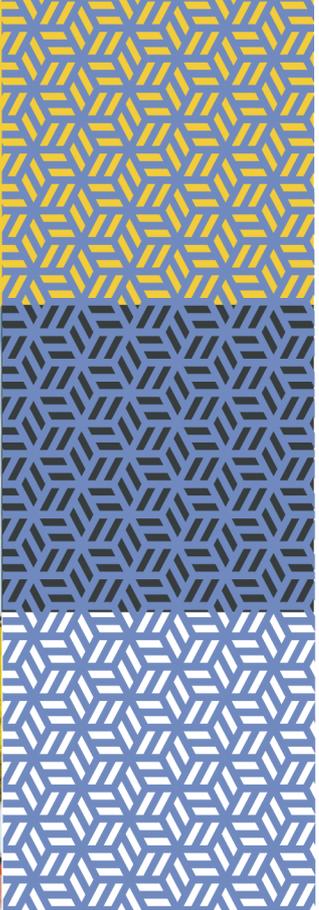
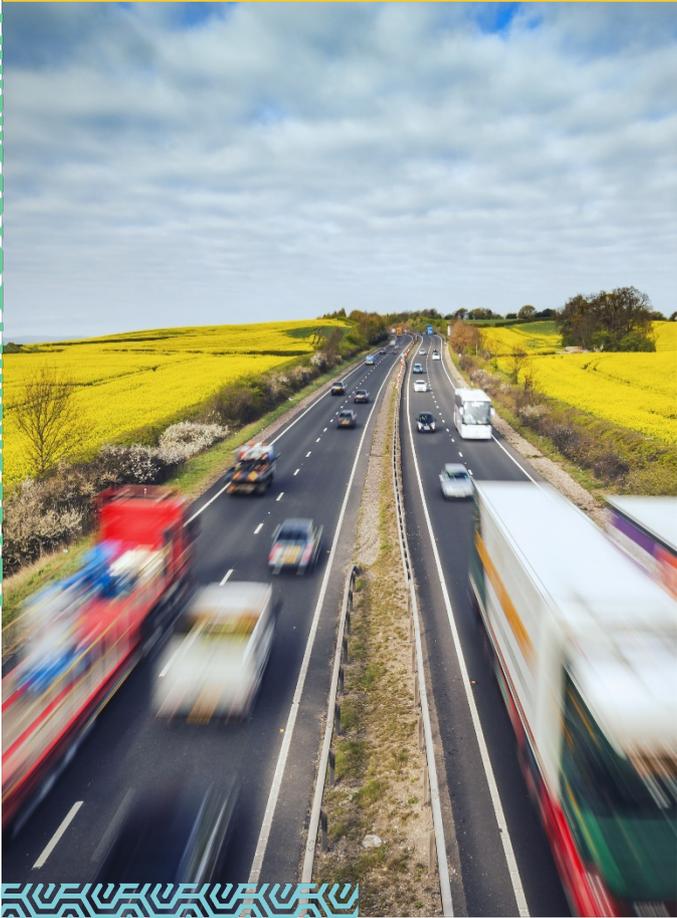




## Risk control

### Forthcoming Operator Licence Changes



In partnership with



# Forthcoming Operator Licence Changes

## Introduction

The last few months have seen discussions around international goods movements like never before. The wrong colour ink, confiscated ham sandwiches, and whole consignments of food being turned away from the borders have grabbed the headlines. For those directly involved in the international supply chain it has been both expensive and a steep learning with missed crossings and lost stock. As part of the EU Brexit negotiations the UK agreed to implement elements of the EU Mobility Package which was initially split into three sections. The first broadly around road haulage and passenger transport, the second relates to cleaner vehicles and the third around the implementation of new technologies.

## Current Situation

Any operator of a goods vehicle over 3.5 tonnes in the UK must hold an Operator Licence (or O'Licence) of which there are three types. A restricted licence is for those who move only their own goods (both domestically and abroad) and which is not for hire or reward. A Standard National Licence is required for anyone moving someone else's goods in the UK only such as pallet delivery. The final Licence is a Standard International Licence which allows the operator to carry goods on behalf of someone else, for hire and reward both in the UK and abroad. For a Standard National and International Licence there is a legal requirement to have a named Transport Manager on the Licence who must hold the relevant qualification namely the Transport Managers CPC Certificate. There are strict controls around Operator Licence compliance, which is regulated by the Office of the Traffic Commissioner and linked to the DVSA. Transport Managers may be employed or engaged as an external consultant, work for no more than 4 operators but this is dependent on the number of vehicles they manage under the Licence.

## 2022

With the implementation of the Mobility Package, the 21st May 2022 will see the biggest shake up of regulations for decades. Goods vehicles that weigh between 2.5 tonnes and 3.5 tonnes as their GVW, or Gross Vehicle Weight, and transport goods internationally which includes the Republic of Ireland will fall into scope of the Operator Licensing regulations for the first time. This will include those which are used in conjunction with a trailer (and will be the combined weight of both vehicle and trailer). Due to the vehicle weight this will now include vans such as those used by couriers or delivery companies. Vehicles of this weight who only operate in the UK domestically will not be affected by these new rules and those used to transport tools for

someone as an incidental part of their work will also fall out of scope, such as plumbers or builders.

## Tachographs

Any goods vehicles over 3.5 tonnes which is used for hire and reward must currently be fitted with a working tachograph. These have been digital since 2006 but analogue tachographs do still exist in some older vehicles. Drivers insert their card or chart so that their driving hours can be recorded and infringements to the rules dealt with either internally in the business, or if stopped enroute via the enforcement agencies. In 2022 the vans falling into scope will not be required to fit a tachograph as this is being introduced in 2026 but drivers will instead record hours utilising a logbook.

## Implications

Those who have not previously required an Operator Licence will need to plan early to be ready for the changes. The application process can take at least 9 weeks and new Operators would not be able to operate internationally until this has been completed. A copy of an international permit, known as the 'UK Licence for the Community' must be carried on all journeys and is only issued with the Licence itself on successful application. The application process is undertaken online through VOLS, or the Vehicle Operator Licensing System portal, but additional preparatory work is required prior to the application. An advert must be placed in a local paper to allow any local interested parties to raise an objection with a copy of the full page containing the advert submitted with the application, alongside an announcement in the operator licence business pages known as A and D (Applications and Decisions).

There are a number of requirements and undertakings the Operator must agree to or demonstrate, and this will include financial standing. For the first vehicle the Operator will be required to evidence they have sufficient funds (such as with bank statements or credit agreements) for maintenance and roadworthiness of the vehicles, and this is set currently for 2021 at £8,000, with every subsequent vehicle named on the Licence having funds of £4,500 each. For a small operator carrying out occasional work this may prove too costly and will force them to change their business model to UK based work only as operating just 5 vans will require funds of £26,000. The amounts are announced prior to the start of the new calendar year by the Traffic Commissioner and there is no reason to believe that the new van rules will be any different in relation to the amounts required.

Potential new operators will also need to engage the services of a qualified Transport Manager, whether employed or contracted, as they will be named on the Licence application and a copy of their original certificate attached. For those who have held the qualification a number of years it is becoming increasingly common for the Traffic Commissioner to ask the potential named Transport Manager to evidence they have attended a two-day refresher course as a condition of granting of the Licence with the attendance certificate required as evidence. It is possible for the applicant to qualify themselves as the named Transport Manager but must leave plenty of time for this to occur. The course is set as a Level 3 qualification, so essentially an A' Level studied over 4 weeks, with a third-party provider leading to externally sat examinations at the end. The results are usually released 6 – 8 weeks later depending on the exam board.

Once the licence has been granted the Operator will need to ensure compliance in a number of areas to ensure they do not put themselves at risk of a public enquiry or driver conduct hearing with the Traffic Commissioner. This can lead to the Licence being curtailed, suspended, and even revoked.

## Next Steps

It will be important to research the steps you need to take to fully understand the process and implications to ensure that your operations are not affected. Those who already an Operator Licence will need to consider if you have enough vehicle margin within the existing authorisation and add the additional vehicles to the existing licence nearer the time.

## References

- <https://www.gov.uk/government/consultations/changes-to-the-uk-operator-licensing-regime-and-arrangements-for-the-temporary-posting-of-workers-in-the-uk-and-eu-request-for-evidence/changes-to-the-uk-operator-licensing-regime-and-arrangements-for-the-temporary-posting-of-workers-in-the-uk-and-eu-request-for-evidence>
- <https://www.iru.org/who-we-are/where-we-work/europe/european-commission-mobility-package>

## Further information

For access to further RMP Resources you may find helpful in reducing your organisation's cost of risk, please access the RMP Resources or RMP Articles pages on our website. To join the debate follow us on our LinkedIn page.

## Get in touch

For more information, please contact your RMP risk control consultant or account director.

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