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11 June, 2013

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Dear John,

## **VOSA Fees 2012/13**

We welcome the opportunity to comment on VOSA's proposals on the level of HGV and PSV testing fees for 2012/13.

### **Annual test fee increases**

We note the proposals to increase the annual test fees at VOSA sites by an average of 15-25% and increase the fees at non-VOSA test sites by 1-4%. We are aware that VOSA are looking to set fees which attribute costs more fairly between the alternative delivery methods such as authorised testing facilities.

The BVRLA agrees with the principle of increasing test fees by a higher margin for tests at VOSA sites than at non-VOSA sites, to help VOSA remove the cross subsidy that currently takes place and achieve the objective of moving tests away from VOSA sites and closer to the point where the inspection takes place.

However, we do not believe this should be a dramatic shift as proposed as it could unduly penalise those operators who do not have non-VOSA sites near them. Especially as even if there is a non-VOSA site near an operator it may not be an open access authorised testing facility.

We would like assurances from VOSA that as per our previous recommendation in our response on last years' consultation on fees that VOSA have looked closely at where smaller operators are based and the access they have to non-VOSA sites. If there are operators who will be unduly penalised due to having no choice but to use a VOSA site then we believe a less dramatic increase in fees should be applied.

If these assurances cannot be given then we would suggest the increases should be spread more evenly across all operators with a 10-20% at VOSA sites and a 6-9% increase at non-VOSA sites. This would seem a fairer way to ensure that smaller operators who have no choice where their vehicles are tested are not unduly penalised.

We note that VOSA's annual accounts for 2011/12 showed an accumulated deficit at the end of the year of £17m (reduced from £35m at the end of 2009/10). In addition, that VOSA's

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VOSA

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Business Plan for 2012/13 is to generate a surplus of £7m in the year (on an income estimated at £183m) to reduce that deficit further.

We fail to understand why operators are once again being asked to pay for VOSA's past failures to effectively manage their finances and would ask that all is done to ensure further operating efficiencies within VOSA are looked at to maximise cost savings and reduce the deficit.

One area which could be looked at further is who carries out the annual test. The BVRLA still believes that the most cost efficient way for annual tests to be carried out would be by independent VOSA-accredited testers.

We are also interested to know if the industry can expect fees to reduce once the deficit has been paid off. Any fee increases which are introduced to cover a deficit should in our view only be in place whilst there is a deficit and we would expect to see the fees reduce at the point where it is paid off.

#### **O-licence fee increase**

We note the proposal to increase the O-licence fee and believe that all operators should help fund the establishment of an electronic national register. We therefore support the proposal for a 2% increase across all licence types including variations.

#### **Closing comments**

We look forward to continuing our work with VOSA and hope that we can in the future work to develop the fee structure so that it is on the principle of the user pays for the services incurred.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jay Parmar', is written in a cursive style.

**Jay Parmar**  
Legal and Policy Director

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

- The BVRLA is the trade body for companies engaged in the leasing and rental of cars and commercial vehicles. Its members provide rental, leasing and fleet management services to corporate users and consumers. They operate a combined fleet of 2.5 million cars, vans and trucks, buying nearly half of all new vehicles sold in the UK.
- Through its members and their customers, the BVRLA represents the interests of more than two million business car drivers and the millions of people who use a rental vehicle each year. As well as lobbying the Government on key issues affecting the sector, the BVRLA regulates the industry through a mandatory code of conduct. [www.bvrla.co.uk](http://www.bvrla.co.uk)