

# HGV Levy and Charging





# Objectives

- Government manifesto commitment
- Consulted upon Jan 12
- Fairer payment for maintenance of road network
- Vignette type scheme
- VED offset for UK operators
- Introduction date
  - April 2014 for UK registered HGVs
  - April 2014 for foreign HGVs (subject to procurement timing for foreign HGV payment and enforcement system)
- Communication with industry stakeholders



# Bill Process

- Royal Assent (primary legislation) granted
- Statutory Instruments (secondary legislation)
  - traffic offence
  - financial penalties
  - weight restrictions
  - possible exemptions (N.I / R.O.I)
- Ongoing refinement possible through finance bills



# Scheme Basics

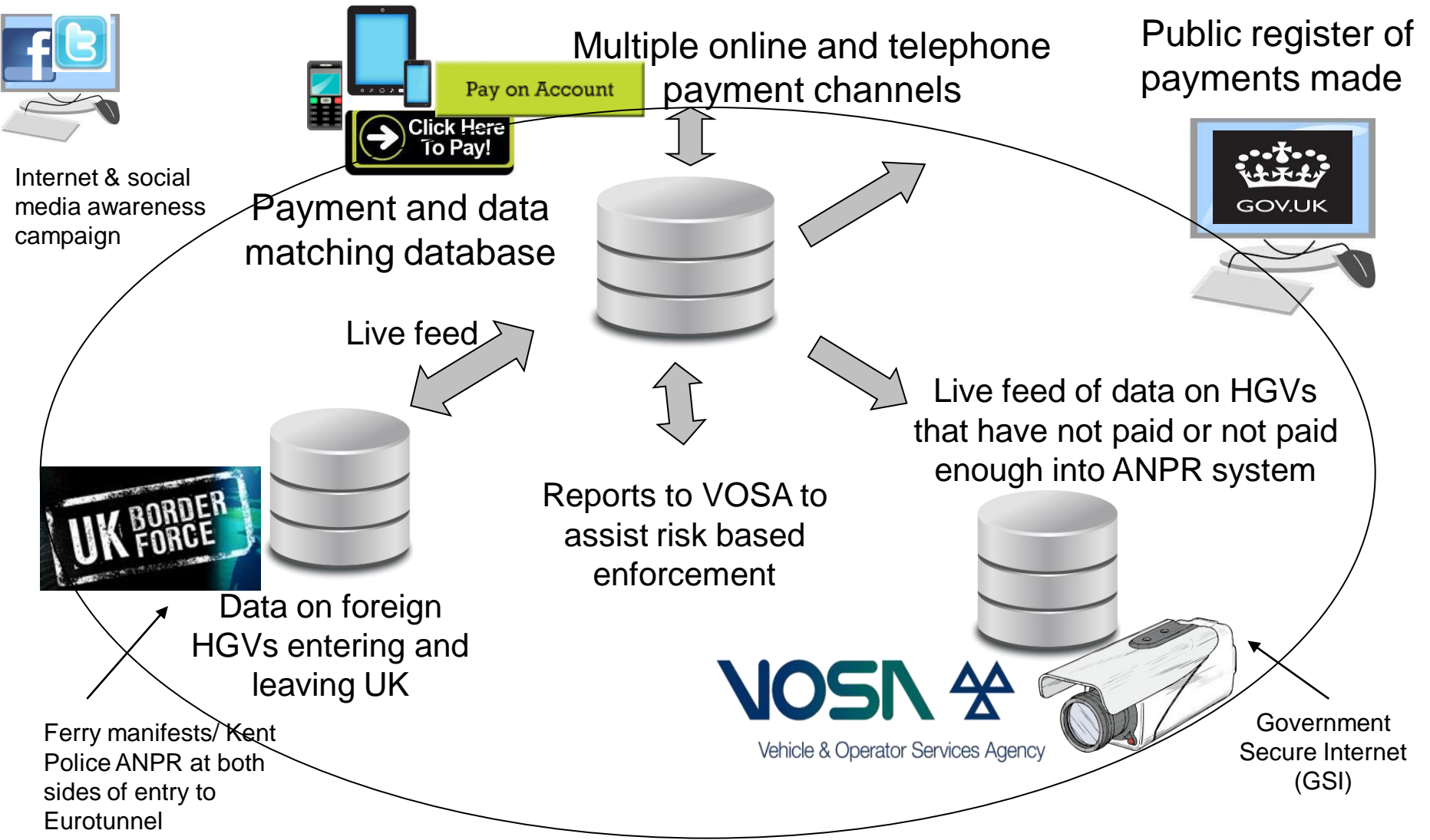
- Applies to whole UK road network (inc N.I)
- All HGVs 12 tonnes and over
- Time based payments (daily to annual - discounted)
- Rates set on bands (axles / weight)
- Daily charges from £1.70 to £10
- Annual charges from £85 to £1000
- Payment in advance of using UK road network
- Introduction from April 14
  - UK registered HGVs - payment alongside existing VED
  - Non-UK registered HGVs - new Foreign Operator payment System (FOPS)
- Non payment a criminal offence
- Levy is a tax
- Modifications to VED rates and the existing RPC scheme to be announced in Budget



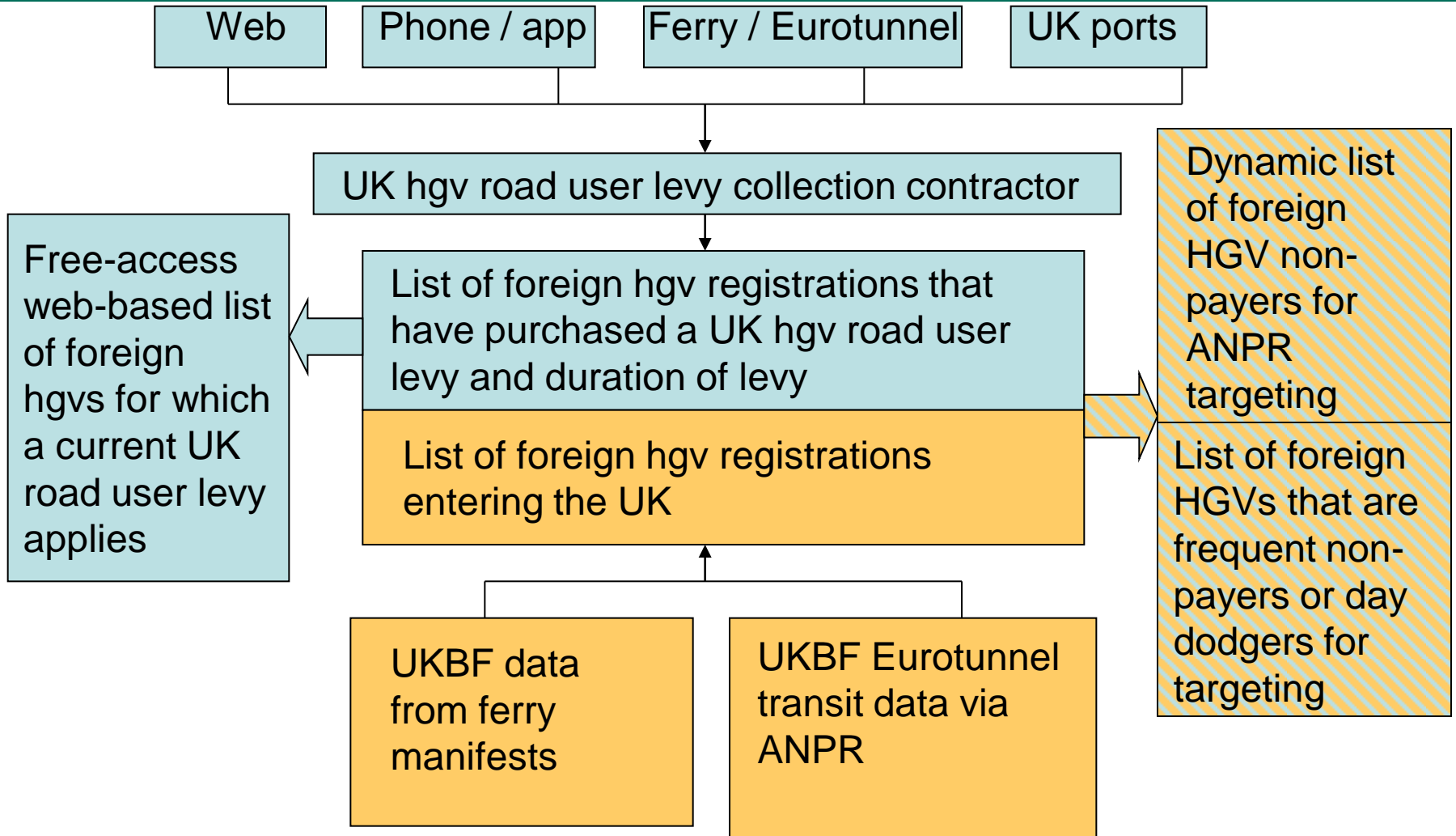
# Payment / Enforcement

- Electronic payment/ enforcement
- 3<sup>rd</sup> party contractor - various channels
- Registration in database
- Live feed information
- VOSA checks (DVA in N.I.) along with existing requirements on vehicle roadworthiness, drivers hours and safety regulations
  - manifest from UKBF
  - ANPR cameras
- £200 on spot fixed penalty notice
- Up to £5000 fine / impounding of vehicle
- Database info publically available
- Levy treated as 10 monthly instalments (discount not refunded)

# FOPS and Integration with Enforcement

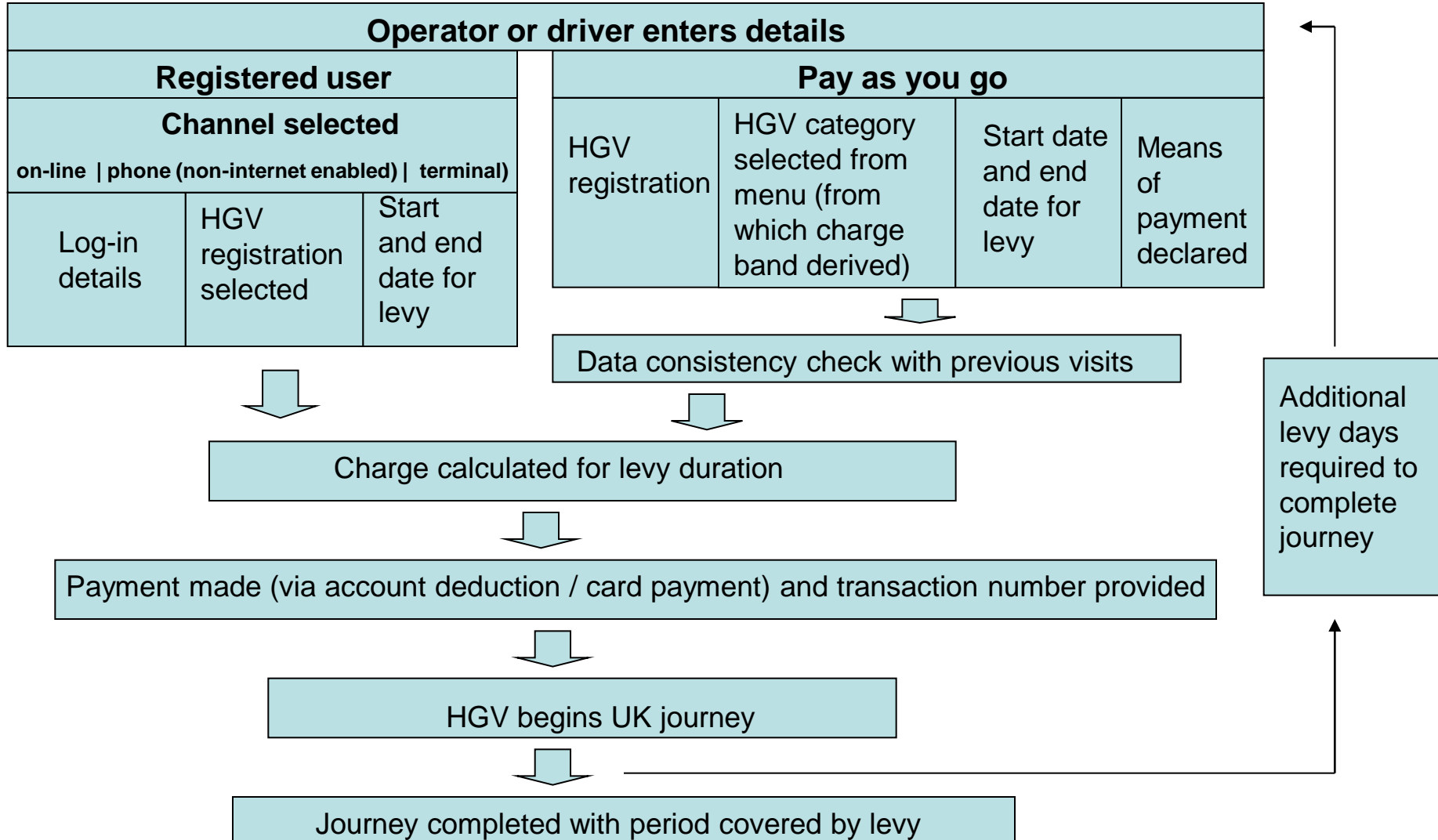


# FOPS System Dataflow





# Foreign User Payment Experience





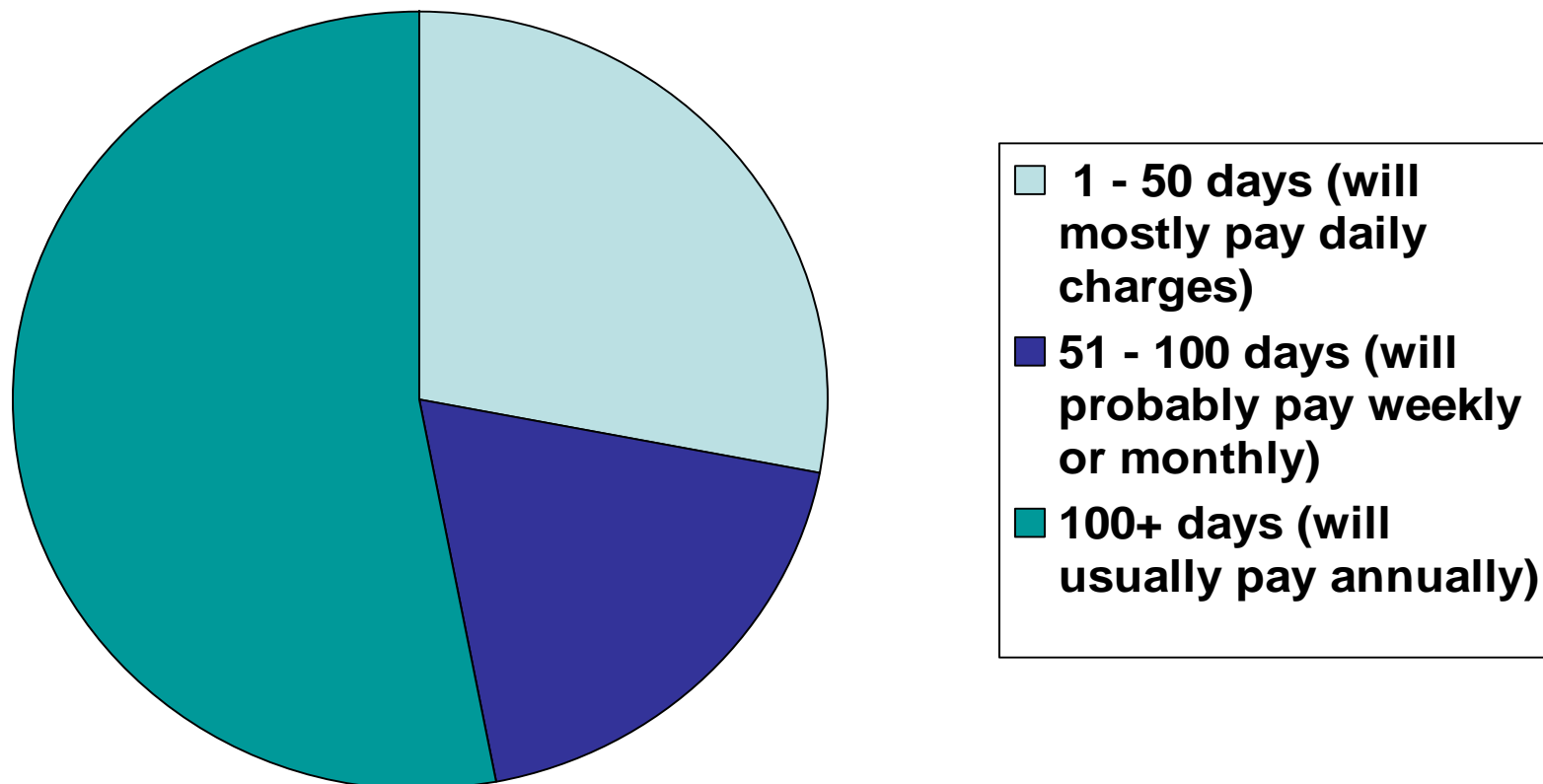


# Impacts

- Approx 260,000 UK HGVs
- Approx 100,000 overseas HGVs (75% single annual trip, over 90% 40 tonnes gross weight)
- UK 9 out of 10 no worse off
  - worst case £79 for smaller artics (brewery drays / urban supermarket)
  - worst case £300 for Rigid towing trailer
  - over half due to VED rates below minimum
- 40 tonnes 5 axle vs 44 tonnes 6 axles
- Existing tolls (bridges/tunnels/congestion charge) will be in addition (there are no UK toll roads)
- Spreading the word – EU communications

# Breakdown of levy purchases by Non-UK HGVs

Initial analysis suggests the following split





# Questions

- How aware are international operators in your country who make journeys to UK of the levy's introduction?
- How are you intending to communicate this message more widely? What can we do to help?
- In a world becoming more digitally and system dependent, would there be a problem if there wasn't a cash payment option?