



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

23 January, 2018

Direct Dial: 01494 545706
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Dear Sir or Madam,

Re: Reforming the HGV Road User levy: Call for Evidence

I am writing on behalf of the British Vehicle Rental and Leasing Association (BVRLA) regarding the call for evidence launched by the Department for Transport on reforming the HGV Road User levy. As the trade association for businesses renting and leasing vehicles (including Heavy Goods Vehicles), the BVRLA welcomes this call for evidence, and the opportunity to contribute the views of our members.

The BVRLA has spoken with its members whose businesses are based in the commercial vehicle (CV) sector. These CV members, who operate 1 in every 4 HGVs on UK roads, support the Department in its goal to make the current levy fairer, provided that any changes to the calculation of the levy do not result in a greater financial burden being placed on vehicle operators. The BVRLA also supports the allocation of incentives provided to encourage operators to plan routes more efficiently; drive more efficiently (by taking the shortest and quickest route possible); or to reduce emissions, particularly nitrogen oxide (NOx) emissions arising from older diesel vehicles.

In terms of upgrades to existing fleets, the BVRLA believes that recognition should be made of the improvements which have already been made by HGV fleet operators. This recognition should be made via a combination of national tolling charges including planned Clean Air Zones and the tax system as part of a wide package of incentives toward responsible operation and journey planning.

Incentives

This is especially important, since incentivisation through just one form of taxation is unlikely to change behaviour. To illustrate this point, while a (hypothetical) 20% reduction in Vehicle Excise Duty would be welcome, operators considering the purchase of a new 12-tonne HGV (which will cost around £60,000) are unlikely to be swayed significantly by this tax change on its own. What will be required to incentivise fleets to upgrade to cleaner vehicles will be a wide-reaching package of reforms rewarding upgrades to cleaner, greener vehicles, and better journey planning. The cost of upgrading to Euro VI must therefore be fairly compensated and incentivised as part of a wider national package.

British Vehicle Rental and Leasing Association

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Administration and Compliance Cost

The cost of enforcement and/or compliance must also be both proportionate and commensurate. If the incentives are to include journey planning, including use of Clean Air Zones, the Department should ensure there is a single registration process, perhaps via the DVLA, for fleet operators to register their vehicles and be offered a one-stop shop to deal with all such toll charges, Clean Air Zones, and other charges relating to road use.

Journey Planning

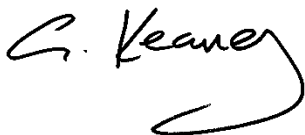
Regarding systems in which to check that vehicles have been upgraded, many of the BVRLA's commercial vehicle members already use vehicle telemetry that would help to measure the route, speed, distance and other factors taken by individual HGVs. We therefore believe that this would represent the best system of checking the above criteria. This will not only keep any additional cost and administration burdens to a minimum, but also ensure that a driver's personal data and privacy remains under the same protection as before any new system of calculating the levy were to be implemented. We believe that this data should be made accessible by vehicle operators on a voluntary basis, with a reduction in the levy for those operators providing data and who can demonstrate responsible road management and road use.

In using this technology, this should in no way be used as a trial for the introduction of 'road pricing', or other 'pay-as-you-drive' initiatives. Reviews have clearly demonstrated that the costs to vehicle owners (in the case of CV operators, both operating and enforcement costs) were significantly higher than the anticipated benefits (whether through environmental rewards and/or other incentives) a road pricing scheme would offer.

Finally, the BVRLA would like to confirm that the reasons for introducing the HGV Road User levy – which historically was to ensure a level playing field between UK business and foreign hauliers using UK roads, and paying for environmental impacts – still applies. If this is still the case, any changes to this levy following Brexit should continue to ensure that UK firms can operate competitively.

The BVRLA is happy to provide any additional information regarding this submission, or to present our views in person to any relevant official(s), if requested.

Yours sincerely

A handwritten signature in black ink that reads "G. Keaney". The signature is stylized, with a large, sweeping loop at the end of the name.

Gerry Keaney
Chief Executive, BVRLA

About the BVRLA and its members

- Established in 1967, the British Vehicle Rental & Leasing Association (BVRLA) is the UK trade body for companies engaged in vehicle rental and leasing.
- BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.
- The association achieves this by maintaining industry standards and regulatory compliance via its mandatory codes of conduct, inspection programme and conciliation service. To support this work, the BVRLA shares information and promotes best practice through its extensive range of training and events.
- On behalf of its 900+ members, the BVRLA works with governments, public sector agencies, industry associations and key business influencers across a wide range of road transport, environmental, taxation, technology and finance-related issues.
- BVRLA members are responsible for a combined fleet of almost five million cars, vans and trucks, supporting around 317,000 jobs and contributing nearly £25bn to the economy each year.