



Department for

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Driver and Vehicle Agency

Changing the cost of driving tests and vehicle tests Synopsis of Consultation Responses

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Section 1: Introduction

The Driver and Vehicle Agency (DVA) is an Executive Agency within the Department for Infrastructure (DfI). The Agency's key business activities include:

- Driver licensing and passenger transport licensing
- Driver and vehicle testing and standards
- Compliance and enforcement
- Regulation of Approved Driving Instructors and Motorcycle Instructors

During 2022-23 the Agency conducted 1,155,563 vehicle tests (full and retests) and 68,540 driving tests.

On 8 June 2023, the Department issued a consultation on changing the cost of driving tests and vehicle tests. This document provides a synopsis of the responses to the public consultation. Most of the driving and vehicle test fees have not been increased in over a decade.

The consultation ran for 8 weeks from 8 June 2023 and closed on 3 August 2023. 157 responses were received, 150 from individuals and seven from organisations including Logistics UK, the Road Haulage Association (RHA), the National Franchised Dealers Association (NFDA), Bus and Coach NI, as well as organisations representing adults with neural diversity, motorcyclists and vintage car clubs.

A Section 75 Equality of Opportunity Screening Analysis was conducted regarding the proposed driving test fee increases and vehicle test fee increases. Both screenings, which are published on the government's nidirect web site, concluded that there were no groupings that would be subject to a significant disproportionate impact.

What will happen next

In the absence of a functioning Legislative Assembly, the Permanent Secretary of the Department for Infrastructure has agreed, in accordance with the Northern Ireland (Executive Formation etc) Act 2022 (as amended), that the proposed fee increases can be progressed.

The relevant legislation will be amended as soon as possible, and the new fees will be published on nidirect.gov.uk in the early autumn.

Section 2: Overview

General observations

A total of 157 responses were received to the consultation, including four which were received by email. The majority of the responses were from individuals. Seven respondents indicated that they were representing business / organisations.

Approximately 18% of respondents agreed that the proposed fee increases were a fair way to ensure that current service levels are maintained. Just over 80% disagreed. One respondent did not answer this question. A number of common themes emerged in the comments made by respondents in response to this question, and these are outlined below.

Just over 68% supported the development and modernisation of driving and vehicle testing services for a better experience for the customer. 31% disagreed, and one respondent did not answer this question.

In order to avoid substantial fee increases in the future, the consultation proposed that the driving test and vehicle test fees should be subject to more frequent reviews on a regular / annual / biennial basis. Just over 31% of respondents agreed with this proposal, while 67.5% disagreed. Two respondents did not answer this question.

As part of the consultation the DVA said that, unless the respondents made clear that their responses were to be treated as confidential, at the end of the consultation period, it would publish some of the responses. This report only quotes comments from respondents who did not request confidentiality. However, the statistical analysis takes account of all the responses.

Changing the cost of driving test and vehicle test fees

In the consultation we explained that the majority of vehicle test fees have not been increased since 2005 and 2009 for driving test fees, and that the rising cost of delivering our services means we are facing a shortfall in our income. Staff costs, accommodation costs (including

energy bills) and our contracted services costs have all significantly increased since fees were last increased, which means our fees no longer cover our costs.

We explained that the Agency operates as a Trading Fund, which means the income we receive from fees must cover the cost of delivering the services we provide. Taxpayers do not generally fund our services, with the principle being that the user pays for the service they receive. The increased fees will enable us to cover the costs of providing our services and future investments to improve our services, whilst meeting our statutory obligations.

We ran the consultation exercise to help us understand what business and the public think about the new fees we were proposing.

We asked a number of preliminary, identifier questions, for example the capacity in which the respondent was replying to the consultation. Further questions asked if the responder agreed or disagreed to the questions relating to the proposal to increase fees.

Section 3: Consultation questions, responses and analysis on points raised

Question 1: Fees have not increased for over a decade. Do you think these fee increases are a fair way to ensure current service levels are maintained? If not, what alternative suggestions do you have as to how the costs of providing our services can be recovered?

Responses: 150 individuals and seven organisations responded to this question.

Of the individual responses, approximately 18% agreed that the proposed fee increases were a fair way to ensure current service levels are maintained. The majority (approximately 82%) of individual respondents did not agree.

The majority of responses did not offer an alternative suggestion as to how the costs of providing our current services could be recovered, but many took the opportunity to express dissatisfaction with the current level of service, particularly in regard to appointment waiting times for driving and vehicle tests. Some also suggested changing the vehicle test model to biennial testing (every two years) or testing by private garages, and many respondents simply stated their view that this was not a good time to increase fees because of the general economic situation.

Points raised

Waiting Times

We acknowledge that the current appointment waiting times remain challenging. In 2022-23, the Agency conducted over 1.15 million vehicle tests which is over 29% more than the vehicle tests carried out in 2021-22, and is the highest number ever recorded in a year. This increase in capacity has been achieved by adopting a range of measures including the recruitment of additional vehicle examiners, the use of overtime to provide cover for leave and by offering vehicle test appointments on Sundays and bank holidays, when testing is not

normally available. To further increase vehicle testing capacity, the Agency is investing in new test centres. As a first step, the Agency is currently constructing a new test centre at Hydebank in Belfast, which is due to open later this year. A second new test centre at Mallusk, which has been granted planning permission, is scheduled to open in 2025. These two new centres will provide the capacity to test over 200,000 additional vehicles per annum, which will help meet the future demand for this service.

Similarly, since the resumption of driving test services following the pandemic we have steadily increased our driving test capacity by adopting a range of measures including the recruitment of additional driving examiners, use of overtime to rota off-shift dual role examiners to provide further capacity and cover for leave, and we also offer driving test appointments on Sundays and bank holidays, where it is suitable to do so without compromising the integrity of the test. In 2022-23, we conducted 68,540 driving tests, which is the highest number of driving tests conducted since 2009.

Biennial Vehicle Testing (every two years)

As stated above a number of individual respondents and representative organisations suggested that moving to biennial testing would offer an alternative way to recover the costs of providing our vehicle testing services. Currently cars and motorcycles are MOT tested from 4 years old, with light goods vehicles tested from 3 years old; each of these vehicle categories are tested annually thereafter.

The Department for Infrastructure issued a Call for Evidence on the potential introduction of biennial MOT testing for private cars, light goods vehicles and motorcycles on 25 August 2021. 1,220 responses were received, and a synopsis of the results was published on 16 February 2022 which can be found at the following link: <https://www.infrastructure-ni.gov.uk/sites/default/files/publications/infrastructure/cfe-biennial-testing-synopsis-of-responses.pdf>. The introduction of biennial vehicle testing would require the development of primary legislation and would be subject to further consultation. At present, the Department has no plans to change the current testing model.

Vehicle Testing by the Private Sector

A number of individual respondents and several organisations suggested that delivery of vehicle tests should be delegated to private garages, using the same delivery model as in Great Britain (GB).

The vehicle testing regime in Northern Ireland is a devolved matter for the Northern Ireland Assembly and any decision to change the current model would be a matter for a future Minister. At present, the Department has no plans to change the current testing model.

In addition, it is not clear that the GB delivery model would result in lower test fees for customers. The table below shows that the main full vehicle test fees in NI will remain lower than those currently charged in GB, with the exception of the minibus fee, the motorcycle fee and the 3-axle trailer fee.

SUMMARY OF MAIN (FULL) VEHICLE TEST FEE			
Category	Current NI fee £	New NI fee £	Current GB fee £
Car	30.50	38.00	54.85
Minibus - Large passenger carrying vehicle	41.50	70.50	59.55
Motorcycle	22.00	34.00	29.65
Light goods vehicle	30.50	38.00	58.60
HGV 2 axle	76.00	101.00	112.00
HGV 3 axle	87.00	109.00	144.00
HGV 4 axle	98.50	117.50	177.00
HGV Articulated 2 axle	80.50	101.00	112.00
HGV Articulated 3 axle	93.50	109.00	144.00
HGV Trailer 3 axle	52.00	86.50	84.00
Taxi	138.50	147.00	N/A
PSV bus	90.50	102.50	168.00

Comments on specific category test fee increases

Several individual respondents highlighted specific increases in individual test fees. Several organisations asked for more detail on how the fees had been calculated.

The proposed fees have been calculated in line with guidance outlined in Managing Public Money (NI) for settings fees. The standard approach to setting charges for public services is full cost recovery. We have used estimated costs and estimated numbers of tests likely to be carried out (based on past trends and future forecasts) to calculate the proposed fees. Our costs include staff costs, rates and accommodation costs

(including energy bills), IT system maintenance costs and other computer charges, contracted out services (including cleaning & equipment maintenance), payment processing charges, depreciation and dividend costs.

All the fees have been calculated on the basis of individual inspection times and associated service delivery costs, and are established on a full cost recovery basis. Similarly, the retest fees for vehicles which have failed their initial test have been calculated on a full cost recovery basis.

Despite every effort to measure and forecast costs, surpluses and deficits may arise due to variations in demand and in year cost changes. The Agency is therefore committed to carrying out more regular fees reviews.

Retest Fee

A number of respondents, including the NFDA, stated that they felt the increase in the vehicle retest fee, for cars in particular, was too large.

As outlined above, the new fee has been calculated on the basis of full cost recovery. The motor car retest fee (which accounts for approximately 82% of all retests conducted) has not been increased since 2005, and the increased retest fee is below what the fee would have been if it had been increased in line with inflation.

Motorcycle Test Fee

Other respondents, including an organisation representing motorcyclists, commented on the proposed increase in the motorcycle test fee. A major contributing factor in determining the proposed increase to the motorcycle full test fee was the extension of the motorcycle test inspection time from 10 minutes to 15 minutes to accommodate the roller brake test and a frame alignment test. The fee was not reviewed at the time the changes were introduced, so has remained unchanged since 2005. The increased fee reflects the actual cost of delivering this test and is also below what the fee would have been if it had been increased in line with inflation.

Driving Test Fees

In terms of driving tests fees, four individual respondents and just two organisations provided comments relating to the proposed fees for driving tests. Of these, the reply on behalf of adults with neural diversity suggested that the fee increases should be considered in the context of

“the other expenses involved in the process of passing your driving test such as licence application, lessons and cost of car fuel, maintenance & insurance for learner drivers”.

These other costs are largely outside the control of the Agency, with the exception of the licence application, the fee for which has remained unchanged since 2012. The overall cost of learning to drive was considered as part of the equality impact screening, which was published alongside the consultation, and highlighted that the cost of the driving test in itself was a very small proportion of the overall cost of learning to drive and would increase the amount a learner driver invests overall in becoming a qualified driver by approximately 1.4%. For example, the proposed fee increase for the car driving test is £19.50, which is less than the cost of one driving lesson.

One of the industry representative organisations expressed concern that increased driving test fees could potentially deter new drivers from taking the driving test, therefore contributing to the shortfall of drivers in the logistics industry.

The fee for the practical driving test for bus or lorry drivers is increasing from £66.00 to £87.00, an increase of £21. The equivalent test in GB currently costs £115.

Other sources of funding

In terms of alternative ways of recovering the costs of driver testing and vehicle testing services, a small number of individual respondents suggested that the costs should be recouped from local or central government, from vehicle excise duty (road tax), or by charging more for those on higher incomes.

The proposed fees have been calculated in line with guidance outlined in Managing Public Money (NI) for settings fees. The standard approach to setting charges for public services is full cost recovery.

One of the representative organisations suggested that the DVA should consider “Public – Private Partnerships: explore partnerships with private entities to enhance service delivery and generate additional revenue streams. This could involve collaborations with relevant industries or businesses that have an interest in the Agency’s services, allowing for cost-sharing arrangements or innovative funding models. The Department has no plans at present to change the existing service delivery model.

Representative Organisations

Responses were received from seven representative organisations: Logistics UK, the RHA, Bus and Coach NI, NFDA, and organisations representing adults with neurodiversity, motorcyclists, and vintage car clubs. Most of the comments from the representative organisations were similar to those received from individual respondents which are outlined above.

The RHA, Logistics UK, and the NFDA asked for greater transparency on how the fees had been calculated.

The standard approach to setting charges for public services is full cost recovery. We have used estimated costs and estimated numbers of tests likely to be carried out (based on past trends and future forecasts) to calculate the proposed fees. Our costs include staff costs, rates and accommodation costs, IT system maintenance costs and other computer charges, contracted out services (including cleaning & equipment maintenance), payment processing charges, depreciation and dividend costs.

Despite every effort to measure and forecast costs, surpluses and deficits may arise due to variations in demand and in year cost changes. The Agency is therefore committed to carrying out more regular fees reviews.

The RHA and Logistics UK asked about the implementation of efficiencies and cost saving measures.

The Agency has been transforming and modernising its services over the past six years. Since the majority of driving test fees were last increased, we have improved and modernised the driving test booking and information systems and invested in new technology. We have also improved and modernised the vehicle test booking and information systems and invested in testing equipment replacement programmes. In addition, we are constructing a new test centre at Hydebank in Belfast, which is due to open later this year and are planning the construction of a further new test centre at Mallusk.

These investments have led to efficiencies. Online data exchange with external applications has increased security, efficiency and data

accuracy. The ability for the public to enter their information directly online improves information accuracy and time is saved through a reduction in manual data entry.

Digital transformation has led to cost savings on staff costs, stationery, postage, overtime, security and printing. Collaborative working especially with those outside of the Agency has brought fresh thinking and a wider knowledge of general management and business principles.

The NFDA questioned whether this was a good time to increase fees and queried the increase on the vehicle retest fee. NFDA also suggested that private franchised dealers should be used to deliver vehicle tests.

As outlined above, the new fee has been calculated on the basis of full cost recovery. The motor car retest fee (which accounts for approximately 82% of all retests conducted) has not been increased since 2005, and the increased retest fee is below what the fee would have been if it had been increased in line with inflation.

Any decision to change the current vehicle test delivery model would be a matter for a future Minister. At present, the Department has no plans to change the current testing model.

Question 2. Do you support the development and modernisation of driving and vehicle testing services for a better experience for the customer?

Just over 68% supported the development and modernisation of driving and vehicle testing services for a better experience for the customer. 31% disagreed, and one respondent did not answer this question.

Question 3. Do you agree that we should provide for a regular review of the cost of delivering these services and any associated fee increases should be applied on a regular / annual / biennial (every other year) basis?

Just over 31% of respondents agreed with this proposal, while 67.5% disagreed. Two respondents did not answer this question.

Of the representative organisations, Bus and Coach NI stated that their members believe strongly that any reviews undertaken should not just consider the cost of delivering services but more importantly should also consider the efficiency and effectiveness of the services being provided. They said that their members believed that the increase in fees should be changed in line with inflation every year. Logistics UK also supported the idea of more regular reviews, suggesting that, for transparency purposes, these should include a published review of the operating costs of running services.

The Agency's Annual Report and Statement of Accounts is published each year. The report sets out the Agency's main objectives and provides a detailed report on performance during the year. A breakdown of income and expenditure is provided in line with financial reporting requirements. The most recent report is available at: <https://www.infrastructure-ni.gov.uk/publications/dva-annual-report-and-accounts-2022-23>

The RHA felt that regular reviews of the cost of delivering services and associated fee increases, whether conducted annually or on a biennial basis, could have potential negative impacts on coach operators and hauliers.

Section 4: Next Steps

While there have been some negative comments in response to the consultation, no equality issues were identified which would affect us progressing the proposed fee increases.

Therefore, in the absence of a functioning Legislative Assembly, the Permanent Secretary of the Department for Infrastructure has agreed, in accordance with the Northern Ireland (Executive Formation etc) Act 2022 (as amended) that the proposed fee increases can be progressed.

The relevant legislation will be amended as soon as possible. The new fees will be published on nidirect.gov.uk and will be charged for tests booked from early autumn 2023.