

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT MOTOR VEHICLES (INTERNATIONAL
CIRCULATION) (AMENDMENT) ORDER 2022

Tuesday 14 June 2022

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Saturday 18 June 2022

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The Committee consisted of the following Members:

Chair: STEWART HOSIE

Begum, Apsana (<i>Poplar and Limehouse</i>) (Lab)	† Harrison, Trudy (<i>Parliamentary Under-Secretary of State for Transport</i>)
† Beresford, Sir Paul (<i>Mole Valley</i>) (Con)	† Holmes, Paul (<i>Eastleigh</i>) (Con)
† Brereton, Jack (<i>Stoke-on-Trent South</i>) (Con)	† Richards, Nicola (<i>West Bromwich East</i>) (Con)
† Burgon, Richard (<i>Leeds East</i>) (Lab)	† Sambrook, Gary (<i>Birmingham, Northfield</i>) (Con)
† Cairns, Alun (<i>Vale of Glamorgan</i>) (Con)	† Solloway, Amanda (<i>Lord Commissioner of Her Majesty's Treasury</i>)
† Duguid, David (<i>Banff and Buchan</i>) (Con)	Whittome, Nadia (<i>Nottingham East</i>) (Lab)
† Fletcher, Colleen (<i>Coventry North East</i>) (Lab)	
† Foy, Mary Kelly (<i>City of Durham</i>) (Lab)	Guy Mathers, Richard Eaton, <i>Committee Clerks</i>
† Furniss, Gill (<i>Sheffield, Brightside and Hillsborough</i>) (Lab)	
† Hammond, Stephen (<i>Wimbledon</i>) (Con)	
Hardy, Emma (<i>Kingston upon Hull West and Hessle</i>) (Lab)	† attended the Committee

The following also attended (Standing Order No. 118(2)):

Young, Jacob (*Redcar*) (Con)

Third Delegated Legislation Committee

Tuesday 14 June 2022

[STEWART HOSIE *in the Chair*]

Draft Motor Vehicles (International Circulation) (Amendment) Order 2022

9.25 am

The Parliamentary Under-Secretary of State for Transport (Trudy Harrison): I beg to move,

That the Committee has considered the draft Motor Vehicles (International Circulation) (Amendment) Order 2022.

It is a pleasure to serve under your chairmanship, Mr Hosie. The instrument will provide an exemption from paying vehicle excise duty for a specific group of specialist hauliers in Great Britain. If approved, the legislation will support British specialist event hauliers. The UK is a market leader in this specialised part of the haulage sector, so it is important that the Government provide practical support to ensure its continued operation.

Specialist event hauliers are a small but important sub-sector of hauliers that transport equipment for touring cultural events, including concert tours, art exhibitions and sporting events. They typically undertake a significant number of internal movements or tour stops in the UK and the EU. Prior to the end of the EU transition period, UK hauliers operating in the EU were able to undertake unrestricted cross-trade movement—the movement of goods between two other countries—and up to three cabotage movements, which is the movement of goods within a single country. Under the UK-EU trade and co-operation agreement, UK hauliers are now restricted to one cabotage and one cross-trade movement or two cross-trade movements within the EU. As such, specialist event hauliers' business models have been significantly affected; that is why the Government are taking action to support this part of the haulage sector in adapting to the changes via a dual registration measure.

Great British specialist event hauliers that are able to establish an international base in the EU or beyond, while maintaining their UK base, will be able to temporarily transfer their EU-registered vehicles to their GB operator licence while they operate in Great Britain, without the need to pay UK vehicle excise duty. Dual registration will allow operators that wish to operate in the EU both to function as EU operators, benefiting from single market access rights, and to operate in the UK as GB operators, benefiting from their status as domestic GB operators, without needing to swap their specialist vehicles in the middle of a tour. Overseas haulage companies that set up a base in Great Britain can also benefit from that approach.

The main function of the statutory instrument is to provide an exemption from vehicle excise duty for hauliers that wish to utilise the dual registration arrangements. Without the vehicle excise duty exemption, that approach would not be viable. I am therefore grateful that time has been found for the debate to take place quickly, and I welcome the speed with which the Joint Committee on Statutory Instruments scrutinised the instrument.

The draft Motor Vehicles (International Circulation) (Amendment) Order 2022 will exempt certain vehicles brought temporarily into Great Britain from vehicle excise duty. Without that amendment, specialist event hauliers would be unable to operate within Great Britain, due to the time that it would take to register their vehicles on to their GB licence and register to pay UK vehicle excise duty. The change will enable an efficient process when operators switch vehicles from their EU operator licence to their GB licence, allowing them to use market access arrangements in the respective territories.

To utilise dual registration, a number of criteria will need to be met, and those are set out in full in the draft statutory instrument. The haulier must be operating under a hire or reward model, and it must establish and maintain an operating base in Great Britain, as well as another base abroad. The vehicle being used must be specifically designed or substantially modified to carry the goods needed for cultural tours. The specific goods that the haulier may carry are property, equipment or animals being transported to specific venues or events. The goods being carried from place to place during a tour should remain unaltered. In line with existing rules on the temporary import of vehicles, the vehicle may be registered in Great Britain for up to a maximum of six months in any 12-month period.

The instrument is vital to the specialist sub-sector of hauliers who are restricted by the number of cabotage and cross-trade movements set out in the UK-EU trade and co-operation agreement. The instrument addresses that problem by providing an exemption from paying UK vehicle excise duty for specialist touring haulier operators with bases established both in Great Britain and abroad. The change would therefore enable an efficient process when operators switch vehicles from their EU operator licence to their GB one, allowing them to make use of the market access arrangements in the respective territories. I commend the order to the Committee.

9.30 am

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): As usual, it is a pleasure to serve under your chairpersonship, Mr Hosie.

The Opposition consider the SI a step in the right direction to help our touring haulage sector. We will therefore not oppose it. Our arts and culture industry is of such importance to us all. Prior to covid, in 2019, it contributed more than £10 billion to the UK economy and supported over 200,000 jobs. The sector also delivers the cultural enrichment that we all cherish. Indeed, one of the parts of normal life we missed most during lockdown was live entertainment.

We all want to see the sector thrive as part of our economic recovery, but the industry has faced unprecedented difficulties in recent years. Just as touring hauliers began to prepare for post-Brexit regulations, their entire demand vanished almost overnight when covid struck. As we emerged from lockdown and international touring haulage resumed, operators had to adjust to the provisions of the trade and co-operation agreement with the European Union. That has presented major new challenges, not least given the chaos we have seen at the port of Dover, where hauliers have been left queuing for hours on end and where there has been a lack of drivers' facilities in the first stages of Operation Brock.

We therefore welcome any measures to help smooth over that process. However, I am concerned that major issues remain. In the consultation outcome, some stakeholders raised concerns that operating cultural tours will still be less straightforward post Brexit. In addition, only 40% of respondents said that they believe the number of UK live events will increase as a result of the changes. While we support dual registration, we believe it should be part of a wider package to support the industry.

Will the Minister clarify when she intends to sign the SI into law? In the explanatory memorandum, the Department for Transport states that it will provide guidance to businesses by 15 July. It is important that hauliers have time to prepare properly for the instrument. Therefore, clarity on when it will come into force would be helpful.

For the measure to be successful in its aims, it must not inadvertently lead to additional bureaucracy for hauliers. The application process must be quick and simple so that businesses truly benefit from a more streamlined process. Will the Minister outline how the process will work? Will any additional fees be involved when applying for dual registration? We all want our live entertainment sector to get back on its feet. That will not be possible without the touring haulage sector—a

small but mighty industry. Today's measures are a positive step, but they must be accompanied by a full package of support.

9.33 am

Trudy Harrison: I really welcome the shadow Minister's collaboration and the positive way in which she has set out her willingness not to oppose the statutory instrument. The vast majority of UK haulage journeys to and from the UK will continue. We very much hope and expect that they will be able to run exactly as they did before the end of the transition period. The instrument is essential to ensure that specialist event hauliers can continue to be a market leader in this part of the haulage sector.

I hope that the Committee has found the debate informative, and I am delighted that its members will join me in supporting the order. In terms of the timescale that the shadow Minister asked for, we expect the instrument to come into force once the Privy Council has approved it in August, 28 days after it has been signed.¹

Question put and agreed to.

9.34 am

Committee rose.

