Title: Road Vehicles (Authorised Weight) and (Construction and Use) (Amendment) Regulations 2017	Post Implementation Review
PIR No: DfTPIR0078	Date: 15/01/2024
Original IA/RPC No: N/A	Type of regulation: Domestic
Lead department or agency: DfT	Type of review: Statutory
Other departments or agencies: N/A	Date measure came into force: 01/10/2017
	Recommendation: Keep
Contact for enquiries: Rob Evans: rob.evans1@dft.gov.uk	RPC Opinion: N/A

Recommendation and Summary of Justification

- 1. Based on the evidence available and views collected from stakeholders, it is recommended that the Road Vehicles (Authorised Weight) and (Construction and Use) (Amendment) Regulations 2017 ("the Regulations") are maintained as they are.
- 2. The Regulations were judged by stakeholders to overall be helpful in meeting the objectives. While these Regulations are, alone, insufficient to fully achieve the objectives, they are still useful.
- 3. The Regulations only impose one direct cost to business, the requirement for shippers to include a statement of the weight of a container. However, the impact of this is clearly minimal due to other maritime rules including similar requirements. This element of the Regulations was generally perceived by stakeholders as worth maintaining. The other parts of the Regulation are permissive and optional, so businesses are free to take advantage of them if they want to. It would not be possible to replace the permissive elements with guidance, as they need to have regulatory power in order to have their effect. Making the permissive elements mandatory would negate their intention to offer further flexibility to businesses and would make compliance with these Regulations burdensome for businesses, reducing the likelihood of the Regulations achieving their objectives.
- 4. Given the low impact and cost of these Regulations, engagement with industry representative organisations and analysis of available data was considered a proportionate way to inform the PIR.

1. What were the policy objectives of the measure?

- 5. The Regulations transposed for Great Britain ("GB") most (but not all) of the European Union ("EU") derived Directive (EU) 2015/719 of the European Parliament and of the Council ("the Directive"), which amends Council Directive 96/53/EC laying down for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic. The elements of the Directive which were not transposed related to areas where further detail was required from the EU on amendments to type approval rules.
- 6. No impact assessment or de minimis assessment was prepared for these Regulations.
- 7. The Regulations contain a clause specifying that the regulatory provisions must be reviewed at intervals of (at most) five years. These reviews must (so far as is reasonable):

- Have regard to how the Directive was implemented in other EU member states
- Set out the intended objectives of the Regulations
- Assess whether these objectives have been met
- Assess whether these objectives remain appropriate and are achieved proportionately.
- 8. The overall objectives of the Regulations were:
 - To reduce greenhouse gas emissions from transport by encouraging use of lower emission vehicles
 - To respond to changing market needs in the bus and coach sector
 - To help to facilitate intermodal freight transport operations
- 9. A variety of measures were included within the Regulations to support these three objectives:
 - Encouraging the use of certain alternatively fuelled vehicles by increasing their maximum weight limit by up to one tonne, with the exact uplift determined by the actual extra weight of the alternative fuel powertrain. This weight limit uplift applied to:
 - i. two-axle rigid heavy goods vehicles ("HGVs") up to 18 tonnes
 - ii. three-axle rigid HGVs up to 26 tonnes
 - iii. three-axle rigid buses up to 26 tonnes
 - iv. three-axle articulated buses up to 28 tonnes
 - Alongside implementing vehicle weight limit increases, the instrument removed administrative barriers to the use of vehicles powered by natural gas or hydrogen. Increased use of these vehicle types can support emissions reductions from the transport sector, as their tailpipe carbon emissions levels are generally lower than fossil fuelled equivalents.
 - Responding to the increased weight of passengers, luggage and technical requirements carried on international bus journeys (reducing the passenger capacity of the bus) by increasing the maximum authorised weight for buses with two axles in international traffic by 1.5 tonnes. In GB this weight limit increase also applied to buses on domestic journeys.
 - Supporting intermodal freight transport and responding to the use of 45-foot containers, by increasing the maximum permitted length of the vehicles transporting such containers on the road leg of journeys by 15cm. The Regulations also require shippers of goods (the company responsible for loading the container) to provide hauliers with the weight of the container, to reduce the likelihood of overloading the HGV. As a result of amendment to the Directive, previous provisions which applied to combined transport operations now also apply to "intermodal transport", which has a broader definition and is defined in this instrument. Intermodal journeys extend coverage to worldwide intermodal operations whereas combined transport operations only related to European intermodal freight journeys.
- 10. Most of the provisions within the Regulations provide permissive derogations from previous Regulations (such as the Road Vehicles (Authorised Weight) Regulations 1998). As such, they do not require businesses to have to comply with them unless the business wishes to take advantage of the flexibility that they provide. However, because a regulatory derogation is required it also means that the same effect cannot be obtained through the use of guidance alone. For example, the extra weight limit allowances could be used if desired, but

businesses could choose whether they wanted to make use of them or not. The one element of the Regulations which did require action on behalf of businesses in order to comply was the requirement for the weight of a container to be provided to haulage operators by the shipper, so that the haulier could ensure that the HGV carrying the container would not be overloaded (in the same way as set out above, guidance would not be able to have the same effect).

2. What evidence has informed the PIR?

- 11. A group of six stakeholders were contacted to discuss their views on the Regulations, via individual semi-structured interviews with the Department for Transport policy team. Five of these stakeholders agreed to participate. These stakeholders were from trade associations, representing businesses within the sector. Interviewees were selected because they represent a cross section of the organisations affected by these Regulations, covering both freight and passenger transport, vehicle manufacturers and those enforcing the rules which had been altered by these Regulations. Semi-structured interviews were used to ensure that stakeholders provided views on the main aims and effects of the Regulations, while also allowing for wider discussion so that parallel issues could be raised. Questions for stakeholders were developed and agreed with analysts, to ensure they covered the areas required.
- 12. While speaking to individual businesses may have been useful, it was not deemed proportionate given the low impact of these Regulations. This approach was agreed with the analyst team. The representative organisations were also able to canvas for opinions from their members prior to the interviews, to pass on the views of individual members. The organisations which were interviewed are likely to represent larger businesses (by number of employees) within the freight and passenger transport sector, so their responses may have been skewed towards the views of those businesses (and their employees). A public consultation could have been used to try to reach more smaller businesses, but consultation responses may also be more heavily weighted towards larger companies (as they are more likely to have staff with time available to respond), and conducting a full consultation for this PIR would not have been proportionate given that the changes introduced were not controversial and their impacts were on a fairly narrow group of vehicles or transport operations. The stakeholders interviewed represented businesses affected by these Regulations, so could provide more specific feedback than may have been received from a wider public consultation.
- 13. Stakeholders were provided with the interview questions in advance to enable them to formulate their responses and discuss these with their members. The interviews sought qualitative information about the effectiveness of the Regulations and views from stakeholders around whether the objectives of the Regulations have been achieved. Stakeholders were also asked open ended questions to give them the chance to raise related issues which were relevant to them, such as where any future interventions should be focussed.
- 14. Alongside the stakeholder interviews, policy officials reviewed the available data relevant to the intended effects of the Regulations. Some of this data is publicly available and some unpublished data was provided by the Driver and Vehicle Standards Agency ("DVSA"). There are further items of data which would have been useful for this PIR but that are not collected by either government or industry (such as the length of containers moved by HGVs performing intermodal transport, or uptake rates of alternatively fuelled vehicles stratified by vehicle weight class). Due to the level of impact of these Regulations it was not considered proportionate to conduct extra data collection specifically for this PIR to expand upon the existing sources of data already published by the Department for Transport or available from the DVSA and this is likely to remain the case in the future. As such, no extra areas of data collection are proposed to be introduced. Some high level quantitative data analysis is therefore being used to support the findings of stakeholder interviews, which were the primary means of informing this PIR. This approach was agreed with analysts.

3. To what extent have the policy objectives been achieved?

Policy objective 1- Reducing greenhouse gas emissions from transport by encouraging use of lower emission vehicles

- 15. The general view from stakeholders was that increasing weight limits for alternatively fuelled vehicles and reducing administrative barriers to using them did help to support their use. However, these changes are just one of a variety of issues which need to be addressed to help to support increased uptake of these vehicle types. Due to the early stage of adoption, the impact of uptake of the vehicles affected by these Regulations is yet to be clear in terms of reduced transport carbon emissions levels.
- 16. The interviewees agreed that the typically heavier powertrains of alternatively fuelled vehicles led to a reduction in payload capacity on the vehicle compared to a fossil fuelled equivalent, which leads to a reduction in profitability per vehicle, or the need for more vehicles to move an equivalent amount of goods. If this issue had not been addressed by these Regulations, it was considered that uptake of alternatively fuelled vehicles would have been slower, as freight operators typically work on very tight margins and cannot absorb a decreased payload.
- 17. It was highlighted that when the Regulations were first introduced, the low number of available models meant there was very little opportunity for operators to use alternatively fuelled vehicles, beyond limited trials. This is now starting to change, but the market is still at an early stage so the full effects of these Regulations are still to be determined. Future PIRs (which are required at intervals of at most five years) will be able to draw on evidence from a larger pool of vehicles. Information on the number of available models which are affected by these Regulations will be sourced from industry (likely via the Society of Motor Manufacturers and Traders). All stakeholders thought that the numbers of alternatively fuelled vehicles currently in use is very low, so while the Regulations are helpful, their impact has not (yet) led to a significant change in the proportion of vehicles using alternatively fuelled powertrains.
- 18. Stakeholders were generally agreed that a variety of other issues also needed to be addressed, alongside changes to gross weight limits, in order to support the future increased use of alternatively fuelled vehicles (most of which are driven by the market), such as: a wider variety of models on the market, increased vehicle range, reductions in purchase costs and more refuelling or recharging infrastructure being in place. Alongside further increases to gross weight limits, several interviewees also suggested that increases in maximum weight limits for individual axles are necessary, to allow the increase in gross weight limit to be more effectively utilised.
- 19. The importance of regulatory consistency with the EU was raised, due to most large HGV manufacturers being based in Europe and the international nature of the haulage industry. Divergence of rules on vehicle weights was viewed as being unhelpful, with the potential to lead to increased costs for British hauliers which would hinder uptake of alternatively fuelled vehicles.
- 20. Changes in the number of registered alternatively fuelled vehicles may give some indication of whether the changes in weight and dimension rules introduced by these Regulations supported the objective of reducing greenhouse gas emissions from transport by encouraging the use of alternatively fuelled vehicles. The Department for Transport publishes statistics showing "Licensed vehicles at the end of the quarter by body type and fuel type"¹. This dataset records the number of HGVs and buses/coaches (among other vehicle types) with varying powertrains, including alternative fuel powertrains, registered at the end of each quarter in GB (which was the territorial extent of these Regulations), and shows:

¹ <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1178491/veh1103.ods</u>

- The total number of HGVs registered in GB at the end of Q4 2017 (the quarter these Regulations came into effect) was 499,400. After five years (to the end of Q4 2022), the total number of registered HGVs in GB had increased by 2.6% to 512,500.
- The total number of diesel (the predominant powertrain type) HGVs registered in GB increased over the same period from 496,700 to 507,500, an increase of 2.2%.
- The total number of battery electric HGVs registered in GB increased over the same period from 400 to 1300, an increase of 325%. Over the 5 years preceding the Regulations (from Q4 2017), the number of these vehicles decreased from 700 to 400, a decrease of 42.9%.
- The total number of gas-powered² HGVs registered in GB increased over the same period from 400 to 1900, an increase of 475%. Over the 5 years preceding the Regulations (from Q4 2017), the number of these vehicles decreased from 600 to 400, a decrease of 33.3%.
- The total number of buses/coaches registered in GB at the end of Q4 2017 (the quarter these Regulations came into effect) was 158,400. After five years (to the end of Q4 2022), the total number of registered HGVs in GB had decreased by 12.8% to 138,100.
- The total number of diesel (the predominant powertrain type) buses/coaches registered in GB decreased over the same period from 153800 to 132200, a decrease of 14.0%.
- The total number of battery electric buses/coaches registered in GB increased over the same period from 300 to 1900, an increase of 633%. Over the 5 years preceding the Regulations (from Q4 2017), the number of these vehicles increased from 100 to 300, an increase of 300%.
- The total number of gas-powered buses/coaches registered in GB increased over the same period from 300 to 500, an increase of 167%. Over the 5 years preceding the Regulations (from Q4 2017), the number of these vehicles increased from 200 to 300, an increase of 150%.
- 21. It is clear that the rate of increase of GB registered alternatively fuelled HGVs and buses/coaches far outstrips both the rate of increase for diesel registrations and for these vehicle types generally, during the 5 years after the Regulations were introduced. However, uptake of alternatively fuelled HGVs and buses/coaches is likely to also have been influenced by a variety of other factors, such as an increased number of available vehicle models, the availability of refuelling or recharging infrastructure and greater pressure for freight and passenger transport operators to reduce their greenhouse gas emissions. Therefore, while the increase in use of alternatively fuelled vehicles is encouraging, it is not possible to directly attribute all this increase to the effects of these Regulations, although these increases are supported to an extent by the stakeholder engagement findings that the Regulations support uptake. The Zero Emission Vehicle Mandate³ came into force at the start of 2024 and will require an increasing proportion of vehicles sold to be zero emission, reaching 100% in 2035. It would not be appropriate to make the permissive weight limit increases mandatory, as that would require that the affected vehicles operated at higher maximum weights, even where this was not necessary (rather than just giving operators the option to, as the Regulations do currently).

Policy objective 2- Respond to changing market needs in the bus and coach sector

 $^{^{2}}$ This includes gas, gas bi-fuel, petrol/gas and gas-diesel.

³ <u>https://www.gov.uk/government/news/pathway-for-zero-emission-vehicle-transition-by-2035-becomes-</u>

law#:~:text=The%20zero%20emission%20vehicle%20(%20ZEV,increasing%20to%20100%25%20by%202035.

- 22. The extra weight limit provided by these Regulations was thought by the interviewees to have been used by bus/coach operators. Stakeholders thought that the Regulations have helped to level the playing field between low/zero emission vehicles and fossil fuelled vehicles in terms of passenger capacity. If the Regulations were not in effect, then public service vehicle (PSV) operators would lose out financially when using low/zero carbon vehicles due to reduced passenger capacity, or (in what was considered the most likely outcome) would not use these vehicles in the first place. These industry views support the retention of the Regulations.
- 23. The policy was considered to have been far more useful for bus operators than for coach operators. Stakeholders were aware of lots of zero emission buses (particularly in dense urban areas), but only two zero emission coaches in GB. They felt that these Regulations have been more useful for buses compared to coaches because:
 - Buses generally do shorter mileages and therefore do not need to have as long a range as coaches (particularly compared to coaches operating internationally). This means that bus batteries can be smaller and therefore lighter and that the extra weight allowance provided for by these Regulations is more likely to entirely offset extra battery weight.
 - Bus passengers generally have no or little luggage, whereas coach passengers often have large bags.
 - Buses generally have a more even weight distribution (especially if they are double decker) whereas on coaches, weight (including weight due to batteries) is often concentrated over the rear axle(s) which can present an overloading risk.
- 24. Alongside the increased weight of passengers, luggage and lower emission technology, stakeholders also highlighted that PSVs may have become heavier due to the requirements of the Public Service Vehicles Accessibility Regulations 2000⁴ ("PSVAR") which include accessibility requirements for PSVs, some of which may increase vehicle weight. It is noted however that the PSVARs were already in place by the time these Regulations were introduced, so any extra weight required to adhere to accessibility requirements should have already been factored in.
- 25. In general the increase in weight limit for buses/coaches was considered to be useful and worth keeping, but insufficient on its own to make a major difference in the uptake of alternatively fuelled PSVs, with issues such as charging infrastructure, vehicle range and vehicle availability all being important factors which are slowing down uptake.

Policy objective 3- Helping to facilitate intermodal transport operations

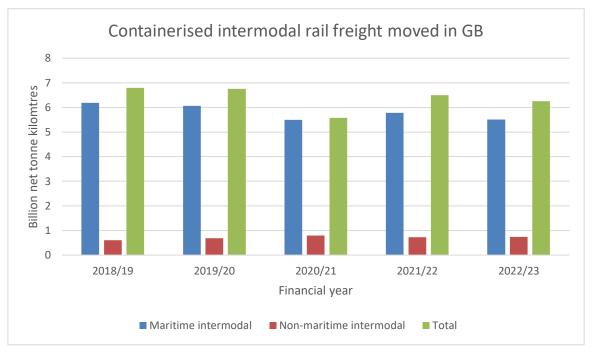
- 26. Stakeholders were in general fairly non-committal as to whether the Regulations had made transport of intermodal freight easier, although those giving a view were in agreement that the requirement to include a statement of weight on a container was broadly useful and sensible. None of the interviewees suggested that this requirement is a particular business burden and making it voluntary could increase the risk of vehicles being overloaded.
- 27. Some interviewees suggested that further support beyond these Regulations would be useful to help support use of intermodal freight, in particular extra weight allowances for HGVs moving intermodal containers on the road leg of an intermodal journey. This has been consulted on by the Department for Transport previously⁵ but interest from industry was too limited for the proposal to be pursued to a trial stage. It should also be noted that six axle HGVs carrying intermodal freight are already able to operate at the maximum permitted weight of 44 tonnes. Allowing vehicles to operate at over 44 tonnes could cause damage to road structures, such as bridges, which are often designed with the 44 tonne limit in mind.

⁴ <u>https://www.legislation.gov.uk/uksi/2000/1970/contents/made</u>

⁵ <u>https://www.gov.uk/government/consultations/heavier-intermodal-freight-trial/outcome/heavier-intermodal-freight-trial-government-response</u>

Permitting vehicles to routinely operate over this weight would require a programme of structural testing and strengthening.

- 28. One aim of the Regulations was to help to avoid overloading by HGVs carrying intermodal freight. Enforcement authorities found that there was no significant difference in levels of overloading by HGVs before and after the Regulations came into effect. However, it should be noted that intermodal HGVs cannot be distinguished within wider enforcement data and represent a very small minority of HGVs. Therefore, any change in overloading levels for these HGVs may be hard to identify from the larger data set.
- 29. It was suggested in the interviews that one defence in cases of HGV overloading was that the haulier was unaware of the weight of the container and these Regulations had negated that excuse, making things clearer for the haulier. However, it was also noted that there are various related factors which the haulier may be unaware of, such as the distribution of the load within a container. An uneven load distribution could make overloading on an axle more likely, or reduce vehicle stability if the container was particularly top heavy. Given this, it was suggested that in order to further reduce these risks, ports (or other facilities loading containers onto HGVs) could introduce further controls on containers, or have weigh bridge facilities in them. Mandating that these facilities were introduced would introduce a significant cost to business, where there is already a requirement for freight operators to ensure their vehicles are not overloaded, so amending the Regulations to add this is not being pursued.
- 30. Whether the Regulations have helped to support the movement of intermodal freight by rail may be indicated by changes in the amount of intermodal rail freight moved on the rail network. Annual data is available⁶, tracking changes in rail freight moved in GB in units of billion tonne kilometres⁷.



31. Since the introduction of the Regulations, intermodal freight movements have shown a gradual decline in general, although there has been some increase in non-maritime intermodal (freight being moved by rail and road but not water). Again, this is likely to be due to a variety of factors, such as changes to fuel prices (which affect the price of rail freight relative to road freight), the global supply chain problems experienced during the pandemic (evident in the dip in the 2020/21 data) and rail network disruption. Therefore, it is not possible to directly attribute the overall decline in intermodal freight movements to

⁶ <u>https://dataportal.orr.gov.uk/statistics/usage/freight-rail-usage-and-performance/</u>

⁷ One tonne kilometre represents the movement of one tonne of goods by one kilometre.

unintended consequences of these Regulations using this data. More detailed data gathering specifically for this PIR may have helped to provide more detail but was not considered to be proportionate and may not have been possible to do retrospectively. Future PIRs could seek to speak directly to intermodal freight operators to gather views on this although, given the decision on how to move freight is multifactorial, it is likely these Regulations would only be part of the reason that use of intermodal freight was or was not chosen.

- 32. Overall, the Regulations are meeting their three objectives to an extent. Due to the relatively early stage of the transition towards low and zero emission HGVs and PSVs, the market share of these vehicle types compared to conventionally fuelled vehicles is still fairly low (which is to be expected given transition timelines). However, that is due to a variety of factors that go beyond the scope of these Regulations, such as the number of models on the market and the rate of supporting infrastructure installation. The consensus from stakeholders was that take up is likely to be even slower without these Regulations. Amending weight limits to help incentivise use of these vehicles was deemed by stakeholders to be just one part of the support needed for businesses to make the transition. These Regulations have been built on by subsequent legislation⁸ which increased weight limits for alternatively fuelled or zero emission vehicles in a similar way, indicating that the allowances provided by these Regulations may not have been sufficient to entirely address the issue on their own, but confirming that the extra allowances are an important measure and should remain in place. Levels of intermodal freight and overloading of HGVs do not appear to have been significantly affected by these Regulations. Despite that, there was general consensus amongst stakeholders that the provisions related to intermodal freight were useful and should remain.
- 33. Due to the relatively early market stage for alternatively fuelled HGVs and PSVs, the full effects of these Regulations may not be entirely clear at this point in time. Waiting until the market and technology is more developed may give a better indication of whether weight limits need to be amended further. It is likely that the second or third required PIR (due 10 and 15 years after the Regulations came into force respectively) are likely to be able to assess this more accurately, as due to the shift towards zero emission HGVs there will be a greater proportion of vehicles eligible for the derogation (and changes in technology such as lighter batteries may mean it is no longer required). The Department for Transport has also commissioned research into the weights and dimensions requirements of zero emission HGVs, which is likely to help inform these future PIRs. However, the effects on intermodal freight are unlikely to significantly change over time and this PIR has been able to assess the impact on that objective fully.

Sign-off for Post Implementation Review: Chief economist/Head of Analysis and Minister

I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

Signed: Lexi Keegan On behalf of Chief Economist

Date: 24/01/2024

Further information sheet

4. What were the original assumptions?

34. No impact assessment or de minimis assessment was published for these Regulations when they were introduced and the Explanatory Memorandum (EM) does not contain any detailed information about the expected impacts. The EM explains that all but one of the Regulations

⁸ <u>https://www.legislation.gov.uk/uksi/2023/760/contents/made</u>

is permissive and that businesses will only experience a significant impact if they choose to make use of the new allowances provided for by the Regulations.

- 35. We have considered material completed at the time the Regulations were introduced, which identified:
- Transition and familiarisation costs to businesses, reduced road safety (due to longer stopping distances of heavier vehicles) and a cost caused by` providing a statement of the weight of a container.
- A cost to government due to higher road wear was discussed, but as this is not a cost to business is not relevant (the Explanatory Memorandum also says that there is no impact on the public sector).
- Expected benefits to businesses via increased payloads for vehicles able to use the weight derogations, potentially lower fuel costs when using alternative fuels, reduced administrative burdens for users of certain vehicle types and safety benefits for hauliers moving intermodal freight.
- Benefits to wider society due to reduced emissions were also identified.
- 36. A Regulatory Policy Committee (RPC) opinion⁹, which validated the impact assessment submitted to the RPC describes the measures included within the impact assessment, but adds in an extra element which was not included in the Regulations: "Allowing two axle motor vehicles and three axle trailer articulated combinations to operate at a maximum weight limit of 42 tonnes."
- 37. The RPC opinion summarises some of the information included in the impact assessment about expected costs and benefits:
 - The consultation respondents suggested that costs to businesses of the proposal would be minimal.
 - A direct benefit to business is the possibility of increased vehicle payloads, with an estimated 20,000 two axle rigid buses in the relevant vehicle class. However, only 0.3% of those vehicles were alternatively fuelled and would therefore be able to benefit from the proposal.
 - The number of HGVs affected could not be exactly determined, but the overall number in the relevant weight classes was 45,000, of which less than 1% are alternatively fuelled.
 - The benefit of increased payload could be substantial at an individual vehicle level, however because of the very low proportion of alternatively fuelled vehicles, the benefits at an industry level were expected to be negligible.
 - Operators that switched to using alternatively fuelled vehicles had the potential to indirectly benefit from reduced fuel costs and could benefit due to a reduction in administration requirements for using a gas or hydrogen fuelled vehicle.
 - There was the potential for societal benefits due to reductions in carbon emissions.
- 38. The RPC verified the estimated equivalent net direct cost of business ("EANDCB") of £0 million, although it is noted that the assessment material submitted to RPC included a provision that was not in the final version of the Regulations. The consequence of that on the EANDCB is unknown.
- 39. The expected qualitative impacts were discussed during the stakeholder engagement conducted for this PIR. The key expected benefit of increased payload capacity for transport

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https://assets.publishing.service.gov.uk/media/5afda5f040f0b6301a1ee99a/DfT_Amendments_to_permissible_vehicle_weights_and_dimension s.pdf

operators was broadly agreed to have happen by the stakeholders interviewed, along with reduced administrative burden when using hydrogen or gas fuelled vehicles. Stakeholders did not express views about whether the Regulations had allowed transport operators to benefit from lower fuel costs. Stakeholders did not identify any measurable improvement in safety for intermodal freight, but it was generally agreed that the requirement for a statement of container weight was a sensible one which would help drivers avoid overloading. The expected costs to businesses were not identified by stakeholders in the interviews, so any negative impact on businesses may have been too minor to have been noteworthy (matching the views expressed in the consultation and the expectation from the impact assessment).

5. Were there any unintended consequences?

- 40. We are not aware of any unintended consequences.
- 41. Stakeholders raised during interviews that while the extra weight allowances introduced by these Regulations were able to be used by buses, it was much harder for coaches to utilise them, without the risk of overloading the rear axle (the reasons for this are discussed in more detail above). The Regulations intended to make it easier to use alternatively fuelled buses and coaches, with a particular reference to coaches used in international transport. The Regulations being more easily applicable to buses was not an intended consequence. One way to remedy this issue would be to increase axle weight limits for the alternatively fuelled coaches affected by these Regulations, helping to avoid their axles being overloaded when the vehicle is alternatively fuelled (and therefore has a heavier powertrain). However, axle weight limits are in place to avoid excessive road wear, so increasing them could lead to extra road maintenance costs for highway authorities. In addition, operators of various other vehicle types (including HGVs) could make the case that they also require extra axle weight limits in order to more easily utilise increased gross vehicle weight allowances. This point has been made during a consultation on more recent regulations affecting vehicle weight limits¹⁰. Granting all such requests for higher axle weights could lead to significant numbers of vehicles causing more road wear (which is disproportionately caused by heavy axles on large vehicles), so is not currently being considered.
- 42. There has been no indication that these Regulations had a disproportionate negative impact on small businesses. It is likely that larger businesses would be more easily able to purchase alternatively fuelled vehicles, as they often have significantly higher purchase costs and so require access to greater financial resources. This means that larger companies are more likely to have been able to take advantage of the greater weight limits provided by these Regulations. However, that is not due to a specific feature of these Regulations, it is a consequence of the pricing of these vehicle types, determined by manufacturers.
- 43. Feedback during stakeholder engagement also suggested that willingness to adopt lower emission vehicles is not necessarily linked to company size, with some forward-thinking smaller businesses also adopting these new technologies and seeking to use them to appeal to potential customers who want to use lower carbon logistics (and are happy to pay a premium to do so). It was noted however that this strategy comes with significant levels of risk for a smaller business, as if the willingness of customers to pay more to use greener logistics changed, they could be stuck with a higher cost vehicle without the premium contracts to justify it.

6. Has the evidence identified any opportunities for reducing the burden on business?

¹⁰ The Road Vehicles (Authorised Weight) (Amendment) Regulations 2023: <u>https://www.legislation.gov.uk/uksi/2023/760/contents/made</u>

- 44. The only direct and unavoidable business cost caused by the Regulations are due to the requirement for shippers of goods to supply hauliers with a statement of weight of a container. The impact of this was expected to be low, as under merchant shipping law (The Safety Of Life At Sea "SOLAS" Convention) there are already similar requirements.¹¹ There is no evidence available of the level of compliance with this requirement and it was not considered proportionate to commission further data gathering to find this out. The burden on business could be reduced by revoking this element of the Regulations. However, given the burden is thought to be low because of the existing SOLAS requirements and that stakeholders generally considered that this was a useful requirement (and in fact highlighted that even with this requirement avoiding overloading vehicles could be difficult), revocation will not be pursued. Amending the Regulations to add in requirements for hauliers to consider the distribution of loads on vehicles could help to reduce the risk of overloading, however it would add a significant burden on business and would be superfluous to existing requirements to avoid overloading of vehicles. Haulage operators are responsible for ensuring that their vehicles are not overloaded. The Department for Transport publishes guidance on how to avoid overloading of HGVs.¹²
- 45. Stakeholders did not identify other costs to businesses via the interviews and given that the other elements of these Regulations were permissive and optional, it is likely that businesses only took advantage of them if they thought that the benefits to them outweighed the costs. Making the permissive elements of the Regulations mandatory would mean that businesses would be forced to operate alternatively fuelled vehicles at higher weights. regardless of whether they had a heavier powertrain, so rather than providing optional flexibility, the Regulations would become burdensome. This would reduce the likelihood of the Regulations achieving their objectives. This is also the case with the elements of the Regulations permitting the use of longer containers during road legs of intermodal transport, while currently the Regulations provide flexibility, forcing businesses to use longer containers only would reduce flexibility and be burdensome. Relying on the stakeholder interviews to identify any negative impacts on businesses was considered a reasonable approach given the level of resourcing for this PIR and the low expected impact of these Regulations. If the stakeholders interviewed had identified major business impacts then further analysis could have been carried out to understand these in more detail, but no business costs were raised.

7. How does the UK approach compare with the implementation of similar measures internationally, including how EU member states implemented EU requirements that are comparable or now form part of retained EU law, or how other countries have implemented international agreements?

- 46. No impact assessment or PIR of the implementation of the EU Directive on which these Regulations were based in other EU member states has been found. However, an EU impact assessment¹³ of proposals to make further amendments to Council Directive 96/53/EC is available. Council Directive 96/53/EU is the same Directive that was amended by the EU Directive which these Regulations are derived from: (Directive (EU) 2015/719). This impact assessment contains information relating to the impact of Directive (EU) 2015/719. It is important to note however that not all of the provisions of Directive (EU) 2015/719 were included in the GB Regulations (for example those related to permitting elongated cabs on HGVs), so not all of the impacts of Directive (EU) 2015/719 are relevant as comparisons.
- 47. The EU impact assessment identifies a similar pattern of very low numbers of alternatively fuelled and zero emission commercial vehicles, slowly increasing from a very low base

¹¹ https://www.imorules.com/GUID-F1C7674D-E248-49F4-925B-

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¹² <u>https://www.gov.uk/government/publications/hgv-overloading-the-basics/hgv-overloading-the-basics</u>

¹³ <u>https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13278-Commercial-vehicles-weights-and-dimensions-evaluation-_en</u>

percentage: "The share of alternatively fuelled medium and heavy-duty vehicles in the EU yearly registrations has slowly increased from 0.5% in 2016 to 7% in 2020. Even though the registrations of zero emission vehicles are increasing, their current share of the EU fleet is still very low. In 2020, 0.2% of all lorries above 3.5 tonnes and nearly 1% of buses in use in the EU were electrically rechargeable." The similarity of the pattern of vehicle uptake between EU and GB commercial vehicle operators may indicate that the business impacts of the Regulations have been similar to the impact of the EU Directive, although it should be noted that the rate within the EU may also have been impacted by Regulation (EU) 2019/1242, which increased weight limits for certain zero emission vehicles beyond the extra allowances within these Regulations.

- 48. The EU impact assessment also identifies a potentially similar trend around the extra weight allowances being mostly useful for buses travelling short distances, rather than long distance coaches: "The figures also show higher uptake of hybrid electric and electrically chargeable buses, mostly used in urban transport."
- 49. The use of containerised intermodal freight transport has seen a gradual increase in the EU since the introduction of the Directive, increasing from 16.7% of total freight transport in tonne kilometres to 21% in 2021.¹⁴ While this is in contrast to the trend in GB, it is important to note that these trends may be due to a number of factors, rather than exclusively due to the impact of the Directive or the Regulations.

¹⁴ <u>https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Freight_transported_in_containers_-_statistics_on_unitisation</u>