Delivering charging for heavy goods vehicles

The Government's plans following consultation
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The Government committed to introducing charging for heavy goods vehicles in the Coalition Agreement in May 2010. Following strong support during the consultation earlier this year, this document sets out the details of how charging will be introduced. Legislation to make it possible is being published alongside this document. The Government is committing to introducing charging in April 2014, subject to Parliamentary approval and the necessary procurement being completed successfully on a faster timescale than originally planned. This is earlier than the date of March 2015 for foreign hauliers envisaged in the consultation document.

Almost all UK operators will pay no more than now under the scheme, and with zero administration costs. This is due to other measures, principally reductions in Vehicle Excise Duty, to be introduced at the same time as charging. Foreign hauliers will pay up to £10 a day, or £1,000 a year to use UK roads.

This will go some way towards correcting the imbalance where UK hauliers pay charges to use roads in other European countries, but hauliers visiting the UK pay nothing to use UK roads. This will ensure fairer competition between UK hauliers and those from other countries.
Operators of heavy goods vehicles registered in the UK currently operate at a competitive disadvantage compared to visiting foreign carriers. UK vehicles pay road user charges of various types when travelling to other European countries. This is in sharp contrast to foreign vehicles who pay nothing when they come to the UK.

Following consultation earlier this year, in this document the Government commits to delivering a charging scheme for HGVs by 2014, whilst at the same time introducing reductions in Vehicle Excise Duty such that the vast majority of UK carriers pay no more than now. The Government will set out further details, including necessary changes to the VED discounts enjoyed by holders of Reduced Pollution Certificates, at the next Budget. HGV road user charges and Vehicle Excise Duty levels are governed by EU legislation (the “Eurovignette” Directive). The charging scheme achieves the maximum possible with respect to ensuring a fairer arrangement for UK hauliers whilst meeting these legal requirements.

The maximum daily charge paid by most foreign hauliers will be the maximum allowed under EU legislation - currently around £10. Foreign hauliers paying annual charges will pay up to £1,000 a year.

The administration and compliance costs for most UK operators will be zero, since charges will be paid at the same time as Vehicle Excise Duty, in a single payment.

Enforcement measures are likely to include targeted stopping of non-compliant vehicles, facilitated through Automatic Number Plate Recognition cameras. Enforcement officers will have the power to require an on-the-spot fine. For vehicles unable to provide a UK address a financial deposit will be required. A vehicle can be immobilised until the fine is paid. Enforcement for UK vehicles will also use the existing continuous registration process used for Vehicle Excise Duty.

The charge that will be implemented is the same in most respects as that detailed in the consultation published in January 2012. Responses to that consultation were positive, with 71% of respondents agreeing that the proposals should be implemented. Among respondents agreeing with the objective, the number agreeing with the proposals was even higher, at 77%.
7. This document summarises views expressed during the consultation, and includes the Government’s responses. The small number of changes to the charging scheme since the consultation are described below and highlighted in bold in the text.

8. The legislation necessary for introducing charging is being published at that same time as this document.

9. Assuming that Parliament passes the legislation, charging itself will start for UK vehicles in April 2014. Charging for foreign vehicles will start at the same time, provided that the necessary procurement process can be completed successfully on a shorter timescale than previously planned. This is a start date for foreign vehicles of almost a year earlier than envisaged in the consultation.
1. Introduction

1.1 The Coalition Agreement set out the Government’s commitment and objective on HGV charging: “We will work towards the introduction of a new system of HGV road user charging to ensure a fairer arrangement for UK hauliers.”

1.2 The policy’s primary objective is to ensure fairer arrangements for UK hauliers, and to ensure that all hauliers are making a contribution to the roads service they use. UK-registered heavy goods vehicles (HGVs) already pay tolls or user charges on motorways and, frequently, other roads in most EU Member States. Save on some specific pieces of infrastructure (the M6 Toll and various bridges and tunnels), there are no tolls or user charges in the UK. As most foreign operators currently purchase their HGVs’ fuel outside the UK, they therefore contribute nothing towards the cost of our roads.

1.3 A scheme for HGV road user charging cannot discriminate between UK-registered vehicles and vehicles registered elsewhere in the EU. It will therefore apply to both UK and foreign-registered HGVs. It must also comply with the Eurovignette Directive (Directive 1999/62/EC as amended by 2006/38/EC and 2011/76/EU) which sets out a framework of rules for tolls and charges, including maximum daily rates for the latter.

1.4 A consultation was launched on 25 January 2012 by Mike Penning, proposing a simple time-based charge, applying to the use of any road in the United Kingdom, meaning that a five axle HGV of 38 tonnes or more would pay £1,000 a year or £10 a day. The consultation also proposed that measures be introduced at the same time as charging, such that UK-registered vehicles so far as is possible, pay no more than now.

1.5 Now the Government is pressing ahead with implementing charging. This document includes a summary of the results of the consultation, together with the Government’s response. Relatively few changes have been made to the original proposals. Changes or additional details in the sections below are shown in bold.

1.6 Legislation for implementing charging has been published alongside this document. Assuming successful completion of the Parliamentary and procurement processes, charging will start in April 2014.
Why charging?

1.7 A large HGV currently pays between €25 and €46 for a 100 mile autobahn journey in Germany. A vehicle doing a two-day return trip from the UK to the Benelux countries pay €16 in user charges. A Northern Irish haulier delivering to Dublin pays almost €12 in tolls for a return journey. In contrast, a vehicle travelling from any of these countries to the UK pays nothing to use UK roads.

1.8 These are just examples, but almost all European countries have charging schemes for HGVs. Over time, the different ways in which countries across Europe charge for the use of their road network has created an imbalance that is unfair to UK carriers.

1.9 This is why UK road freight transport operators and organisations have consistently called for the introduction of charging, provided that the overall level of taxes and charges on UK carriers does not increase significantly.

Why this particular charging scheme?

1.10 The Government is implementing this charging scheme, and other measures being introduced at the same time which mean that most UK hauliers pay no more than now, because it is the best that can be achieved that both meets the objective of ensuring a fairer arrangement for UK hauliers, and meets all the requirements of EU law. It means low administration costs for Government and for operators.

1.11 There are other ways of introducing charging - most notably distance-based charging, and we included questions on this in the consultation. However it is not possible to introduce measures fully to offset the costs of a distance-based charge for UK hauliers without introducing a fuel duty rebate. The European Court of Justice has already ruled that such a rebate scheme would be illegal.

1.12 Reducing VED rates at the same time as introducing charging is a simple, effective and targeted way of ensuring that the vast majority of UK hauliers pay no more than now. VED cuts are a “time-based” method of offsetting the charge, meaning they fit well with a time-based charging scheme.

What is being published today?

1.13 This document sets out the Government’s plans, summarises the results of the consultation, and gives the Government’s responses to the consultation. On the website, we are also publishing tables showing
how much will be paid for UK vehicles, in VED and charge, for all the different vehicle types.

1.14 Alongside this document we are publishing the HGV road user levy Bill to give us the necessary powers to introduce the charging scheme. A set of Explanatory Notes has also been published to explain, clause by clause, what the legislation is intended to achieve. Other legal document will be published as necessary on the Parliament website as the Bill progresses through Parliament.

1.15 Further legal steps will be necessary, in addition to the passage of the legislation. This includes technical orders amending some other sets of regulations. Changes to Vehicle Excise Duty will be set out at Budget 13 and legislated for in Finance Bill 2014.
2. The details of the scheme

Details on charges

2.1 The main features of charging, mostly unchanged since the consultation, are as follows. Features that have changed, or where additional detail is given compared to that in the consultation document, are in bold:

2.2 HGVs of 12 tonnes and over will be charged for the use of the UK road network. Charges will apply to all categories of road, although the legislation will include scope for roads or areas to be excluded from the charge at a future date, such as roads crossing back and forth across the land boundary with Ireland.

a. Charges will apply to both UK and foreign-registered HGVs. HGVs are those carrying goods related to a trade or business, or for hire and reward.

b. The charge is a time-based user charge, of up to £1,000 a year or £10 a day for the heaviest vehicles. Charges will vary according to vehicle type, weight and number of axles (see tables below for charge rates). In this way, the charging scale is linked to the amount of damage an HGV caused to the road. The charges are normally around half the current VED rates, which are intended to reflect road damage.

c. For UK vehicles, the charge band (A-G) is the same as the current VED band. For example, a vehicle currently paying VED in band D will also pay charge band D. For foreign vehicles, information on which vehicles are in which band (replicating the VED bands) is in Schedule 1 of the Bill published alongside this document.

d. Keepers of UK-registered HGVs will pay an annual (or six monthly) user charge at the same time and for the same period as they pay Vehicle Excise Duty (VED). This means, for the majority of UK hauliers, no additional compliance or administration costs.

e. Foreign-registered HGV operators can choose to pay daily, weekly, monthly or annual user charges. The maximum daily
charge is set at £10. This is subject to EU rules about maximum charges and may need to be changed at a later point, depending on changes to EU legislation and the exchange rate. (The maximum daily charge in the Directive is €11, but this will be uprated due to inflation and rounded up to €12 before charging starts.)

f. The user charge will be initially be applied to UK-registered HGVs in a rolling manner, as their VED is renewed on or after the start date for charging for UK vehicles on 1 April 2014.

g. Charging for foreign vehicles will also start in April 2014, 11 months earlier than planned at the time of the consultation, provided procurement processes can be successfully completed in time. Further details are below in the section on delivering charging.

h. Rigid vehicles towing a trailer will pay charges around 30% higher than for the rigid vehicle alone. See table 2 below. A UK vehicle towing a trailer and paying VED band C, for example, will pay charge band C(T). For UK vehicles, the accompanying VED reduction will be equal to the amount of charge for the majority of vehicles; for further information see the section below on offsetting measures.

i. The separate charge band in the consultation for Combined Transport vehicles has been removed, and such vehicles are now charged simply with respect to their axle configuration and weight, which places them in band E. This is to avoid the difficulty of having to confirm whether a foreign vehicle fitted into the definition of Combined Transport when the driver was paying the charge. For UK vehicles, the accompanying reduction in VED will be the same as the charge; Combined Transport vehicles are not subject to the same minimum rates of VED prescribed under EU legislation as for other vehicles.

j. The charge will need to be paid before using a UK road, to make enforcement easier.

k. Refunds will be available for UK vehicles on the same criteria that are currently available for VED refunds, for whole outstanding months. The refund will be such that the vehicle has effectively paid a monthly charge for the period before the refund.
l. Refunds for foreign vehicles will be available for whole outstanding months, **at a rate equal to the monthly charge**.

m. The Directive stipulates that the daily, weekly and monthly user charge rates must be no more than 2%, 5% and 10% respectively of the annual rate. This explains the planned lower daily user charges in bands A-D.

n. Special Types Vehicles (large, indivisible loads) will be charged in band G. The offsetting reduction in VED will be equal to the charge.

### Table 1 Charge rates for rigid (non-articulated) vehicles without trailers (or with trailers of less than 4,000 kg), and articulated vehicles

<table>
<thead>
<tr>
<th>Band</th>
<th>Day</th>
<th>Week</th>
<th>Month</th>
<th>6 month</th>
<th>Year</th>
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<tr>
<td>A</td>
<td>£1.70</td>
<td>£4.25</td>
<td>£8.50</td>
<td>£51.00</td>
<td>£85.00</td>
</tr>
<tr>
<td>B</td>
<td>£2.10</td>
<td>£5.25</td>
<td>£10.50</td>
<td>£63.00</td>
<td>£105.00</td>
</tr>
<tr>
<td>C</td>
<td>£4.80</td>
<td>£12.00</td>
<td>£24.00</td>
<td>£144.00</td>
<td>£240.00</td>
</tr>
<tr>
<td>D</td>
<td>£7.00</td>
<td>£17.50</td>
<td>£35.00</td>
<td>£210.00</td>
<td>£350.00</td>
</tr>
<tr>
<td>E</td>
<td>£10.00</td>
<td>£32.00</td>
<td>£64.00</td>
<td>£384.00</td>
<td>£640.00</td>
</tr>
<tr>
<td>F</td>
<td>£10.00</td>
<td>£40.50</td>
<td>£81.00</td>
<td>£486.00</td>
<td>£810.00</td>
</tr>
<tr>
<td>G</td>
<td>£10.00</td>
<td>£50.00</td>
<td>£100.00</td>
<td>£600.00</td>
<td>£1,000.00</td>
</tr>
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### Table 2 Charges rates for rigid (non-articulated) vehicles with trailers weighing 4,000 kg or more

<table>
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<tr>
<th>Band</th>
<th>Day</th>
<th>Week</th>
<th>Month</th>
<th>6 month</th>
<th>Year</th>
</tr>
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<tr>
<td>B(T)</td>
<td>£2.70</td>
<td>£6.75</td>
<td>£13.50</td>
<td>£81.00</td>
<td>£135.00</td>
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<tr>
<td>C(T)</td>
<td>£6.20</td>
<td>£15.50</td>
<td>£31.00</td>
<td>£186.00</td>
<td>£310.00</td>
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<td>D(T)</td>
<td>£9.00</td>
<td>£22.50</td>
<td>£45.00</td>
<td>£270.00</td>
<td>£450.00</td>
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<tr>
<td>E(T)</td>
<td>£10.00</td>
<td>£41.50</td>
<td>£83.00</td>
<td>£498.00</td>
<td>£830.00</td>
</tr>
</tbody>
</table>

2.3 In practice, we expect more than 90% of foreign-registered HGVs to fall into bands E, F or G. And aligning user charges with existing UK VED bands will make the administration of the charge for UK-registered HGVs quick and easy.
As explained in the consultation document, the priority of charging initially is a fairer arrangement for UK hauliers. However we will be actively examining how charges could be varied depending on a vehicle’s environmental performance in the future. This will involve consideration of the full range of costs and benefits involved, the relationship with the existing EU directive and the scope for securing EU agreement for amending it. For example, the directive currently sets an absolute limit on the daily charge, meaning that vehicles with high emissions cannot be charged more. We will continue to make the case in discussions on the future shape of the Eurovignette Directive that there should be more flexibility in the setting of the daily charge, allowing a higher limit, at least for vehicles that are less environmentally friendly. We will hold discussions with industry representatives, ahead of the introduction of charging, on the practicalities of differential emissions-based charges, so we could change the scheme to include them quickly following an EU agreement to allow higher charge limits.

Details on measures introduced alongside charging to offset costs for UK hauliers

As indicated in the consultation document, the introduction of user charging should result in no more than £50 per year extra costs for the vast majority of UK-registered HGVs. The measures introduced alongside charging to achieve this, as suggested in the consultation document, will be reductions in VED and the introduction of grants for vehicles with Reduced Pollution Certificates. We estimate that around 94% of vehicles will pay no more than now. This estimate is unchanged since the consultation, despite now including all relevant vehicles in the analysis.

Illustrative figures are provided in annex A. The details of the new VED levels will be set by the Chancellor at the next Budget. This reflects the fact that:

a. VED rates are subject to changes in the exchange rate (since minimum VED levels are set in Euros).

b. It is possible that some of the VED rates which currently differ by small amounts (say £1 or £5) may be merged to simplify the structure.

c. Final verification of all of the figures needs to be completed.

The VED reductions will be in place by the time charging commences.

The exchange rate used to provide the figures in the annex, and to show the percentages of UK hauliers that would pay no more than now, is the
same as used for illustrative purposes in the consultation, that is, £1=€1.16. The exchange rate used will be reviewed nearer the time when the new VED rates need to be set.

2.9 Annex A includes information on VED levels for rigid vehicles with trailers. This analysis, covering around 7,000 UK vehicles, had not been completed at the time of the consultation document. Note that the VED structure for such vehicles will in future be separated into vehicles with and without “road friendly suspension”, to maximise the scope for reducing VED.

2.10 Despite the charge for Combined Transport vehicles increasing since the consultation, all such vehicles will continue to pay no more than now, since there is no minimum rate of VED (as set out in Directive 92/106/EEC).

2.11 “Special Types Vehicles” (with a large, indivisible load) will also pay no more than now.

2.12 Note that the legislation introduces a very small change in the meaning of “revenue weight” for UK vehicles. At the moment, a vehicle taxed at 15,000 kg, for example, can carry up to and including 15,000 kg. Once charging is introduced, the vehicle will be able to carry up to but not including 15,000 kg. This will not have an impact in the real world, because it is not possible to load, or weigh for enforcement purposes, to this level of precision. The change is being made, however, to ensure full compliance with European law on minimum rates of VED (hence being included in this section of the document). Minimum rates are specified in terms of “less than 15,000 kg”, and ensuring that VED (and charge) bands align fully with this allows VED rates to be reduced more effectively to the minimum rates. There will be no need for vehicles to change their registered weight, or for the description of VED bands to change. The only change is with respect to the meaning of revenue weight and how enforcement is carried out - although as stressed above, this will in practice have no impact. This change will be achieved through amending relevant regulations.

2.13 In addition to reductions in VED rates, we will introduce a new grant for vehicles with Reduced Pollution Certificates. This approach would entail replacing the existing VED reductions for vehicles holding a valid RPC with grants of the same economic value. This reflects the environmental benefits of these vehicles having been purchased. The details of how the new grant will be administered will be worked out nearer the time.
Details on administering the charge

2.14 There are no significant changes to how the charge would be administered compared to the proposals in the consultation document.

2.15 Charges for UK vehicles will be paid at the same time as and for the same period as VED, in a single payment. This will entail no additional administration or compliance costs for UK hauliers (and virtually none for DVLA). New charge and VED amounts will be calculated automatically and the amount paid will, for most vehicles, be the same as previously.

2.16 Charges for foreign vehicles will be administered by a contractor, with charges being payable, for example, through a webpage or using terminals on ferries.

Details on enforcing the charge

2.17 The headlines of the enforcement strategy have not changed since the consultation. Both DVLA and VOSA will work within their existing processes to enforce against non-compliant UK and foreign vehicles (note that this will be DVA in Northern Ireland). A number of consultation responses asked for further information on enforcement. We can now confirm that:

a. VOSA will target vehicles failing to comply with the charge.

b. We are actively looking into targeted stopping of vehicles known to be non-compliant, using Automatic Number Plate Recognition to perform “live” checks against a database of vehicles that have paid.

c. We are actively looking at doing such checks at or near ports.

d. Drivers that are unable to give a satisfactory UK address will be required to pay an on-the-spot fine (technically known as a Fixed Penalty Notice) of £200 in the form of a financial deposit. Enforcement officers will have the power to immobilise a vehicle until this is paid.

e. DVLA will be able to enforce against UK vehicles that have not paid the charge, using the records they hold of vehicles, renewal dates, and the address of the operator. There will be a new “supplement”, like that currently paid by those failing to pay VED, of £200 to cover failure to pay the charge.
f. For cases that go to court, the maximum possible fine is £5,000.

g. The law will also allow enforcement against those that have paid too low a charge rate.

h. A website will be provided for drivers to check that a charge has been paid for the vehicle they are driving.

i. The website will be available for anyone to use, meaning that anybody will be able to check whether a vehicle is compliant with the charge or not, and potentially report vehicles that are non-compliant.

j. In theory, vehicles carrying exactly their revenue weight will be illegally loaded and could be enforced against (as discussed further above). In practice, weighing cannot be this accurate, and there will be no change on the ground.

2.18 There is time between now and 2014 to develop the details of enforcement processes more fully, together with cost and benefit analyses of different levels of enforcement activity. Note that there will always be aspects of enforcement that it would be prudent not to reveal - precise location and frequency of checks being an obvious example.

Details on delivering charging

2.19 The consultation document said that, assuming Parliamentary time was available to deliver the necessary legislation, charging for UK vehicles would begin in April 2014, and charging for foreign vehicles in March 2015. This gap was due to having the charge for UK vehicles paid at the same time as VED. This meant the lowest possible administration costs, but it meant charging for UK operators is introduced progressively as different vehicles renew their VED at different times. The consultation took the view that all UK vehicles needed to be charged before foreign ones were, to ensure there as no discrimination against foreign hauliers.

2.20 However the Government is now planning to introduce charging for foreign vehicles at the same time as for UK vehicles, or as soon as possible afterwards. In practice, there is no discrimination against foreign hauliers. We are simply restructuring the way we collect a contribution from operators towards the road network. UK operators currently pay VED to this end. In the future, they will pay VED and a charge. Whilst during the transitional period at the start of charging, some will be paying VED, and some both VED and the charge, in practice they will all be making an equal contribution.
2.21 There is no discrimination in practice between UK and foreign operators. The amount paid by UK operators during the transitional year (comprising either VED and charge, or only VED) is the same in practical terms, for almost all vehicles, to the amount paid by foreign ones (who will pay the UK charge, and an equivalent to VED in their country of registration).

2.22 These implementation dates of course assume the Bill successfully passes through Parliament and receives Royal Assent.

2.23 Importantly, the start date for foreign vehicle charging is also dependent on successfully completing the necessary procurement processes more quickly than originally envisaged. The Government will ensure that there is sufficient time to develop a robust contract and conduct the required tendering process to prescribed timetables, and for the contractor to develop, implement and test the charging system for foreign vehicles such that it can operate without problems from day one. If this means a start date of April 2014 cannot be achieved, or entails too high a risk, then charging for foreign operators will start as soon as possible after this date.

2.24 To achieve this timetable, changes will be made to VED in the Budget and Finance Bill of 2014.

2.25 Note that the Government does not intend the introduction of HGV charging to reduce the ability of Devolved Administrations to introduce charging or tolling schemes, if they wish. If such a proposal is brought forward, the Government will make changes to the HGV charging scheme if necessary. The Bill already allows future changes to the geographical coverage of HGV charging, for example.
3. Summary of consultation responses

3.1 The Government consulted in detail on its charging proposals in January 2012. There were a large number of responses – a total of 92, from companies, interest groups, public sector organisations and individuals.

3.2 The responses were supportive of the proposals.

- 71% agreed that the proposals should be implemented.
- 74% agreed that the objective should be a fairer arrangement for UK hauliers.
- of those supporting the objective, the percentage agreeing that the proposals should be implemented rose to 77%.
- majorities agreed that the charge should be paid alongside VED (64%), with the charge bands (67%), the proposals for enforcement (59%), that UK hauliers be compensated as far as possible (93%), and with the option of cutting VED rates (78%).
- the consultation also asked about the alternative of distance-based charging, but only 25% supported this if it meant large cost increases for UK hauliers.

3.3 Comments were received from three major industry representative groups.

- the Road Haulage Association was strongly supportive of the proposals, recognising that they go as far as possible under current EU law, and called for the proposals to be implemented as soon as possible.
- the Freight Transport Association was supportive of the proposals, provided that the Government was clearer on the commitment to introduce measures alongside charging to ensure that hauliers pay no more than now wherever possible, and asked for further clarification on enforcement.
- the British Vehicle Rental and Leasing Association, which represents companies leasing vehicles to operators, raised a number of concerns, for example seeking a commitment that the proposed grant for Reduced Pollution Certificates could be paid to large (rental) fleets within State Aid rules.
3.4 There were many detailed comments, which the Government has considered and have helped formed the plans contained in this document. Annex B includes further information on each of the consultation questions, together with the Government’s view where appropriate.

Department for Transport

October 2012
Annex A  Details of amounts paid by UK vehicles

This annex gives further information on what the charge and VED rates will be for UK vehicles. The Government is now confirming that VED will be reduced when charging is introduced, so far as is possible, to ensure that the vast majority of UK hauliers pay no more than now.

We have provided tables (published on the internet) that show, for each type of vehicle, how much VED and charge will be paid, and whether the amount is any different than now. For most vehicles, it will be the same.

The figures remain illustrative at this point. The exact details of the new VED levels will be set by the Chancellor in the next Budget and may be adjusted before then. This reflects the fact that:

- VED rates are subject to changes in the exchange rate (since minimum VED levels are set in Euros).
- It is possible that some of the VED rates which currently differ by small amounts (say £1 or £5) may be merged to simplify the structure.
- Final verification of all of the figures needs to be completed.

Note that alongside the reductions in VED, a new grant for vehicles with Reduced Pollution Certificate will be introduced. Further information is also contained in this annex below. The amounts paid in charge and VED for such vehicles are therefore shown in the following tables, but bear in mind that such vehicles will also receive a grant. This means that, as with non-RPC vehicles, the vast majority will pay no more than now.

A summary of compensation levels

Taking into account all vehicle types paying the charge (“conventional” rigid and articulated vehicles, rigid vehicles with trailers, Combined Transport, and Special Types Vehicles) the headline compensation figures are the same as we published in the consultation in January. An estimated 94% of vehicles will pay no more than now, with an estimated 98% paying no more than £50 a year extra.
For around 35% of rigid vehicles towing a trailer that do not have “road friendly” suspension, the total amount payable in VED and charge will increase by more than £50 a year. This applies to under 700 vehicles, out of the total number of UK vehicles paying the charge of around 260,000. This is partly due to these vehicles currently paying relatively low levels of VED. Indeed, some of these vehicles are currently paying VED that is below the minimum rates set in EU law. Further details are set out below.

Details for all vehicles apart from rigid vehicles with trailers

VED rates can be reduced to the minimum rates set in the Eurovignette Directive. The Government is committing to reduce VED by an amount equal to the charge, or as low as permitted by the Directive, to ensure that as many UK vehicles as possible pay no more than now.

The minimum rates are set in Euros, and are therefore subject to exchange rate fluctuations. In the consultation document in January, an illustrative rate of £1=€1.16 was used. Since then, sterling has appreciated to around the €1.20 level. This means that the minimum VED rates, when expressed in pounds, could be slightly lower, improving the number of vehicles paying no more than now. However the Government currently intends to continue using the exchange rate of €1.16 to calculate the minimum VED rates. This means there is some protection against further exchange rate changes in the future, reducing the chance that VED rates will have to be changed again. In practice, the Directive allows a 5% leeway for exchange rate fluctuations, which means VED rates would not need changing as long as the exchange rate remained above roughly €1.10.

Since the exchange rate used has not changed since the consultation in January, the detailed figures are the same as was published alongside the consultation on the DfT website. The table can be found at www.dft.gov.uk/consultations/dft-2012-03.

Note that all Combined Transport and Special Types Vehicles will have VED reduced by the amount they pay in charge.

Details for rigid vehicles with trailers

Rigid, non-articulated HGVs may tow trailers. The consultation document included an illustrative single charge rate for such vehicles, but noted that further development might be necessary. It also signalled that analysis of how much these vehicles would pay had not been completed.

We have now done this analysis. A new charge structure has been developed for such vehicles. To minimise the additional complexity, it is that the charge rate for a rigid vehicle with a trailer is simply that for a rigid vehicle, plus around 30%.
There is a significant complication. Minimum VED rates are defined in European legislation based on weight and number of axles, which for rigid vehicles pulling trailers means the number of axles of both the HGV itself and the trailer. However the amount of VED currently paid does not take account of the number of axles on the trailer; instead, there is a supplement paid based on the weight of the trailer. Since it is not used to calculate the VED rate, the number of trailer axles is not recorded in the DVLA database.

This means that we cannot know for certain, for an individual vehicle, how many axles it has, what the relevant minimum rate of VED is, and therefore how much VED can be reduced for that vehicle. The approach taken was to infer the number of axles of the trailer from the weight of the vehicle recorded on the database. There are legal limits on the weight that can be carried by a rigid plus trailer combination. So, for example, a vehicle weighing a total of 37,000 kg cannot legally have four axles; therefore we can infer that it must have five axles. From data for the number of axles on the HGV itself, which is recorded, we can infer the number of axles on the trailer. Which means the relevant minimum rate of VED can in turn be inferred.

It is important to know that we have had to make conservative assumptions during this process, to ensure that we do not inadvertently set VED for some vehicles below the minimum rates. This means that some vehicles will have a different number of axles to that which we have inferred for that vehicle, and so could in theory have a lower rate of VED. However we cannot know this, and cannot apply that lower rate of VED, because the number of trailer axles is not recorded.

There are around 7,000 such vehicles registered in the UK, compared to around 250,000 rigid and articulated vehicles. The compensation levels for these 7,000 vehicles are not as good as for the rest of the fleet. This is because they are currently taxed at relatively low levels, meaning there is less scope for reducing VED. As with other vehicles, VED cannot fall below the relevant minimum level set in the Eurovignette Directive.

Given that the levels of compensation are not as high as for other vehicles, we will be separating out tax for these vehicles into two groups: those with and without “road friendly” suspension. The Eurovignette Directive allows lower rates of VED for vehicles with road friendly suspension, meaning that compensation levels for such vehicles can be better. More than 5,000 of rigid HGVs with trailers have road friendly suspension, with less than 2,000 not having it.

Taking this into account, an estimated 73% of rigid vehicles pulling trailers will pay no more than they do now, with an estimated 88% paying no more than £50 a year extra. For vehicles with road friendly suspension, these estimated figures increase to 88% and 96% respectively. For the 2,000 vehicles without it, the estimates are 30% and 65% respectively, although the impact may be lower than this where the operator chooses to downplate the drawing vehicle.
Unfortunately a few (around 40 vehicles) will be paying more than £300 extra. This is not entirely because of the introduction of charging; some of these vehicles appear already to be paying a rate of VED that is too low, below the legally permitted minimum rates. These are all vehicles without road friendly suspension, where the lower minimum rates cannot help. Hauliers with such vehicles could consider replating their vehicles to a different weight, or no longer using a trailer with that particular vehicle, to reduce or eliminate the additional costs.

We have produced a table showing, for each vehicle combination, the amount in VED currently paid, the inferred minimum rate of VED, the charge that would apply, and how much will be paid after charging is introduced. It also shows the estimated number of vehicles in each category based on a recent extract of the DVLA database. Note that the relevant weight is the total weight of the rigid HGV plus that of the trailer. The table can be found at www.dft.gov.uk/consultations/dft-2012-03.

There are a large number of cells in the table, showing the complexity involved in marrying up the current VED system with the Eurovignette Directive minimum rates. However the resulting VED system is nothing like as complicated as the table suggests. The current calculations, subject to further checking and possible rationalisation, suggest having 19 different VED levels for these vehicles. But this is of comparable complexity to the current system, which has four relevant VED bands, each with a separate rate for with and without Reduced Pollution Certificate, and can be combined with a trailer in two different weight categories; this gives 16 possible VED levels, and this is before “exception” rates for certain vehicles of particular weights.

Vehicles with Reduced Pollution Certificates (RPCs)

RPCs were made available to vehicles that achieved certain emissions standards before they were mandatory. These vehicles currently receive a discount on VED, of £5 to £500 depending on the VED band, which reflects the environmental contribution made by the vehicle. A grant of the same value as the current VED discount will be made available to RPC holders. Therefore, the VED tables referred to in the above sections are applicable for all vehicles, with and without RPCs.

We will work out the details for claiming and paying the grant in due course. There is no need to legislate for the provision of grants in the HGV road user levy Bill, since the Government already has these powers.

The grant is intended to reflect the environmental benefit of the vehicle, and as such will be allowed under European legislation which specifically permits payments for environmental purposes.
Annex B  Information on each of the consultation questions

The Government was keen to receive the views of as many people as possible and provided a number of different ways of being able to respond to the consultation. Respondents could reply directly via the Government’s website by completing an on-line form or by completing a questionnaire and emailing a specific consultation email address. Alternatively respondents were also able to send their responses in writing directly to the Government.

In total the Government received 92 responses during the consultation period.

<table>
<thead>
<tr>
<th>Category</th>
<th>Responses</th>
</tr>
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<tbody>
<tr>
<td>Large Company</td>
<td>25</td>
</tr>
<tr>
<td>Interest Group</td>
<td>21</td>
</tr>
<tr>
<td>Small - Medium Enterprise</td>
<td>20</td>
</tr>
<tr>
<td>Member of the public</td>
<td>15</td>
</tr>
<tr>
<td>Local Government</td>
<td>9</td>
</tr>
<tr>
<td>Central Government</td>
<td>2</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>92</strong></td>
</tr>
</tbody>
</table>

Not every respondent answered every consultation question and in some cases the responses received did not express a clear opinion in favour, or against, the Government’s plans. Only respondents answering the specific questions have been included in the analysis, but there were also some general responses that the Government has considered in formulating its response.

The following analysis looks both at the responses to the yes/no questions, but also considers comments written in the accompanying boxes. Comments were noted when raised by several respondents, but also when raised by only a few if they were particular issues that hadn’t arisen before.

Examples of comments are also included below.
Consultation questions on charging

Question 1  Do you agree with the proposal whereby keepers of UK-registered HGVs will pay the charge at the same time and for the same period as Vehicle Excise Duty, and payments by operators of foreign-registered HGVs will be collected by a private contractor?  If not, what would you propose?

There were 87 specific responses to the question with 56 (64%) agreeing with the proposition and 31 (36%) disagreeing with the proposals. 50 respondents commented. As this was the first question, some respondents used it as an opportunity to comment on the overall proposals. Responses to such comments are included under the relevant question below. The following relates only to the issue of how the charge is administered for UK and foreign vehicles.

Main themes

- The proposal needs a more flexible system. (24% of responses)
- Drivers should pay on entry to UK e.g. at the Port. (14% of responses)
- Introduce a European Vignette system. (12% of responses)
- VED and Toll collection should be combined. (10% of responses)
- The high vehicle fuel duty price is already a toll for HGVs. (14% of responses)
- UK hauliers should not pay for both the VED and the HGV Charge. (12% of responses)

Examples of comments:

(relationing specifically to the question on linking charge and VED payment processes)

“The proposals seem to offer the lowest cost solution to implementing charges”.

“Payment of the charge at the same time and for the same period as Vehicle Excise Duty is sensible and will reduce the amount of time and administration required to make payment and simplify the overall process”.

“This represents a pragmatic entry-level solution with no roadmap for development which may prove restrictive in the future”.

(relating to the proposals more generally)

“UK operators should pay either VED or road user charge, not both”.

“I fail to understand why owners of HGV drivers have to pay extra to drive along UK roads than the ordinary car driver. HGV drivers have to pay extra as it is in VED than ordinary car owners”.

“These proposals will enable Scottish and other UK-based operators to compete more effectively with foreign–based operators”.

“A key feature of the UK vignette will be the availability of information to enforcement authorities on those foreign vehicles in the UK with a valid vignette. This information should be subject to a service level agreement supported by proportionate incentives and penalties for the contractor”.

The Government’s response

We proposed linking the charge for UK hauliers to VED to simplify the administration, both for Government and for hauliers. For the latter, there is no additional compliance or administration cost. This means UK hauliers will not have the flexibility of paying daily charges, for example, but this should not matter because 94% of HGVs will pay no more than now in any case.

On requiring foreign drivers to pay on entry, this is similar to what we have proposed. Foreign drivers will have to pay before they drive on UK roads, and we expect there to be terminals on ferries to allow them to pay.

On there being a Europe-wide vignette system: The option of joining the existing “Eurovignette” scheme was considered. However this would not have met the objective. The daily charge rates are lower for foreign vehicles, reducing the benefit to the UK, and the annual charges are higher, making it harder to cut VED by equivalent amounts. Many other European countries have now moved to some form of distance-based charging. Different circumstances in different countries mean that a single charging system is not appropriate.

Question 2 Do you agree with the proposed charges and charge bands? If not, what would you propose?

Out of the 78 responses, 52 (67%) agreed with the proposal and 26 (33%) did not. There were 50 written replies. The main comments were:

Main themes

- Content with proposals set out in the Consultation document (20% of responses)
• Concern that Vehicle Excise Duty will remain in place, when charges are introduced (16% of responses)
• More information needed on how it will work in practice (16% of responses)
• Need to comply with European Regulations (16% of responses)
• Need for it to be cost neutral (14% of responses)
• Need for Distance fees (10% of responses)
• Bands F and G damage road surface (10% of responses)

Examples of comments
“Essentially cost neutral for vast majority of our distribution fleet”.

“As long as allowances are made in relation to VED of UK HGVs”

“Charges proposed are very low compared with what is levied in a number of European countries and compared to what would be achievable from a distance-based charge. The proposed charge does not accurately reflect damage to roads, air pollution and other environmental factors”.

“Charging is currently based on fuel costs and not the overall costs that HGVs pose on the economy (roads and environment)”.

“We agree it is a workable approach to treating UK and overseas hauliers equitably”.

“The right price band signals to operators to invest more in efficient logistics, less polluting vehicles and more sustainable transport at large. This also gives possible new tools to fight congestion with possibilities to vary charges at different times of the day to get heavy lorries off the roads at peak periods”.

“DHL welcomes the UK Government’s efforts to deliver a level-playing field for hauliers across Europe and understands what the UK government is trying to achieve with the proposed Charge”.

“The charges and charge bands have been developed by government in stages, not least in response to significant discussion with the RHA and the final proposal is acceptable. It is to be regretted that a small proportion (6%) of UK trucks will be charged marginally more VED (up to £79, applied to four-axled artics) but member meetings have accepted that the government has done what it can to minimise these additional charges within a meaningful scheme”.

“FTA supports the seven band charging structure. Clarification is needed on the treatment of vehicles used on combined transport operations. VED rates for these vehicles are already lower than standard VED rates for comparable
vehicles. Under current proposals, operators of combined transport vehicles would be unduly penalised by the introduction of a vignette”.

The Government’s response
The Government’s planned charges do comply with European law, and are cost neutral for the vast majority of UK vehicles, since there will be reductions in VED introduced alongside charging.

The charges are the maximum that can be achieved within EU law for a time-based charge, taking into account the objective of ensuring a fairer arrangement for UK hauliers, which necessitates there being no cost increases for UK hauliers where possible. It is true that charges are lower than in some other countries that have distance-based charges. This is discussed below.

Combined Transport vehicles will pay no more than now, as detailed in the main section of this document.

Question 3 Are you content with the proposals for enforcing the user charge?
Out of the 83 responses, 49 (59%) agreed with the proposal and 34 (41%) did not. There were 42 written replies.

Main themes
- Stated their concern about avoidance of the charge (83% of responses)
- Wanted enforcement of the charge (45% of responses)
- Asked for about how will it be implemented (43% of responses)
- Concern about HGV traffic between Ireland and Northern Ireland (16% of responses)
- Expressed concern about delays at border points, for example entering and leaving Ports (14% of responses)
- Consider that the proposals are unworkable (10% of responses)

Examples of comments
“It is agreed that the DVLA offers the simplest method of collecting the charges on behalf of UK hauliers and that the police and VOSA have systems in place to ensure enforcement for UK and EU hauliers alike”.

“KCC supports the proposal to extend the enforcement activity of the Vehicle and Operator Services Agency (VOSA) to include compliance with the proposed
scheme. This offers a cost-effective solution and utilises an existing agency with a proven track record in the regulation and compliance of vehicles and operators”.

“DfT has not provided sufficient details on how enforcement will work”.

“We believe it will be particularly difficult to enforce given the land border between Republic of Ireland and Northern Ireland”.

“Extending the remit of VOSA seems sensible and is likely to be the most cost effective solution, given that there would be no costs for setting up a new enforcement body and that VOSA is already able to access the information required to enforce the charges”.

“The enforcement system as proposed will only work satisfactorily if payment is strictly in advance”.

“There should be no additional enforcement activity within ports in the interests of speedy movement of passengers and freight though UK ports”.

“The success of any charging regime is dependent on its enforcement policy. A proactive approach for identifying non-paying vehicle is required, for example spot checks using ANPR equipment where passing vehicles are checked for compliance with the charge”.

“Clearly strong enforcement will be necessary for the charge to be effective”.

“There will be a range of scams to avoid payment”.

The Government’s response
It would not be sensible for the Government to reveal too much detail on enforcement strategy, as this would undermine that strategy. However significantly more information is provided in the section “Details on enforcing the charge”.

Consultation questions on minimising the additional burden for UK registered hauliers:

Question 4 Do you agree that the effect of the charge on UK hauliers should be compensated as far as is possible within EU rules?
Out of the 81 responses, 75 (93%) agreed with the proposal and 6 (7%) did not. There were 38 written replies.
Main themes

- Government needs to ensure that UK hauliers are treated fairly compared to European hauliers (52% of responses)
- Think that the HGV Charge will be cost neutral to respondents (42% of responses)
- The charge should reflect the environmental impact of HGVs and aim to encourage more environmentally friendly vehicles (10% of responses)

Examples of comments

“The heaviest HGVs cause the most damage to UK roads so should therefore attract the greater charge for road use”.

“If we pay the same as every one else then that’s fair”.

“The proposed scheme is a fair approach compared to practice in other countries – for instance the prevalence of tolled motorways in other European countries puts UK hauliers at a disadvantage”.

“If the objective of the charge is to ensure a more level playing field between UK and overseas based hauliers then this is the correct approach. However, we would have preferred to see a more radical scheme that goes further by reducing the environmental, safety impacts and road congestion”.

“Although a small percentage of HGVs may pay slightly more, we anticipate that this should be outweighed by UK HGV operators having the opportunity to generate more revenue, due to rectifying the advantage enjoyed by overseas operators”.

“FTA believes that in order to further reduce the number of UK registered HGVs which will lose out as a result of the introduction, the minimum rates applicable should be based on air suspension, where this is present on the tractive unit or the rigid HGV. There is no reason why the onus could not be placed on the operator to tax the HGV at the appropriate rate for the suspension system used, in the same way as there is already a responsibility to tax the vehicle to reflect axle configuration and gross weight. By taking account of road friendly suspension, there would also be greater flexibility in the compensation mechanism in relation to exchange rate fluctuations, thereby reducing the exposure of operators to future cost rises”.

The Government’s response

We welcome the support for the plans.
As for potentially using the lower minimum rates for vehicles with “road friendly” suspensions to reduce still further the number of vehicles that pay more – this is something the Government considered. However it would introduce additional complexity into the VED system, for a relatively small gain. We will keep this position under review if exchange rates change, impacting on the minimum rates, which are set in Euros. However we have built some safety margins into the VED rates to allow for some changes in exchange rates.

We have now done additional work looking at charge and VED rates for rigid HGVs with trailers. For these vehicles, we are planning to have separate VED rates for vehicles with road friendly suspension, to minimise the impact of introducing charging.

Some respondents suggested less of an emphasis on ensuring that UK vehicles pay no more than now, pointing out that other objectives could be achieved through a different (probably distance-based) scheme. The Government has said that once charging is implemented it will consider a “version 2” where charges are related to the environmental performance of the vehicle. However there are potential technical and legal issues to overcome.

**Question 5  Do you agree with the option presented here of reductions in VED rates? If not, please offer alternative proposals.**

Out of the 83 responses, 65 (78%) agreed with the proposal and 18 (22%) did not. There were 33 written replies.

**Examples of comments**

“We agree that the charge to UK hauliers must be offset in the form of a reduction in VED and the proposal to ask for payment from UK hauliers at Vehicle Excise Duty renewal time is sensible”.

“The fuel duty is already a distance based charge and disincentive”.

“We advocate ultimately replacing VED with distance based charging”.

“Reductions in VED rates equivalent to the cost of the charge seem the most feasible approach for the UK Government to take”.

**The Government’s response**

In the consultation, we suggested that reductions in VED were a possible way of ensuring UK hauliers pay no more. Now, we are confirming that VED will be reduced alongside the introduction of charging. Subject to caveats presented in the main document, the new VED rates are likely to be those presented in this document. The details will be confirmed by the Chancellor in the Budget.
Consultation questions on the impacts of charging

Question 6   The Government is not aware of any specific evidence on the price sensitivity of transport by foreign-registered HGVs in the UK, or whether there are markets which are particularly price sensitive. Do you have any information on this issue?

Out of the 92 responses, there were 61 written replies.

Examples of comments

“Transport is very price-competitive and can be fast-changing and short-term. Gathering reliable specific evidence is very difficult. However, there was an unequivocal message from members that the additional charge will be beneficial to UK firms and that, seen in reverse, a £1,000 increase in net road tax for UK firms would be seen as damaging to competitiveness”.

“The introduction of the UK vignette will have a significant impact on the market for road haulage services in Northern Ireland, where the land boundary with the Irish Republic means cross-border traffic is an integral part of business activity”.

“In general the haulage industry operates a business model of high volumes and low margins to achieve profitability. This does make the industry price sensitive, particularly to rising input costs including fuel and staffing costs”.

“At a time of extreme economic pressure it is possible that some foreign hauliers will divert routes to avoid the charge”.

“The logistics industry has always been extremely price sensitive. For example other truck tolling schemes in Europe have shown how this can work: The German truck tolling system rewards the use of Euro 5 vehicles and this has led to a much cleaner fleet of trucks being used there”.

The Government’s response

The consultation elicited many views suggesting that charging would have an impact, but quantifying the impact remains a challenge.

On the issue of impact on cross-border traffic between Ireland and Northern Ireland, it seems likely that a greater proportion of these vehicles doing short journeys will be below 12 tonnes, and the charge will not apply to them. For larger vehicles which are regularly travelling into Northern Ireland, it may be cheaper to pay an annual charge than a daily one.
Question 7 If you are a road transport operator licensed elsewhere in the EU or a customer of such an operator, how might the HGV user charge affect your business (please justify by evidence where possible)?

Out of the 92 responses, there were 14 written replies.

Main themes

- Expect a cost increase to occur (28% of responses)
- Has a potential impact on their business (21% of responses)
- Will have no impact on their business (21% of responses)

Examples of comments

“£10 per day will not affect foreign hauliers or anyone else; this should have been put in place 30+ years ago”.

“It will create a more level playing field”.

“About 75% of UK/Europe trade is already composed of unaccompanied trailers and this is likely to increase. This is mainly determined by a drive to cut driver costs and reduce crossing costs”.

“Many of our contracts contain provisions that allow 'legislative costs' to be re-charged to the customer who will decide whether to pass on costs to the end-user”.

“The cost of the proposed road tax would be absorbed without any effect on the customer as it would be less than 0.5% of the freight cost”.

The Government’s response

Again, the consultation elicited views suggesting that charging could have some impact, but quantification is difficult.

The figure of 75% of UK/Europe trade being unaccompanied trailers does not match the official statistics published by DfT. This shows 26% of such vehicles being unaccompanied trailers in 2009. Table 2.1, Road Freight Statistics 2009.

Consultation questions on other options for HGV road charging:

Question 8 What do you consider to be the likely advantages and disadvantages of a charging system based on distance travelled (as in Germany) as opposed to a time-based charge?

Out of the 92 responses, there were 64 written replies.
Main themes

- In favour of introducing a distance charge (42% of responses)
- Think that there will be increase costs (39% of responses)
- Against introduction of a distance charge (37% of responses)
- Anticipate difficulties in enforcement (25% of responses)
- In favour of time charging system (22 per cent of responses)

Examples of comments

“A distance based charge will provide a more level playing field for the transport of those commodities that have a competing movement by rail as well as road”.

“Establishing a distance based system, even with low or even flat rates at this stage, would enable future changes to be implemented within the established technology. We note that under a distance based system the rebate process would be less straightforward for UK hauliers, and models such as used in Germany could offer options”.

“The question is how practicable such a system would be in the absence of a general scheme of road user charging”.

“Time-based schemes are prone to higher levels of fraud as vehicles are only checked occasionally for their compliance with the scheme so many drivers may feel they are unlikely to be caught if the don’t pay”.

“A distance travelled system would appear to be fairer, but would be a nightmare to police and open to abuse”.

The Government’s response

We agree that with a distance-based charge it would be likely that UK operators would face increases in costs. This is an important reason why we have not proposed a distance-based charge.

Question 9  If a distance-based charging system were adopted, should it apply to all roads or only certain categories of roads?

Out of the 92 responses, there were 57 written replies.

Main themes

- The charge should apply to all roads (51% of responses)
The charge to apply only to Motorways (2% of responses)

The charge to apply to Dual carriageways and motorways (25% of responses)

No distance charge (19% of responses)

Examples of comments

“FTA believes a per kilometre charge should apply to all roads. Applying it only to motorways and trunk roads would be inappropriate as it would encourage long-distance traffic onto unsuitable local roads”.

“If we fail to apply the scheme to all roads it would lead to extensive use of A roads and even B roads”.

“Within the relatively small geographic area of the Northern Ireland region, NIGTA members can foresee how toll charging could encourage HGVs onto roads unsuitable for such traffic”.

The Government’s response

Whilst most HGV traffic is on major roads, the consultation responses highlight a risk of having a charge focussed just on these roads – that vehicles might divert onto other, less suitable roads. This was taken into consideration when choosing to implement a time-based charge, which covers all roads without the running costs that would be associated with a distance-based charge for all roads.

Question 10 Would you prefer a distance-based system even if this meant large cost increases for UK operators?

Main Themes

Out of the 75 responses 56 (75%) did not support distance based charging and 19 (25%) did.

The Government’s response

This supports the Government’s decision to implement a time-based charge with no cost increases for the vast majority of the UK fleet.
Question 11 Do you consider that the principal objective of charging should be to ensure a fairer arrangement for UK hauliers?

Main Themes
Out of the 80 responses, 59 (74%) agreed that charging should ensure a fairer arrangement for UK hauliers, 21 (26%) did not.

In written comments, 53% of respondents expressed concern that the proposal would lead to a cost increase. 22% thought it would have no impact on them and 19% expressed support for a distance based charge.

The Government’s response
This shows support for the Government’s objective for HGV road user charging.

Concerns about cost increases are understandable, but misplaced. We have now completed a full analysis of all vehicles covered by charging, and an estimated 94% will pay no more than now. Further details are in annex A.

Question 12 If not, what should be the principal objective?

Main Themes
There were 20 written replies to this question, with 20% indicating that money raised should be used to improve road network, and 15% saying that charging should be used to encourage modal shift and benefit other transport users.

The Government’s response
Like almost all tax, the money raised will go into the consolidated fund to be used on a variety of things such as schools, hospitals etc as well as roads.

Whilst it is true that other forms of charging can address other objectives, we do not think they can do so whilst also addressing the Government’s primary objective of a fairer arrangement for UK hauliers.
**Question 13** Do you consider that the charging proposals outlined above should be implemented?

Out of the 82 responses 58 (71%) supported the charging proposals and 24 (29%) disagreed.

**Example of comments**

“We would urge the Government to implement the proposed scheme as a matter of priority”.

**The Government’s response**

Taken together with the other responses, supporting the objective, the proposed method of administration, the charge bands, and the proposed means of compensating UK hauliers, a consistent message comes through from the consultation – that the proposals are supported, and should be implemented. This is why the Government is now introducing legislation, and will deliver charging as soon as possible.
List of respondees in alphabetical order

A Foulke
A2B
Alan Blackburn
Alan Lindfield Ltd
Asda Stores
ASTIC
Autosonics Ltd
Backhouse Jones Solicitors
Barnsley Metropolitan Borough Council
Best Log Ltd
Bettershred
Black Country Chamber of Commerce
Brian Cannon
British Ports Association
British Shipping
British Vehicle Rental and Leasing Association
Campaign for Better transport
Chartered Institute of Logistics and Transport UK
Christine Millard
Civil Engineering Contractors Association
Craigmore Barrow Land
CSR lifting
Cumbria Haulage
Dachser GmbH & Co. KG
Danbury Plant hire
DeNové
DHL International (UK) Ltd
Dover Harbour Board
European Transport Board Birmingham City Council
Federation of Petroleum Suppliers Trade Association
Forum of Private Business
Freight on Rail
Freight Transport Association
Freightliner Group Ltd
Globepalm Ltd
Goss International
Graham Phillips
Henry Spyvée
Hewden Plant Hire
Highland Council
IBI Group
Intec
Interdean
Irish Business and Employers Confederation
Isle of Man Government
ITS United Kingdom
Jacobus j van Koolbergen
Kapsch Group
Kent County Council
Kent Green Party
Keswick Enterprises Group
Laser Transport Intl Ltd
Logica
London Borough of Redbridge
Manchester Cabins Ltd
Mega Trucking Company Ltd
Nijman/Zeetank International Transport Ltd
North East Freight Forum
Northern Ireland Grain Trade Association
P A Consulting
RAC Foundation
Rail Freight Group
Railfuture
Richard Gurney
Road Haulage Association Ltd,
Road Rescue Recovery Association
Rochdale Borough Council
Scott Wilson
Selwood Plant Hire
Society of Motor Manufacturers and Traders
Star Cargo
Stephen Watt
Steve Finlay
T J A Rigby Haulage Ltd Kraftverkehr Nagel GmbH & Co KG
Tayside and Central Scotland Transport Partnership
Terry Hudson
Transform Scotland
Transmec group
Transport for Greater Manchester
Transport for London
Transport Planning Society
UNITE
United Kingdom Major Ports Group Limited
UPS
Vauxhall Motors
VOSA
W & R Barnett
Workzone Exhibitions Ltd
Xerox