

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

HAULAGE PERMITS AND TRAILER REGISTRATION BILL [*LORDS*]

First Sitting

Tuesday 22 May 2018

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) motion agreed to.
CLAUSES 1 TO 12 agreed to, one with an amendment.
Programme order amended.
Adjourned till this day at half-past Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 26 May 2018

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The Committee consisted of the following Members:*Chairs:* † GERAINT DAVIES, MR LAURENCE ROBERTSON

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|---|---|
| † Brown, Alan (<i>Kilmarnock and Loudoun</i>) (SNP) | † Maskell, Rachael (<i>York Central</i>) (Lab/Co-op) |
| † Burghart, Alex (<i>Brentwood and Ongar</i>) (Con) | † Norman, Jesse (<i>Parliamentary Under-Secretary of State for Transport</i>) |
| † Champion, Sarah (<i>Rotherham</i>) (Lab) | † Norris, Alex (<i>Nottingham North</i>) (Lab/Co-op) |
| † Churchill, Jo (<i>Bury St Edmunds</i>) (Con) | † Peacock, Stephanie (<i>Barnsley East</i>) (Lab) |
| † Courts, Robert (<i>Witney</i>) (Con) | † Smyth, Karin (<i>Bristol South</i>) (Lab) |
| † George, Ruth (<i>High Peak</i>) (Lab) | † Throup, Maggie (<i>Erewash</i>) (Con) |
| † Goodwill, Mr Robert (<i>Scarborough and Whitby</i>) (Con) | † Zeichner, Daniel (<i>Cambridge</i>) (Lab) |
| † Green, Chris (<i>Bolton West</i>) (Con) | David Weir, <i>Committee Clerk</i> |
| † Jones, Mr David (<i>Clwyd West</i>) (Con) | † attended the Committee |
| † Knight, Julian (<i>Solihull</i>) (Con) | |

Public Bill Committee

Tuesday 22 May 2018

(Morning)

[GERAINT DAVIES *in the Chair*]

Haulage Permits and Trailer Registration Bill [Lords]

9.25 am

The Chair: Hon. Members may remove their jackets if they wish; it is very hot. Will everyone ensure that their electronic devices are turned off or at least switched to silent mode? Tea and coffee are not allowed in the Committee Room. We will consider first the programme motion on the amendment paper and then a motion to enable reporting of written evidence for publication. In view of the limited time available, I hope that we can deal with those matters without too much debate.

Ordered,

That—

(1) the Committee shall (in addition to its first meeting at 9.25am on Tuesday 22 May) meet—

- (a) at 2.00 pm on Tuesday 22 May;
- (b) at 11.30 am and 2.00 pm on Thursday 24 May;
- (c) at 9.25 am and 2.00 pm on Tuesday 5 June;

(2) the proceedings shall be taken in the following order: Clauses 1 to 22; the Schedule; Clauses 23 to 26; new Clauses; new Schedules; remaining proceedings on the Bill;

(3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 5 June.—(*Jesse Norman.*)

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*Jesse Norman.*)

The Chair: Copies of the written evidence that the Committee receives will be made available in the Committee Room. The selection list for today's sitting is also available in the room. Unusually, I have selected for debate some starred amendments in the name of Rachael Maskell. As those are proposed amendments to new clause 1, which was tabled only on Thursday, there was not time to table them before today's sitting with the usual amount of notice. It is not normally my practice to select starred amendments, but the circumstances in this case have led me to do so. It is for the convenience of the Committee.

Sarah Champion (Rotherham) (Lab): On a point of order, Mr Davies. Could the Minister comment on why this measure is going through at such a pace? That has led to a lot of compromises, with the Opposition Front Benchers having to table at very late notice, and this is such an important issue. Why is the measure being presented so fast before the Committee?

The Chair: That is a legitimate question, but I think that it will come up in the course of debate, and it is for the Minister, not for me as Chair, to respond. Because the measure has come up quickly, I have allowed amendments to go forward without notice, but the

point has been made and I am sure that it will be addressed in the course of debate. I thank the hon. Lady for making that point.

Clause 1

INTERNATIONAL ROAD TRANSPORT PERMITS

Alan Brown (Kilmarnock and Loudoun) (SNP): I beg to move amendment 12, in clause 1, page 2, line 2, at end insert—

‘(3A) The Secretary of State must lay before Parliament a report outlining the nature of the regulations proposed to be made under this section and an assessment of the impact of those regulations on the road haulage industry.

(3B) The Secretary of State shall make no regulation under this section during a period of no less than six months from the date of his laying before Parliament the report required in subsection (3A).’

This amendment would require the Secretary of State to lay a report outlining the nature of the proposed regulations and assess its impact on the road haulage industry, at least six months before the regulations are made.

The Chair: With this it will be convenient to discuss new clause 3— *Report on negotiations for a relevant international agreement*—

‘(1) The Secretary of State must lay before Parliament a report on progress made on any negotiations to secure a relevant international agreement.

(2) The report must be laid before Parliament within the period of three months beginning with the day on which this section comes into force, and within the period of each six months thereafter.

(3) In this section “relevant international agreement” has the same meaning as in section 1(4).’

This new clause would require the Secretary of State to outline the progress made in the negotiations to secure a relevant international agreement.

Alan Brown: It is a pleasure to serve under your chairmanship, Mr Davies. I will not be too long; I just want to make some brief comments. Amendment 12 and new clause 3 both call for the Government to submit reports. When the Bill was going through the House of Lords, the Government did, surprisingly, agree to report on accidents, and I thought that as the Government had now shown a willingness to do reporting, I would try their patience and see whether we could put additional reporting requirements into the Bill.

Overall, this is enabling legislation, which will allow the Government to bring forward regulations—secondary legislation—so we still do not know what the end outcome will be with regard to the Bill and subsequent regulations. On Second Reading, I concluded that the Government were saying, “We don't know whether part 1 of the Bill will be required. We don't know, if it is required, what the secondary legislation will look like. We don't know what the fees will be. We don't know what the application process will be and whether there will be limits on the permits available.”

Amendment 12 is therefore designed to firm up on that. We want the Government, as they develop the regulations, to submit a report outlining what the impact of the regulations will be, how they will apply to the haulage industry and what they mean for it. That is very

important. The haulage industry as a whole is looking for continuity of the arrangements that are in place now—the community licence system—but if for some reason the Government cannot get a suitable agreement with their European counterparts, that might lead to a number of bilateral arrangements; it might lead to a whole scenario of additional requirements for permits. That could have an impact in terms of cost and time. We want to know what it means for the haulage industry, so we want the Government to set out clearly, once they know what the regulations look like, what the impact will be on the haulage industry. I think that is a fair ask of the Minister.

I am sure that the Government will not entertain new clause 3 because it asks for updates on the international negotiation process. We know that the Government like to play their cards close to their chest. We keep hearing how no one enters negotiations saying clearly what they want, and that they should play it close to their chest and keep negotiating effectively in a closed room. But that is not good enough. We want transparency. I think it is fair to ask the Government to come back and report on how the negotiations are progressing and what that means.

The other day, the Secretary of State for Transport commented that trade unions never state what their asks are before entering into negotiations, but I would argue differently: trade unions often do set out exactly what they are looking for. There is nothing wrong in stating what is being sought in negotiations and then advising and updating Parliament on how the negotiations are going, so I am interested in what the Minister has to say about the additional reporting requirements.

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Davies.

Labour Members believe that the Bill is important legislation, because it signifies many important aspects of the final agreement that is reached with the EU and the wider international community. Without it, and should negotiations result in no deal being struck, haulage movements and therefore our economy would seriously be damaged. Haulage is a servant of our economy, and getting this right is vital for its future. That is why we support the Bill and want to participate in the debate to improve it, should it ever be required. In fact, we argue that on some aspects of the Bill, regulations should be laid before the House come what may, as the Bill makes provision for improving and monitoring trailer safety. I thank the Minister for his part in this and, not least, I thank my hon. Friend the Member for Bristol South.

I first turn my attention to new clause 3, which is immensely sensible in so far as it is right to highlight the intrinsic link between the Bill and the continuing international trade negotiations with both the EU and the wider international community. Smooth passage over our borders is essential for the haulage industry's survival, and more so for the business that haulage serves.

Labour Members believe that we should remain in the community licence scheme. The scheme currently enables goods to move frictionlessly over national borders with the EU, and I would find it incredibly helpful if the Minister could state whether it is his ambition to remain within it. I appreciate that that is subject to a negotiation process but, as the spokesperson for the Scottish National

party, the hon. Member for Kilmarnock and Loudoun, has said, an indication of intention would not only help us to progress through the Committee sitting today, but inform those to whom the Bill would apply.

Understanding the intent of, and the progress being made in, this area of the deal could also assist in the planning of regulations associated with the Bill, which will need to be laid before the House before the UK leaves the EU, in the light of the timescales before us. Clearly there needs to be transparency, which is something the new clause brings about. We need to understand what happens after a community licence arrangement, or its equivalent, depending on where negotiations end up.

The Bill is a framework Bill and is subject to further regulations, and we appreciate that there could well be reciprocal arrangements, for instance with the EU as a partner on the continent. That, too, could assist, or have consequences for, the UK's import and export markets.

The second part of the new clause focuses on the time by which reports must be laid in association with the Bill. Time is not on our side, and in the light of the fact that regulations need to be drafted after the Bill has completed its parliamentary process, it is right that we seek the shortest possible timeline for the preparation of the report to be presented. That will then inform any necessary regulations.

Labour is therefore fully supportive of new clause 3, and we trust that it will help with the process of smooth transition to an agreement that will assist the haulage industry.

Alex Norris (Nottingham North) (Lab/Co-op): It is a pleasure to serve under your chairmanship for the first time, Mr Davies. I rise to speak briefly in favour of the new clause.

The Government are on a high wire here. The process of negotiating ongoing community licence membership on its own would be a difficult piece of work. Similarly, designing our own system on its own would be a difficult piece of work. To do those things at the same time is exceptionally difficult, so what we are considering today is very important. We saw on Second Reading, and I expect we will see over the forthcoming days, a great deal of consensus, support and understanding about the difficulty of the task. Relatively recently, I was involved in a similar Bill Committee about nuclear safeguards; that was very much the spirit in which we had those conversations.

This is enabling legislation—my hon. Friend the Member for York Central characterised it as a framework Bill. That is right and proper given the circumstances. We know that the Government need to have that latitude, given the fluid nature of the negotiations, and whatever arrangements may need to be filled in over time. However, we, as the legislature, need to secure some support and some structure to ensure that we insulate from Executive overreach. We understand that the Government need flexibility but, over time, as things develop, and as the Government know more and conversations start to have more detail, we ought to know a little more about what the nature of the scheme is likely to be, about the regulations on permits, and about what developments occur. I do not think that that is much to ask. The irony

[Alex Norris]

is that I dare say the vast majority of us on the Committee do not want the legislation to pass; that is a strange situation. It is important for us to have confidence in the process, so I hope that the new clause might be accepted.

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): It is an honour to serve under your chairmanship, Mr Davies. I am delighted to rise to speak on the amendment and the new clause. I will start by making a few outline comments about the nature of the Bill, and then I will come to the points that have been raised, including the point made by the hon. Member for Rotherham.

Let me start by explaining clause 1 in slightly more detail. The clause does not make it an automatic requirement to carry a permit. Regulations made using the clause will only require permits where our international agreements mandate it, and they will exempt specific types of journey as covered in international agreements. Regulations made under this part of the Bill will set up a framework, as has been acknowledged by Opposition Members, for a permit scheme that will then apply to any permanent agreements we reach with the EU, as well as to our existing and future agreements with non-EU countries and the European Conference of Ministers of Transport permit scheme. The effect of that is that regulations will be made under clauses 1 to 3 irrespective of what arrangements we make with the EU; the difference will be in the scope of those regulations.

We stated during proceedings on the Bill in the other place that we intend to have a permit system in place and up and running by the end of the year. That will deliver our existing permit arrangements and give businesses the certainty that we can deliver on whatever arrangements are put in place for haulage after we have left the EU. Any delay in putting that system in place will cause more uncertainty and therefore additional cost to the industry.

We will introduce regulations shortly after Royal Assent so that the system can be up and running. A requirement to lay a report and wait a further six months before laying regulations before the House would prevent us from putting in place our planned systems to support hauliers in preparing for Brexit. Hon. Members will be aware that the consultation on the Bill was launched just last week, on 16 May. That consultation is part of the UK's preparation for its future relationship with the EU.

Our overall aim in negotiations is to maintain and develop the existing liberalised access for commercial haulage. The hon. Member for York Central asked whether it was my ambition to stay in the licensing scheme, to which the response is that our ambition is to maintain and develop the existing liberalised access for commercial haulage, as we have said.

The future deal with the EU could, however, require a form of permitting system. The Bill will allow the Government to deliver an administrative system as part of the final deal. We are consulting on how permits will be allocated and what information the hauliers will be able to provide. We want the system to be as practical and user-friendly for hauliers as possible and we will use the consultation responses to make sure that it is.

Should there be a limit on the number of permits available for haulage travel to EU member states, we want to make sure that the permit system does not adversely affect small operators, and we are confident that our proposed system will not do so. We hope that large and small operators will respond to the consultation so that we have a good understanding of the effect of the permit scheme on different sizes of business.

Alan Brown: The Minister stated that he aims to move quite quickly to introduce the regulations that form the secondary part of the Bill. Can he outline how quickly these regulations will be brought forward and how they will compare with the consultation that is ongoing at the moment? We still have the negotiations to come, so it is not clear how quickly regulations can be introduced and what they will look like, because they really will have to cover myriad options.

Jesse Norman: As I have said, the purpose of the Bill is to put in place a framework of permits, which will continue irrespective of any specific outcome with the EU. We aim to put it in place by the end of the year. We are moving with a certain amount of speed, but in no sense hastily. We have already had widespread consultation with the industry and other stakeholders. There has been quite a high degree of cross-party support, and I was pleased that the Labour Party and the SNP did not oppose the Bill on Second Reading. We have been happy to take late-tabled Opposition amendments to respect the desire to get everything in place.

That goes to the point raised by the hon. Member for Rotherham: there is no sense of undue haste, but we seek to put the framework in place. That means that regulations will need to be laid later this year, following the consultation that is in progress. This is a careful process of putting in place regulations that we will be able to use for the longer term.

The consultation includes draft regulations so that respondents can see what we propose. In addition, we have provided policy scoping documents that outline how we intend to operate a permit scheme, and they are available in the House Library. Those documents and the response to the consultation will set out the details of what the regulations laid before the House will achieve, and what their impact will be. A further report on what future regulations will cover would provide no further benefit to Members.

I am sure that the hon. Member for Kilmarnock and Loudoun will welcome the fact that in the other place, the Government added clause 9 to the Bill to honour an undertaking given by my noble colleague, Baroness Sugg. The clause will provide Parliament with a report for any relevant year on the impacts of a limited permit arrangement with the EU, should that be the outcome.

Sarah Champion: I am grateful to the Minister for giving way and for the spirit in which he is approaching the Bill. I am grateful for the new clauses that have been introduced—he is clearly listening. However, I find it odd that we are doing all this before the consultation is closed. If the responses to the consultation show that there is real opposition to some of the things that we are now putting in the Bill, what provisions has he made to deal with that? What opportunity do we have to get the best regulations and legislation?

Jesse Norman: This is a framework Bill, and the consultation is on detailed aspects of the regulations—in particular, the criteria for granting permits. The consultation will inform the structuring and shaping of the regulations as they are introduced. We do not anticipate that any aspect of the consultation will remove the desire, which is widely shared across the industry, for more clarity and certainty and for a unified framework, which is what the Bill is intended to generate.

The first set of regulations under part 1 of the Bill will set up a framework for a permit scheme. Parliament will be able to debate that, following the amendment we made to clause 23 in the other place. The Government recognise that we are still developing a policy, and it is only right that those regulations should be the subject of debate in both Houses.

I turn to the point made by the hon. Member for Kilmarnock and Loudoun. It would be neither practical nor desirable to ensure that no regulations were made until six months from the date on which such a report was laid before Parliament. I note the comment from the hon. Member for York Central that the Bill should be put on to the statute book in the shortest possible time. She is right about that; it should be done without haste, with cross-party agreement and in a measured way. Therefore, we should not be delayed by a further six months, which would be the implication of that change.

Mr Robert Goodwill (Scarborough and Whitby) (Con): Does the Minister agree that the new clause fails to recognise the very nature of negotiations? There is often a logjam, and then agreement comes about at some point. A report produced within that timescale may not be of much use to people who want to follow the commentary about what is going on.

9.45 am

Jesse Norman: My right hon. Friend is absolutely right. Of course, this legislation is designed to survive, as it were, whatever the outcome, which may be one of many different kinds. We confidently expect a liberalised access arrangement, as he knows, but it is wise to be prepared. For that reason, this is a belt-and-braces piece of legislation, but we cannot delay it further if we want to get it on to the statute book. Both parties recognise the importance of doing so.

If we secured a liberal agreement between the UK and the EU as part of a future relationship, as we expect to do, we would not be able to put the regulations in place until we had reported on the impacts, which would be minimal in this case. We would then have to wait a further six months until we could make the regulations, subject to parliamentary timescales. As a consequence of this requirement, a huge cost would be imposed on hauliers and they would not be able to take account of a deal that gave them the required access. I cannot believe that the hon. Member for Kilmarnock and Loudoun intends to impose those costs on UK hauliers, including on Scottish hauliers.

Delaying the making of the regulations would delay the implementation of the agreements, and that would have a huge detrimental impact on hauliers and on our freight trade. Any delay in implementing agreements might mean that hauliers could not access and use the

correct permit for their journey, which would affect their ability to take on contracts. The Bill and subsequent powers will also cover our existing non-EU-based agreements, and the amendment would encompass those agreements. If we were to strike new agreements with non-EU countries, the amendment would require us to report on them and postpone the issuing of any of those permits for six months after the report.

I hope that explanation provides the hon. Gentleman with clarity about how we propose to ensure that the regulations made under the Bill are subject to appropriate scrutiny. We will report on the effects on the UK haulage industry of any EU-related permit scheme, should there be one, where there is a limit on the number of permits available for hauliers travelling to EU member states. In that spirit, I hope he feels that he can withdraw the amendment.

New clause 3 would require the Secretary of State to report every six months, beginning three months after the Bill comes into force, on progress in negotiations to secure international agreements on the transport of goods by road to, in or through other countries. The requirement is extremely broad; it covers any relevant agreement with any other country or organisation, at any stage in the negotiations. It would catch the smallest technical amendment to an existing agreement, and it could introduce a requirement to report on negotiations when they are at a particularly delicate point and when we are unable to report the substance of our negotiating position—along the lines hinted at by my right hon. Friend the Member for Scarborough and Whitby.

The danger is that reports made under the new clause could be a mixture of the bland and the trivial. The approach of regularly setting out in public the detail of our negotiating lines, tactics and prospects of success appears to be an almost certain way to undermine our negotiation and the prospect of securing a good deal for road transport users—something that we very much believe is in prospect.

I hope that I have been clear about the Government's objective throughout. We want and actively expect to maintain the existing liberalised access for UK hauliers. A mutually beneficial road freight agreement with the EU will support the objective of frictionless trade. We are confident that our future relationship with the EU on road freight, as part of a wider continuing relationship on trade, will be in both sides' mutual interest. While we are negotiating with the EU, however, it is not helpful to provide Parliament with speculation about the prospects for success in the negotiations.

The reporting requirement is also perverse in its effects. It would cover any agreement that includes permits—that is the effect of tying the definition of “relevant international agreements” to that in clause 1(4)—but not liberal agreements that do not involve permits, such as our current agreements with Albania and Turkey. Reports under the proposed new clause would not provide Parliament with a useful overall picture of the state of the Government's work to help the UK haulage industry operate internationally.

The Government have been clear throughout proceedings on the Bill that it is not intended in any way to pre-empt the nature of the agreement between the UK and the EU and the future relationship, and it is not a suitable vehicle for such amendments. When the Bill was in the other place, noble Lords tabled amendments that would

[*Jesse Norman*]

have required the Government to report on how the permits regime would affect the efficiency of haulage and their expectations for future arrangements between the EU and the UK. In response to those amendments the Government introduced clause 9, which focuses on the scheme's actual impact on the haulage industry. By contrast, new clause 3 would require reports on the progress of negotiations on prospective agreements.

The hon. Member for Kilmarnock and Loudoun noted on Second Reading:

“when I try to get amendments through in Committee that require the Government to report on future implementation, they always vote them down”.—[*Official Report*, 14 May 2018; Vol. 641, c. 70.]

I am sorry to disappoint him today, but I do not believe that his amendment will provide Parliament with useful information. For that reason, I hope he will withdraw it.

Alan Brown: I have listened to the Minister's arguments on amendment 12, which he thinks would be burdensome. I understand some of the logic. Equally, I still think there is merit in getting the Government to report on what the regulations would look like and their impact. However, I have listened to the Minister and I am happy to withdraw the amendment, although I am still concerned about how the regulations will align with the end agreement, and how Parliament understands that. New clause 3 reflects the importance of parliamentarians and industry understanding how the negotiations are going. The Minister said that the report would pick up bland things and small technical issues, but there is nothing wrong with reporting small technical issues. That would result in a very small report that would not need too much debate or scrutiny in Parliament.

We heard the classic excuse that the negotiations might be sensitive. If they are too sensitive, that can be reported, but it would still be good for Parliament to be kept updated on the negotiations. Given that the Government are willing to incorporate clause 9—on the future impact of the regulations—it seems logical that there is merit in reporting on how negotiations are going, because that will have the biggest impact on what the permit system looks like and the outcome for the road haulage network.

Having said that, I will not press the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

The Chair: It might be helpful if I mention at the outset that the Committee may debate the provisions of each clause during a stand part debate, even if no amendments have been tabled to that clause. As we proceed it will be helpful if Members who wish to debate any clause in any stand part debate could indicate that clearly to the Chair, either privately in advance or when we reach the relevant clause.

Rachael Maskell: I appreciate being called to speak to clause 1, Mr Davies. I seek clarity on how the Minister thinks the haulage permit system will work.

Haulage is part of the EU community licensing scheme, as we have already heard. I am disappointed that the Minister's ambition is not to remain within the scheme, because we know not only that it is incredibly successful, but that it means there is smooth, frictionless movement of goods over our borders. The EU recognition of the licences means that lorries, for example, can pass smoothly from one nation to the next. Without permits being issued, lorries will not be able to cross borders after we leave the EU.

I want to express my concerns by talking through various scenarios, and I trust the Minister will be able to answer. I want to take the example of a lorry that originates in Spain and travels to the Republic of Ireland. It would not be required to have a specific permit, as it is still within the EU. If, however, the lorry then heads north and travels to Northern Ireland, it will have passed from the EU jurisdiction to that of the UK. Here the lorry would fall under this Bill and would need to carry permit documentation to prove that it was eligible to be in Northern Ireland. Will the Minister clarify whether there will be permit checks at this border or in Northern Ireland? Would the lorry even need a separate permit to be in Northern Ireland? Given that the Government have said there will be no hard border within the island of Ireland, that suggests that no permit is required. Or is it? I am seeking clarity from the Minister.

Mr Goodwill: Is it not the case that that truck would already have to pay the HGV levy to travel on the roads of Northern Ireland? Therefore the UK authorities would already have been notified, namely through that charge of £10 a day.

Rachael Maskell: The right hon. Gentleman raises the important point that we are talking about the permit and the ability to move north and south across Ireland, which will be different if we are not within the community licensing scheme. Will the Minister clarify what the position would be if another vehicle is travelling from its origin in the Republic of Ireland to Northern Ireland—would permits be required for that too? If permits are needed in either of those examples, that would create a border within the island of Ireland.

Let me carry on with my first example. If the lorry from Spain were to cross from Northern Ireland into England, Scotland or Wales, or within the UK, could it do that without a permit? My reading is that it would not. Secondly, if a lorry were to begin its journey in the Republic of Ireland and take the same route north, then across the Irish sea, would it require a permit? I seek clarity on both scenarios.

Will the Minister provide further clarity? My lorry begins its journey in Spain. If it skips Northern Ireland and goes straight to the Republic of Ireland, it would not need a permit; but if it were to travel east, without going to Northern Ireland, would it need a permit, and if so, would that not create a border across the Irish sea? That might sound quite detailed, but it is fundamental to the understanding of the Bill and, for example, the number of permits to be issued, and is therefore informative to today's discussion.

We need to understand how permits will be issued according to each jurisdiction. With something as important as this, the Minister needs to understand that the industry is already very nervous. The lack of detail on these

important issues, which also of course carry a cost implication, is already forcing business decisions that are not in the best interests of the wider economy. Clarity would bring confidence. I hope that this morning the Minister will end the confusion about how these permits will work across these borders.

10 am

On a separate but related issue, the Government have not clarified how documentation will be inspected. On Second Reading they indicated that the permit regime will not slow down haulage. However, at the meeting the Minister kindly held before Second Reading, he said that documentation would be in paper format, even though the application for the permit would be online. That appears to be incredibly archaic, particularly when setting up a new permit scheme. Will the Minister be kind enough to explain why there will be a paper format? If we are to see the minimum possible pain at the border, surely the idea would be to have one's permit held electronically, as it can then be scanned in transit. There would be no need for inspectors to look at all the paperwork. That is especially relevant, given that research by Imperial College says that every two minutes' delay at the border would create 10 miles of traffic backlog. The Minister has hinted that the driver would also need the paper documentation and would need to produce that when required. It is still unclear if this would be at a port, a service station or exactly where else.

It may be that the Minister envisaged these inspections occurring randomly. If this is so, how would that build confidence in the permit scheme and what would happen if the haulage did not have the right documentation? If we had an electronic scheme, people could zap some form of digital device—so we are being told—and this would not only keep our borders moving but would collate useful data, not least compliance with the Bill. Whatever is agreed this side of the border is also likely to be replicated on the other side, so it is even more important that we have clarity and get it right.

Finally, as we seek to gain certainty for the haulage industry and those it serves through the Bill, may I ask the Minister what will occur if the EU demands or agrees a fundamentally different process? I believe new clause 3 would have aided us in our understanding, enabling us to see over that horizon. Could this lead to further primary legislation being needed at some future date if the EU comes up with a different set of demands for the way the system works? These are fundamental and vital questions over how the Bill will operate and they will inform the rest of today's debate. There is confusion across the country and, no doubt, across the EU and we all need to understand this as a matter of urgency. I therefore look forward to hearing the Minister's response.

Jesse Norman: I am grateful to the hon. Lady for her comments. She raises several issues, which I am happy to address. The first relates to the different scenarios that hauliers would be operating under and the second to the nature of documentation and, potentially, electronic documentation or its equivalent. There is some lack of clarity that it is important to dispel here—I am not sure whether it exists in the industry. Let us be clear: this is a Bill that applies to UK hauliers. A foreign haulier with a vehicle coming into the UK will be bound by other legislation linked to foreign hauliers, but they will not

be affected by the Bill. The effect of that is that in the first scenario the hon. Lady describes, a UK haulier with a load that starts in Spain and goes into the Republic of Ireland and then into Northern Ireland would require a permit if there were an agreement between the two sides—Ireland and the UK. However, there is no such agreement.

The clause provides an enabling power because current and future international agreements are all different and we need flexibility to require permits only when international agreements so require. It allows for different exceptions. In the case of the island of Ireland, permits would be required for journeys only if there were an agreement between the UK and Irish Governments to have them. It has already been made clear that no permit regime or hard border on the island of Ireland will be created by this Bill. The issue will, therefore, not arise. If they are coming into the UK under a permit scheme from a foreign haulier, that will not apply in the same way.

Rachael Maskell: Is the Minister saying that hauliers in the Republic of Ireland who will then be bringing their load to England, Scotland and Wales will need to carry a permit?

Jesse Norman: If there were a permit scheme in place between the UK and the Republic of Ireland, then a permit would need to be carried. If not, then it would not. There is no such permit scheme in place.

Rachael Maskell: I appreciate the Minister's response, which clearly shows that there could be a creation of borders that are built. Would he therefore explain how permits will be inspected? That seems to be fundamental for haulage flow and traffic flow.

Jesse Norman: I am not quite sure why there is a lack of clarity. Borders are not the same thing as permits. At the moment we have frictionless trade with the EU, and we have mechanisms for inspecting lorries through the DVSA which are nowhere near the border, and have no impact at all on the flow of traffic or freight across borders. There should be no reason in principle why this should be different.

Rachael Maskell: I will ask again: will the Minister say how that inspection is different? This is about having a right to move haulage across the borders, and therefore it is about understanding how that inspection will take place. It is a different form of inspection to the one referred to by the Minister.

Jesse Norman: It really is not. The hon. Lady might not be clear, so let me say this again. At the moment there will be no transport checks at borders, and we have been perfectly clear about that. This does not change that at all; on the contrary. I could not be clearer. There are going to be no transport checks at borders. Under current arrangements, the community licence is a paper document that hauliers are required to carry in their vehicles and to show to inspectors on request. If we were to move to a paper copy permits arrangement as described, nothing would fundamentally change in that process. There are benefits to digital documents, and we do not disagree with that. The Bill allows scope for a shift to digital documentation in the future. Clause 1 states that the "permit can be in any form the Secretary of State considers appropriate"

[Jesse Norman]

but the system put in place is a pragmatic solution that fully follows the current lines of the community licence regime, and should raise no further questions in people's minds.

Karin Smyth (Bristol South) (Lab) *rose*—

Jesse Norman: Obviously it has raised further questions.

Karin Smyth: Just to be clear in my mind about what is being said, is it that the current arrangements across the UK and Republic of Ireland remain intact under the assumption that the Republic of Ireland Government will make no changes, and that that is permissible under the agreement with the EU. That is the assumption on which the Government are resting. The issue becomes pertinent if, in the negotiations, the EU makes a different agreement with the Republic of Ireland for the transportation of goods across the island of Ireland. Is that correct?

Jesse Norman: We have no permit schemes in place because we have liberalised transport with the Republic of Ireland. If a permanent scheme were to be put in place as a result of further negotiations or discussions with the EU, we would expect it to be of a liberalised, frictionless kind. Were it not to be of a frictionless kind—and even if it were—there would then be a requirement for some form of permit in paper form carried within a truck with a load from a UK haulier doing business to and from the Republic of Ireland. This would not affect the border arrangements in any way, in the same way that the inspection of current and community documentation does not affect border arrangements at present.

Alan Brown: The Minister stated clearly that there would be no transport checks affecting how things are operating at the moment. If there are no transport checks, how will the UK Government get back control of the border in terms of people and goods, which is supposedly the whole advantage of leaving the EU?

Jesse Norman: What we have said that there will be no transport checks at borders. We do check transport. I have been out on patrol with the DVSA, and a very effective job it does too of pulling over truckers and checking whether their documentation is in order on a whole variety of different grounds, including compliance with the community licence. That is the difference, and that is the distinction we wish to draw and that it is important to make.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clause 2

NUMBER AND ALLOCATION OF PERMITS ETC

Rachael Maskell: I beg to move amendment 8, in clause 2, page 2, line 38, after “criteria”, insert “, including compliance with emissions standards,”.

This amendment would explicitly include compliance with emissions standards as a criterion the Secretary of State may use in determining whether to grant an application for a permit.

The Chair: With this it will be convenient to discuss the following:

Amendment 7, in clause 2, page 2, line 38, leave out from “or” to the end of line 40.

This amendment would remove reference to first come first serve or an element of random selection as methods for granting an application for a permit.

Government amendment 1.

Rachael Maskell: The amendments stand in my name. I shall first speak to amendment 7 and then to the amendment about emissions.

This part of the Bill highlights a number of different ways in which the permits will be allocated. How the permit is allocated will impact on our economy. The wording of the clause suggests a restricted number of permits, but it is unclear how such a restriction will be devised. How will the Minister and his Department determine the number of permits needed?

Journey numbers can be assessed and trends extrapolated post-Brexit, but the norms of yesterday may differ very much from the new reality in which we shall be living. Will there be a set number of permits, or will the numbers fluctuate in response to demand, such as by removing a cap on the number of permits? Clarity would be most helpful. If only a fixed number of permits are allocated, we need to understand how they will be scheduled throughout the year, so that there is no feast and famine to the initiative. Surely a flexible approach would be the most sensible way to manage it so as to ensure that the UK economy is unrestricted in the number of journeys required by logistics companies.

We are deeply concerned by the suggestion that permits will be issued on a first come, first served basis, or randomly, because that suggests that there are no strategic objectives or any prioritisation of imports and exports. To drive forward the UK's economy in a planned and measured way, there must be a planned and measured approach to how permits are allocated to build synergy with economic priorities. For example, if the car industry were unclear about whether it would receive the permits it required for its goods to cross the channel a number of times, such uncertainty would result in companies being more likely to disinvest in the UK.

The Labour party does not believe that we should restrict the number of permits as suggested in the Bill. That would be against the interests of the UK economy. We therefore believe that it would be helpful to remove the existing wording in brackets in clause 2(1)(c) in order to remove the suggestion that the process is random or conducted on a first come, first served basis. Just because people are there early, at the front of the queue, does not mean that they should have the most important place in our economic planning.

Turning to emissions, Labour believes that the way in which permits are issued could result in social engineering. There is no greater example than that of fuel emissions from vehicles. The UK has an air quality crisis that is causing the premature death of 50,000 people in our nation every single year. By tightening up on the environmental issues, the Bill gives us the opportunity to bring real environmental change through how permits are issued in future by using levers to force change in behaviour. On Euro 5 and Euro 6 emissions standards, the way in which permits are issued could help with focusing on behavioural change, which would be a far more welcome approach than that suggested by the Bill.

Should the amendment be agreed, the Minister's focus would be on improving, in a meaningful way, the UK's abysmal record on air quality, which would bring real health benefits to our nation.

Mr Goodwill: I shall speak against the amendment because it seems to me that it would have the opposite effect to that described by the hon. Lady. If she is saying that UK trucks do not comply with emissions standards, I have to tell her that despite everything we have read about some diesel cars not complying, trucks have a very good record of complying, not least because the analytical equipment that exposed Volkswagen has for a long time been able to be carried on the back of a truck. Most trucks therefore comply with 90% or more of the actual emissions standards they are meant to meet.

10.15 am

Rachael Maskell: Does the right hon. Gentleman not recognise that the UK will not be subject to those EU jurisdictions on leaving the EU? The mechanism will be negotiated and it will relate to the EU (Withdrawal) Bill, wherever that gets to. Perhaps those standards will not apply in the UK.

Mr Goodwill: The Minister has made it clear that leaving the European Union will not be an excuse to undermine the tough environmental standards that are in place. Indeed, the majority of trucks used on British roads are produced to European standards. There is no suggestion whatever that the Volvos, Scania and MANs of this world will produce a down and dirty truck just for the UK market. UK trucks have a good record. Indeed, unlike cars, truck engines operate at optimum temperatures and optimum loads and therefore are likely to perform particularly well. I pay tribute to the engineers who have delivered those fantastic systems introduced in Euro 6 and in Euro 5 before that.

The point I am making is about the hon. Lady's wish to impose a tougher standard on a truck allocated a permit. Reading between the lines, I got the impression she would say, "We will only give a permit to Euro 6 trucks", but that would result in a similar situation to that in which London taxis found themselves, whereby a higher emissions standard was forced on taxi operators in London and the older taxis went to operate on the streets of Manchester. If she is saying that only newer Euro 6 trucks would qualify for a permit, we would find the better performing trucks being used on continental runs, leaving the dirtier, older trucks operating on British roads. By allocating permits to cleaner trucks, she would have the opposite effect to that which she hopes to achieve.

Rachael Maskell: I am certainly not saying that; what I am saying is that this is a real opportunity. Given that we do not have certainty over future environmental protections—as the right hon. Gentleman has suggested—because that legislation is not enshrined in UK law, there is a real risk of dirty lorries on our roads. Obviously, we want to prevent such a scenario. Given the complete failure on measures to improve air quality in our country, it is important that we consider every opportunity to do so.

Mr Goodwill: I am afraid to say that that is yet another Brexit scare story. No one has suggested that leaving the European Union will be an excuse to lower this country's standards. Indeed, we will have the freedom to impose tougher standards if we need to. We have seen trucks being replaced. Indeed, the best thing for clean air in this country is to have a strong, successful economy so that haulage companies can invest in new equipment that produces much cleaner emissions.

Julian Knight (Solihull) (Con): My right hon. Friend is making a superb point. It is about the unintended consequences the amendments would have. Does he agree that the best way to deal with this issue effectively is to get clean diesel on the road as fast as possible—it is much better performing than petrol in environmental terms—and to stop the scare stories about diesel?

Mr Goodwill: Certainly, motor manufacturers need to answer questions about how their vehicles have been complying. It is not just Volkswagen that has been caught out over non-compliance with the rules. Other mechanisms have been used to ensure that cars can comply on the test cycle but perhaps not so much otherwise. Some motor manufacturers use a temperature get-out, but we are talking about trucks.

As I said at the beginning of my remarks, trucks do comply. They have not been getting away with the sorts of tricks that some motor manufacturers have been caught out over. The hon. Lady's amendment would result in the law of unintended consequences. She suggests that to get a permit a truck has to be Euro 6 or better, but that would result in such trucks being used on cross-channel routes, with the dirty trucks back in the UK. Although I can understand everybody's wish to have cleaner air and better vehicles operating on our roads, I believe the amendment would have the exact opposite effect.

Jesse Norman: Let me start by responding to amendment 8, tabled by the hon. Member for York Central, which proposes that the criteria to be considered in allocating permits may include compliance with emission standards.

As the hon. Lady will know, we have launched a consultation on what the criteria should be. One criterion we have suggested is precisely the emissions class of the lorries being used. That is beneficial for European Conference of Ministers of Transport permits because it has the effect of maximising the number of ECMT permits we will have, and we can also consider applying that criterion for future permit arrangements with the EU.

Vehicles are already required to comply with emissions standards under UK law, as my right hon. Friend the Member for Scarborough and Whitby has made perfectly clear. It is important to note that there can be no doubt about the Government's commitments to a cleaner environment, on the day on which the clean air strategy has been published. That document and the intention to legislate go far beyond anything under any previous UK Government.

Alan Brown: Will the Minister confirm whether the consultation and proposed secondary regulations take transport emissions into consideration?

Jesse Norman: The consultation was published last week, so the hon. Gentleman is perfectly able to consult it if he wishes. It says that the emissions class of the lorries being used could be one of the criteria employed. We are consulting on that. That is the point of a consultation; we do not go in saying it will be a criterion. We consulted on it because it is important to get a balance.

Alan Brown: Will the Minister give way?

Jesse Norman *indicated assent.*

Alan Brown: I love the rolling of the eyes as the Minister gives way.

Jesse Norman: I just want to make some progress.

Alan Brown: I want to clarify that the law of unintended consequences, which has been used as an argument against amendment 8, actually falls if the Government are already consulting on the inclusion of transport emissions.

Jesse Norman: The consultation is on the class of the lorries being used. If the consultation comes out in favour of an issue having some weight, the Government will look harder at what weight it should have, and will do precisely what has been contemplated by my right hon. Friend the Member for Scarborough and Whitby, namely balance it against potential unintended consequences. My right hon. Friend was pointing out that to legislate at this point would be to invite those unintended consequences, because it would lack the further scrutiny and balancing that a consultation is designed to give.

The Bill already gives the power to use a range of criteria, including compliance with emissions standards. It does not need to be included in the Bill for us to use that criterion. It is important that primary powers give flexibility to the criteria and allow for them to be amended in future. We intend to include those criteria in regulations, which will, of course, themselves be debated by Parliament and be subject to approval in both Houses.

We also wish—as no doubt future Governments will wish—to be able to change the criteria to make improvements to the scheme or as there are evolutionary changes in the industry. It is reasonable to include such detail in secondary legislation, which would allow those changes to be made more easily. I absolutely support the intention behind the amendment, in so far as it is to ensure that our haulage sector minimises emissions and complies with high environmental standards, but the amendment is not required to achieve that and I hope the hon. Lady will not press it.

Amendment 7, also tabled by the hon. Member for York Central, proposes removing the reference to “first come, first served or an element of random selection”.

She asked how that would operate. It is important that those references remain in the Bill, not only because they deal with the more difficult situation, where there is a limited number of permits, but because they allow us to allocate permits in the “normal” manner, where there is no limit on permit numbers.

Let me look at the idea of first come, first served, in response to the hon. Lady. Our existing permits schemes are undersubscribed—it is very important to be aware of that—so applicants have always received what they have applied for. In 2017, for example, we issued 66 permits for Ukraine from a quota of 400. For Georgia, we issued six permits from a quota of 100. Permits are issued on demand, and in those cases it makes sense to issue permits as applications are received—that is to say, on a first come, first served basis.

In the future, where more permits may be available than are applied for, permits can be issued to all available applicants. The current drafting, with the reference to first come, first served, ensures that the Secretary of State clearly has the power to provide in regulations that permits may be allocated on that basis, and that no other factors are required to be taken into consideration.

Rachael Maskell: I am grateful to the Minister for setting out the surplus number of permits, but if we faced a scenario where there was increased demand on the number of permits—of course, we are entering a new scenario here—why would a cap be put on the number of permits available?

Jesse Norman: It entirely depends on whatever permit regime may be in place. It may well be an entirely liberalised one, with an enormous number of permits available, that therefore does not apply a cap—or it may not, as agreed.

Rachael Maskell: Following through on that logic, why even stipulate that it needs to be on a first come, first served basis? If applicants reach the set criteria to warrant having a permit, surely that should be the basis on which a permit is awarded.

Jesse Norman: I am struggling to make myself clear. I have just gone through a case where there are more permits available than the numbers demanded. Under those circumstances, it makes every sense for the Secretary of State to have a clear power to allocate on a first come, first served basis.

Rachael Maskell *indicated dissent.*

Jesse Norman: I will come on to other circumstances later, if I am able to proceed, but there is no doubt that that clarity is of value, and that is the clarity that the Bill affords.

This is clearly a more simple process, both for Government and for hauliers. It would mean that hauliers would not be asked for as much information, and that additional criteria would not need to be applied. It would therefore keep the process as simple as possible. I will give detail on other cases later.

Moving on to random selection, the Bill enables regulations to be made that provide for how the Secretary of State is to decide whether a permit should be granted. Such provision may include specifying criteria or other selection methods, including an element of random selection. If the demand for permits exceeds their supply, we will look to allocate them in a way that maximises benefits to the UK economy, and that is fair and equitable to hauliers. We have made that perfectly clear, and it

was repeated on Second Reading. We will set out criteria in regulations, and the Secretary of State will provide guidance relating to the information that applicants must provide in their applications.

Rachael Maskell: I thank the Minister for talking through how he sees the system operating. I still question what happens on a first come, first served basis to people at the end of the queue, in the worst-case scenario. Would they still warrant a permit? Also, the Minister used the word “random”. It seems a rather unplanned way of looking at the aspirations for our economy. Does the Minister agree that that is perhaps not the right word for the Bill?

Jesse Norman: The word “random” is a technical way of describing a mode of allocation. I do not think that it is not the right word; I think it may well be the correct word. The hon. Lady may take it in some folk sense of the word “random”, but that is not what is intended in the Bill. Let me proceed, and I will address the question that has been raised as we continue.

We are consulting on the criteria and methods to be used for allocating permits. Those criteria and methods will be included in regulations, and could include relevant factors such as the need for an applicant to hold a valid operator’s licence, the environmental standard of the vehicle organised to be used, as I have described, or the sector in which an applicant operates.

There may be cases, however, in which the application of such criteria does not enable the Secretary of State to allocate all the permits. It is therefore necessary for other methods of selection to be available. It is important to remind the Committee that we have said that we will look to allocate the permits in a way that maximises the benefits to the UK economy, and that is fair and equitable to hauliers. Those are the governing principles behind the assessment of the criteria.

Rachael Maskell: Could the Minister explain why the words that he has just used about the importance of our economy are not in the Bill, as opposed to the phrase “random selection”? Surely that is what the permits system is all about.

10.30 am

Jesse Norman: The Bill contains a framework by which permits are to be allocated. Maximising the benefits to the UK economy and making that framework fair and equitable to hauliers are overriding principles behind the legislation, as I pointed out on Second Reading. The Government have been quite clear about that. We have listened to the concerns raised in the other place that all permits might be allocated randomly and that getting a permit would be purely a matter of chance. That is not the case. Where random selection is used, it will not be used on its own without any other criteria being applied.

Although we expect some of the provisions in the Bill not to be necessary, we are under a duty to ensure that the Secretary of State has the power to make regulations that allow a range of outcomes to be realised. We have made explicit mention of “first come, first served” and “random selection” in the Bill in order to make it clear that the Secretary of State has the power to make regulations that include such provision. Given that there may be circumstances in which “first come, first served”

or an element of “random selection” are required, it is appropriate for the Secretary of State’s powers to be spelled out clearly in the Bill, which will ensure that there is no doubt that those powers are available to him or her and provide transparency about what may be included in the regulations.

We have aimed to be open about the potential use of those methods and I have sought to set out the circumstances in which we envisage they may be used. To limit the powers would limit the ability to operate a permit scheme that works to the benefit of hauliers. We will consider all the responses to the consultation before bringing regulations forward, so that the criteria and methods we are using are suitable, and the regulations will be subject to debate and approval by both Houses, but we want to ensure that the Bill enables regulations to be made that address scenarios in which the application of criteria needs to be supplemented by other methods of selection. I hope that the detail I have set out allays fears about how they may be used and that the hon. Member for York Central feels content not to press her amendment.

Government amendment 1 will ensure that the Bill allows flexibility for whatever permit scheme we may have in future. It will allow the Secretary of State to issue permits in cases where the criteria prescribed in regulations may not be suitable. On Second Reading, hon. Members raised the issue of music tours and their hauliers not being able to travel internationally. That is a good example of an industry where a one-size-fits-all permit scheme may have some unintended consequences. Applying a single set of criteria to everyone might mean that some who are providing a highly valuable service with wider economic benefits are particularly disadvantaged. Amendment 1 will allow specific steps to be taken to mitigate that effect.

The Bill currently allows a number of permits to be available for a class of applicants, although the variety of situations in which those permits could be used is varied and often unforeseen. It might help the Committee if I give some examples. Let us take, for example, the case of an emergency where hauliers could not have foreseen the need to obtain a permit. In such a case, amendment 1 will allow permits to be issued to deal with those emergencies. That could be, for example, where there is a need to move fuel for energy supply, or to move medicines. There are also circumstances in which a haulier might be looking to move goods that are particularly important to the economy, perhaps with one-off, unusual loads, such as aeroplane parts, large turbines or the like. We want businesses to be able to move their goods, especially where there is a much wider economic benefit from that haulage.

Rachael Maskell: Will the Minister explain to the Committee why he is seeking temporary exemptions from the permit scheme, as opposed to emergency permits being issued to address the scenarios he has outlined?

Jesse Norman: We have taken the view that exemptions are the simplest and cleanest way to handle the cases we are talking about. Of course, some cases will be emergencies, but there might be circumstances that are not emergencies at all. I have described some examples, such as the movement of aeroplane parts, that would fall into that category. There are other cases that are worth touching

[Jesse Norman]

on, where the type of haulage that a business does is unlikely to receive a permit due to the pattern of haulage movements, despite high economic benefits. That would be precisely the kind of case we have seen of music tours where a single journey from the UK might involve numerous stops across Europe. The amendment allows us to cater for those eventualities as well.

To be clear, the number of permits for such purposes will be small. We believe that we should apply a standard set of criteria to all applicants wherever possible. The amendment will allow us to smooth off some of the rough edges that come from having a permit scheme for, for example, matters of key national security or wider economic interests.

Alex Norris: I know that the Minister cannot give exhaustive lists of what is an emergency or special need, but can he be clear that circumvention of industrial action would not fall into that action?

Jesse Norman: I have not considered that. I certainly think that there are cases of industrial action that might constitute a national emergency. We have seen that in fuel haulage, for example. I am not sure that I can give the hon. Gentleman that assurance, but I understand the spirit in which he intervenes.

The power before us is relevant only where the number of permits is limited. As I have said, we expect to reach an agreement where there is no limit on the number of permits, which would avoid the need to use subsection (2) of clause 2. I remind the Committee that we are consulting on the detail of a permit scheme, including how permits are allocated, which will inform the regulations that are made under the clause.

The policy scoping documents published in March set out that we intend the Secretary of State to have powers to allocate permits directly. These will be used for areas of economic importance or for security. Amendment 1 does not change the policy on the methods for allocating permits; it simply ensures that a small number of permits can be kept aside to deal with those cases, even when they are not a clear “class of applicants”, as the previous drafting would have required. That allows us to be clear with Parliament about how we envisage a permit scheme operating and how the powers in the Bill would be used.

Rachael Maskell: I really appreciate the Minister giving way. Could he outline how exemptions would not be abused by hauliers?

Jesse Norman: Of course, attempts to seek exemptions would be examined carefully and soberly. I have already said that we do not expect this to be anything other than a small number of exemptions. We are not expecting abuse of this provision. The point is to try to be clear and to allow for unusual circumstances, and to do so in a limited and constrained way. The haulage industry already rightly expects us to offer that level of flexibility to allow its own businesses to operate as flexibly as they do now. These simple and sensible amendments will allow us to work for the haulage industry in any future permit scheme, and I hope that the Committee will support them.

Rachael Maskell: Clearly we are handling the Bill in a most unusual way, because a consultation process is currently live on whether we should be using environmental measures to determine how permits are to be issued, so I will withhold my judgment on that. We will be able to address the issue at the next stage when we consider the regulations. I am happy not to press amendment 8.

On amendment 7, the Minister’s descriptions of “random” and “first come, first served” still do not satisfy the real requirements of driving our economy forward and ensuring that it is secure and that lorry movements will be able to support that. However, I also recognise that the Minister has said that the Government are consulting on those elements. Again, we will be able to address the issue of how the permit system will operate at the next stage of drafting the regulations.

I must say that the Minister was confused in the way he presented his rationale for the inclusion of these terms in the Bill. It is completely superfluous to suggest a “first come, first served” or “random” selection if the consultation is going on currently. I do not understand why they are included in the Bill.

Jesse Norman: The effect of not including them in the Bill would be that it was less clear to Parliament that these possible means of selection were available to the Secretary of State. Surely the hon. Lady agrees that more transparency is better than less.

Rachael Maskell: The drafting could have been greatly improved if it make the points that the Minister is trying to make. I still believe that the wording is somewhat clumsy but, given that this issue will be superseded by regulation, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Jesse Norman: I thank the Committee for those comments on the amendments, and I am grateful for the support that hon. Members have given us on the question of flexibility. In response to the question about abuse, which was perfectly proper, I should say that we will certainly expect hauliers to demonstrate why they required a permit under those unusual circumstances, and what goods they plan to move. It is important to give that clarity. As I said, we do not expect it to be more than a small number. I thank colleagues for their contributions. Amendment 1 is a simple amendment, and I beg to move—

The Chair: The amendment should be made formally.

Jesse Norman: Do I not have a closing speech on my amendment 1?

The Chair: You should have done that earlier, while the group of amendments was being discussed. I am sorry about that.

Amendment made: 1, in clause 2, page 2, line 40, at end insert—

“(d) for a number of permits determined by the Secretary of State to be available for grant in cases in which the Secretary of State considers it inappropriate for provision made under paragraph (c) to be applied, for example because of an emergency or other special need.”—(Jesse Norman.)

This amendment would allow regulations to provide for the Secretary of State to reserve a certain number of permits for grant in cases in which it is inappropriate to apply the normal permit allocation procedure set out in regulations, for example because of an emergency or special need.

Jesse Norman: I beg to move amendment 2, in clause 2, page 3, line 2, leave out from “permit,” to end of line 3 and insert

“including provision specifying—

- (i) when an application is to be made, or that the time when an application is to be made is to be determined by the Secretary of State;”

This amendment would ensure that regulations can provide for the time when a permit application is to be made to be determined by the Secretary of State.

The amendment relates to times when permit applications must be made. The Bill currently outlines that regulations may specify when an application may be made, and our intention was to include that in regulations, but the effect of that may be inadvertently to limit the flexibility to issue permits. For example, where we expect the demand for permits to exceed supply, we will ask hauliers to submit applications during a specified period that would allow permits to be allocated consistently, in accordance with the criteria included in the regulations.

However, because of the various possible permit types and different permit agreements that we have with different countries, we want to be able to accept applications at different times, in some cases where we have more permits than we require, and for permits to be issued in special cases, as we discussed earlier. We want to accept permit applications at any time, but by setting out in regulations where applications can be made we would be limiting that.

The haulage industry will, as I said, expect us to offer as much flexibility as we can. The amendment makes simple, sensible changes that, again, allow us to work for the haulage industry. I hope that the Committee will support its inclusion.

Rachael Maskell: The Minister’s explanation seems perfectly reasonable. He says that he believes that there will be a limited number of circumstances, so it will be interesting to see that in reality. I will reserve my other comments for discussion of clause 3.

Amendment 2 agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clause 3

TEMPORARY EXEMPTIONS

Rachael Maskell: I beg to move amendment 9, in clause 3, page 3, line 18, at end insert—

“(4) The Secretary of State must prepare a report on the number and period of temporary exemptions made under this section.

(5) The report must be laid before Parliament within the period of one year beginning with the day on which this section comes into force and annually thereafter.”

This amendment would require the Secretary of State to report on temporary exemptions from a prohibition imposed in regulations.

We have already touched on the issue of temporary exemptions to the permits regime. The Minister has said that he believes that there will be very few exemptions. My hon. Friend the Member for Nottingham North highlighted an example where we could see a number of exemptions given. That is of deep concern to Opposition Members, in that it is trying to circumvent industrial action.

I have also raised the question of whether the exemptions could be abused, and how strict the regime will be. We have already heard about a number of examples where

temporary exemptions could be made, but I still question whether permits could be applied for in those circumstances. We would like to have a better understanding of that.

10.45 am

The amendment simply calls on the Secretary of State to report annually to Parliament on the number of temporary exemptions made under this section. That seems reasonable, given that we are currently dealing with an unknown quantity. It would inform Parliament, but it would also inform the permits regime whether the regulations address the purposes that the Minister intends, or whether further regulations on permit exemptions are required. It is a simple amendment that would inform the Secretary of State and his decision-making powers on how the exemption scheme will operate.

Jesse Norman: As the hon. Lady said, the clause allows the Secretary of State to make a temporary relaxation of permit requirements, which is limited to dealing with an emergency or some other special need. By “special need”, we mean a situation in which it is essential to move particular kinds of goods—for example, as I have touched on, where there is a shortage of petrol or other fuel because of disruption in supply chains. We could also include moving medical supplies or radioactive materials.

Permit requirements will come from international agreements, so the UK cannot unilaterally decide to make an exemption. The other country will need to accept UK vehicles without a permit. The effect is that the power is as much about UK vehicles being able to take goods to other countries as about bringing goods into the UK. We intend that exemptions will be targeted at those who need to travel without a permit. That could be a particular kind of vehicle—a fuel tanker or a vehicle carrying specific goods, such as vaccines. The exemptions are made by publishing a notice or writing to a specific operator being exempted, similar to exemptions made in other regimes, for example with drivers’ hours. The circumstances in which this power is used are expected to be rare, and therefore we do not expect it to be used with any great frequency. It is important that it is included in the Bill in the event that exception is needed. That is why we have asked the Committee to agree that clause 3 should stand part of the Bill.

The hon. Lady’s amendment raises an interesting point. I think it is appropriate for the officials and me to consider what information about this should be published, but I do not believe that it needs to be a provision in the Bill. The circumstances in which temporary exemptions are to be granted are expected to be sufficiently rare that, although we can consider what information is published on them, I do not think there is great value in laying this issue before Parliament.

Rachael Maskell: Could the Minister therefore explain how he will make that information available so that Parliament can scrutinise whether the regime proposed for permit exemptions is operating well, and how he plans to gather that data and make it available more widely?

Jesse Norman: It is in the nature of these things that they are unpredictable. It is also the case that, where that information is published, as opposed to simply being notified, it will not be absolutely clear how many

[Jesse Norman]

will be availing themselves of the exemption. We certainly do not wish to create onerous requirements. I am happy to have a further conversation outside the Committee, if the hon. Lady has ideas or suggestions about how information should be taken into account in any future work that we do.

Rachael Maskell: I listened carefully to the Minister, on how he is willing to engage on the amendment, given the lack of clarity. I am just considering again the regulations that will have to accompany the Bill, should it proceed to enactment. In the light of that, clearly there will be regulations on how the exemption scheme will operate. If he is willing to look at how the number and type of temporary exemptions are provided for through the regulatory process, I am happy to withdraw the amendment. Will he consider that?

Jesse Norman: I am very happy to consider that.

Rachael Maskell: I therefore beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 3 ordered to stand part of the Bill.

Clauses 4 and 5 ordered to stand part of the Bill.

Clause 6

PRODUCTION OF PERMITS AND INSPECTION OF VEHICLES

Question proposed, That the clause stand part of the Bill.

Rachael Maskell: I am grateful for the opportunity to speak to clause 6. As discussed before, there needs to be greater clarity around the inspection regime of permits. I have not been satisfied by the Minister's response about the inspection regime. It seems strange to have a permit system but no systematic way of examining the permits to ensure that they are compliant with the vehicles they are attributed to, so we need to look at this serious issue. It seems that a slightly random process is applied to hauliers and whether they are hauled off the road and have their permits and documentation examined. If, as the hon. Member for Kilmarnock and Loudoun said, we are to take control of our borders, it is incumbent on us to have a systematic way of ensuring that vehicles' documentation is in order. We therefore need greater clarity on how the inspectorate system will work and on whether there will be more resources put into the inspectorate, given that more documentation will have to be manually examined in the absence of digital opportunities. We need to ensure that there is full compliance with the regime.

There is a further concern. The Minister has set out for us today how there will be exemptions to the scheme and how vehicles, drivers and operators could fall through the gaps between exemptions and the lack of a systematic way of examining permits. Will the Minister give more attention to ensuring that our borders are secure and that trade will still be able to flow? People across the country will be surprised if hauliers do not have the correct paperwork on board, and people who voted to leave the European Union will be most disappointed that our borders will not be more secure.

Perhaps the Minister will set out how he anticipates ensuring a comprehensive inspectorate around his permit proposals, and how he will ensure we do not see the holding up of haulage, but at the same time have strong compliance.

Jesse Norman: I am slightly struggling with what the hon. Lady wants: on the one hand, she wants a comprehensive system where it seems that everyone gets checked at borders; on the other hand, she wants frictionless trade. Those two things are incompatible.

Rachael Maskell: May I help the Minister? I assure him that I want us to be part of the EU community licensing scheme, which would remove all those challenges.

Jesse Norman: That, of course, does not go to the circumstances contemplated by much of the Bill. The Bill is precisely designed to address issues where we may need a permitting regime. Therefore, what the hon. Lady said does not go the point, I am afraid.

Let us be perfectly clear: the Bill does not contain new powers. Examiners from the Driver and Vehicle Standards Agency already have powers to stop vehicles in other enforcement legislation. Community licensing is already enforced in roadside vehicle checks. At the same time, many other regulations are checked, including drivers' hours regulations and vehicle roadworthiness. We intend to enforce permits in the same way as community licences. We have not created any new powers to stop vehicles. Vehicles are stopped at present; in that sense, our borders remain secure. Our hauliers are subject, as the hon. Lady knows, to a set of enforcement powers that ensure that regulations on moving goods are properly complied with. All this clause does is give similar powers for a future permit scheme, to ensure that it is properly used and enforced.

Rachael Maskell: Does the Minister not recognise that we are moving into a completely new scenario? Most of our haulage traffic crosses between the European Union and the UK, which will be a different jurisdiction after 29 March next year. Therefore, we are talking about a very different set of scenarios from the one we currently operate in, which will make more demands on the system. Currently, as part of that same community, we do not have to carry out those checks because there is recognition across those borders.

Jesse Norman: I think the hon. Lady misunderstands; there is a community licence scheme in place. When hauliers are pulled over at present, their community compliance is checked in the same way that their drivers' hours regulations are checked. If she does not understand that, she may just not understand how our system actually works.

Rachael Maskell: I do understand how the system works, but we are talking about a different set of scenarios because we will have a border, whatever its nature may be. That is why we are dealing with a different set of circumstances. If we are outside the community licensing scheme, clearly, the way that the permit will operate, hence the necessity for this Bill, will mean that we will not be part of that wider community that currently

exists. It is not just about making sure there is compliance; there is more need and demand to ensure that there is compliance with a new permit scheme.

Jesse Norman: The current scheme operates in the way I have described. What is contemplated under the Bill as regards the powers to enforce will track the current scheme. That is to say, the Bill does not contain new powers. In that sense, there will be a high degree of carry-over, quite independent of the arrangement that we strike with the European Union, which, as the hon. Lady knows, we expect to be one of liberalised trade. The point is that community licensing is already enforced and it will continue to be under the new regime in the same way it is already enforced. There are no new powers.

All we ask of the Committee is to recognise that these powers are required to implement the purpose of the Bill, the principles of which were agreed on Second Reading, and that they are properly fit for the task and reflect what we are doing in relation to the community licence. They are thoroughly sensible powers for proper enforcement of a permits regime.

Question put and agreed to.

Clause 6 accordingly ordered to stand part of the Bill.

Clauses 7 and 8 ordered to stand part of the Bill.

Clause 9

REPORT ON EFFECTS OF EU-RELATED PROVISIONS

11 am

Rachael Maskell: I beg to move amendment 10, in clause 9, page 5, line 30, after “Kingdom” insert “and setting out the number of permits requested, granted and refused”.

This amendment would require the Secretary of State to report on the number of permits requested, granted and refused.

The Committee will be pleased to know that this is the last amendment I have tabled to this part of the Bill.

The amendment looks at the way the permit system is operating, how it is working—or perhaps not working—and providing the data necessary for Parliament to carry out its scrutiny function. It is a simple amendment that asks Ministers to set out

“the number of permits requested, granted and refused”,

so that there can be real understanding of why permits are refused, and of the level of refusal, should that situation occur. It would also be useful for the industry to get a detailed understanding of processes that the Government operate over their permit arrangements, hopefully leading to a reduction in the number of permits refused in the future. This is not only an informative amendment, but again, one that deals with gathering simple data. I am sure we are looking at only a small number of permits that will be refused, but I believe that this is a sensible amendment, which will help with the scrutiny function over how well the Bill operates in the future.

Jesse Norman: I can be brief and supportive on this. The Government brought forward an amendment in the other place to add clause 9 to the Bill, honouring an undertaking that my noble colleague Baroness Sugg gave

“to consider how best to review the impacts of any permit scheme, should one be required.” —[*Official Report, House of Lords*, 17 April 2018; Vol. 790, c. 1100.]

We have been clear that we are seeking continued liberalised access to the EU. However, I recognise that there is some concern about the impact of any limited scheme on the haulage industry. If a report is required under clause 9, the Government would naturally plan for this to include the number of permits requested, granted or refused, and I can give the hon. Lady that assurance. Accordingly, I do not believe that the amendment requires the Secretary of State to do anything that he would not expect to do in any case. For that reason, the amendment is unnecessary and I ask the hon. Lady to consider withdrawing it.

Rachael Maskell: Will the Minister reflect on how he communicates how the refusal system is working? While I take on board what he has said, clearly there is concern that if there are refusals, greater understanding is needed around that, and whether that is due to the limitation on the number of permits provided—a concern I raised earlier—or to applicants not complying with the permit scheme’s requirements.

Jesse Norman: We are talking about circumstances in which a report is required. If so—and that may not be the case—the Government would plan for this to include the number of permits requested, granted or refused. Inevitably, that then becomes a matter for official discussion, scrutiny and further consideration. Of course, it is also a matter that can be raised and debated in Parliament. The hon. Lady should feel some reassurance on that front.

Rachael Maskell: In the light of the Minister’s response and of the fact that Parliament will have the opportunity to ask questions and have debates on the matter, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 9 ordered to stand part of the Bill.

Clauses 10, 11 and 12 ordered to stand part of the Bill.

Clause 13

TRAILER REGISTRATION

Alan Brown: I beg to move amendment 13, in clause 13, page 9, line 1, at end insert—

“(2A) The Secretary of State must lay before Parliament a report containing proposals for a trailer registration scheme. This report must make provision for whether—

- (a) the proposed registration scheme would be compulsory or voluntary;
- (b) non-commercial trailers will be included in such a registration scheme; and
- (c) it would be appropriate for the operation of such a registration scheme to be run by a third-party authorised by the Secretary of State.

(2B) The report must be laid before Parliament within the period of six months beginning with the day on which this section comes into force.”

This amendment would require the Secretary of State to lay a report before Parliament outlining their proposals for a trailer registration scheme within six months of the passing of this Act.

In many ways this is similar to amendment 12. This, again, is about trying to get further clarity from the Government about what the permit scheme might look

[Alan Brown]

like. The Government previously acknowledged that they did not want to put too many exemptions on the face of the Bill. There has been a whole discussion of whether the Bill might apply to non-commercial trailers, and this is about trying to tease that out. The Government should clarify the issue, because there is still talk of whether it is a compulsory or voluntary registration scheme.

We are just trying to look for clarification that the Government have to do a report that confirms whether the registration scheme will be compulsory or voluntary, whether non-commercial trailers are included, and also whether it would be appropriate for a registration scheme to be operated by a third party. The third-party issue is included because the National Caravan Council already operates its own voluntary registration scheme, and it is suggested that there is merit in duplicating this scheme. All that will depend on what the Government bring forward in terms of whether the scheme will be voluntary or compulsory, and also how matters evolve in other parts of the legislation that consider safety, and whether there should be further measures looking at road safety measures in terms of registration too. There seems a lack of clarity at the moment in what the endgame will look like. The amendment just tries to tease out whether the Government will provide that clarity and a report. I would like to hear the Minister's thoughts on that.

Rachael Maskell: Labour supports this amendment. Clarity is needed on the eligibility of the compulsory and voluntary schemes, and the amendment would be helpful in making it clear where obligations sit in this regard. Labour wants to extend the application of the legislation to non-commercial trailers, since incidents occur as a result of poor tow bar instalment and failed safety features on domestic trailers. It is therefore important to incorporate domestic-use trailers into the scheme. The significance of a voluntary registration scheme is unclear if there are no other levers on this issue, such as liability if incidents occur. Perhaps the Minister will clarify the use of the voluntary scheme to the Committee.

However, Labour does not believe that a third-party operator should run the scheme and wants to see this kept in-house, especially as it is a critical road safety issue. We believe that this function should be exercised through an arm's length body. We support the call not to delay producing the report mentioned in clause 13, thus ensuring that it can be used to influence the drafting of regulations to accompany this Bill.

Jesse Norman: We turn now to the second half of the Bill and trailer registration. I will respond to the points made and talk about the wider thrust of the legislation. Hon. Members will be aware that the consultation launched on 16 May covered the extent of the proposals in the Bill across both haulage permits and trailer registration. We are consulting with the industry to help us get the details of any permit scheme and the trailer registration scheme right. The consultation on the proposals, as they currently stand, seeks views on a number of issues relating to trailer registration. Our proposals require the registration purely of those trailers undertaking international travel to a foreign country that has ratified the 1968 Vienna convention. This goes to the point about voluntary registration. That would apply to

commercial trailers weighing over 750 kg and non-commercial trailers weighing over 3.5 tonnes. Ministers and officials in the Department have been engaged with industry throughout the development of these proposals. In spring this year, we held workshops to discuss them with hauliers and relevant trade associations, among a range of other stakeholders.

In addition to the public consultation, we have published a number of documents to assist and inform discussion of the Bill. Policy papers have been issued on the Bill and on the 1968 Vienna convention, which the trailer registration scheme is being introduced to support. Policy scoping notes are available to Members in the House of Commons Library.

The Government's outline policy makes clear which types of trailer will be subject to additional obligations if used abroad, upon the coming into force of the 1968 convention. Trailer registration is commonplace throughout continental Europe. As such, if we did not place any obligations on users taking trailers abroad that would be likely to attract targeted enforcement action from foreign enforcement authorities. That point was well made by my right hon. Friend the Member for Scarborough and Whitby on Second Reading. That enforcement action would cause disruption on a significant scale, even to those trailers that are correctly registered, and would have an adverse effect beyond hauliers, causing disruption to UK businesses and the international supply chains within which they operate.

Alan Brown: The Minister talks about disruption that might be caused by enforcement action. Does that not suggest that the registration scheme would need to be compulsory? If it were voluntary, it could still have the same net effect of enforcement action. Compulsion would make that easier to process.

Jesse Norman: We are concerned with enforcement action by foreign authorities, against which trailer registration would be a defence. That provides a reason for supporting trailer registration, as we have described it.

Alan Brown: If it is only voluntary, perhaps foreign enforcement agencies will not have any confidence in signing up for the scheme. If it were compulsory, one would assume they would be less likely to take enforcement because they would understand that there is already a compulsory scheme in place in the UK.

Jesse Norman: I think that language is not helping deliberation on this matter. We require registration for the classes of trailer that I have described, which undertake international travel to a foreign country. It is not voluntary for those trailers that fall within those categories. It is mandatory and therefore meets the hon. Gentleman's concern. I will go on to discuss it in slightly more detail.

The Government's outline policy makes clear which types of trailer will be subject to additional obligations if used abroad, upon the coming into force of the 1968 convention. As I have said, trailer registration is commonplace. The measure is designed to mitigate the effects of enforcement action undertaken abroad.

On the basis of engagement with industry and previously reported enforcement to UK authorities, we have drawn a distinction between commercial and non-commercial

trailers, which is the basis for the higher weight limit of 3.5 tonnes for non-commercial trailers. Engagement with non-commercial stakeholders has indicated a negligible number of such trailers.

Rachael Maskell: Will the Minister explain to the Committee whether, when an incident occurs, it makes any difference if it is a commercial or non-commercial trailer?

Jesse Norman: Our experience is that there has been very little enforcement against non-commercial trailers abroad. There has, however, been some enforcement against commercial trailers, for which this would be a defence. That is a reason for recommending the Bill.

Rachael Maskell: With respect to the Minister, that did not answer the question I asked. I asked why there would be any differentiation in the weight of the trailer, if it was owned commercially or non-commercially, should an incident occur.

11.15 am

Jesse Norman: Three and a half tonnes is a standard weight in international haulage. There are virtually no non-commercial trailers above that level. Since there is enforcement against commercial trailers, it makes sense to exempt a smaller number of commercial trailers, and that is what the Bill does.

The risk of enforcement action against non-commercial trailers is minimal. While the convention allows for enforcement action against all trailers that weigh more than 750 kg, all previous reported enforcement action has been directed towards large commercial trailers. We have no evidence of countries taking enforcement action against unregistered foreign caravans and horse trailers. The small risk of enforcement action against common non-commercial trailers does not justify mandatory registration, but the keepers of such trailers may register them voluntarily if they wish.

Sarah Champion: I apologise, but I think the lack of clarity is catching. [*Interruption.*] I know—it is spreading like wildfire. I understand that the Minister is seeking to ensure we have parity with international colleagues to reduce the risk of British trailers that go abroad being in violation and vice versa, but I thought the Bill was also about making our roads safer. He is talking about parity with the EU in trailer registration, with us not running risks overseas, but I do not understand where his consideration is on safety on our roads. Will he speak to that?

I also do not understand why “commercial” relates only to weight. We could define the commercial use of a trailer. For example, I think of someone doing roadworks towing a little trailer with a big, heavy road roller on it, and if that were to come loose we would be in real trouble—it would take out a family, not just a small building. Why is the Minister focusing only on weight in the definition of commercial? Will he confirm that the regulations are also about making our roads safer?

Jesse Norman: The regulations are focused in particular on the movement of trailers overseas. If there are collateral effects in improving our road safety, that is all to the

good. Thanks to interventions and amendments that have already been made, we have strengthened aspects of the measure, but the Bill’s central focus is to address the registration of trailers going overseas.

Mr Goodwill: I hope to reassure the hon. Member for Rotherham. I am one of those rare people who has a non-commercial trailer over 3.5 tonnes, which is indeed used for transporting a traction engine. Although a private HGV, that trailer already has to pass its annual MOT test. Indeed, such trailers have to pass a test every year—there is no three-year exemption. Those are therefore not unsafe trailers, so I hope that she does not labour under the misapprehension that large numbers of trailers are running around the country on non-commercial heavy goods vehicles that are not tested every year by the Department.

Jesse Norman: I am grateful to my right hon. Friend for his comment. Of course, he is right.

Sarah Champion: May I come back on that intervention? I do not know the protocol.

Jesse Norman: Why not let me speak to the point, then the hon. Lady can come back to me?

The Chair: Order. Members are free to intervene as long as the speaking Member takes the intervention. In this context, if a Member does not have a request to intervene accepted, they are free to rise and speak simply to make their point. People can get up and give speeches—it is almost a free-for-all. If you have a long intervention, it might be worth saving it instead of saying a few words.

Jesse Norman: I am grateful, Mr Davies. The hon. Member for Rotherham may wish to make a forensic dissection of the Government’s position or that of my right hon. Friend the Member for Scarborough and Whitby when she comes to speak. However, let me address the points that she made.

The first question is: what is a commercial trailer? Of course, it is not defined by weight. There are criteria as to what constitutes a commercial trailer, and the legal definition we are using is the idea of a trailer used for transport of goods or passengers’ belongings for commercial purposes, such as transport for hire or reward, or own-account transport, or for other professional purposes. That is closely aligned with the definition of a commercial vehicle in EU law.

The hon. Lady raised earlier the question of why one would have a weight threshold. I repeat that 3.5 tonnes is a common weight threshold for additional scrutiny obligations of the kind that my right hon. Friend the Member for Scarborough and Whitby pointed to in UK law, both in EU law and in the Vienna convention. We have no evidence of countries enforcing against unregistered foreign caravans and horse trailers. The smallest enforcement action against common non-commercial trailers, such as the one described by my right hon. Friend, does not justify mandatory registration, but the keepers of such trailers will be able to register them voluntarily if they wish, and of course they are subject to other regulatory constraints.

[*Jesse Norman*]

The hon. Member for Kilmarnock and Loudoun raised the matter of whether it would be suitable for an authorised third party to run a registration scheme. He raised the question of the status of the National Caravan Council and its CRiS—central registration and identification—scheme on Second Reading. As I said in that debate, I have previously met the NCC to discuss the proposals before us today in relation to CRiS and the scheme that it operates, for which I have a great deal of regard.

The Department's legal team have considered that issue and the question of whether the registration standard specified in the 1968 Vienna convention on road traffic allows for a private organisation to operate the service. In order to fulfil the standards of the convention, it is clear that the trailer must be registered by a ratifying country or an administrative division of the nation. In this case, the Driver and Vehicle Licensing Agency will operate the scheme, which will ensure that registration fully meets the standards outlined in the convention.

The NCC offers a valuable service to its members and to the industry more widely. The scheme is not intended to duplicate or replace the NCC's scheme. The registration standards of the convention simply necessitate that registration is not undertaken by a third party, and we are under an obligation to obey those standards. Guidance will be issued to explain how the registration scheme applies to users. It will clarify which users do and do not need to register under the scheme before using a trailer in a 1968 convention country. The guidance will make it clear that registration is not necessary for leisure-use trailers weighing under 3.5 tonnes. As such, we do not envisage that that will replicate the work of the NCC, but the Department will continue to work with it to avert any such risk.

I appreciate the intent behind the amendment, but I hope that Members will concur that it is not necessary in the light of the significant volume of material that

the Department has published regarding our proposals and the ongoing consultation. We have worked extensively to involve stakeholders in the development of the proposals, and the consultation is directly seeking views on a number of issues relating to trailer registration. That will inform the ultimate detail of the first set of regulations to enact the scheme, which Members will note will be made by the affirmative procedure, allowing for their further consideration.

Alan Brown: I listened to what the Minister said, and I appreciate the clarification on the third-party issue. I am not particularly precious about that, and his explanation made sense. There is sense in the DVLA overseeing the entire scheme anyway.

The Minister mentioned the unhelpful language of “voluntary or compulsory”. Truth be told, I am still a bit confused about that because clause 13 (1) says:

“Regulations may provide for the compulsory or voluntary registration of trailers kept or used on roads”.

It seems to me that it is still a bit unclear, and it would be good to get further clarity. The amendment is really about getting that clarity for all parties, so they understand what will be compulsory and what might be voluntary. That said, particularly given the discussion on paragraph (c) of proposed new subsection (2A), I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Ordered,

That the programme order (this day) be amended as follows—

In paragraph (1)(a), leave out ‘2.00 pm’ and insert ‘2.30 pm’.
—(*Jesse Norman.*)

Ordered, That further consideration be now adjourned.
—(*Jo Churchill.*)

11.25 am

Adjourned till this day at half-past Two o'clock.