Briefing for the Public Petitions Committee

Petition Number: **PE1425**

**Main Petitioner:** Maureen Harkness, Jane McIntyre, Duncan McGrouther, Brian Fraser, Ryan MacDonald, Scott Robertson and Joy MacKenzie

**Subject:** Adverse impact of DVLA local office closures

Calls on the Parliament to urge the Scottish Government to make representations to the UK Government in relation to the future of all five DVLA local offices in Scotland given the adverse impact that the closure of any or all the offices would have on the economy, safety and customer service to all Scottish residents.

**Background**

The UK Department for Transport (DfT) launched a consultation exercise on the 13\textsuperscript{th} December 2011, *Transforming DVLA services*, in which it set out proposals to move the Driver and Vehicle Licensing Agency (DVLA) away from ‘a largely paper based organisation to a modern, highly efficient electronic business which provides online services to motorists and businesses’. Central to the consultation are plans to close all 39 local DVLA offices in the UK, five of which are in Scotland. The intention is to centralise all services, with customers either accessing services online or through call-centre operatives in the DVLA Swansea offices, where an estimated 300 new jobs will be created. Local office closures are likely to take place by the end of 2013.

Approximately 2.5 million customers use over-the-counter services provided by local DVLA offices in the UK each year, primarily for vehicle registration and licensing, tax disc distribution (to motor dealers), trade licensing, vehicle inspections and personalised registrations. According to the DVLA’s 2010-11 Annual Report, the amount of Vehicle Excise Duty (VED) collected through local offices for 2010-11 was £345 million. This compares to £2,846 million collected through post offices, and £2,792 million collected through electronic channels. (*DVLA, 2011, p.98*)

The DFT set out its justification for closing local offices in its consultation document: ‘(Local office) services are expensive to operate with 23.3\% of overall Agency headcount delivering only 5.7\% of the overall Agency workload. Therefore, the DVLA needs to identify different ways of delivering
these services to increase efficiency and value for money. The DVLA will look at rationalising activities and then centralising remaining functions at its Headquarters in Swansea. The DVLA believe this is a necessary step in the journey to deliver savings. The proposals could deliver significant efficiencies with an estimated £28 million year on year saving (DFT, 2011).

The consultation closed on the 20 March 2012. According to the DVLA there were 919 responses. More than half of these were submitted by private individuals, and another third came from car dealers.

**Expected impact**

No impact assessment has yet been published on the proposals. According to Mike Penning, Parliamentary Under-Secretary of State for Transport, ‘impact assessments and full business cases, where appropriate, are being undertaken on specific elements of the proposals’ (PQ). It is not clear when these will be published.

**Job losses**

The most obvious impact will be felt by those employed in local offices. According to the Public and Commercial Services Union (PCS), if implemented local office closures could lead to the loss of 119 jobs in Scotland:

Aberdeen; Greyfriars House, Gallow Gate (9 jobs)
Dundee, Caledonian House, Greenmarket, (11 jobs);
Edinburgh, 1 Lochside Avenue, (25 jobs);
Glasgow, 46 West Campbell Street, (67 jobs);
Inverness, 28 Longman Road, (7 jobs);

PCS responded to the proposals by claiming ‘the closures would wipe out the high quality face-to-face services these offices provide to the public and motor traders, whose often complex enquiries could not be handled by telephone or online. This would also be a further blow to local economies and retail areas already struggling as a result of rising unemployment and wage cuts’ (PCS, DVLA office fight moves to Parliament, 21 February 2012).

**Impact on the motor trade**

The concerns of some in the motor trade were voiced by MPs during a recent House of Commons debate, suggesting that the closure of local DVLA offices will make it more difficult for car dealers to register newly sold cars. Frank Doran, Labour MP for Aberdeen North claims: ‘A significant number of objections or letters of complaint from the motor trade have been sent to the DVLA as part of the consultation. The motor trade will be damaged
substantially by the local closures’ (Hansard, 7 March 2012, Column 296WH). Similar concerns are echoed in an e-petition submitted by vehicle convertor, Richard Penning, to the UK Government, which received over 3,500 signatories: ‘Closure would require us to register all of our vehicles by post adding days to the process, delaying delivery of cars and resulting in huge cash flow issues and dissatisfied customers’ (HM Government, Reverse the proposal to close 39 Regional DVLA offices e-petition, 2012)

In response, Mike Penning, Parliamentary Under-Secretary of State for Transport, argued that: ‘What we are proposing will be more efficient. It will not be a case of putting documents in the post and losing blank tax discs. We will use a secure system, and speed will be subject to a contract. Delivery will be the following day, and it may sometimes be possible to offer same-day delivery’ (Hansard, 7 March 2012, Column 299WH). His belief that opinion within the motor trade is ‘split’ appears to be supported by remarks made by Paul Everitt, Chief executive of the Society of Motor Manufacturers and Traders (SMMT), in a recent interview with Car Dealer Magazine. Mr Everitt regards the proposals as presenting ‘great opportunities’ to car traders as they will allow dealers to ‘offer customers the option to re-tax their vehicle or change their cherished number plate in their showrooms’ (Car Dealer Magazine, December 2011).

Scottish Government Action

As the DVLA is a reserved agency of the UK’s Department of Transport, the Scottish Government has no powers to legislate in this area.

Scottish Parliament Action

Motion: Proposed DVLA Closures

Motion S4M-01574: Kevin Stewart, Aberdeen Central, Scottish National Party, Date Lodged: 13/12/2011

That the Parliament condemns the UK Government’s proposals to close Scotland’s five Driver and Vehicle Licensing Agency (DVLA) regional offices; disagrees with the opinion that centralising services in Swansea will mean a quicker turnaround time that will meet customer needs, and calls on the UK Government to retain the offices in Aberdeen, Dundee, Edinburgh, Glasgow and Inverness.

House of Commons Action

House of Commons Debate, Westminster Hall: DVLA closures (Scotland), 7 March 2012:

Early Day Motion 2736: DVLA office network closures

EDM 2376: John McDonnell, Hayes and Harlington, Labour Party, Date Lodged: 20/02/2012
That this House notes with concern the announcement made by the Parliamentary Under-Secretary of State for Transport on 13 December 2011 on closure of the DVLA Office Network which, if implemented, will result in the closure of 39 local offices, 10 enforcement centres and three process units; further notes that these proposed closures will result in the loss of over 1,200 jobs at a time of growing national unemployment; further notes the detrimental effect these closures will have on local communities and the motor trade, which relies on the Local Office Network; and calls on the Government to reconsider the proposed closures and extend the public consultation for a further 12 weeks to allow sufficient participation from both members of the public and stakeholders alike.

**House of Commons Parliamentary Questions and Written Answers:**

**Graeme Morrice:** To ask the Secretary of State for Transport what the staffing costs were of running the local office network of the DVLA in each calendar year since 2005
(http://www.publications.parliament.uk/pa/cm201212/cmhansrd/cm120227/text/120227w0006.htm#12022814000027)

**Graeme Morrice:** To ask the Secretary of State for Transport how much revenue the local office network of the DVLA generated in each calendar year since 2005.
(http://www.publications.parliament.uk/pa/cm201212/cmhansrd/cm120306/text/120306w0001.htm#12030661000008)

**Greig Liddell**  
Financial Scrutiny Unit  
19 March 2012

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