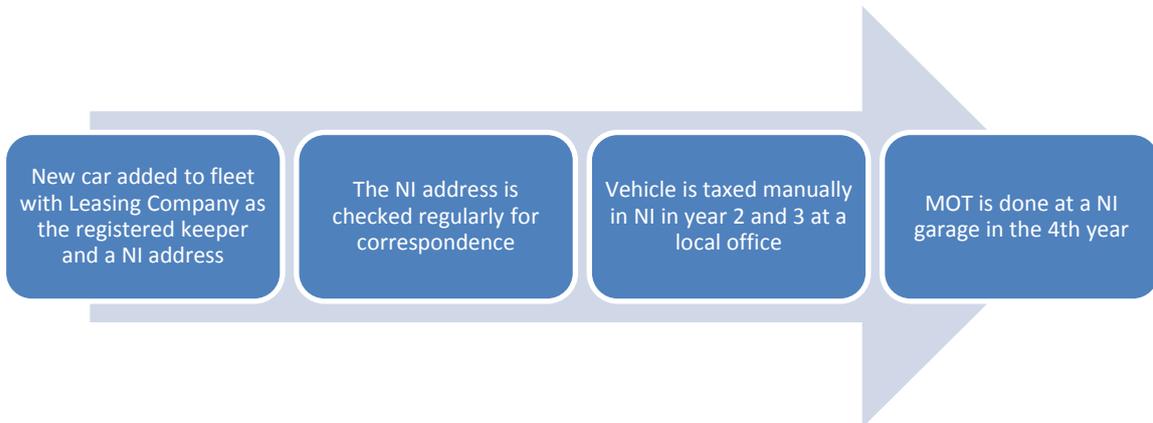
Example A – ABC company, has a branch in Northern Ireland with 70 staff, 35 of the staff have company cars, they also have a GB office with 350 staff, 150 of the staff have company cars. Their car fleet is managed by DE leasing company. DE leasing company manage the fleet as follows:

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GB Registered Fleet

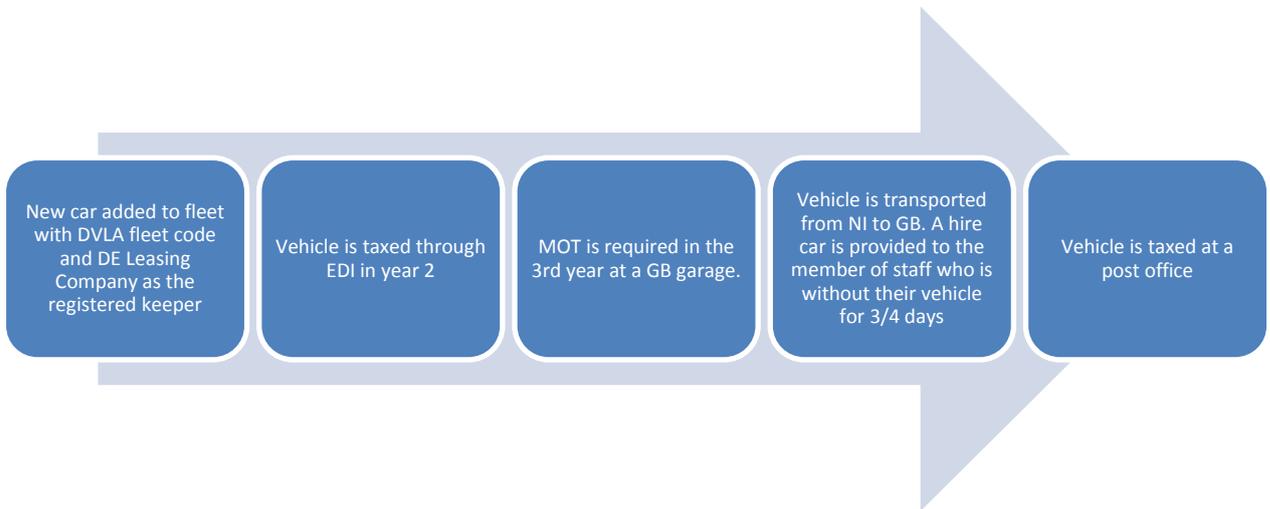


NI Registered Fleet



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Under the new proposals the NI registered fleet would be treated as follows



As explained above the new proposals will simply make managing fleets in GB and NI more costly with little or no benefit being derived from the changes.

Do you have any comments on the proposals outlined in this consultation document or its potential impact?

For our members who are based in Northern Ireland (NI) and operate fleets of vehicles located only in Northern Ireland these changes are very much welcomed. The impact will be a reduction in costs as they will be able to relicence electronically and use many of the other services due to be introduced by the DVLA such as virtual V5, bulk SORN/disposal notifications etc.

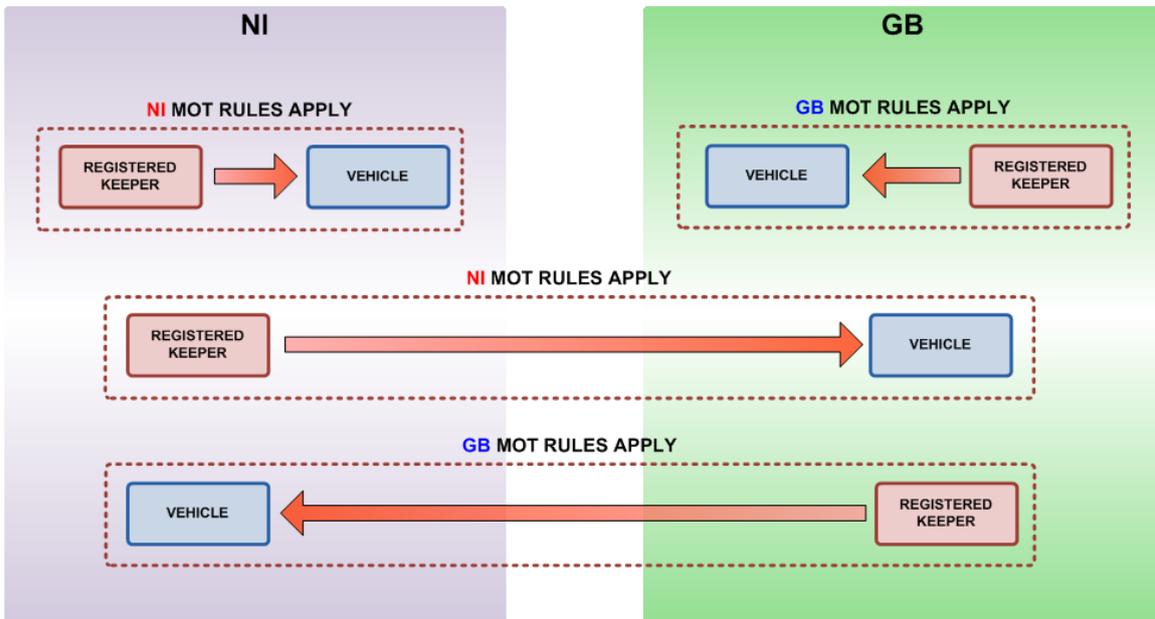
However, where our members who operate fleets in GB and NI they will derive no benefit from the proposals due to the MOT issue highlighted above.

Unless a solution is found to the issues relating to the MOT our members will not be able to fully derive the benefits anticipated by the DVLA and will have to continue to have separate processes and procedures for vehicles which are based in Northern Ireland.

Do you have any other proposals or suggestion which could help improve the delivery of vehicle registration and licensing services for NI motorists, while at the same time reducing costs?

As we have highlighted the MOT scenario illustrated below will be unworkable for our members.

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Our members operate approximately 65,000 cars and vans in Northern Ireland and they will be operated on contracts between 3 to 4 years.

We have estimated the costs of having to bring vehicles back to GB every year for an MOT will cost our membership over £8.4 million each year. This is based on managing the fleet so 14 vehicles are brought back on a car transporter at a time. The costs for taking 14 vehicles back at a time include:

- Ferry crossings – £2,800
- Fuel – £645 (based on 100 miles per journey in the car transporter)
- Drivers – £750
- Replacement hire cars for customers for 3 days - £1,260

We estimate that a 1/3 of the vehicles which our members operate in Northern Ireland will need an MOT each year.

Given this increase in costs it would not be worth our members registering vehicles in Northern Ireland against their fleet code as the costs outweigh the benefits of being able to electronically relicence vehicles. If the proposed changes go ahead there will be no benefit to fleets.



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For heavy goods vehicles on fleet the issues would be the same except the vehicles would need to be brought back every year for testing. Our members will therefore continue to register these vehicles in NI and have separate procedures for these vehicles.

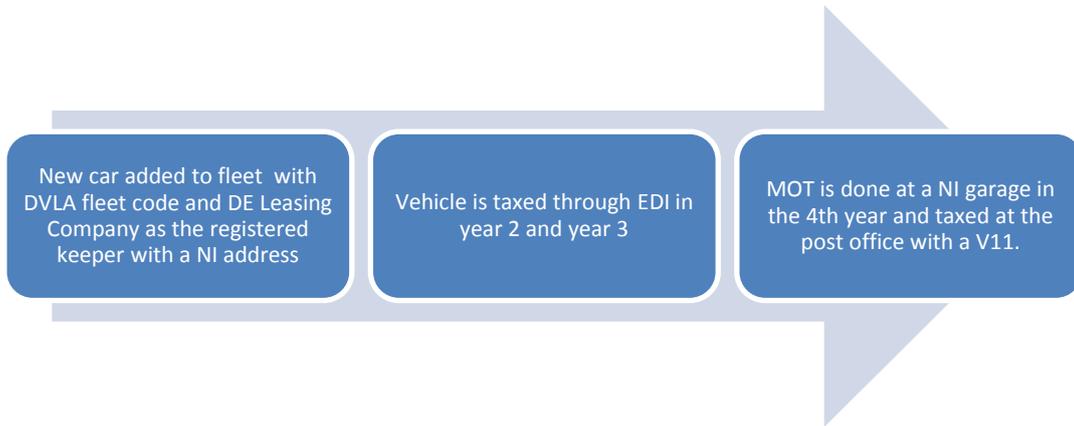
We have explored alternative solutions with our members and have a number of different options which we would welcome feedback from the DVLA on. These include:

- **Second address on a DVLA fleet code** – This would then enable our members to register vehicles against their fleet code with a Northern Ireland address and the vehicles would not need a MOT until the fourth year. The vehicles would be re-licensed electronically and fleets would be able to take full advantage of using their fleet code. Any other correspondence regarding these vehicles could be sent to the main address on the DVLA fleet code. We believe this would be the best solution as it would have minimal cost implications for all parties.
- **Use the numberplate to determine when the MOT test is due** – As vehicles used in NI will have a numberplate with identifiers “I” and “Z” any vehicle registered with one of these plates should be due an MOT test in NI in the fourth year from registration. For cherished plates a check could be conducted on the original registration plate.
- **Allow dealers in NI to register as a VOSA MOT test station** – Given that we would be testing around 21,500 vehicles each year we can see that some dealers who operate in Northern Ireland would benefit from being able to offer MOT tests to GB registered fleets with vehicles based in NI. The cost implications would again be minimal other than for the dealer to set up as a MOT test station.

Our preferred solution would be the first one as it has no legislative implications and would require a minor system change to add another address. If this solution was implemented then our member's would be able to benefit from the proposed changes as demonstrated below.

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NI Fleet Car



The cost savings for our members in being able to manage their vehicles in this way would be in the region of £1.5million per annum. Once the DVLA develops the other online services such as V5 on demand, relicencing in bulk for all vehicles, cherished transfers etc. these savings would be even more significant.

Closing Comments

We would be happy to meet and discuss the concerns and possible solutions with the DVLA and hope that we can continue our positive dialogue to try and find a workable solution.



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Leasing Members

In general, vehicle leasing is an arrangement where the user simply hires the use of the vehicle and assumes operational responsibility for a predetermined period and mileage at fixed monthly rental from the owner (the leasing company). Legal ownership is, in the majority of cases, retained by the leasing company.

Short Term Rental Members

Rental Members offer hourly, daily, weekly and monthly rental of vehicles to corporate customers and consumers. As explained above, rental members are the owners of the vehicle.