



Department
for Transport

Consultation outcome

Support for specialist events hauliers
working on cross border tours



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1. Introduction

Under the UK-EU Trade and Cooperation Agreement (TCA) that came into effect on 1 January 2021, 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).

Within Ireland, both additional movements may be cabotage movements in Ireland for Northern Ireland operators provided that they follow a journey from Northern Ireland and are performed within a seven-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 would not be able to operate as before due to their reliance on cabotage movements.

The Government put in place temporary arrangements to relax cabotage arrangements for international hauliers working in the UK to provide support for supply chains as part of a package of measures to tackle an acute chronic shortage of HGV drivers. From 28 October 2021 until 30 April 2022, international hauliers could undertake unlimited cabotage movements in the UK within a two-week period. The Government consulted in March on continuing or ending the existing flexibility in road cabotage rules for foreign hauliers and will keep the need for the cabotage relaxation under review.

What we consulted on

From 4 February to 18 February 2022, the Department for Transport (DfT) sought the views of stakeholders and members of public on 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 TCA.

The consultation set out the proposed dual registration policy and Vehicle Excise Duty (VED) exemption for specialist hauliers as a necessary technical change to enable dual registration to be implemented. It also set out a proposed definition of which specialist hauliers would be able to utilise this proposal and how they would qualify for it. Respondents were asked what effect the TCA has had on their business and how they envisage this measure would affect the specialist haulier industry.

The proposed measure would apply to Great Britain (GB) only as operator licensing is devolved in Northern Ireland.

What we proposed

The dual registration proposal would allow operators who have an established base outside GB and who 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.

Under current rules, any foreign-registered vehicle being transferred onto a GB operator licence would have to be registered in the UK and pay VED unless using a short term temporary administrative measure. Due to the time this process takes, the current model is not operationally viable 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 group of specialist 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, which would be unworkable as set out below.

Respondents were asked whether they thought this proposal should be taken forward and why they took this view.

The consultation then set out the proposed criteria for who would be able to utilise the dual registration proposal. Respondents were asked whether they thought the definition of specialist hauliers should be broadened, narrowed, altered or remain the same. For those who suggested that the definition should be amended, we asked respondents to state how they thought this should be done.

Finally, respondents were asked for their views on what the potential impact of this proposal would be on their business (if applicable) as well as live events more generally, as well as a series of questions which would help to further understand the specialist haulage industry.

Responses received

Overall, consultation respondents supported the proposal to introduce a dual registration option for specialist event hauliers.

We received responses from organisations and individuals:

Total number of responses	29
Responses from individuals	2
Responses from industry / organisations	27

The consultation offered the option to answer questions concerning our proposals by online survey or email response. These accounted for:

Total Number of responses received	29
By online survey	18
By email	11
By Post	0

This included responses from specialist hauliers, production companies, trade associations and the wider touring supply chain, as well as individuals, whose special interests focused on the different elements of the consultation.

Of the organisations that responded to this question, the organisations were based in the following locations:

Great Britain	23
Northern Ireland	0
Republic of Ireland	1
Another	0

The following table sets out the types of organisations that responded to the consultation, where they provided this information. Most are hauliers or light goods vehicle operators, or part of the production or wider touring industry supply chain:

Type of organisation	Number of responses
A haulier or light good vehicle operator group	6
A transport trade association	2
A production company or the wider touring supply chain (for example a performer, concert venue)	4

When asked how important event hauliers are to the function of their operation, all said they were either 'important' or 'very important':

Very Important	11
Important	2
Neither important nor unimportant	0
Not important	0
Very unimportant	0

We asked respondents how many vehicles their organisation operates. Of those who responded, the majority owned at least 11 vehicles but most between 50-100:

None	1
Less than 5 vehicles	1
6 to 10 vehicles	0
11 to 30 vehicles	2
31 to 49 vehicles	0
50 to 100 vehicles	3

Respondents were asked whether their organisation has already taken steps to adapt to the TCA market access rules when carrying out cross-border tours. Of those who answered this question, most had not yet taken such steps:

Yes	3
No	4
Don't know	1

Following this, we asked those who told us that they had already taken steps, what steps they had taken. All those respondents stated they had established a base in the EU:

Established a base in the EU	3
Established a base in a non-EU country	0
Partnered with an overseas company to carry out the tour outside of GB (Go to 'Potential actions from proposal')	0
Rescheduled tour dates to ensure compatibility with TCA market access rules (Go to 'Potential actions from proposal')	0
Other	0

We asked respondents what they would look to do if the proposal did not go ahead. The majority stated they would move their business outside Great Britain, with others stating they would re-schedule tour dates. Of those who stated 'another option', organisational changes and cancelling tours were cited:

Moving to a non-GB base wholesale	4
Partnering with an EU company	0
Rescheduling tour dates	2
Doing alternative types of haulage	1
Stopping working in events	1
Another option	3

2. Consultation response and government decision

Overall, we received positive support from respondents of the consultation for the dual registration proposal. This means that, overall, respondents were in favour of the proposal to pass technical legislation to exempt the defined group of specialist hauliers from paying Vehicle Excise Duty (VED) on a foreign-registered vehicle whilst the vehicle is temporarily operating on a GB operator licence.

It is therefore our intention to proceed with this proposal, and as such we will lay the relevant legislation before Parliament in May 2022. It will need to pass debates in both Parliamentary Houses and be approved by the Privy Council. Once made into law by the Privy Council, hauliers with both a GB base and a base outside GB will be able to service their tours by using the same HGV for both the GB and international legs of their tours and be exempt from paying VED.

The following section outlines what we proposed in the consultation in further detail, and what measures we will be taking forward.

The government response should be read in conjunction with the [corresponding consultation document](#).



Percentages calculated below have been rounded up to one decimal place.

Proposal: Dual registration

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?

The majority of respondents supported our proposal to allow specialist haulage companies to temporarily transfer their vehicles between their GB and EU/third country operator licences.

Overall do you agree or disagree with the proposal to allow specialist haulage companies to temporarily transfer their vehicles between their GB and non-GB operator licences?

			Response Percent	Response Total
1	Yes		67.9%	19
2	No		32.1%	9
3	Don't know?		0%	0
			answered	28

What we proposed

We proposed a unilateral measure to help certain "specialist hauliers" adapt to the new market access rules for hauliers under the UK-EU TCA.

This proposal involved allowing specialist events haulage companies who have established bases both in GB and another non-GB location to temporarily transfer their vehicles between their respective operator licences. This would enable them to undertake journeys in GB on the basis of their GB operator licence and do the same in the other country on the basis of their other operator licence, without needing to change vehicles or having journeys limited by international market access rules.

We found some common themes in why people did not support the proposal. Some thought the proposal was too expensive, ineffective, or excluded small businesses unfairly. There were also concerns that it caused uncertainty, was anti-competitive, caused an economic burden and was not practical. Others stated disappointment that the proposal does not take into account 'own-account' operators and some respondents wanted us to renegotiate the trade agreement with the EU.

Government decision

Following analysis of responses received, it is clear that if this proposal does not go ahead there could be severe consequences for the UK specialist haulage market, affecting the viability and deliverability of cultural events and tours in the UK and overseas. As such, and following the overall support received in the consultation, we intend to implement this proposal. The dual registration policy will enable a large proportion of the UK specialist haulage industry to continue operating.

We acknowledge that not all specialist hauliers will be in a position to establish bases in multiple countries and that we are unable to control EU and other third country internal market measures. However, this proposal presents a viable option to help the specialist haulage industry as a whole to continue functioning in a similar way to before the conditions of the TCA came into effect.

Benefits and Drawbacks to the Proposal

Respondents were asked what they saw both the benefits and the drawbacks of this proposal to be.

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

When asked about the benefits, the majority of respondents cited that this proposal would allow tours in both the UK and internationally to take place as planned, which have recently been challenging due to new limitations to permitted commercial haulage movements under the TCA.

Other benefits included retaining existing employees, the ability to continue serving existing customers and clients and using the same specialised vehicles.

When responding to what the drawbacks to the proposal would be, the majority of respondents said that this would provide an unfair advantage to larger businesses who have the resources to establish and operate multiple bases. They also noted that own-account operators would be unable to make use of this proposal. Both of these issues are discussed in the 'other considerations' section.

Respondents also noted the additional paperwork and cost of establishing and running bases, and that it still would not be as straightforward as operating cultural tours was prior to EU Exit.

Definition of Specialist Hauliers

What we proposed

We proposed that the scope of this measure should be limited to a certain sector of hauliers who used specialised vehicles to transport equipment for cultural events because the EU did not agree to special arrangements for these specialist hauliers during our negotiations on the TCA.




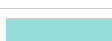
This proposal is targeted specifically at this group because this type of haulage relies on multiple internal movements within a single country. The proposed definition of specialist hauliers was hauliers who carry goods which are:

- 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.

Alongside this, they would need to satisfy a number of conditions including establishing a base abroad and in GB, appointing transport managers and ensuring drivers hold the relevant certification. Further details can be found in the consultation document.

Do you think this definition should [be altered]:

When asked what respondents thought about the definition proposed, the majority of respondents thought that the definition should be either broadened or altered.

Do you think this definition should:					
			Response Percent	Response Total	
1	Be broadened?		47.8%	11	
2	Be narrowed?		0%	0	
3	Be altered?		30.4%	7	
4	Remain the same?		21.7%	5	
			answered	23	

How would you change it?

Amongst responses that said that the definition should be broadened, suggestions included expanding the type of goods permitted and expanding the types of venues or events that would be within scope of this proposal.

The other main suggestion on how the definition should be broadened, was to include own-account operators such as orchestras. Further information can be found in the 'other considerations' section.

One respondent suggested that we set out details of the types of events, venues and goods that would not be within scope of the proposal, to provide clarity and avoid confusion. Details of how the definition does and does not apply to hauliers will be provided in the Explanatory Memorandum that will accompany the proposed legislation. There were also alternative solutions proposed which have been dismissed. The rationale for this has been set out in more detail in the 'other considerations' section.

Government decision

After carefully considering suggestions as to how the definition should be defined, we have decided that the criteria needed to be met to utilise the dual registration and VED exemption are:

- (i) that operation consists of national carriage for hire or reward by a haulier who is a holder of a Community licence or an authorisation issued by the relevant authority in the country of establishment and whose driver, if a national of a country which is not a member state, holds a driver attestation;
- (ii) the vehicle has been specifically designed or substantially modified to carry goods set out in subparagraph (iii);

- (iii) the goods being carried are property, equipment or animals being carried to or from theatrical, musical, film or circus performances or sporting events, exhibitions or fairs, or to or from the making of radio or television broadcasts or films, and
- (iv) the goods being carried are loaded or unloaded within Great Britain in an unaltered state.

The terms 'property' and 'equipment' could include works of art and accompanying display materials, musical instruments and accessories.

Impact of the proposal

We asked respondents what factors could prevent specialist haulage companies from utilising this proposal.

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

From the responses we received, a number of key themes emerged as to what would prevent international bases being established by GB specialist hauliers. The majority of respondents cited the additional cost and administrative burden of establishing and operating multiple bases as a key obstacle.






Some respondents also cited the proposal as anti-competitive to smaller businesses who could not afford to do this.

There was also concern that this was inefficient and should not be necessary to allow specialist hauliers to operate domestically and internationally.

Views on live events

A small majority of respondents thought that the number of domestic UK live events would change as a result of this proposal, with notably more respondents answering that they thought the number of UK live events would increase rather than decrease as a result of this proposal. Many respondents thought there would be no change.

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

To what extent, if any, do you think that the number of domestic UK live events would change as a result of this proposal?				
			Response Percent	Response Total
1	Major increase		20.0%	4
2	Minor increase		20.0%	4
3	No Change		35%	7
4	Minor decrease		5%	1
5	Major decrease		5%	1

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

		Response Percent	Response Total
6	Unsure	15%	3
		answered	20

When asked what respondents thought the impact on international live events would be, there was no strong overall consensus.

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

Major increase	3
Minor increase	4
No change	5
Minor decrease	2
Major decrease	3
Unsure	3

We then asked respondents what they thought might happen if this proposal was not implemented. Respondents felt strongly that there would be a major decrease in the number of domestic UK live events if the proposal did not go ahead.

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?

Major increase	0
Minor increase	0
No change	2
Minor decrease	1
Major decrease	13
Unsure	3

If the proposal did not go ahead, respondents indicated a preference towards there being a decrease in the anticipated number of international live events.

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

Major increase	0
Minor increase	3
No change	3
Minor decrease	3
Major decrease	7
Unsure	3

We wanted to see how likely respondents thought it would be for international specialist hauliers to compete in the UK market due to this proposal. There was no overall consensus on whether international specialist hauliers would be able to compete in the UK market as a result of this proposal.

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?

Very Likely	2
Likely	5
Unlikely	5
Very unlikely	4
Unsure	6

We asked whether there were specific countries who had the potential to rival the UK's specialist haulage industry.

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)?

Germany and the Netherlands emerged as the top answers, followed by Ireland. There were also responses citing Spain, France and the United States of America.

We also asked if respondents had any concerns about opening up the UK market to international hauliers. The majority of respondents who answered said they did not have concerns.

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

Do you have any concerns about opening up the UK market to all international hauliers?				
			Response Percent	Response Total
1	Yes		23.8%	5
2	No		61.9%	13
3	Don't know		14.3%	3
			answered	21

When asked what these concerns might be, themes emerged including this being unfair and anti-competitive to UK specialist hauliers.

Finally, we asked whether respondents had any other comments. The majority reiterated concerns or support for the proposal, although other themes and suggestions emerged. These have been clarified in the 'other considerations' section.

Government Decision

After carefully evaluating the views respondents shared on the impacts of the proposal, we consider that, on balance, the positive impacts for specialist event haulage operators that we expect from the implementation of the dual registration proposal, outweigh the drawbacks that have been raised.

3. Other Considerations

Suggestions and concerns raised

The consultation sought views from both individuals and industry stakeholders on the proposal to introduce dual registration for a certain sector of hauliers who transport equipment for cultural events. This proposal also included an exemption from paying Vehicle Excise Duty (VED) when they are operating on their GB licence as a necessary technical change to enable dual registration to be implemented. Whilst the majority of stakeholders agreed with our proposals, there were some additional questions, issues and suggestions raised by various stakeholders.

This section addresses other comments that did not directly relate to the consultation questions.

Own-account operators

Own-account operators are operators who transport their own goods, rather than paying another haulage company to transport their goods for them (i.e. “hire and reward”).

A number of respondents expressed concern that own-account operators were not included in this proposal.

Own-account operators who transport goods for a commercial purpose are within scope of the TCA, and, like other hire and reward operators, they are only entitled to carry out two internal movements in the EU before they return to the UK.

Own-account operators are not required to have a standard international operator licence. Many considered, therefore, that they would be unable to be included in the proposal set out in this consultation.

However, this is not the case; any entity is entitled to apply for, and if criteria are met, be granted, a standard international operator licence, and as such this proposal will be available to any specialist haulier who can meet the requirements set out in the Government decision.

Small businesses

Some stakeholders expressed concern that this proposal could offer an unfair advantage to larger operators. These respondents cited that setting up a base abroad, or operating multiple bases, would incur significant additional costs that many smaller businesses would be unable to afford.

The dual registration proposal will enable defined specialist events haulage companies to undertake journeys in GB on the basis of their GB operator licence and do the same in the other country on the basis of their other operator licence, without

needing to change vehicles or having journeys limited by international market access rules. They would also be exempt from paying VED by the implementation of new technical legislation.

We appreciate that the requirement to establish bases in both GB and another international location will involve additional cost, although it is our assessment that this will allow live events to take place in the UK and abroad, which would not be possible without implementing the dual registration proposal.

Additional paperwork and economic cost

The additional paperwork and economic cost involved in establishing and operating bases abroad as well as within GB, was highlighted at various points throughout the consultation.

As for the impact on small businesses, whilst additional cost and paperwork will be involved when operating multiple bases, this will be a requirement to operate under dual registration.

International hauliers

Some respondents said that the dual registration proposal would open up the UK touring industry to international specialist hauliers (but mainly those from the EU).

Whilst this proposal does offer non-GB specialist haulage companies the same opportunity to benefit from dual registration as UK specialist hauliers, the cultural events touring market is heavily dominated by UK operators, and as such it is anticipated that these trends will remain largely the same.

Alternative solutions

We received some suggestions for alternative solutions to allow specialist haulage companies to continue running international tours.

It was suggested that the UK offer a permanent cabotage easement for the specialist haulage sector, similar to the temporary arrangements that were put in place until 30 April 2022 to provide support for supply chains while a chronic shortage of HGV drivers was addressed. The Government recently consulted on the potential for continuing or ending the existing flexibility in road cabotage rules for foreign hauliers. The [consultation](#) ended on 23 March and responses are being analysed.

However, in addition to the fact that such an easement could not be limited to a particular sector of hauliers for legal reasons, this would also imply that British businesses would permanently move abroad in order to benefit from such an easement, which is not in the best interest of the UK economy.

Some respondents also proposed using alternative schemes such as European Conference Ministers of Transport (ECMT) and definitions within Admission Temporary Admission (ATA) carnets customs paperwork as a means to allow specialist haulage companies to work on tours both in the UK and internationally. There are a limited number of ECMT permits available, which allow operators to perform three cross trade journeys between MS rather than the two permitted by the TCA. Although an ECMT permit is not required by an operator travelling to the EU (or

to all but two members of the ECMT system), operators can already [apply for an ECMT permit](#) if they wish.

ATA Carnets are a customs document, rather than a permit facilitating trade. The permissions for UK vehicles or drivers to operate commercially between, within and through the EU is covered under the Road Transport heading of the TCA, beginning Article 459. It is this that sets out the rules under which vehicles can operate within the EU, rather than the customs procedures for the type of goods the vehicles are carrying.

After working closely with other government departments, industry and key stakeholders, the Department for Transport has explored all available options and established that this proposal offers the best solution that will enable these operators to undertake their business activities in the UK and overseas.

Impact assessment

A full consultation stage impact assessment has not been conducted. Since the SI is not amending or imposing requirements on business practice (excluding tax measures), it therefore does not constitute a regulatory provision and so does not require an Impact Assessment.

A Tax Information and Impact Note (TIIN) with HM Treasury which will be published, as this proposal includes tax policy changes.

Consultation principles

The consultation is being conducted in line with the government's key [consultation principles](#).

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

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