EXPLANATORY MEMORANDUM TO

THE MOTOR VEHICLES (CONSTRUCTION AND USE) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2014

2014 No. 216

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of the Environment to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under Article 55(1) and (2) of the Road Traffic (Northern Ireland) Order 1995 and is subject to the negative resolution procedure.

2. Purpose

2.1. The purpose of the Statutory Rule ("SR") is to amend regulation 93 of the Motor Vehicles (Construction and Use) Regulations (Northern Ireland) 1999 in order to bring the weight bands used to specify Vehicle Excise Duty ("VED") in Northern Ireland into line with the weight bands setting minimum rates of VED across the European Union.

2.2. Directive 1999/62/EC ("the Directive") sets minimum amounts of VED for vehicles according to their weight in bands. However, there is a historical difference in the way that the band limits for VED are set in the Directive, when compared with the way they are set in the United Kingdom ("UK") currently. This creates a technical difficulty where vehicles are at the top weight range for a VED band but at the bottom of the weight range for a band in the Directive.

2.3. This minor change means that a vehicle with a particular plated weight will be able to be loaded up to but not including that weight, whereas it previously could have been loaded up to and including that weight. For example, a vehicle plated at 21,000kg could have been loaded to exactly 21,000kg. Following the coming into operation of this SR it can now only be loaded to less than that amount, that is, approximately 20,999.99kg. This will make it an offence if a heavy goods vehicle ("HGV") equals or exceeds its plated weight rather than if it exceeds its plated weight.

3. Background

3.1. The HGV Road User Levy Act 2013 ("the 2013 Act") which came into force on 1st April 2014, and which applies in Northern Ireland, introduces a time based charge for using or keeping a HGV weighing 12 tonnes or more on the public road in the UK.

3.2. The objective of the levy is to ensure a fairer arrangement for UK hauliers. Currently, foreign registered HGVs do not pay to use the road network in the UK; whereas UK registered HGVs pay charges or tolls in most other European countries.

3.3. As a result of the way the weight bands for VED are set in the UK, vehicles tend to be plated voluntarily at the top of their respective bands. For example, a three-axle vehicle plated at exactly 21,000kg will fall into VED band B in the UK, where the top of the VED weight range is "not over 21,000kg". The amount of VED paid is currently £200 per year.

3.4. However as the band limits for VED in Annex 1 of the Directive start at "not less than" a specified weight and end at "less than" a greater specified weight, as opposed to band limits in the UK, which start at "not over" a specified weight and end at "not over" a greater specified weight, under the Directive the same vehicle will fall within the band spanning "not less than 21,000kg" to "less than 23,000kg", which sets a minimum VED rate of €222 (using an illustrative exchange rate of £1=€1.16 this is £192).

3.5. To accomodate and offset the cost of the new HGV Levy for most UK vehicles, a decision was made to reduce VED in some cases to its minimum in accordance with Annex 1 of the Directive. The amendment made by these Regulations in conjunction with amendments made to the Vehicle Excise and Registration Act 1994 ("VERA 1994") will mean that UK vehicles whose plated weight is on a band limit as described above will fall into a lower band in the Directive, enabling VED to be reduced by a greater amount.

4. Consultation

4.1. The Department consulted on proposals to introduce secondary legislation relating to the 2013 Act between 2 January and 4 February 2014. There were no objections to the proposed secondary legislation which changes the weight bands for HGVs.

5. Equality Impact

5.1. Consideration has been given to compliance with section 75 of the Northern Ireland Act 1998. An Equality Screening Exercise has been completed and as no equality issues have been identified a full Equality Impact Assessment was considered unnecessary.

6. Regulatory Impact

6.1. There is no regulatory impact as the legislation makes a minor change to weight bands and brings Northern Ireland into line with the weight bands setting the minimum rates of VED across the European Union and reflects a similar change made recently in Great Britain.

7. Financial Implications

7.1. There will be no additional cost to the Department in implementing the legislation.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Department has considered the matter of convention rights and community law and is satisfied there are no matters of concern.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. The Regulations replicate S.I. 2014 No. 264

11. Additional Information

11.1. Not applicable.