

Trailer registration

Department for Transport

RPC rating: fit for purpose

Description of proposal

The UK currently has a voluntary trailer registration scheme in place. Enforcement agencies in some European countries have been blocking, delaying and/or fining unaccompanied UK trailers (UK trailers being towed by a non-UK tractor unit), including those registered under the current voluntary scheme. This has direct impacts on hauliers, including monetary and reputational damage; it also imposes costs on senders and recipients of the goods (and possibly other businesses) as a result of supply chain disruptions and distortions.

Following EU exit, the Department predicts that enforcement actions against unaccompanied UK trailers will increase. This is because UK has ratified the 1968 Convention on Road Traffic, which enables many more countries to take enforcement actions against unregistered UK trailers.

The Department therefore proposes to introduce a mandatory registration system to ensure that UK vehicles can meet the relevant international requirements to have undisrupted use of the road networks across Europe.

The preferred policy option is to require registration of commercial-use trailers and heavier non-commercial-use trailers that are to be used internationally.

Impacts of proposal

Costs

Cost to government

The Driver and Vehicle Licensing Agency (DVLA) will need to develop and maintain an IT system for trailer registration, application processing and registration certificate delivery (it estimates the cost at £12 million), and to design and deliver a communications campaign to help to increase compliance (for which the Department does not provide a cost estimate). It will also incur processing costs, which the Department expects will be no greater per licence than those incurred under the current system.

The Driver and Vehicle Standards Agency (DVSA) will incur enforcement costs to ensure compliance, which the Department argues will be minimal, as registration checks will be carried out during existing checks.

These costs will be passed on to trailer owners through registration fees.

Costs to trailer owners

There will be an initial cost to trailer owners who have to familiarise themselves with the new system. Trailer owners will also be required to spend time completing the registration process. The Department expects based on its experience of similar registration systems that this initial familiarisation and registration process will take no more than half an hour in total. On this basis, and using ASHE data with appropriate uprating, it estimates costs of £560,000 in the first year and £56,000 in subsequent years under its preferred option.

As stated above, trailer owners will pay registration fees to cover the costs to government of implementing and enforcing the registration system, and will also be required to have a registration plate for each trailer. The Department estimates the registration fee at no more than £28 per trailer (the cost of registration under the current voluntary system). On this basis, it estimates the total cost of fees and plates at £3.5 million in the first year and £0.4 million in subsequent years under its preferred option.

Benefits

Benefits to trailer owners

Relative to the counterfactual, continued membership of the EU with growing enforcement action against unaccompanied UK trailers, the Department expects trailer owners to benefit from the prevention of disruption to the use of unaccompanied UK trailers, which it argues on the basis of discussions with trailer owners will outweigh the expected costs of the system. It also argues (without evidence) that they may benefit from a reduction in the number of thefts and improvements in stolen trailer recoveries.

Benefits to society

The Department suggests that the registration system could lead to road safety improvements for trailers which would be to the benefit of all road users by providing an additional point of mandatory inspection for compliance with existing roadworthiness regulatory schemes. It does not provide any evidence to support the assertion that the system would lead to improved safety in practice.

Quality of submission

The Department has provided a clear and structured analysis of the main costs and benefits of its proposal, including consideration (but not monetisation) of indirect and wider societal benefits, appropriate reasoning to support its decision to intervene and its choice of option. It has monetised most of the key impacts (with appropriate caveats around the quality of the evidence underpinning some of its assumptions) and has explained clearly why it lacks the data to monetise the remainder. It could improve its analysis by presenting

more substantial evidence in support of some claimed benefits, and by considering market and supply chain effects in more detail. A clearer description of the rationale for intervention would also improve the assessment considerably.

The IA could also be improved by including a discussion of the impacts on civil society organisations that transport supplies for relief efforts, which are likely to be affected by the regulations.

It presents a brief Small and Micro Business assessment (SaMBA), which argues that, because hauliers typically operate on very tight profit margins, small and micro businesses may experience disproportionate difficulties in absorbing the costs of the new system. The Department expects the benefits of the measure overall to outweigh the costs, but it does not discuss the extent to which this is still true for small businesses. Likewise, it presents a very brief competition assessment, which argues plausibly that there may be some very small impacts on the ability of UK businesses to compete in European markets, but that given the scale of expected costs these can be neglected. It does not discuss the more complex competition effects of removing logistic distortions, or the effects of any UK enforcement

Finally, it presents a very brief summary of plans for a light-touch PIR based on management information from DVLA and DVSA, combined with stakeholder feedback. This is welcome, and seems proportionate to the scale of the expected costs and benefits. It could be improved by giving some consideration to international engagement, especially in light of previous difficulties over international enforcement.

Departmental assessment

Classification	Non-qualifying: de minimis
----------------	----------------------------

RPC assessment

Classification	Non-qualifying: de minimis
Small and micro business assessment	Sufficient
RPC rating (of initial submission)	Fit for purpose

Regulatory Policy Committee

Opinion: Final, Secondary
Origin: domestic
RPC reference number: RPC-4288-DfT
Date of implementation: TBC
