EXPLANATORY MEMORANDUM TO

THE NEW HEAVY-DUTY VEHICLES (CARBON DIOXIDE EMISSION PERFORMANCE STANDARDS) (VOCATIONAL VEHICLES) REGULATIONS 2025

2025 No. 794

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Transport ("DfT") and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Lilian Greenwood MP, Parliamentary Under Secretary of State for the Future of Roads at the Department for Transport, confirms that this Explanatory Memorandum meets the required standard.

2.2 Rosalind Marshall, Deputy Director for Zero Emission Vehicle Regulations and Heavy-Duty Vehicles, at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Hannah Weldon at the Department for Transport. Telephone: 07977361549 or email: Hannah.Weldon@dft.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument introduces a procedure to identify heavy-duty vehicles that have been incorrectly certified as vocational but have been registered as non-vocational, and implements a correction procedure for the purposes of the CO_2 standards for heavy-duty vehicles under Regulation (EU) 2019/1242[1] ("the CO_2 standards").

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) of which the instrument forms part of the law) is England and Wales, Scotland, and Northern Ireland.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales, Scotland, and Northern Ireland.

5. Policy Context

What is being done and why?

5.1 The CO_2 standards require manufacturers of heavy-duty vehicles to reduce average CO_2 emissions of their new fleet by 15% over the 2025 reporting period (1 July 2025 - 30 June 2026) and by 30% over the 2030 reporting period, against a 2019 baseline.

[1] https://www.legislation.gov.uk/eur/2019/1242/contents.

5.2 Vocational vehicles, such as refuse trucks, concrete mixers and tippers, are exempt from the CO_2 standards for heavy-duty vehicles. When a new vehicle is produced, manufacturers are required to certify to the Vehicle Certification Agency ("VCA"), which acts on behalf of the Secretary for State, whether the vehicle is vocational so that the vehicle may be included in or exempt from the CO_2 standards accordingly.

5.3 Vocational vehicles are broadly defined as vehicles that are not used for the purpose of transporting goods. More specifically, and for the purposes of this instrument, a vocational vehicle is defined as either a rigid body truck that has a relevant supplementary bodywork code[2] or a tractor that has a maximum speed not exceeding 79 km/hour.

5.4 When a heavy-duty vehicle is registered for the first time in the UK, a set of information regarding the characteristics of the vehicle, including the bodywork code and the maximum speed, is reported to the Driver and Vehicle Licensing Agency ("DVLA").

5.5 Where a vehicle has been certified as vocational with the VCA, but registered as non-vocational with the DVLA, the VCA needs to determine whether the manufacturer's certification is correct, for the purposes of the CO_2 standards.

5.6 This instrument establishes a correction procedure in the case where a manufacturer has incorrectly reported a vehicle as vocational to the VCA. This closes a loophole by which manufacturers may unfairly benefit from such misreporting, as excluding vehicles misreported as vocational could result in an unearned award of credits (for meeting CO_2 reduction targets) or reduction of penalties (for missing CO_2 reduction targets).

5.7 The following procedure is implemented by this instrument.

5.8 On behalf of the Secretary of State, the VCA first identifies vehicles that have been misreported (certified as vocational but registered as non-vocational) and are in scope of the CO_2 standards for each reporting period.

5.9 The VCA notifies the relevant manufacturers of any misreported vehicle(s), and the manufacturer then has one month to provide the VCA with any further information to evidence whether the vehicle is indeed vocational. If the manufacturer fails to respond, the VCA may consider the vehicle to be non-vocational.

5.10 If the VCA decides that the vehicle was incorrectly certified as vocational by the manufacturer, it applies a correction to the manufacturer's fleet average specific CO_2 emissions – a value which is used to determine if a manufacturer is compliant with the CO_2 standards.

5.11 Three means of correction may be applied by the VCA:

a) If the vehicle's correct (non-vocational) CO_2 values have already been simulated using the simulation tool, the VCA may use these correct CO_2 values.

b) If the correct CO_2 values are not already available, the VCA may request that the manufacturer re-simulate the vehicle's CO_2 values (as a non-vocational vehicle) so that they are correct. The manufacturer must do this using the same version of the simulation tool as used for the original calculation, unless the VCA permits otherwise.

[2] The relevant body work codes are 09, 10, 15, 16, 18, 19, 20, 23, 24, 25, 26, 27, 28 or 31 according to Appendix 2 of Annex I of Regulation (EU) 2018/858 (https://www.legislation.gov.uk/eur/2018/858/contents).

c) Finally, if the manufacturer fails to re-simulate the vehicle's CO_2 values, the VCA may amend its calculation of the manufacturer's fleet average specific CO_2 emissions using the original certification from the misreported vehicle (i.e. using the vocational CO_2 values).

5.12 If the VCA decides that the vehicle was correctly certified as vocational by the manufacturer, it shall inform the DVLA and request that the vehicle's characteristics are updated to reflect its vocational status.

What was the previous policy, how is this different?

5.13 There was previously no procedure in place for identifying and correcting heavy-duty vehicles that had been misreported to the VCA as vocational for the purposes of the CO_2 standards.

5.14 A procedure was adopted by the European Commission in 2021 under Regulation (EU) 2021/941[3] applicable to vehicles registered for the first time in the EU-27 that are in scope of the EU's CO_2 standards. This instrument adopts a similar procedure to that which is in place in the EU, with the addition of the first means of correction (using the correct simulation tool data where available).

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument changes the law to introduce a procedure by which the Secretary of State may identify and use the correct CO_2 emissions data for heavy-duty vehicles that had been misreported as vocational vehicles, for the purposes of assessing whether the manufacturer meets the CO_2 standards.

6.2 This instrument is implemented using powers conferred by article 2(3) of Regulation (EU) 2019/1242 regarding the CO_2 standards for heavy-duty vehicles first registered in the UK.

Why was this approach taken to change the law?

6.3 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 Given the narrow application of the instrument, a consultation was undertaken where all heavy-duty vehicle manufacturers that sell vehicles in the UK were offered bilateral meetings with the DfT and the VCA. This included all manufacturers in scope of Regulation 2019/1242 as well as those not in scope of Regulation 2019/1242, but who may have an interest in the regulation of vocational vehicles. This instrument adopts a similar procedure as is in place in the European Union[4], so manufacturers are familiar with the process that will be used to correct misreported vehicles.

7.2 DfT informed all 11 manufacturers of heavy-duty vehicles of the proposed approach and offered bilateral meetings for discussion on 10th March 2025. During the following four weeks, bilateral meetings between DfT and six vehicle manufacturers were held. Written comments were received by a further two manufacturers. No response was received by the remaining three manufacturers.

[3] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0941.
[4] See implementing Regulation (EU) 2021/941 (https://eur-lex.europa.eu/eli/reg_impl/2021/941/oj).

7.3 Over the course of the bilateral meetings, the DfT presented a summary of the procedure proposed by the instrument[5], provided the opportunity for the manufacturers to raise any queries and concerns over the instrument, and requested feedback on (i) what is an appropriate time to provide manufacturers to provide the corrected CO_2 emissions of vehicles that have been misreported as vocational, and (ii) what should be accepted as a clarification for a vehicle that has been reported as a vocational vehicle.

7.4 There was a general consensus across responding manufacturers that a time of between four and eight weeks would be sufficient to provide the correct CO_2 values of the vehicles incorrectly reported as vocational vehicles. Several manufacturers that were consulted have adopted an internal policy whereby they report all vehicles to the VCA as non-vocational by default, and thus no recalculation of vehicles would be necessary so long as this policy continues. For these manufacturers the VCA will disregard vehicles with vocational characteristics according to the registration data submitted to the DVLA for the purposes of calculating the average specific CO_2 emissions.

7.5 Responding manufacturers were unable to provide commentary on what would act as a suitable form of clarification for a vehicle that has been reported to the VCA as vocational but registered with the DVLA as non-vocational. This will be reviewed by the VCA on a case-by-case basis.

7.6 Several manufacturers raised concerns over the interplay between this instrument and the simulation tool that is used for the purposes of calculating the CO_2 emissions and fuel consumption of heavy-duty vehicles, including divergences between the model version from the previous reporting periods and the version that is currently in place. Under this instrument, where a manufacturer re-calculates the CO_2 certification of a misreported vehicle, the manufacturer must use the same version of the simulation tool as used for the vehicle's original certification, unless the Secretary of State permits otherwise.

7.7 Further concerns were raised over the inability of the simulation tool to calculate CO_2 emissions for vocational vehicles with more than one driven axle. This instrument is intended to correct for misreported vocational vehicles that are in scope of the CO_2 emissions standards, and as this scope currently covers vehicles with just one driven axle, this issue will not be affected by this instrument.

7.8 Some manufacturers raised concerns that this correction procedure would apply from the 2021 reporting period and that they may struggle to retrieve historic information from their bodybuilders which could clarify whether a vehicle has been correctly reported as vocational. To address this issue, the DfT has taken additional measures to allow for the retroactive correction of the bodywork code of a vehicle by the bodybuilder to improve the accuracy of the data provided, and has communicated this through the First Registrations User Group coordinated by the DVLA.

8. Applicable Guidance

8.1 Guidance for compliance with the heavy-duty vehicle CO_2 standards has been updated in accordance with the procedure outlined in this instrument and is available on the

[5] Due to the nature of the consultation, the consultation documents have not been published but are available on request.

VCA website[6]. Hard copies can be obtained from the Department upon request at the contact details provided for in paragraph 3.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it relates to establishing a correction procedure for the vehicles that have been incorrectly certified as vocational vehicles. The potential impact to businesses was assessed under a scenario based on the number of vehicles incorrectly certified as vocational vehicles over the reporting years 2019 and 2020. The impacts were then estimated based on the administration costs and inclusion of these vehicles in the calculation of the average specific CO_2 emissions.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, direct impact on business, charities or voluntary bodies because this instrument introduces a correction procedure for vehicles incorrectly reported as vocational vehicles. A de minimis impact assessment has been prepared and shows the equivalent annual net direct costs to business to be £0.0001m (2020 prices, 2025 present value). Direct impacts include administration costs and familiarisation costs to businesses.

9.3 The indirect impacts include the costs and benefits for businesses that incorrectly certified vehicles as vocational and now have to comply with the legislation. Our analysis estimates that the indirect impacts of the intervention deliver overall benefits with a net present value at £251m (2020 prices, 2025 present value). Indirect costs include the technology costs of improving the CO_2 performance of vehicles that were incorrectly certified as vocational (efficiency improvements), as well as capital expenditure differences when switching to battery electric vehicles. Indirect benefits include CO_2 emissions savings, as well as running cost and fuel cost savings.

9.4 The legislation does not directly impact small or micro businesses. Only the eight largest manufacturers are in scope. Small and micro businesses in other sectors of the economy may be indirectly affected; for example, if they are involved in the manufacturing process for different types of internal combustion engine or electric heavy-duty vehicles. These impacts would be indirect and have not been considered in this analysis as the effects would be speculative and are out of the scope of the de minimis impact assessment.

9.5 There is no, or no significant, impact on the public sector because this instrument establishes a correction procedure for manufacturers of heavy-duty vehicles that have incorrectly reported their vehicles as vocational. The only impact on the public sector is a small administration cost to the VCA and DVLA for monitoring misreported heavy-duty vehicles and contacting relevant manufacturers.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring of this legislation does not include a formal statutory review clause. A formal review of this instrument is not necessary as there are no significant regulatory impacts.

[6] https://www.vehicle-certification-agency.gov.uk/publication/hdv-co2-regulations-guidance/.

10.2 However, this instrument will be monitored by the VCA on behalf of the Secretary of State on an annual basis as part of the checks and procedures relating to the calculation of the average specific CO_2 emissions outlined in Annex I of Regulation (EU) 2019/1242.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 The Parliamentary Under Secretary of State for the Future of Roads, Lilian Greenwood MP, has made the following statement regarding Human Rights:

"In my view the provisions of the New Heavy-Duty Vehicles (Carbon Dioxide Emission Performance Standards) (Vocational Vehicles) Regulations 2025 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 None.