

The Longer Semi-trailer trial: Consultation on a proposal to change the allocations process

June 2013

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1. Who Should Read this Document?

Longer Semi-trailers Trial

1.1 This document will be of interest to:

- Operators already in the Longer Semi-trailer Trial;
- Operators not in the trial who have expressed an interest or who may be interested in the future;
- The Freight Transport Association;
- The Road Haulage Association;
- Other interested bodies.

2. Introduction

Longer Semi-trailers Trial

- 2.1 The trial of longer semi-trailers has now been running since January 2012. Whilst applications for the trial were heavily over-subscribed, only approximately 500 have been approved for use to date out of a total of 1800 allocations made to hauliers. When the trial started, operators were given until 31st December 2013 to take up their allocation.
- 2.2 Given the current rate of take-up, it is highly unlikely that the 1800 figure will be reached by December 2013.
- 2.3 We have been asked what will happen after that date, especially if the full allocation has not been taken up.
- 2.4 Operators are also asking to obtain or increase an allocation, while others are not taking up their allocation in full or at all. So there is a clear mismatch between supply and demand.
- 2.5 Additionally, the 15.65m length appears to be the preferred option for most operators (compared with the 14.6m length) at a ratio of approximately 4:1, while the current allocation of 1800 is split evenly between the two types, in order to ensure that both types can be properly evaluated as part of the trial.
- 2.6 In order to address these issues and help meet demand from operators who wish to obtain or increase an allocation, the Department believes that it would be better to change the allocation process as soon as possible, rather than wait until the current allocations expire in December.
- 2.7 This consultation seeks views on a proposal to help make the allocation process more effective and to increase the uptake of the remaining allocation.
- 2.8 **Please note that we are not considering any semi-trailer length in this consultation other than the 14.6m and 15.65m semi-trailers. This is an ongoing part of the current trial, including the monitoring and evaluation being undertaken for DfT by Risk Solutions.**

3. Proposal

Allocation and quotas

We propose to open up the allocation process to all operators on a first come, first served basis, for either length of longer semi-trailer, until the total quota of 1800 is reached. Rather than allocating the full quota in advance, as was done previously, allocations would be made to operators individually, for each semi-trailer or batch of semi-trailers at the point when an operator was ready to order them. There would be no time limit for reaching the quota of 1800. The pace would be determined by market demand and allocations could continue beyond 31 December 2013 (or cease before then), depending on when the total of 1800 was reached.

We would also give a reserved right for operators already in the Longer Semi-Trailer Trial to use their existing allocation, which would be guaranteed to be met until 31st December 2013, even if the full quota of 1800 semi-trailers has been authorised. These reserved rights would be limited to the length of semi-trailer which was originally allocated. Operators with an unused allocation for one length would still be able to apply for semi-trailers of either length beyond their original allocation as part of the first come first served approach.

It is possible that this could lead to the quota of 1800 being exceeded, if all 1800 are taken up before 31 December 2013 and operators with unused reserved rights also take them up in the remaining time between the full quota being reached and the end of 2013. However, this seems unlikely, given current take up rates.

Operators who have already taken up an existing allocation in full would be free to apply for a further allocation, subject to the overall cap that was applied as part of the original allocation process, to ensure that no operator receives too large a share of the total quota (please see criteria below).

We propose that after 31st December 2013, the original allocations made in 2012 would expire, as originally agreed when those allocations were made. The quota of 1800 semi-trailers would then apply with no cut-off date, if it had not already been reached. Operators with an unused allocation that expires on 31 December 2013 would still be able to apply

for an allocation after that date, on the same basis as others, as long as the total quota of 1800 was not exceeded.

Time limits for allocations

Under this proposal, operators would apply for a specific allocation when they were ready to order a longer semi-trailer, or a batch of semi-trailers. We propose that each allocation would be valid only for a limited period from the date of its issue (for example, 2 or 3 months), to give operators time to arrange the purchase and construction of the longer semi-trailer, but no longer than that. This should ensure that operators only apply for the number of longer semi-trailers that they need, at the time that they are ready to use them.

After this time the allocation would expire if it were not used in that period and would be available for re-allocation to other operators.

Operators would be free to apply more than once, if they want to acquire more longer semi-trailers at different times. This would be subject to the overall cap that was applied as part of the original allocation process, to ensure that no operator receives too large a share of the total quota (please see criteria below).

Criteria for applying for an allocation

If this proposed new system were adopted, bids for an allocation would have to meet the following criteria:

Once an allocation was applied for under the proposed new system, the application would be valid for a limited period, perhaps 2 or 3 months, which should give the operator sufficient lead-in time to acquire the semi-trailer.

If after the allocation period a VSO had not been issued, then any unused allocation would become invalid and be returned to the unallocated quota and become available to all operators. This should make for a more efficient allocation process which reflects actual demand and prevents over-bidding for allocations.

Under the proposed new system, with allocations awarded on a first come, first served basis, operators would still have to meet **the following three criteria**, which applied to the original allocation in 2012:

- i) a cap of 20% of an operator's current semi-trailer fleet, or 180 semi-trailers (10% of the 1800 quota), whichever is the lower;
- ii) for very small businesses with fewer than 5 trailers, the cap is 50% of the operator's total semi-trailer fleet;
- iii) **only companies who are operated by a single operator would be eligible to bid** - companies such as leasing companies, whereby longer semi-trailers are likely to be operated by a variety of different companies are **NOT** able to bid, given that it would make the constant monitoring of their usage too complex.

As with the original application process, these criteria aim to ensure an equitable distribution between small and large companies and that allocations are only awarded to operators who can provide data on usage and are not third parties such as leasing companies.

4. Consultation Questions Reply Form

Longer Semi-trailers

Proposal to open up the allocations process to all operators on a first come, first served basis (when an operator was ready to order a LST) for the unused remainder of the 1800 trailer allocations, but with a reserved right until 31/12/13 for those operators already in the trial with an existing allocation.

1	Please indicate whether you are an operator in the trial, an operator not in the trial, or another organisation:
2	Do you agree that we should move to the proposed system of issuing allocations on a first come first served basis until the quota of 1800 is reached?
3	Do you think DfT should specify a number for allocations of each length of semi-trailer, or not?
4	What are your views on the proposal to give a reserved right to existing allocations until 31/12/13?
5	What do you think would be a reasonable period for the new allocations, to allow operators time to complete the process of acquiring the longer semi-trailers - 2 months, 3 months, or something different?

5. How to respond

- 5.1 The consultation period begins on Tuesday 11th June and will run until Tuesday 9th July 2013. Please ensure that your response reaches us before the closing date. If you would like further copies of this document, it can be found at: <https://www.gov.uk/government/consultations/proposal-to-change-the-allocations-process-in-the-longer-semi-trailer-trial> or you can contact the freight policy team at the below addresses if you would like alternative formats (Braille, audio CD etc).
- 5.2 Please complete the Consultation Questions Reply Form in section 4 and send by email to freight@dft.gsi.gov.uk or post to:
- LST Trial Consultation Responses
Freight, Operator Licensing and Roadworthiness Division
Department for Transport
Zone 3/25
Great Minster House
33 Horseferry Road
LONDON SW1P 4DR
- 5.3 When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.
- 5.4 If you have any suggestions of others who may wish to be involved in this process please contact us or pass on the link to this document to them direct.

Freedom of Information

- 5.5 Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

- 5.6 If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
- 5.7 In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If DfT receive a request for disclosure of the information, DfT will take full account of your explanation, but DfT cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
- 5.8 The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

6. Consultation Principles

This exercise is being conducted in line with the Government's key consultation principles which are listed below. Further information is available on the Better Regulation Executive website at <https://update.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>

If you have any comments about the consultation process please contact:

Consultation Co-ordinator
Department for Transport
Zone 1/14 Great Minster House
London SW1P 4DR
Email consultation@dft.gsi.gov.uk

Consultation Principles

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before;
- departments will need to give more thought to how they engage with and consult with those who are affected;
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy; and
- the principles of the Compact between government and the voluntary and community sector will continue to be respected