

<b>Title:</b> Operator Licensing Exemptions <b>IA No:</b> DfT00284  <b>Lead department or agency:</b> Department for Transport <b>Other departments or agencies:</b> DVSA	<b>Impact Assessment (IA)</b>		
	<b>Date:</b> 25 November 2014		
	<b>Stage:</b> Development/ Consultation		
	<b>Source of intervention:</b> Domestic		
	<b>Type of measure:</b> Secondary legislation		
<b>Contact for enquiries:</b> Mark Heverin FOLR Ext 6566			

<b>Summary: Intervention and Options</b>	<b>RPC Opinion:</b> RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCBon 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
£m -0.68	£m -0.68	£m 0.06	Yes   In

**What is the problem under consideration? Why is government intervention necessary?**

The goods vehicle operator licensing regime exists to address potential negative externalities caused by HGV operators. Examples of such externalities (in which costs imposed by a private actor are felt by wider society) are road safety and environmental costs. Operator licensing seeks to correct these externalities by imposing standards for the maintenance of vehicles and proper running of firms. Certain classes of vehicles are currently exempt from the requirements of goods vehicle operator licensing. Ministers consider it appropriate to review the current exemptions in view of the implications for road safety, the potential for distortion of competition and confirming compliance with EU legislation.

**What are the policy objectives and the intended effects?**

We wish to continue to maintain and improve road safety, ensure that there is fair competition with operators contributing appropriately towards enforcement and regulation, ensure current exemptions are in conformity with EU law and bring legal clarity.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

Policy Option Zero: Do nothing (baseline option). Do not make any changes to the list of vehicles and operations currently exempted from operator licensing.

Policy Option One (Preferred): Remove selected exemptions to meet policy objectives. This is the preferred option as we believe this is a proportionate approach.

<b>Will the policy be reviewed? It will be reviewed. If applicable, set review date: March 2019</b>					
Does implementation go beyond minimum EU requirements?				Yes	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		<b>Micro Yes</b>	<b>&lt; 20 Yes</b>	<b>Small Yes</b>	<b>Medium No</b>
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)				<b>Traded: NA</b>	
				<b>Non-traded: NA</b>	

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible SELECT SIGNATORY: \_\_\_\_\_ Claire Perry \_\_\_\_\_ Date: \_\_\_\_\_ 10/12/2014 \_\_\_\_\_

# Summary: Analysis & Evidence

# Policy Option 1

**Description:** Remove selected sectors from exempted categories.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2014	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -0.96	High: -0.39	Best Estimate:-0.68

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	0.04	0.4
High	0	0.11	1.0
Best Estimate	0	0.08	0.7

### Description and scale of key monetised costs by 'main affected groups'

Cost of complying with an O licence, namely; licence fees and administrative costs. Licence fees are entirely used to support additional enforcement activity by DVSA<sup>1</sup>.

We do not anticipate any transition costs because details of the new requirements will be circulated via trade associations and trade press.

### Other key non-monetised costs by 'main affected groups'

Additional burden of demonstrating adequate financial standing.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate	n/a	n/a	n/a

### Description and scale of key monetised benefits by 'main affected groups'

### Other key non-monetised benefits by 'main affected groups'

Potential road safety benefit.  
Fair competition.

### Key assumptions/sensitivities/risks

Assumes that these businesses are not currently licensed as Good Vehicle Operators. We also assume that they are similar to average size of fleets as calculated nationally. Calculations are based on the assumption that only volumetric cement mixers are exempted. Assume no growth through time in the number of vehicles affected.

### Discount rate

3.5%

## BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0.1	Benefits: 0.0	Net: -0.1	Yes	In

<sup>1</sup> Note that we have simplified the figures by only presenting the cost to business. In reality there is also an equally sized cost and benefit to DVSA (who receive the additional licence fees as revenue (a benefit) and use this to perform additional enforcement activities (an equally sized cost). This simplification does not affect the overall NPV.

## Background

A goods vehicle operator's licence to carry goods connected with any trade or business is required if you use, on a road, a motor vehicle with:

- A gross plated weight of more than 3.5 tonnes; or
- If it has no gross plated weight, an unladen weight of more than 1525kg.

The use of vehicle combinations (vehicle towing a trailer) also requires a licence. Plating is the process whereby a goods vehicle is certified by the authorities as to weights, dimensions and permitted speeds. A plate is attached to the vehicle for ease of enforcement.

An operator's licence can be issued in one of three formats:

- Restricted - to carry your own goods in the course of your trade or business<sup>1</sup>
- Standard National - to carry your own goods in Great Britain, and to carry goods for other people for hire or reward in Great Britain.
- Standard International - to carry your own goods, and goods for other people for hire or reward, both in Great Britain and on international journeys.

Operator licensing was established in 1933 and a number of categories of vehicle were exempted from operator licensing at that time, primarily because they were considered to be non - standard types of vehicle, or vehicles which were limited in number or limited in use on the public road. The exempt classes included some that are still valid today; such as funeral vehicles, certain local authority vehicles and vehicles used for emergency purposes. The exempt categories include vehicles that have been adapted to process materials or provide a service such as mobile electric generators – these are collectively called engineering plant. The list of current exemptions can be found in Schedule 3 to The Goods Vehicles (Licensing of Operator) Regulations 1995 (Annex A). Over time the amount of exempted vehicles has grown, both in category and number. The number of such vehicles is now estimated as 40,000 (DVLA stats). This represents a 12%<sup>2</sup> share of the total heavy goods vehicle market.

The same road safety standards apply to both exempted and non-exempted vehicles. The difference is that DVSA does not conduct site visits of non-licensed operators. Moreover, exempted vehicles are not subject to a regular technical inspections by law and so are subject to a less rigorous regime of inspection than non-exempted vehicles.

## Problem under Consideration

Operators who comply with regulations regarding maintenance, driver hours and safe loading are considered safer than undertakings who are not subject to these rules. Similarly, vehicles that are subject to regular testing are again considered safer than those which are not tested. As such there is a safety concern identified with vehicles that are operated outside of a regulatory framework.

During recent enforcement activity<sup>3</sup> in London targeted at construction traffic, over 80% of inspected exempted vehicles were prohibited from continuing their journeys due to road safety faults or being severely overloaded. Dealing with volumetric concrete mixers as a specific set of exempted vehicles, during October and November last year, 6 vehicles were stopped. 5 of these vehicles received immediate prohibitions for mechanical defects and 3 of these were also prohibited because of either overloading or an insecure load - in one case 15 faults were found. Even allowing for the small sample, at over 80% this is a much higher rate than the benchmark prohibition rates for randomly selected goods vehicles of 11.5%.<sup>4</sup>

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<sup>1</sup> Restricted licences are not required in other EU states

<sup>2</sup> In 2012/13 334,262 goods vehicles were registered to operator licences. Traffic Commissioners Annual Reports 2012-13

<sup>3</sup>The Industrial Heavy Goods Vehicle Task Force unit was formed at the end of the summer including officers/examiners from the Metropolitan and City of London Police forces and DVSA respectively

<sup>4</sup> DVSA fleet compliance survey 2013.

A competition issue has been identified in respect of volumetric mixers that are exempted as engineering plant<sup>5</sup> and do not need to be licenced. The competing vehicle type, a drum mixer does require operator licensing even though it provides a similar service. The Government and the regulators of the industry (Traffic Commissioners) seek to protect compliant operators from unfair competition by less scrupulous businesses. Competitive advantages obtained by non-compliant operators, or operators who do not contribute to enforcement and administrative processes results in distortion in the market and places pressures on the margins of compliant operators.

The Department will also be consulting on the subject of certain types of heavy vehicle being exempt from the requirement for an annual roadworthiness test. This is being done as we need to ensure those categories of exempt vehicles will be compatible with those specified in Directive 2014/45/EU. There will be commonalities on licensing exemptions and testing exemptions. By consulting on these areas in tandem we will be able to consider all responses and test whether our assumptions on the effects to industry are valid. As both areas have consequences for road safety we are keen that the road safety community has the opportunity to consider the consultations alongside each other.

## **Rationale for Intervention**

The core justification for requiring operators to be licensed is road safety - through ensuring that operators of heavy goods vehicles can be identified and held fully accountable for the vehicles they operate.

Amending some of the current exemptions would also help bring legal clarity that will help industry and enforcement authorities to more easily understand vehicles that are or are not exempt from operator licensing.

Licence fees pay for the regulation and monitoring of the road haulage and road passenger industries. The fees, importantly, pay for the enforcement of the industry which today is virtually exclusively undertaken by DVSA. Such activities include roadside checks where large vehicles, including those from other countries and vehicles outside the operator licensing system are subject to a technical inspection. It is appropriate that the operators of such vehicle contribute towards the cost of enforcement of the industry.

DVSA also carry out site visits to operators' premises. As with road side inspections checks can be made on compliance with driver hours and social legislation on working hours.

## **Policy Objectives**

- Compliance with EU Legislation
- Safety & Compliance
- Legal Clarity
- Reducing unfair competition

Article 1. 4 of Regulation 1071/2009 allows Member States to exempt hire or reward transport operations from operator licensing if there is only a minor impact on the transport market because of either the short distances travelled or the nature of the goods carried.

Operator licensing is part of a broader legislative regime covering the running of large motor vehicles for commercial purposes. Other elements include driver licensing, driver hours, permitted speeds and roadworthiness. Exemptions in certain areas is, in some cases, taken as justification to not being required to comply with other areas of law.

Bringing operators of large vehicles into scope of operator licensing will improve safety for employees and other road users. We feel that operators who do operate in a safe manner will only be marginally affected by the change.

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<sup>5</sup> Engineering Plant refers to vehicles that have permanently fixed machinery of apparatus and do not carry any materials except for the operation of that machinery.

Greater clarity over which sectors of the market are legitimately exempted will help industry and enforcement authorities more easily understand which vehicles are, or are not exempt from operator licensing.

## Option 1

Our initial view is that the exemption for engineering plant should be reviewed for volumetric concrete mixers where material is carried and delivered on a commercial and as such are carrying goods for hire and reward. Under this option they will be required to have a restricted licence. The costs and benefits presented below have been estimated on the basis that only these vehicles are exempted.

Other categories which could be included in operator licensing on which we will invite comment are;

- Recovery / Breakdown vehicles
- Dual purpose vehicles
- Electrically Operated vehicles
- Mobile Cranes
- Showman's Goods Vehicles

Especially as;

- most of these vehicle types are based on a normal HGV chassis;
- the number of such vehicles is increasing;
- most need to be maintained in exactly the same way as any other type of HGV; and,
- the main purpose of operator licensing is to ensure the safe and proper use of HGVs;

Withdrawing these exemptions would also remove the current unfairness whereby HGVs which are exempt from operator licensing are in some cases operated in direct competition with vehicles which are not exempt.

The Department will evaluate comments and responses on all the suggested categories and should there be a valid case for amending legislation carry out a suitable assessment. Whilst there are figures relating to the number of vehicles within these classes it does not specify each category by weight and it may be that some of these would be exempted on that basis. Also vehicles within these categories could be exempt based on the type of work they do.

Recovery / Breakdown vehicles	16,660
Electrically Operated vehicles	13,188
Mobile Cranes	4,646
Showman's Goods Vehicles	NA

## Other Options

Remove all exemptions for large (over 3.5 tonne) vehicles engaged in transport of any goods or burden. We believe this would be disproportionate because it would include some sectors where there is a high number of vehicles operated, such as agricultural vehicles or where there is a very low usage or mileage. It would also include vehicles being used for emergency purposes or to cover some temporary scenarios (such as vehicles being transported for export). We feel that a total removal of exemptions would not be enforceable nor in the public interest. This option was considered but dismissed because it would not be possible to enforce. It was also felt to be disproportionate.

## OITO

Whilst this measure would count as an 'IN' it should be noted that the outcome will promote competition and deliver a net social benefit. By removing a distortion in the market between the regulatory requirements for vehicles that deliver concrete - this should encourage providers to compete on price and service. Giving certainty to the regulatory basis of the industry will encourage new providers or give assurance to existing operators to invest in equipment or training. The benefit is primarily road safety. It is not possible, given the low number of vehicles affected, to monetise this particular societal benefit.

## Costs to Business (monetised)

As these categories of vehicle are not part of a regulated regime there are no accurate figures for the extent of the number of vehicles which may be affected. Figures obtained from DVLA suggest that there are 729 volumetric concrete mixers in use in England, Scotland and Wales. If we assume that this sector reflects the average fleet size of four (4.13) vehicles then we can estimate about 182 businesses will be affected.

To generate an upper-bound estimate, we also consider a scenario where a higher proportion of operators in this market operate only one vehicle. If we assume that 50% of operators have just one volumetric concrete mixer, and the remainder operate the average 4.13 vehicles per company, this suggests that 453 businesses would be affected in total.

### Fees:

Organisations applying for an operator's licence must pay a one-off application fee (this is the same amount regardless of the number of vehicles the organisation is applying for). They must also pay an administration fee every five years. Again, the size of this fee is regardless of the number of vehicles the organisation is applying for.

The current licence fee structure is;

Application	£254
Licence on issue	£397
Continuation every 5 years	£397

### Administrative Costs:

There will be some administrative burden for operators in applying for a licence, paying continuation fees and interacting with DVSA where appropriate. We have assumed a level of administrative cost at one day each year for a mid-level manager cited at £133 / day<sup>6</sup>. This is based on data on the amount that a manager within a transport undertaking may be expected to earn.

### Transport Managers:

Standard licence holders must also employ a Transport Manager who has to be professionally competent which is usually verified by examination. However, this is not necessary for those operators carrying their own goods, such as volumetric mixers. Therefore we have not included any additional cost for employing a transport manager.

## Total Monetised Costs to Business

Tables 1-3 below show how the total costs to business have been calculated.

year	fees		administrative costs	TOTAL
	application	licence and continuation		
0	254	397	133	784
1	0	0	133	133
2	0	0	133	133
3	0	0	133	133
4	0	0	133	133
5	0	397	133	530
6	0	0	133	133
7	0	0	133	133
8	0	0	133	133
9	0	0	133	133

Table 1: Total cost per operator per year, 2014 prices (non-discounted)

<sup>6</sup><http://www.salarytrack.co.uk/>, the average salary for a Transport Manager is £32,000 p.a with assumed 240 work days per year.

year	discount rate	fees		administrative costs
		application	licence and continuation	
0	1.00	254	397	133
1	0.97	0	0	129
2	0.93	0	0	124
3	0.90	0	0	120
4	0.87	0	0	116
5	0.84	0	334	112
6	0.81	0	0	108
7	0.79	0	0	105
8	0.76	0	0	101
9	0.73	0	0	98

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<b>TOTAL</b>	<b>254</b>	<b>731</b>	<b>1,145</b>
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<b>Total cost per operator</b>	<b>2,130</b>
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Table 2: total cost per operator over the ten-year appraisal period (discounted values, 2014 prices)

	operators	cost per operator	TOTAL COST
LOW	182	£2,130	<b>£387,676</b>
CENTRAL	317.5	£2,130	<b>£676,302</b>
HIGH	453	£2,130	<b>£964,929</b>

Table 3: Total cost for all operators over the ten-year appraisal period (discounted values, 2014 prices)

The average annual cost per business of this policy is £238 (based on 2014 prices, non-discounted). This represents about 0.4%<sup>7</sup> of the outgoings for one vehicle. For larger fleets, the costs will be an even smaller proportion of total running costs – since the cost is per operator, not per vehicle.

### Costs to the Business (non-monetised)

#### Financial standing:

All licence holders must satisfy the Traffic Commissioner that they have available sufficient finances to safely maintain their vehicles and to administer the business properly - referred to as 'financial standing'. The required levels of financial reserves for operators holding standard national and international licences - are fixed in Euros by EU Regulation 1071/2009. The Regulation prescribes that operators must have available funding of at least 9,000 euros for the first vehicle and 5,000 euros for each additional vehicle. This equates to £7400 for the first vehicle and £4100 for each subsequent vehicle.

Traffic Commissioners are responsible for setting the restricted licence<sup>8</sup> financial standing rates and they have historically set at about 50% of the standard licence financial standing rates. Under the guidance issued the Commissioners have a degree of freedom in how they assess financial standing. The key test in demonstrating financial resources is whether the applicant or operator has available capital and reserves of an amount equal to the sum specified.

This requirement may result in an opportunity cost for businesses. However, low investment interest rates and the wide variation in circumstances for small businesses makes this difficult to calculate and

<sup>7</sup> RHA operating figures for a 32 tonne vehicle is £ 56,700 p.a. in 2008.

<sup>8</sup> Restricted Licences are granted to those who carry only their own goods. Currently 52% of GV O licences are issued to such operations.

this is likely to be a negligible cost. In some circumstances where an operator is unable to prove that they have sufficient funds at their disposal, it is possible that they may be forced to cease trading. However, we believe this to be a small risk.

Financial standing requirement does not mean every business must go and take out a loan for £x thousand pounds. They simply have to prove that this liquidity is available to them, and there are various different routes they could use to show this, such as repair contracts, credit options, plus some fixed assets can be counted as available capital.

### **Costs and Benefits to the Public Sector (monetised)**

DVSA conducts site visits and incurs various costs around enforcement activities for licensed operators. This activity will increase as more operators are covered by the licensing regime. The fees charged by DVSA (as described above) are set equal to the marginal cost of additional enforcement activity<sup>9</sup>. Therefore, additional costs to DVSA will be entirely covered by the increased revenues they will receive from vehicle operators. For clarity of presentation, the costs and the benefits to the public sector have been excluded from the summary sheets.

### **Benefits to Business (non-monetised)**

It is expected that business will benefit from this proposal in the following ways (all of which are non-monetised benefits):

- Greater regulatory certainty and clarity. In particular, where two differing sets of UK legislation differs is applied within the same industry. This background can make it difficult for businesses to make investment decisions.
- A more even distribution of the costs of enforcement. Enforcement activities are not limited to those vehicles covered by operator licensing. By removing certain exemptions, the cost of enforcement activities will be charged over those businesses who currently are not paying although they can be subject to more general enforcement of road haulage industry.
- A more level playing field. Some of the exemptions seem arbitrary by modern standards, and result in firms having to compete with others who can provide similar work but are not covered by the licensing regime. This leads to distortion of the market. Removal of these exemptions will allow firms to compete on a more equal basis.

### **Benefits to Wider Society (non-monetised)**

It is expected that bringing the operation of certain types of vehicle into a regulated regime will result in a reduction in road accidents. The benefits from reducing accidents are wide-ranging, including avoiding loss of life and serious injury, human grief, lost earnings, property damage and emergency response costs. There are also some congestion costs associated with accidents that would be avoided. The benefits to society from saving just one fatality are considerable – for example WebTAG unit 3.4.1 advises the cost of a fatality as £1.6m in 2010 prices.

It has not been possible to estimate the number of accidents that might be prevented as a result of this policy. This is because accident statistics data (recorded by the police and published in the department's STATS19 data releases) do not allow us to reliably identify accidents involving the vehicle types to be exempted. Vehicles involved in road accidents can only be identified using the body type identified in DVLA vehicle records, and for many of the vehicle types of concern there is no relevant body type defined in the DVLA vehicle records.

Although there is a lack of reliable data on the number of accidents caused by defective commercial vehicles, it is clear that road safety faults are an issue amongst some types of vehicles, as demonstrated by the enforcement activity described above. A vehicle which has mechanical defects or is improperly loaded is both more at risk of being involved in an accident, and more likely to cause severe injury if an accident does occur. By reducing these defects, it seems reasonable to assume that the risk of severe accident will also decrease.

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<sup>9</sup>The DVSA fee structure is set so that the enforcement and regulation of the commercial freight and passenger business is covered by the fees levied on the industry (i.e. not supported by the public purse).



Newly licenced operators will improve their safety record because of

1. On site visits by DVSA
2. Other enforcement activity in monitoring the operators performance through the Operators Compliance Risk Score (OCRS)
3. Advice and technical information DVSA provide to licensed operators

### **Small and Micro Business Assessment**

It is likely, given the average fleet size that of the 182-453 businesses to be affected, the majority will employ less than 50 workers. The basis for bringing such operations within operator licensing is primarily road safety. It would not be sensible to exempt any part of that industry - as anything less than a comprehensive approach would not deliver the anticipated benefits of improved road safety. The effect of legislation is to some extent mitigated for smaller businesses by existing arrangements. Restricted licence holders do not have to employ a qualified Transport Manager and such businesses are only required to show 50% of the level of available reserves to meet the financial standing requirements.

Costs are per business and are independent of business size, smaller businesses may be disproportionately affected.

### **Direct costs and benefits to business calculations**

The average annual cost to business is estimated to be in the range £0.04m - £0.11m, with a best estimate of £0.08m.

The EANCB on 2009 prices is £0.06m, and the business net present value is -£0.68m.

### **Wider impacts – Equalities & Carbon Impacts**

We do not consider that the proposed changes will have any impact on age, ethnicity or gender. We therefore believe these proposals will have no impact on equalities. Nor do we expect there will be any changes in traded CO2 emissions arising from these proposals.

### **Post Implementation Review**

The Impact Assessment covers the consultation we intend to conduct regarding the possible changes. Accordingly, the Department will review the impact of any the changes proposed here shortly after they have taken effect to gain further insights regarding the impacts any longer term changes. Furthermore, there is a requirement to regularly review the role of the Traffic Commissioners as an appointed body. Such reviews (currently 3 yearly) can include categories of vehicles within operator licensing.

## Annex A

### SCHEDULE 3 CLASSES OF VEHICLES FOR WHICH A LICENCE IS NOT REQUIRED

#### Regulation 33

##### Part I

- 1** Any tractor as defined in paragraph 4(3) of Part IV of [Schedule 1](#) to the Vehicle Excise and Registration Act 1994 (as originally enacted) while being used for one or more of the purposes specified in Part II of this Schedule.
- 2** A dual-purpose vehicle and any trailer drawn by it.
- 3** A vehicle used on a road only in passing from private premises to other private premises in the immediate neighbourhood belonging (except in the case of a vehicle so used only in connection with excavation or demolition) to the same person, provided that the distance travelled on a road by any such vehicle does not exceed in the aggregate 9.654 kilometres, (6 miles), in any one week.
- 4** A motor vehicle constructed or adapted primarily for the carriage of passengers and their effects, and any trailer drawn by it, while being so used.
- 5** A vehicle which is being used for funerals.
- 6** A vehicle which is being used for police, Scottish Fire and Rescue Service or, in England, fire and rescue authority or ambulance or National Crime Agency purposes.
- 7** A vehicle which is being used for fire-fighting or rescue operations at mines.
- 8** A vehicle on which no permanent body has been constructed, which is being used only for carrying burden which either is carried solely for the purpose of test or trial, or consists of articles and equipment which will form part of the completed vehicle when the body is constructed.
- 9** A vehicle which is being used under a trade licence.
- 10** A vehicle in the service of a visiting force or of a headquarters.
- 11** A vehicle used by or under the control of Her Majesty's United Kingdom forces.
- 12** A trailer not constructed primarily for the carriage of goods but which is being used incidentally for that purpose in connection with the construction, maintenance or repair of roads.
- 13** A road roller and any trailer drawn by it.
- 14** A vehicle while being used under the direction of HM Coastguard or of the Royal National Lifeboat Institution for the carriage of life-boats, life-saving appliances or crew.
- 15** A vehicle fitted with a machine, appliance, apparatus or other contrivance which is a permanent or essentially permanent fixture, provided that the only goods carried on the vehicle are—
  - (a) required for use in connection with the machine, appliance, apparatus or contrivance or the running of the vehicle;
  - (b) to be mixed by the machine, appliance, apparatus or contrivance with other goods not carried on the vehicle on a road in order to thresh, grade, clean or chemically treat grain;
  - (c) to be mixed by the machine, appliance, apparatus or contrivance with other goods not carried on the vehicle in order to make fodder for animals; or
  - (d) mud or other matter swept up from the surface of a road by the use of the machine, appliance, apparatus or other contrivance.
- 16** A vehicle while being used by a local authority for the purposes of the enactments relating to weights and measures or the sale of food and drugs.
- 17** A vehicle while being used by a local authority in the discharge of any function conferred on or exercisable by that authority under Regulations made under the [Civil Defence Act 1948](#).
- 18** A steam-propelled vehicle.
- 19** A tower wagon or trailer drawn thereby, provided that the only goods carried on the trailer are goods required for use in connection with the work on which the tower wagon is ordinarily used as such.

- 20** A vehicle while being used for the carriage of goods within an aerodrome within the meaning of [section 105\(1\)](#) of the Civil Aviation Act 1982.
- 21** An electrically propelled vehicle.
- 22** A showman's goods vehicle and any trailer drawn thereby.
- 23** A vehicle which is being used to carry out a cabotage operation consisting of national carriage for hire or reward on a temporary basis in the United Kingdom in accordance with the provisions of [Regulation \(EC\) No 1072/2009](#) of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market.
- 23A** (1) A vehicle which is being used in Great Britain to carry out a cabotage operation—
- (a) which consists of national carriage for hire or reward by a haulier who is a holder of a Community licence and whose driver, if a national of a country which is not a member State, holds a driver attestation;
  - (b) where the vehicle is being used only for the carriage of vehicles in categories M1 and N1, as defined in [Annex II](#) to Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles; and
  - (c) the vehicle is being used at any time during a period beginning with—
    - (i) 22nd February and ending with 31st March; or
    - (ii) 25th August and ending with 30th September.
- (2) In this paragraph “Community licence” and “driver attestation” have the same meanings as in [Regulation \(EC\) No 1072/2009](#) of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market.
- 24** A goods vehicle first used before 1 January 1977 which has an unladen weight not exceeding 1525 kilograms and for which the maximum gross weight, as shown on a plate affixed to the vehicle by virtue of regulation 66 of the Motor Vehicles (Construction and Use) Regulations 1986 or any provision which that regulation replaced, exceeds 3500 kilograms but does not exceed 3556.21 kilograms (3 1/2 tons).
- 25** A vehicle while being used by a highway authority for the purposes of [section 196](#) of the Road Traffic Act 1988.
- 26** A vehicle being held ready for use in an emergency by an undertaking for the supply of water, electricity, gas or telephone services.
- 27** A recovery vehicle.
- 28** A vehicle which is being used for snow clearing, or for the distribution of grit, salt or other materials on frosted, icebound or snow-covered roads or for going to or from the place where it is to be used for the said purposes or for any other purpose directly connected with those purposes.
- 29** A vehicle proceeding to or from a station provided by the Secretary of State under [section 45](#) of the Road Traffic Act 1988 for the purposes of an examination of that vehicle under that section provided that—
- (a) the only load being carried is a load required for the purposes of the examination; and
  - (b) it is being carried at the request of the Secretary of State.
- 30** A vehicle in a category or sub-category listed in column 1 of Table 2 in regulation 37 of the Motor Vehicles (Driving Licences) Regulations 1999, provided that—
- (a) no goods are being carried on the vehicle or trailer other than any that may be carried on the vehicle for the purposes of a practical test of driving skills and behaviour, as prescribed in that regulation 37;
  - (b) any goods that are being carried on the vehicle or trailer are being carried only for the purposes of driver instruction and not otherwise—
    - (i) for hire or reward, or
    - (ii) for or in connection with any trade or business; and
  - (c) the vehicle is—

- (i) being used for the instruction of a driver who has not passed a test of competence to drive that class of vehicle under [section 89](#) of the Road Traffic Act 1988;
- (ii) proceeding to or from a test of competence to drive that class of vehicle under [section 89](#) of the Road Traffic Act 1988 or being used in such a test; or
- (iii) being used in the course of—
  - (aa) a driving lesson for the purpose of enabling a person to obtain a CPC within the meaning of the Vehicle Drivers (Certificate of Professional Competence) Regulations 2007;
  - (bb) periodic training as defined in regulation 2(1) of the Vehicle Drivers (Certificate of Professional Competence) Regulations 2007; or
- (cc) an initial CPC test as defined in regulation 2(1) of the Vehicle Drivers (Certificate of Professional Competence) Regulations 2007.