

Consultation: Support for specialist events hauliers working on cross border tours



Department for Transport Great Minster House 33 Horseferry Road London SW1P 4DR



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Executive summary

- 1.1 This consultation sets out proposals for a possible unilateral measure to help hauliers who transport equipment for cultural events ("specialist hauliers") to adapt to the new market access rules for hauliers under the UK-EU Trade and Cooperation Agreement (TCA). As part of this Agreement, all UK hauliers transporting goods for a "commercial purpose" can carry out two movements within the EU cabotage or cross-trade following a journey from the UK, with a maximum of one cabotage movement. Although the market access arrangements allow the vast majority of UK haulage journeys to and from the EU to continue as they did before the end of the transition period, the specialist haulage sector will have to adapt to the new ways of working, given their previous reliance on internal EU movements.
- 1.2 The core of this proposal enables specialist events haulage companies who have established bases both in Great Britain (GB) and another location to temporarily transfer their vehicles between their respective operator licences. This will enable them to undertake journeys in the UK on the basis of their GB operator licence and do the same in the other location on the basis of their other operator licence, without needing to change vehicles or having journeys limited by international market access rules.
- 1.3 This proposal applies to GB only as operator licensing is a devolved matter in Northern Ireland.

How to respond

This consultation will run from 4 February until 18 February 2022. You must ensure that your response reaches us before the closing date.

Electronic responses to this consultation would be preferred either by: responding to the online survey emailing your response to SpecialistHauliers@dft.gov.uk. If you are unable to respond electronically you can provide a response to the postal address of:

Specialist Hauliers Consultation

3rd Floor, Zone 18

Great Minster House

33 Horseferry Road

London SW1P 4DR

Freedom of Information

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

If you want information that you provide to be treated as confidential, 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.

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 we receive a request for disclosure of the information, we will take full account of your explanation, but we 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.

The Department will process your personal data in accordance with the <u>Data Protection</u> <u>Act</u>, this will mean that your personal data will not be disclosed to third parties.

Confidentiality and data protection

The Department for Transport (DfT) is carrying out this consultation to gather evidence on proposals for a possible unilateral measure to help specialist hauliers who transport equipment for cultural events to adapt to the new market access rules for hauliers under the UK-EU TCA.

This consultation and the processing of personal data that it entails is necessary for the exercise of our functions as a government department. If your answers contain any information that allows you to be identified, DfT will, under data protection law, be the Controller for this information.

As part of this consultation, we are asking for your name and email address. This is in case we need to ask you follow-up questions about any of your responses. You do not have to give us this personal information. If you do provide it, we will use it only for the purpose of asking follow-up questions.

For organisations, we are asking a number of questions including about the type and size of your organisation and where appropriate the nature of your operations, in order that we can weigh your response appropriately and understand your relationship to the topic.

DfT's privacy policy has more information about your rights in relation to your personal data, how to complain and how to contact the Data Protection Officer. You can view it at https://www.gov.uk/government/organisations/department-for-transport/about/personal-information-charter.

Your information will be kept securely on a secure IT system within DfT and will be destroyed within 12 months, after the consultation has been completed.

Background

Under the TCA, UK hauliers can undertake up to two laden journeys within the EU following a laden journey from the UK. This can be either cabotage or cross-trade, with a maximum of one cabotage movement (outside Ireland). Cabotage is the movement of goods within a single country by a haulier registered in another country (NB. within the EU, each Member State is treated as a separate country for the purposes of the definition of cabotage). Cross-trade is the movement of goods between two countries by a haulier registered elsewhere.

Northern Irish-registered operators can undertake two cabotage movements in Ireland following a journey from Northern Ireland, provided that they are performed within a 7-day period.

While this allows most journeys to operate as they did before the end of the transition period, many specialist hauliers who carry equipment for cultural events are not able to continue operating as before due to their reliance on cabotage movements. During negotiations on the TCA, the UK did request special arrangements for this sector, but the EU did not agree to this.

The Department for Transport is therefore seeking views on possible measures to help this specific sector of businesses to adapt to the rules under the TCA.

There are currently temporary arrangements in place to relax cabotage arrangements for international hauliers working in the UK, to provide support for supply chains while the acute shortage of HGV drivers is addressed. This means that until 30 April 2022, all international hauliers can undertake unlimited cabotage movements in the UK within a two-week period before returning home. After this date, the TCA market access arrangements will continue to apply.

Proposal: Transferring vehicles between GB and EU/third country operator licences

Under the TCA, EU hauliers working for an EU operator holding an EU Community licence can undertake up to two cabotage movements in the UK within a seven-day period. UK hauliers working for a UK operator holding a UK Licence for the Community can undertake one cabotage movement in the EU within a seven-day period. The dual registration proposal would allow operators who have an established base outside GB and also maintain a GB base to transfer their vehicles between their two operator licences. This would allow operators to undertake journeys in GB on the basis of their GB operator licence and do the same in the other location on the basis of their EU/ third country operator licence, without needing to change vehicles or having journeys limited by the cabotage rules.

We propose that the scope of this measure would be limited to a certain sector of hauliers who transport equipment for cultural events because the EU did not agree to special arrangements for these specific hauliers during our negotiations on the TCA. This proposal is targeted specifically at these hauliers because this type of haulage relies on multiple internal movements within a single country. These are hauliers who carry goods which are:

a. works of art that are being carried for the purposes of display at fairs and/or exhibitions; or

b. property, accessories and animals being carried to or from theatres, music venues, film locations, sports arenas or circus locations for the purpose of performances, concerts, fairs or fetes, radio recordings, film or television production

and where those journeys meet the following requirements:

- i. the temporary unloading and reloading of goods within the UK; and
- ii. the goods being carried are returned to their country of origin without alteration.

The operator would need to satisfy a number of conditions for this to work:

1. Establishing in the EU

GB operators who do not already have an operating base in the EU would need to establish themselves as road transport operator in the EU and obtain an EU operator licence. To do that, operators would need to comply with a number of obligations under Regulation (EC) 1071/2009 and local laws in the relevant Member State, including:

- a. have an establishment situated in a Member State with premises in which it keeps its core business documents, in particular its accounting documents, personnel management documents, documents containing data relating to driving time and rest and any other document to which the competent authority must have access in order to verify compliance with Regulation (EC) 1071/2009;
- b. have at its disposal on an ongoing basis, a number of vehicles and drivers, proportionate to the volume of transport operations carried out by the undertaking;
- c. be of good repute, according to the conditions set out in Article 6 of Regulation (EC) 1071/2009:
- d. have appropriate financial standing, according to the conditions set out in Article 7 of Regulation (EC) 1071/2009;
- e. organise its fleet to return to base every 8 weeks;
- f. register on register of commercial companies (if required by national law);
- g. ensure compliance with local tax and VAT law;
- h. have vehicles registered or put into circulation and authorised for use under national laws (vehicles can be owned or leased);
- i. conduct its administrative and commercial activities with appropriate equipment/facilities at the premises and manage its operations using vehicle, as referred to in point (h);
- j. have at its regular disposal vehicles referred to in point (h) and drivers normally based at the operational centre in the Member State (in proportion to transport undertaken)

2. Establishment in GB

In order to maintain an establishment in GB, operators would have to continue to comply with the licensing conditions in GB law, which are essentially the same as in EU law as the relevant EU rules were brought into UK law under the EU Withdrawal Act. However, the requirement to return to base every 8 weeks does not apply.

3. Establishment in a non-EU country

If an operator wanted to maintain their base in a non-EU country (rather than an EU country) alongside their GB establishment, then they would have to continue to comply with the licensing conditions in that non-EU country. We would recommend contacting your country's enforcement agencies for detailed advice.

4. Transport Managers

In order to comply with Regulation (EC) 1071/2009, operators establishing in the EU will need to appoint a transport manager who must be of good repute and have the requisite professional competence (a Transport Manager Certificate of Professional Competence).

As per Article 4 of Regulation (EC) 1071/2009, the appointed person must be resident in the EU.

The GB establishment will also need to continue to have a Transport Manager under the same conditions. There are currently no requirements for a Transport Manager working in the UK to be a UK resident, although this could change in the future.

5. Drivers

Drivers will need to hold a Driver Certificate of Professional Competence (CPC).

Both the EU and the UK will recognise each other's Driver CPC qualifications for the purpose of providing a service (driving) in each other's territories but not for the purpose of employment. Those employed by the EU base will need a Driver CPC issued in an EU Member State; those employed by the GB base will currently be able to use either a UK or an EU-issued Driver CPC. How Driver CPC operates in the UK is under review, in the context of the lorry driver shortage. The use of EU-issued Driver CPCs is included in that review.

Under these proposals, all drivers must be eligible to work in GB when driving under the GB operator licence, and eligible to work in the relevant Member State when operating under the EU operator licence.

Operators wishing to transfer an EU-registered vehicle onto their GB operator's licence would need to ensure that their drivers are eligible for employment in GB. This is because while they are driving a vehicle on a GB operator's licence, they would be employed by the GB base. Likewise, when driving a vehicle under the EU operator's licence they would be employed by the EU base and would need to be eligible to do so.

Dual registration: Using foreign vehicles on a GB operator licence

In order for journeys to be considered domestic journeys, the vehicle must be operating under the operator licence of the base in the territory in which it is being used. Vehicles being used outside GB should be operating under their local operator licence, and when those vehicles are in GB, they should be operating under the GB operator licence. This will not impact the UK wide validity of Northern Irish-registered vehicles. The intention of this proposal is to allow a certain sub-sector of hauliers engaged in the transport of equipment for cultural events to temporarily transfer their vehicles which have been registered abroad to their GB operator licence.

Operators would be able to do this by updating their operator licence record in the <u>vehicle</u> <u>operator licensing database (VOL)</u>. This can either be done online, or via the postal service.

Operators will need to ensure that the vehicles have been removed from their international licence for the same period. Adding a vehicle on a GB operator licence while it remains on an international operator licence is not permitted in GB, and the vehicle must only be on one operator licence at a time.

The vehicle will need to be registered and taxed in its home country. The vehicle can only be used in GB for up to six months in any twelve-month period, due to the rules on importing vehicles. This can be a single visit or several shorter visits over twelve months.

Under current rules, any foreign-registered vehicle being transferred onto a GB operator licence would have to be registered in the UK and pay Vehicle Excise Duty (VED). Due to the time this process takes, this current model is not operational for specialist events hauliers in the context of a European tour.

As a solution, the dual registration proposal would pass technical legislation to exempt this specialist group of hauliers from paying VED on a foreign-registered vehicle whilst the vehicle is temporarily operating on a GB operator licence. If we did not legislate for a VED exemption as part of this proposal, a foreign-registered vehicle added to a GB operator licence would still need to register in the UK and pay VED, defeating the purpose of this proposal.

Operators would need to remove the vehicle from their GB operator licence when they leave GB to ensure that they do not inadvertently exceed the six-month limit. This can also be done using the vehicle operator licensing database (VOL).

To add the vehicle back on to their international operator licence, operators would need to contact the competent authority where the international base is established.

Other considerations

Operators who want to benefit from this proposal would need to ensure they comply with the relevant rules and regulations in both territories at all times.

In particular, operators will need to ensure that both undertakings (in GB and in other locations outside GB) have at their disposal a number of vehicles and drivers proportionate to the volume of transport operations carried out by the undertaking, on an ongoing basis. Vehicles being transferred between both operator licences will need to be in addition to those which meet this requirement.

Due to the UK's Most Favoured Nation (MFN) obligations under the General Agreement on Trade in Services (GATS), this proposal would need to apply to the transfer of vehicles from operators established in any WTO country providing the vehicles are being used for the specified purposes.

What will happen next

Following this consultation period, a decision will be taken about whether or not to proceed. If the changes are to proceed, they require regulatory change with the intention being that they would be operational as soon as possible in 2022.

If you have any questions about this consultation, please contact:

Email: Specialist Hauliers@dft.gov.uk

Specialist Hauliers Consultation

3rd Floor, Zone 18

Great Minster House

33 Horseferry Road

London SW1P 4DR

Annex A: Full List of consultation questions

Personal details

Question 1

What is your name and email address?

Question 2

Are you responding:

- a. as an individual? (skip to question 23)
- b. on behalf of an organisation? (continue to question 3)

Organisation details

Question 3

What is your organisation's name?

Question 4

Where is your organisation based? Great Britain (England, Scotland or Wales), Northern Ireland, or another location?

Question 5

Your organisation is best described as:

- a. a haulier or a light good vehicle operator group? (skip to question 7)
- b. a transport trade association? (continue to question 6)
- c. a production company or the wider touring supply chain (for example, a performer, concert venue)? (continue to question 6)
- d. a creative industry trade association? (continue to question 6)
- e. another type of organisation? Please specify (skip to question 23)

Specialist events hauliers - importance to function

Question 6

How important are specialist events hauliers to the function of your organisation? Why?

Please skip to question 23 once you have answered this question.

Organisational assets and actions

Question 7

How many vehicles does your organisation operate?

Question 8

Has your organisation taken steps to adapt to the TCA market access rules when carrying out cross border tours?

- a. Yes (continue to question 9)
- b. No (skip to question 15)
- c. Don't know (skip to question 15)

TCA actions

Question 9

What steps has your organisation taken to adapt to the TCA market access rules when carrying out international tours?

- a. Established a base in the EU (continue to question 10)
- b. Established a base in a non-EU country (continue to question 10)
- c. Partnered with an international company to carry out the international dates of a tour (skip to question 12)
- d. Rescheduled tour dates to ensure compatibility with TCA market access rules (skip to question 12)
- e. Another action (please specify and skip to question 12)

Base location

Question 10

In which country or countries are your base or bases situated in?

Question 11

Roughly, what proportion of your drivers employed in your base(s) outside the UK do you estimate are eligible to work in the UK? Please state your answer as a percentage.

Please skip to question 16 once you have answered this question.

Potential actions from proposal

Question 12

If this proposal is introduced, would you establish a base outside GB?

Future relocation

Question 13

Roughly, what proportion of your domestic UK fleet do you think would be relocated to your base outside GB? Please state your answer as a percentage.

Compliance costs

Question 14

Approximately what costs would your business face through making changes to become compliant with the arrangements under this proposal (including costs to relocating, complying with international and domestic legislation and so on)?

Goods licence and international work

Question 15

Does your organisation hold a goods vehicle operator licence?

Question 16

Does your organisation operate vehicles outside GB?

- a. Yes, for hire and reward (continue to question 17)
- b. Yes, for other commercial purposes (for example own account) (continue to question 17)
- c. Don't know (skip to guestion 20)
- d. No (skip to question 20)

International vehicles

Question 17

What type of vehicle does your organisation operate outside GB? Heavy goods vehicles (HGVs), lights goods vehicles (LGVs), public service vehicles (PSVs), or a mixture?

Definition

Question 18

To what extent does your business/the nature of your work meet the definition that we have provided in this consultation?

Question 19

Why?

Vehicle Excise Duty

Question 20

Does your organisation pay Vehicle Excise Duty (VED)? If yes, continue to question 21. If no, skip to question 22.

VED amount

Question 21

To the nearest £100, how much VED does your business pay on all of your UK-registered vehicles per year?

Future business plans

Question 22

If this proposal does not go ahead under the current legislation and circumstances, what are the current plans for your business, and why?

Proposal: Dual registration

Question 23

Overall, do you agree or disagree with the proposal to allow specialist haulage companies to temporarily transfer their vehicles between their GB and EU/third country operator licences?

Question 24

Please state why you agree or disagree with the proposal.

Definition

Question 25

Do you think the definition proposed in this consultation should:

- a. be broadened (continue to question 26)
- b. be narrowed (continue to question 26)
- c. be altered (continue to question 26)
- d. remain the same (skip to question 27)

Alteration to definition

Question 26

How would you change it?

Benefits and drawbacks

Question 27

In your view, what do you see as the benefits and drawbacks of this proposal?

International haulage base

Question 28

What factors, if any, do you think could prevent specialist haulage companies from setting up a base outside GB while also maintaining a base in GB?

Views on live events

Question 29

To what extent, if any, do you think that the number of domestic UK live events would change as a result of this proposal? Why?

Question 30

To what extent, if any, do you think that the number of international live events would change as a result of this proposal? Why?

Question 31

To what extent, if any, do you think that the number of domestic UK live events would change if this proposal does not go ahead? Why?

Question 32

To what extent, if any, do you think that the number of international live events would change if this proposal does not go ahead? Why?

Question 33

In your view, how likely do you think it will be that international specialist hauliers will be able to compete in the UK market as a result of this proposal? Why?

Question 34

In your opinion, which countries, if any, have a potential to have a specialist haulage market that would rival the UK's (either within or outside the EU)?

Question 35

Do you have any concerns about opening up the UK market to all international hauliers?

Question 36

If applicable, what are your concerns?

Final comments

Question 37

Any other comments?

Annex B:Consultation principles

The consultation is being conducted in line with the Government's key consultation principles which are listed below. Further information is available at https://www.gov.uk/government/publications/consultation-principles-guidance

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

Consultation Co-ordinator Department for Transport Zone 1/29 Great Minster House London SW1P 4DR Email consultation@dft.gsi.gov.uk