Driver and Vehicle Agency (DVA) Consultation – Changing the fees charged by Approved Tachograph Centres

16 October 2023

Summary

Given Logistics UK's democratic structure, the policy positions adopted by Logistics UK in Northern Ireland are determined by the members of the Northern Ireland Freight Council.

Logistic UK members' views:

- A majority of members expressed support for a review and increase in the fees charged by Approved Tachograph Centres in Northern Ireland given current fee structures have been in operation from 2006.
- In terms of a preferred option, support was expressed among the membership for options b. and c. Members who provide this service supported option c, with the majority of operators purchasing this service supporting option b.
- In terms of the outcome of this consultation exercise and any subsequent decision by the Department for Infrastructure, a majority of members supported the need for some form of oversight by DVA. In the event of continued regulation, members highlighted the need for implementation of a clear and transparent policy regarding the periodicity and formulation of fee increases. In the eventuality of a deregulated environment, members expressed support for a periodic review of fees with the re-introduction of regulation an option if problems such as exessive fee setting or diminished service provision are apparent.

About Logistics UK

Logistics UK is one of the UK's largest business groups, representing the entire logistics industry and supporting, shaping, and standing up for safe and efficient logistics. Our membership of over 21,000 includes global, national, and regional businesses and SMEs spanning road, rail, inland waterways, sea, and air as well as the buyers of freight services, such as retailers and manufacturers. As an organisation, we deliver services, representation and thought leadership, helping members and policy makers to seize new opportunities for the sector and the economy as a whole.

What we represent

Logistics is a sector delivering an increasingly safe, sustainable, and efficient system of national infrastructure – creating opportunities across GB and NI and linking the UK to the global trade network. Spanning land, water, and air, it delivers for everyone, everywhere, every day.

- Logistics delivers big public value on small margins, ensuring the availability of the products households, businesses and public services rely on. It moves goods more than 200 billion tonne-km within the UK per year and enables the trade of more than £1 trillion of goods, while working hard to avoid adding pressure to the cost of living. This is a challenge with fuel and energy costs at a historic high and restrictions on logistics growing.

- The sector delivers smart, green, resilient growth and jobs. It contributes £163 billion to the economy each year (12% of UK non-financial GVA), employs 2.7 million people (8.2% of the UK workforce), pays £5 billion in revenue to Treasury through Vehicle Excise Duty (VED) and Fuel Duty, in addition to other taxes. It is becoming ever more innovative and integrated – within businesses and between logistics sites and transport modes. Its key hubs provide a catalyst for further growth and investment, helping places to thrive.

- Logistics delivers for the future, as an essential system for growth. It underpins the whole economy, with an economic footprint three times larger than its direct GVA contribution, with the public sector and other private sector businesses spending 15% of their total input-related spending on logistics services per year.

Consultation response

Q1. Which of the 3 options would you prefer is adopted?

a. Do nothing.
b. Increase the maximum allowable fees in line with inflation.
c. Deregulate the function thereby giving individual ATCs the authority to decide how much they charge for calibration services.

Engagement with members on this issue showed majority support for a review and an increase in the fees charged by Approved Tachograph Centres given current fee structures have been in operation from 2006 in a context of increased operational running costs and capital investment costs by service providers. In terms of a preferred option, support was expressed among the membership for both option b. and c. Members who provide this service supported option c with the majority of operators purchasing this service supporting option b.

2. Do you agree with our analysis of the costs and benefits associated with the proposed options as detailed in the Regulatory Impact Assessment?

A majority of members did agree, in general, with the analysis of the costs and benefits as detailed in the Regulatory Impact Assessment.

3. Do you agree with the proposed approach to tachograph calibration fee increases which seeks to protect and improve the service provision to vehicle operators but necessitates an increase in the tachograph calibration fee?

While members support the need to protect and improve service provision to vehicle operators, and a majority supported a review and fee increase for the reasons outlined above, member opinions were split between options b and c on how best to achieve this outcome. Vehicle operators are already operating under tight margins as a result of increasing operational costs and many expressed concern that fees could continue to rise if unregulated under option c. Members who provide tachograph services expressed the view that deregulation would ensure continuation of this essential service, provide parity with GB and the Republic of Ireland (ROI), and lead to a more flexible and responsive service for operators.

4. Do you agree that operators will be adequately protected from excessively high fees by local competition, competition from neighboring jurisdictions, and a future review of the fees being charged?

Members who provide this calibration service expressed a strong view that fees will be market driven and competition within a geographical area, and parity with the schemes in GB and ROI, will keep prices competitive for operators. Vehicle operators expressed greater reservation and felt continued regulation would act as a check and balance against excessive fees.

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