



House of Commons  
Committee of Public Accounts

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# Vehicle and Operator Services Agency: Enforcement of regulations on commercial vehicles

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**Eighteenth Report of Session  
2009–10**

*Report, together with formal minutes, oral and  
written evidence*

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## The Committee of Public Accounts

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## Summary

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The Vehicle and Operator Services Agency (the Agency) has successfully increased by over 25% the number of dangerous vehicles and drivers that it removed from the roads in recent years. This is welcome news to this Committee which has already noted its concerns about safety on our roads this year. While welcoming the Agency's work to target its efforts more at the riskiest operators, we consider that there is scope to do better by bringing the Agency's working practices up to date to reflect current road traffic patterns and the opportunities afforded by technology and working with others.

More needs to be done to address the significant risk to road safety posed by foreign commercial vehicles. They appear to contribute little in the way of revenue and pose a particular challenge in terms of enforcing regulations. The Department for Transport (the Department) and the Agency have increased the number of inspections of foreign vehicles and have put in place stronger sanctions in the form of fines. But they must not lose focus on the need to address a number of important barriers to the effectiveness of their enforcement activities. In particular, we do not consider that the Department and the Agency have done enough to secure access to HM Revenue and Customs' Freight Targeting Database which would allow the Agency to target non-compliant vehicles and drivers as they enter the country and so prevent them from travelling on Britain's roads. Moreover, it is unacceptable that three ports have barred the Agency from carrying out enforcement activities within their premises.

The Agency seeks to target its inspections of British operators on those which present the greatest risks, but it needs to develop its systems further so that they reflect better the known risks to road safety. Likewise the location of staff and checksites needs to reflect more closely current traffic patterns. The Agency is also unable to obtain as much information about high risk British operators as it would like as there is currently no fully effective mechanism for sharing data between Member States in the European Union. The Department's new Heavy Goods Vehicle (HGV) compliance strategy is under development and provides an opportunity to make better use of data to analyse risk and to target resources more effectively.

On the basis of a report by the Comptroller and Auditor General,<sup>1</sup> we examined the extent to which the Agency is effective in targeting high risk vehicles and whether its approach to enforcement is appropriate for today's world.

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<sup>1</sup> C&AG's Report, Session 2009–10, *Vehicle and Operator Services Agency: Enforcement of regulations on commercial vehicles*, HC (2009–10) 210



## Conclusions and recommendations

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1. **We are concerned that the Agency has not done enough to address the risks to safety posed by foreign HGVs on our roads.** While the Department is funding a three year programme to target such vehicles, a more sustained effort is required. The Department and Agency should prepare an action plan to set out what they will do to focus greater enforcement activity on foreign operators when the present High Risk Traffic Initiative expires in 2011.
2. **The Department should have done more sooner to ensure that the Agency had access to information in HM Revenue and Customs' Freight Targeting Database which would give it critical intelligence about vehicles arriving in Great Britain from mainland Europe.** After several years the Agency still has not negotiated access to the database. The Department and the Agency should reach agreement with HM Revenue and Customs urgently to share information held on vehicles, taking appropriate regard of data protection requirements. If necessary, this should be by direct contact between the respective Permanent Secretaries.
3. **It is unacceptable that the Agency is currently unable to access all ports where it could best inspect high risk vehicles before they enter Great Britain.** The Agency is negotiating a memorandum of understanding with the British Ports Association to establish its access conditions. If these negotiations do not have a successful outcome in the near future, the Department and Agency should identify and implement other means to get access to all ports in Great Britain.
4. **It is unsatisfactory that some European Member States do not cooperate with the Agency by sharing data about British operators found to be non-compliant when travelling abroad.** Such information would help the Agency to form a more complete view of the risks posed by these operators. The Agency should investigate the reasons why individual Member States do not provide data on non-compliant British operators and take steps to secure greater cooperation.
5. **The Agency's risk scoring system is not accurate enough to be truly effective in helping it to target its inspections on the riskiest operators.** The Agency should revise its risk scoring system so that:
  - it draws on data on vehicle type and condition to give a better indication of the risk posed by operators, and
  - the scores better reflect the assessed risks to road safety from factors such as overloaded vehicles or defective steering.
6. **The Agency has not always located its checksites in the best places or made full use of them.** The Agency should review the location of its checksites across Great Britain, based on factors such as road safety risk and commercial traffic flow, including rural routes directed by satellite navigation systems. It should then produce a business case for relocating sites as appropriate so that examiners can stop high risk vehicles at the most effective locations on the road network.

7. **The Agency's performance targets assign low priority to operator visits which risks discouraging staff from carrying them out.** It has, however, begun to visit persistently non-compliant operators at their premises in an attempt to address the causes of their non-compliance. The Agency should adjust its performance targets so that staff are properly incentivised to undertake operator visits.
8. **Solutions to many of the current problems await the Department's HGV Compliance Strategy.** Once finalised, the Department should share its strategy with the National Audit Office so that it can confirm that the strategy tackles the relevant issues and, if appropriate, can report back to us.
9. **We are concerned that foreign lorries use our roads and cause accidents here but, unlike British lorries, do not pay any tax.** The Department should work with the Treasury to reduce this imbalance and find a way for foreign lorries to pay for their keep on our roads.



# 1 Targeting high risk vehicles

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1. It is welcome news that the Vehicle and Operator Services Agency (the Agency) increased the number of dangerous drivers and vehicles it removed from the roads from 28,900 in 2007–08 to 36,500 in 2008–09, but more could be done to target those vehicles, drivers and operators who present the greatest risk to road safety.<sup>2</sup>

2. Since 2007, the Agency has used a risk rating system to help identify and target roadside inspections and operator visits at those British operators that are most likely to be non-compliant. The system sorts operators into ‘Red’, ‘Amber’ and ‘Green’ risk bands, with ‘Red’ indicating the riskiest operators. The bulk of roadside inspections, however, are of ‘Green’ or ‘Amber’ rated operators.<sup>3</sup> Currently, the risk scoring system is not precise enough to allow the Agency to identify with confidence all high risk operators. For example, the Agency had found that more than 25% of operators rated ‘Green’ had vehicles with a mechanical fault. With such high rates of non-compliance, the Department for Transport (the Department) did not consider that the Agency was wasting its resources examining those operators classified as low or medium risk.<sup>4</sup>

3. The Department accepted that there was considerable scope to refine the risk scoring system and improve the proportion of ‘Red’ rated vehicles that were examined. For example, the system holds data on commercial vehicle operators but does not include information about their vehicles. Poor compliance is strongly correlated with older and lighter vehicles and the Agency could add this information, held by the Driver and Vehicle Licensing Agency, into its risk scoring system to help it to identify which operators posed a high risk.<sup>5</sup>

4. Foreign registered Heavy Goods Vehicles (HGVs) pose a serious risk to road safety, representing around 3% per cent of lorries on the road but causing 10% of the accidents involving them.<sup>6</sup> The most severe accidents involving foreign vehicles are due to poor mechanical condition of the vehicle or driver fatigue caused by driving for too long without a break.<sup>7</sup> The Agency suggested that foreign HGVs might present higher risks to road safety than British operators because of the weaker enforcement regimes that exist in other countries.<sup>8</sup> It told us that Great Britain is recognised as being at the leading edge of commercial vehicle regulation.<sup>9</sup> In addition to roadside enforcement and enforcement of drivers’ hours, the Agency implements an annual test regime and manages an operator licensing system which requires British operators to maintain vehicles in a roadworthy

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2 Q 1; C&AG’s Report, para 1.5

3 C&AG’s Report, paras 1.13 and 1.17

4 Q 111; C&AG’s Report, Figure 5

5 Qq 11 and 111

6 Q 3

7 Q 74; C&AG’s Report, para 1.19

8 Q 17

9 Qq 17 and 18

manner and have periodic maintenance checks. Not all other countries have the same regulatory requirements.<sup>10</sup>

5. It is laudable that Great Britain leads the way in regulating commercial vehicles but we were concerned that foreign lorries use our roads and cause accidents here but do not pay any tax. We asked whether the Agency might be able to use its inspection regime to address the imbalance.<sup>11</sup> The Department said that the imbalance was not so clear cut once all the evidence relating to relative levels of fuel duty, employment taxes and company taxes was taken into account.<sup>12</sup> The Department had considered introducing a European scheme under which foreign operators would be required to pay a fee for each vehicle entering the country. The level of the fee would have been fixed by European law at a maximum of 11 Euros and the Department's cost benefit analysis had shown that such a scheme would offer poor value for money.<sup>13</sup>

6. The Department launched a three-year High Risk Traffic Initiative in 2008–09 to target high risk vehicles on international journeys by placing teams of examiners on routes with large flows of such traffic, at a cost of £24.3 million.<sup>14</sup> This had increased significantly the Agency's targeting of international operators: the Department estimated that half of the vehicles stopped were now foreign compared to one-third of vehicles stopped in the past.<sup>15</sup> The Department was unable to tell us how it would address the problems posed by foreign vehicles once this initiative ended as this would depend on decisions to be taken as part of the next spending review.<sup>16</sup>

7. The Agency holds comparatively little information about foreign commercial vehicles.<sup>17</sup> It was currently developing a risk-scoring system for foreign vehicles, similar to the one for British operators, although the information would be limited because the Agency only had records of foreign operators if their vehicles had been stopped at the roadside and examined.<sup>18</sup> Since May 2009, examiners had been able to issue graduated fixed penalties when infringements were found and immobilise vehicles to stop them being driven off before the faults were rectified or the fines paid.<sup>19</sup> These arrangements appeared to be helping since fewer foreign vehicles stopped by the Agency were found to be non-compliant than previously, particularly en-route to Ireland.<sup>20</sup>

8. Access to information contained in HM Revenue and Customs' Freight Targeting Database could significantly improve the Agency's ability to identify non-compliant vehicles at their point of entry into Britain. The database contains information on vehicles'

10 Qq 18 and 19

11 Qq 95 and 147

12 Q 147; Department for Transport Supplementary Notes, paras 10–14

13 Qq 95–97 and 147–148

14 Qq 3 and 96; C&AG's Report, para 1.3

15 Qq 3, 67, 69 and 70; Department for Transport Supplementary Notes, para 15

16 Qq 4–6

17 C&AG's Report, para 1.14

18 Qq 65 and 108

19 Qq 51, 52 and 72–73

20 Qq 73 and 76

registration numbers, drivers and operators which the Agency could compare with its own data systems for matches with known high risk vehicles. Data protection legislation requires the Agency to have a proportionate reason why it requires access to the information held, and not all of the Freight Targeting Database is relevant to the Agency's work. Despite having been in negotiations with HM Revenue and Customs since Autumn 2008 the Agency had yet to resolve what data it needed and how to access it. The Department accepted that negotiations had taken far too long,<sup>21</sup> and told us that this has not been a top priority for senior management at the Agency as they had been focused on managing the introduction of a computerised MOT system and changes to HGV annual testing arrangements.<sup>22</sup>

9. European Union Directives require commercial vehicle enforcement agencies to inform fellow Member States if vehicles or drivers were found to be non-compliant whilst travelling outside their country of origin.<sup>23</sup> The Agency fulfilled its obligations and passed details of offenders on to other Member States, although this information was not used consistently by their counterparts to tackle non-compliant operators.<sup>24</sup> However, the sharing of data was not reciprocated by all other Member States.<sup>25</sup>

10. There was currently no mechanism in place that required Member States to share information about their own non-compliant operators who may be travelling outside their country of origin.<sup>26</sup> However, the European Union required Member States to establish by 2012 a national database of their licensed operators including information on serious convictions and penalties committed by them. Each national register would be accessible electronically to licensing authorities in all other Member States.<sup>27</sup>

11. In total, British HGVs are involved in more accidents as, collectively, they travel around 25 times more vehicle kilometres on British roads than foreign commercial vehicles.<sup>28</sup> The most severe accidents involving British registered vehicles were associated with driver performance, principally tiredness.<sup>29</sup> Traffic offences, in particular fatigue and driving hours, were a more substantial problem than roadworthiness issues for both British and foreign drivers. The Department considered that this was an area that it needed to focus on.<sup>30</sup>

12. Overall, there was little correlation between the level of risk posed by factors that contribute to road accidents and the Agency's assessment of risk in its risk scoring system, such that the Agency's resources could be channelled into factors that did not have a

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21 Qq 7, 9, 20–23 and 28

22 Qq 24 and 28

23 Q 40; C&AG's Report, para 2.6

24 Q 62

25 Qq 30–35 and 77–79; Department for Transport Supplementary Notes, paras 1 and 2

26 Qq 40–45 and 88

27 Q 36; Department for Transport Supplementary Notes, para 3

28 Qq 10 and 67; C&AG's Report, para 1.19

29 C&AG's Report, para 1.19

30 Q 99

significant impact on road safety.<sup>31</sup> The Department accepted that in some areas, such as overloaded vehicles, the Agency was doing too much work relative to other risks and expected that, over time, the risk scoring system would be refined to reflect more closely factors that led to accidents. While the risk scoring system was a major step forward from what the Agency had previously used to target risky vehicles, it was still evolving. For example, the Agency now had a better understanding of the nature and severity of incidents which it was taking into account in developing further the risk scoring system.<sup>32</sup>

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31 Q 107; C&AG's Report, para 1.20, Figures 8 and 9

32 Q 107

## 2 Modernising the Agency's approach to enforcement

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13. The Agency depends heavily on roadside checks to enforce regulations, carrying out around 252,000 checks in 2008–09. It also undertakes visits to operators' premises to assess their management systems such as vehicle maintenance plans and drivers' compliance with working time regulations.<sup>33</sup> The Road Haulage Association had expressed concern that the Agency had neglected making operator visits in preference to achieving its performance targets for roadside checks.<sup>34</sup> The Agency refuted this allegation and said that the number of operator visits had reduced for several reasons, including fewer new registrations and operator licences being issued.<sup>35</sup>

14. The Agency had recently started a new programme of tackling those operators who are found to be consistently high risk (Red rated) by following up roadside checks with visits to their premises to understand the reasons for non-compliance and what the Agency might do to try and change behaviours. The Agency had quite often found that these operators were not criminal or negligent, but were unaware of the regulations placed on them or that their drivers were breaking the law. The Agency considered that it was starting to change behaviours in the operators that it visited in this way.<sup>36</sup>

15. For roadside checks, the Agency's staff were not always directed to roadside locations with the highest risk to road safety or with high volumes of commercial vehicle traffic, and some of the Agency's checksites were no longer located at strategically important sites. There were also heavily used roads with no enforcement activity owing to a lack of checksites.<sup>37</sup> The Department noted that the majority of freight was carried only short distances and that there was a correlation between high risk operators and local operations. It was, therefore, sensible to locate some checksites in areas such as the South-West, East Anglia and Wales where there were fewer major roads. It did not follow, however, that staff should be permanently located at each checksite and the level of attendance at each site was a judgement for the Agency to make. Some sites, for example, were used only a handful of times a year. The Department conceded that there were too many of these sites and that it may not be necessary for the Agency to have staff at all of them.<sup>38</sup>

16. The Department had not considered the impact of modern technology, such as satellite navigation systems, on the choice of routes used by HGV drivers. We were aware, for example, that some rural locations experience significant problems with lorries using unsuitable routes as short cuts between towns, having identified them on satellite navigation systems. In addition to its fixed checksites, the Agency told us it occasionally

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33 C&AG's Report, paras 8 and 2.7

34 Qq 89–91; EV 15

35 Qq 88 and 106

36 Q 104

37 Qq 1 and 55; C&AG's Report, paras 1.9 and 2.11

38 Qq 55 and 92–93

used other sites to stop vehicles in an attempt to avoid being too predictable in its operations and to be alert to changes in HGV movements.<sup>39</sup>

17. In May 2009, the Agency commissioned research jointly with the Highways Agency to identify where best to locate its checksites on motorways and trunk roads.<sup>40</sup> This research had been suspended and subsumed within the Department's work to develop an HGV compliance strategy. The Agency did not believe that the suspension of the research project had had an adverse impact on the Agency's operations and it continued to work with the Highways Agency to acquire a number of sites. The Agency had closed five sites in the last few years, opened a new checksite on the M6 at Sandbach in 2009 on land owned by the Highways Agency, and other new sites were planned.<sup>41</sup> Staff at the new Sandbach site had increased the number of vehicles they stopped from around 200 each year previously to some 2,000 in the year to date.<sup>42</sup>

18. The Department placed a lot of emphasis on its development of the new HGV compliance strategy, due to be completed later in 2010, to set the direction of the Agency's future enforcement work, including the location of its checksites. The Department assured us that the new strategy would take into account this Committee's Report.<sup>43</sup>

19. Inspecting vehicles at or near ports allows the Agency to tackle non-compliant vehicles or drivers at an early stage on their journey in Great Britain. The Agency had no rights of access to ports, however, as they were private property, and examiners were reliant on port authorities' goodwill to permit them to operate within the port.<sup>44</sup> The Agency generally had good relationships with ports and was working with the British Ports Association to agree a memorandum of understanding on its access conditions.<sup>45</sup> Three ports, however, — Cairnryan and Stranraer in Dumfries and Galloway, and Twelve Quays in Merseyside— had barred the Agency from their premises.<sup>46</sup> Some ports did not cooperate as they considered that the Agency's presence deterred customers and could move business to a rival port, putting them at a commercial disadvantage.<sup>47</sup> There could also be constrictions on the Agency's examinations due to lack of space inside ports for parking up large vehicles.<sup>48</sup> The Agency did not regard lack of access as an impediment to its business since its examiners could inspect vehicles at a checksite a few miles away on a road leading away from the port.<sup>49</sup>

20. The Agency acknowledged, however, that access to the ports from which it was currently barred would be important since it would enable it to demonstrate

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39 Qq 55–58

40 C&AG's Report, para 2.11

41 Qq 112–113 and 149–150

42 Q 86

43 Qq 149 and 150

44 C&AG's Report, para 2.8

45 Qq 116 and 133–138

46 Qq 122–127; Ev 16, paras 7 and 8

47 Q 117

48 Q 118

49 Qq 117 and 126; Ev 16, para 9

proportionality in the checks that it carried out and to avoid giving a perceived commercial advantage to any one port by not working there.<sup>50</sup> While the Agency said it would be happy to be granted statutory rights of access to all ports it was not convinced that this would be a proportionate response to the current problem or that it should be a top priority. The Agency expected that its negotiations with the British Ports Association would lead to access to the three ports from which it was currently barred.<sup>51</sup>

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50 Qq 128 and 131

51 Qq 119–120 and 132

# Formal Minutes

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**Wednesday 3 March 2010**

Members present:

Mr Edward Leigh, in the Chair

Rt Hon David Curry

Mr Austin Mitchell

Dr John Pugh

Geraldine Smith

Rt Hon Alan Williams

Draft Report (*Vehicle and Operator Services Agency: Enforcement of regulations on commercial vehicles*), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 20 read and agreed to.

Conclusions and recommendations 1 to 9 read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Eighteenth Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 8 March at 4.30 pm



## Witnesses

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**Monday 18 January 2010**

*Page*

**Mr Robert Devereux**, Permanent Secretary, Department for Transport and **Mr Alastair Peoples**, Chief Executive, Vehicle and Operator Services Agency

Ev 1

## List of written evidence

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1 Road Haulage Association Limited

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# Oral Evidence

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## Taken before the Committee of Public Accounts on Monday 18 January 2010

Members present

Mr Edward Leigh, in the Chair

Angela Browning  
Keith Hill  
Mr Austin Mitchell

Mr Don Touhig  
Mr Alan Williams

**Mr Amyas Morse, Comptroller and Auditor General, Mr Robert Prideaux**, Director, Parliamentary Relations, and **Mrs Geraldine Barker**, Director, National Audit Office, gave evidence.

**Mr Marius Gallaher**, Alternate Treasury Officer of Accounts, HM Treasury, was in attendance.

### REPORT BY THE COMPTROLLER AND AUDITOR GENERAL ENFORCEMENT OF REGULATIONS ON COMMERCIAL VEHICLES (HC210)

*Witnesses:* **Mr Robert Devereux**, Permanent Secretary, Department for Transport, and **Mr Alastair Peoples**, Chief Executive, Vehicle and Operator Services Agency, gave evidence.

**Q1 Chairman:** Good afternoon. Welcome to the Committee of Public Accounts, where today we are considering the Comptroller and Auditor General's Report on Enforcing Regulation on Commercial Vehicles. We welcome to our Committee Mr Alastair Peoples, who is Chief Executive of the Vehicle and Operator Services Agency, and we welcome back to our Committee Mr Robert Devereux, who is the Permanent Secretary of the Department for Transport. Mr Devereux, this is obviously not a bad report in that you are increasing the number of inspections and number of dangerous vehicles you stop, but there is always opportunity to do better, and therefore I would like to probe you in more detail about how you can up your game. Mr Peoples, could you start by looking at paragraph 1.9 of the Report we are considering today. I am surprised to read this because it says: "Allocation of targets determines the amount of inspection activity within an Area. The Agency allocates targets based on the resources available in each Area." So it seems to me, Mr Peoples, that you base a number of inspections not on how many dangerous vehicles there might be in an area but how much staff you have in that area. Is this not putting the cart before the horse?

**Mr Peoples:** Thank you, Chairman, for recognising that this is not a bad report. What I would like the Committee to realise is that the targets that I set for the organisation are national targets. These national targets are then distributed into three of the regions, and then those regions divide up the area targets to meet the national target; so although there is some variation in these, we do allocate resources in year to match the changing out-turn, but we are meeting and indeed often exceeding the national target.

**Q2 Chairman:** But why does it say in this report then, that it appears to be based on staffing rather than what is going on on the ground?

**Mr Peoples:** Historically, those staffing levels have taken account of things like operator premises, the number of vehicles; and it has tended to be an iterative target on top of that in terms of what the out-turn has been in the previous year.

**Q3 Chairman:** Mr Devereux, I wanted to talk about the risk posed by foreign vehicles. Perhaps you might look at paragraph 1.19 where it tells us that overall foreign-registered HGVs presented a higher risk to road safety than British-registered vehicles. I have just been working this through with the National Audit Office, and we have worked out that, although foreign HGVs are only 3% of lorries, they cause 10% of the accidents. Therefore, there is clearly a bit of a risk here; so why are you not doing more to tackle the risk posed by foreign-registered vehicles?

**Mr Devereux:** You are right in your sums. So that we are clear, the figures I have in front of me say, based on the compliance analysis that we have done, there are probably 43,000 not-roadworthy GB vehicles and 2,000 not-roadworthy international vehicles, so it is the case that there are very substantial proportions of foreign vehicles that are not roadworthy. As a piece of the total, they are still a small bit. In terms of what we are doing, if you look at some of the things the NAO does give us credit for in terms of things that have changed, things like the high-risk traffic initiative, which we put £24 million in over three years, is specifically putting resources on the road and places where we know there to be a very large flow of international traffic, and the great majority of the checks that are happening there are then going to be picking up international traffic. The calculations I did just before I came across suggested whereas on average in the past our check breakdown has been somewhere between one-third international and two-thirds GB, the actual stops at the moment are more like 50:50; so we are very significantly targeting against the international operators.

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 Department of Transport and Vehicle and Operator Services Agency
 

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**Q4 Chairman:** You have got this three-year initiative; what will happen when that ends?

**Mr Devereux:** What will happen when that ends will depend on the spending plans—

**Q5 Chairman:** Have you got any plans?

**Mr Devereux:**—set in the next spending review.

**Q6 Chairman:** No plans so far?

**Mr Devereux:** It is a three-year review and we are not at the end of it.

**Q7 Chairman:** Thank you. We have obviously got this risk posed by foreign HGVs, so let us look at 2.5. It obviously makes sense to share information with Revenue and Customs, does it not, but I was amazed to see the Agency explain that access to the database needs to be carried out within the framework set up by data protection legislation. Here are two government departments which apparently cannot talk to each other because of some absurd data protection legislation.

**Mr Devereux:** I think that could be shorthand, Chairman. It is the case that the laws that are passed about data protection mean that there has to be a proportionate reason why one agency needs access to some other bit of information. The freight targeting system has got a whole range of information in it, which, by no stretch of the imagination, the Chief Executive of VOSA needs to see, but in amongst that there is a whole lot of information that is very helpful. Later this week—we have been promised it for 22 January—I am expecting UKBA to send across to us both their best description of what is in there and in particular what they too would like to see, and the information that VOSA has got.

**Q8 Chairman:** Revenue and Customs should give you this information. If they are causing a high proportion of accidents, they should share the information with you.

**Mr Devereux:** I do not think Revenue and Customs are causing a high proportion of accidents.

**Q9 Chairman:** No, but they should be sharing information so that we know more about these vehicles and where they are coming in and all the rest of it: it makes sense.

**Mr Devereux:** Yes, they should, and all that the paragraph is correctly identifying is that there are quite genuine legal constraints to make sure the particular information that passes is relevant to the agency in question. That has taken too long, in my view, to fix, but nonetheless we are expecting a letter from them.

**Q10 Chairman:** It is true that, although the number of accidents involving foreign HGVs are relatively few, they are involved in many of those more serious accidents, are they not?

**Mr Devereux:** I think all accidents with HGVs are pretty serious events: they are very large things. My view is that you should not underplay the danger on

British roads from British vehicles. That said, foreign vehicles, as a proportion, are more dangerous—that is correct.

**Q11 Chairman:** Why do you stop, Mr Peoples, so few red-rated vehicles? Let us look at paragraph 1.16, which tells us that. It is explained in figure 5, which you can find on page 16, that red-rated vehicles are more likely to have problems—that is obvious—for instance, they are twice as likely to be overloaded, but why are you not stopping more of them?

**Mr Peoples:** Although we are targeting red-risk operators, they clearly represent a small proportion of the UK fleet, and quite often where we are stopping there are a number of amber vehicles which can be target-rich as well. We do also need to stop green vehicles to ensure that things like drivers' hours are being complied with. Although we are targeting more red operators than there are proportionately, there are many more non-red vehicles on the road.

**Mr Devereux:** Could I add to that. One of the things which the audit officer has helpfully pointed out is that, while there is indeed a risk assessment going on here, and everything that the agency is stopping is better than random checks, there is plenty more we could be doing to improve those percentages. For example, as we were preparing for this hearing, we went through exactly how the scoring system works. One of the things that is not in the scoring system to date is information about the vehicle itself as opposed to the operator. If you will recall, this is labelled as an operator risk-scoring system, not as a vehicle one. The most significant correlation with poor compliance is actually an old vehicle and a light vehicle, and that information is in the system and belongs to the DVLA. It is perfectly possible for us to add that in. The gist of your question, which is, should this not be better, I think we agree with.

**Q12 Chairman:** Mr Peoples, why do we read in paragraph 10 in figure 3 on page 40 of this Report that there is such a wide variation in performance between regions?

**Mr Peoples:** We touched upon this area in terms of setting the targets, Chairman, and, although there is a variation, we do move resources in year, where there is either under-achievement or over-achievement for specific reasons. For example, the recent bad weather may have stopped checks in a particular area of the country, and we will move resources and targets to that particular area. There are a number of spikes in this, and they relate to specific issues in terms of over-performance on bus operators in Scotland.

**Q13 Chairman:** Yes, why was that? Why are they so mad keen on northern Scotland when it comes to buses?

**Mr Peoples:** We were finding lots of problems with buses and bus operators there, and the regional manager felt that in terms of the risks that they posed

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that it would be useful to turn resources in year towards that. So we agreed that resources would be moved from HGVs to PSVs for that particular year.

**Q14 Chairman:** I said earlier when I saw the NAO that I thought maybe it was because they were more risky roads and they were going alongside lochs and through mountains, but the Comptroller General said to me he thought it was just maybe because your office was next to the bus depot!

**Mr Peoples:** I can assure you it is not that.

**Mr Devereux:** It must be clear that there is a variation here. I drew for myself from this chart plus or minus 10% on 100% and actually most of them are in that window. I guess if I came with a whole set of results that were spectacularly on-message, on-target you would be equally suspicious.

**Q15 Chairman:** You cannot win with this Committee; you should know that by now!

**Mr Devereux:** I thought I would make the point.

**Q16 Chairman:** That is why we are here. Life is not fair, you should know that. I have got to ask questions about something. My last question is on working with others—this is mentioned in paragraph 2.13. Are you going to be better at working with the police? Paragraph 2.13 talks about better joint working.

**Mr Devereux:** Joint operations, yes. I think this is an interesting story because I quizzed why it would be that just because we are working with others, including the police and other agencies, you would end up with better check results. The answer would appear to be as follows; that at the moment if VOSA that are seeking to stop trucks on their own—they will have a stopper who seeks to identify trucks and bring them in. When the police do these big joint exercises, because they are going after other things as well, they put very many more resources on that road and the roads around it, essentially to make sure that nobody is diverting past the checks and all the rest of it. They are simply deploying a lot more resource than the VOSA team is set up to do, the result of which is they do end up with better results. There are a number of initiatives that my department has taken which has generated additional resources for the police, not least in taking over some of the stopping duties, putting traffic officers on the Highways Agency network. There is an interesting question about the relative priority for police for doing this sort of work versus everything else. In virtually all polls this does not score in the sorts of things that people think the police ought to be doing, so we are happy when we can get them to do joint exercises. I doubt if it is sustainable for the longer period.

**Chairman:** Fair enough.

**Q17 Mr Touhig:** I would like to follow on from where the Chairman started. At paragraph 1.19 on pages 18 and 19. The C&AG's Report tells us that overall foreign HGVs presented a higher risk to road safety than British-registered vehicles. Why do you think that is the case, Mr Peoples?

**Mr Peoples:** I think there are a number of reasons for that, not least of which the enforcement regime which may be in place in their own country. I mean VOSA are recognised as being at the leading edge of roadside enforcement.

**Q18 Mr Touhig:** They are at the leading edge?

**Mr Peoples:** They are at the leading edge in terms of roadside enforcement and the enforcement of drivers' hours. There is also the annual test regime which we have and the operator licensing regime, which puts a burden on operators to ensure that they maintain vehicles in a roadworthy manner, have maintenance checks periodically, and not all other Member States or, indeed, other states' vehicles that are travelling through GB necessarily have those requirements upon them.

**Q19 Mr Touhig:** Is there a European Union standard for these checks?

**Mr Peoples:** There is a European Union standard in terms of the annual roadworthiness test but not in terms of on-road enforcement<sup>1</sup>.

**Q20 Mr Touhig:** In paragraph 2.5 on page 23 we are told that if you could access the Revenue and Customs' freight targeting database you could significantly improve your ability to identify non-compliant HGV vehicles when they enter the United Kingdom. You accept that?

**Mr Peoples:** I think it would be really effective—

**Q21 Mr Touhig:** It could “significantly” improve your ability, the Report says.

**Mr Peoples:** I agree.

**Q22 Mr Touhig:** You agree. But you have been negotiating with HMRC now since the autumn of 2008. We are coming up to the second anniversary—we will be having a party, will we? Why has it taken so long? Mr Devereux, you are the Permanent Secretary: is it not possible you could pick up the phone to the Permanent Secretary to Revenue and Customs and say, “Pull your finger out, mate; let's get this sorted”?

**Mr Devereux:** This is actually stuff that is in my—

**Q23 Mr Touhig:** Could you speak up?

**Mr Devereux:** Sorry. The answer to that question is “yes”. That is exactly what I asked as soon as I went through this report two weeks ago. The answer is that we are getting information on what we can do with HMRC during the course of this week. I decided that when I see that I will then ring up—

**Q24 Mr Touhig:** You are seeing it is too long yourself, so you accept it has taken too long.

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<sup>1</sup> *Note by witness:* Directive 2000/30/EC requires all Member States to conduct a technical roadside inspection of the roadworthiness of commercial vehicles circulating in the Community. Article 4 of the Directive provides a “pick list” from which Member States can choose the type of inspection that is undertaken. There is no stipulation about how many vehicles should be inspected.

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**Mr Devereux:** It has taken too long. Let me just put this in context, though, because the trouble with picking up any one subject—the other things that have been asked of VOSA in the last several years have been two-fold—it is worth thinking back. One is they have computerised the MOT garages, every single garage in the country. So when you have your own car checked you can yourself now go online and pay your vehicle excise duty. It is the most popular e-government service. It wholly relies upon a huge amount of time of senior management in VOSA over the last few years to get that established, point one. Point two, the more significant thing they are also doing at the moment is making sure that the whole annual test arrangement—whereas at the moment it is run out of government-owned premises not necessarily very convenient for the industry—we are on the point of switching, so that most of the tests start to take place in the premises in which the vehicles are maintained, again serious management effort. Now, that is not to say that at the same time they should not be doing good work on here. I am quite pleased, if I am honest, that we end up with a satisfactory result, which the Chairman describes as not a bad result, for an area that has not been top of the management attention for the last two or three years. But is it too long? Of course it is.

**Q25 Mr Touhig:** You said that. You said yourself that it has taken too long. You said you discovered this when you looked at the Report recently. Was that the first time you knew this?

**Mr Devereux:** When I saw the draft.

**Q26 Mr Touhig:** Should there not be some sort of report back to you from Mr Peoples to say, “Look, there seems to a problem here”? Mr Peoples, have you been conducting negotiations or has the Department been—

**Mr Peoples:** VOSA has been conducting the negotiations, and latterly also with the Department, and we had reached a point where this was on our horizon before the Permanent Secretary became aware of it; so it is that final push rather than we were not making progress on it.

**Q27 Mr Touhig:** Could I ask the Comptroller and Auditor General: do we have any data on the number of lives that might have been lost in the 18 months while all this has been going on while you have been trying to sort out the data protection? No work has been done.

**Mrs Barker:** That would be impossible for us to calculate, but the fact is that it has been taking a long time and it is too long.

**Q28 Mr Touhig:** Yes. We see again at page 23, paragraph 2.5—the Chairman referred to it—that the HMRC database holds information on vehicles registration numbers, drivers and operators, which examiners could compare with their own data systems for matches known for high-risk vehicles; but the problem is the data protection legislation. Is

there a serious difficulty in sharing this between departments? The Chairman has highlighted this. Do we need a change in the law?

**Mr Devereux:** No. What I was trying to explain to the Chairman is that the system HMRC has got has an awful lot of information in it, not all of which is relevant to VOSA, and we have to be quite clinical about which bits there is a justifiable and, therefore, legal basis for them to have, and vice versa, for information they might share with HMRC. It is not rocket science and it does need to be worked through. It has taken too long.

**Q29 Mr Touhig:** The delay has been negotiation between the departments; it is not the legislation.

**Mr Devereux:** I do not think it is legislation, but you should not underestimate the extent to which the legislation ties people up in knots to try to actually demonstrate something which you may see to be self-evident can actually be done in practice.

**Q30 Mr Touhig:** I have been a Member in this House for 15 years and we regularly tie ourselves up in knots, I can assure you. We see at paragraph 2.6 on page 23: “European Union directives require commercial vehicle enforcement agencies to share data on non-compliance. While the Agency passes details of offenders to relevant foreign authorities it receives data from some, but not all Member States’ enforcement bodies, because they are unable or unwilling to share information.” What are you doing where they are unwilling to share information with us, our European partners? If we have got some difficult problem vehicles and if our European partners know them and if they are coming into this country, it would be helpful to you when it comes to the port of entry to know there is a problem.

**Mr Devereux:** If they are unwilling, and it is indeed a legal requirement, which is what I understand it to be, then that country ultimately faces the proposition of the Commission infracting them.

**Q31 Mr Touhig:** What have we done? How many countries are unwilling then to share information with us? Do we know?<sup>2</sup>

**Mr Devereux:** I am afraid I do not know, no.

**Q32 Mr Touhig:** Mr Peoples, are you able to help us?

**Mr Peoples:** There are a number of countries that are ready to share, such as the Netherlands, Belgium, France, Spain—

**Q33 Mr Touhig:** Are ready and willing to share?

**Mr Peoples:** Are ready and are willing to share—

**Q34 Mr Touhig:** And they do share?

**Mr Peoples:** Yes.

**Q35 Mr Touhig:** And others?

**Mr Peoples:** And there are a number of others that do not, the other Member States.

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**Q36 Mr Touhig:** You have identified these states.

**Mr Peoples:** We have identified. Some of it is a bit sporadic, but there will be some European legislation to set up a database to be able to share this information within a few years.

**Q37 Mr Touhig:** That is being planned in the European Union to share with us?

**Mr Peoples:** What happens is that each Member State is required to complete a database of vehicles operating within its environment, and that should be available for sharing.

**Q38 Mr Touhig:** But the countries that are finding it difficult, or will not share with us—what are we doing through the European Union to put that right?

**Mr Devereux:** I am afraid I do not know. Can I write a note about it, though, because it is—

**Q39 Mr Touhig:** But do you think we should be doing something about it?<sup>3</sup>

**Mr Devereux:** If they are acting illegally we should make sure the Commission knows that and they—

**Q40 Mr Touhig:** It just seems to me that it makes a lot of sense if we can get this information. I note the Report goes on to say some of them inspect few British vehicles but they inspect lots of their own vehicles that would be coming here, so that would add to your information. This again is on page 23, paragraph 2.6: “because they are unable or unwilling to share information or because they inspect few British vehicles.” Their own vehicles they inspect, and that data would be open to us.

**Mr Devereux:** No, sorry, that is not what that says, and there is an asymmetry here which I do not agree with but, nonetheless, it is the way the law operates. What that is actually saying is that each authority in an EU country will have an obligation to report to Alastair if a GB vehicle offends against a foreign law, as it were.

**Q41 Mr Touhig:** I see.

**Mr Devereux:** If they are done for a bad tyre in Poland he will know. That is not the same as saying Polish vehicles that do something wrong in Poland will be mentioned to Alastair, so if they were to come across the Channel he would know. This is simply passing back to the host nation, as it were—

**Q42 Mr Touhig:** There is no requirement or we have not thought this was a good idea to share all information?

**Mr Devereux:** We have thought that, and my understanding is that we have sought to negotiate that. What we have got so far is an agreement about the database in respect of infringements. We have not yet managed to get them to say actually why would we not, as a European collection, pool all our information so that everybody has got information

on all the different vehicles. That was a bridge too far in the negotiations, I believe, but I will check that for you.<sup>4</sup>

**Q43 Mr Touhig:** The discussion Mr Peoples refers to is not forming part of the picture you identified a moment ago.

**Mr Devereux:** No. Your earlier questions were as to whether or not anybody was failing to tell us about a British vehicle that was breaking the law abroad and I am broadening the question about international vehicles.

**Q44 Mr Touhig:** Yes. What I am trying to establish is finding information about foreign vehicles entering this country if the European partners have got a database showing that they have non-compliant vehicles and they are coming to this country, we need that information shared with us. What I am asking Mr Peoples is, is that part of the intention in this discussion?

**Mr Peoples:** I am not sure whether it goes that far.

**Q45 Mr Touhig:** Could you find out and write to us?

**Mr Devereux:** I think it is not, but I will write to you.

**Q46 Mr Touhig:** It is not a bad idea, though, is it?

**Mr Devereux:** It is a perfectly good idea, and I think you will find I have been asking for it.

**Q47 Mr Touhig:** You get value for money when you come to this Committee, Mr Devereux!

**Mr Devereux:** I would expect nothing less.

**Q48 Mr Hill:** But no quids.

**Mr Devereux:** I am trying very hard.

**Q49 Angela Browning:** I wonder, gentlemen, if you could just clarify for me: if you look at the two graphs on pages 20 and 21, one looking at roadworthiness and the other one traffic risk, there is quite a long list across the bottom of those graphs that shows some pretty serious matters if they are found. Just tell me what happens. You stop and inspect a vehicle and check it, and you find one of these things: are they all criminal offences?

**Mr Devereux:** Depending on the severity of what the inspector finds, there is a range of sanctions which the inspector can then impose. At one end there is the verbal warning, “Look, this is going to go wrong if you do not deal with it shortly”, but there is nothing written. At the far end there is immediate action—taken to a prosecution, and the deep impact of having the vehicle stopped immediately.

**Q50 Angela Browning:** That is what I wanted to know.

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<sup>4</sup> *Note by witness:* The Department for Transport aimed, in negotiations, for vehicle registration data to be included in the database, but this proved to be “a bridge too far”. Instead, the negotiations resulted in an agreement to build this data field into each Member State’s database but as yet there is no requirement to populate the field.

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**Mr Devereux:** It depends on the severity of the problem they find, because tyres can be anything from wholly unsafe immediately to getting a bit unsafe in a couple of months' time.

**Q51 Angela Browning:** At the point at which they are checked and inspected, do your staff have the facility to impound the vehicle, prevent a driver from driving again? Presumably, they have to deal with whatever cargo is on board. Do the practicalities of that in any way inhibit the type of action that should be taken?

**Mr Devereux:** You are in the right area to question. We have changed this recently including with the legislation that introduced graduated fixed penalties. It is now possible quite literally for VOSA to immobilise the vehicle, because one of the problems we previously had was that we would say, "You must stay here until it is fixed and we get a breakdown vehicle", but as soon as the staff left there is nothing to prevent the vehicle from driving away. It is now possible under British law to immobilise a vehicle that Alastair's staff find to be so dangerous that they do not want it moved.

**Q52 Angela Browning:** Or the driver to be in one of these top categories—fatigue and that sort of thing.

**Mr Devereux:** That is similar.

**Q53 Angela Browning:** Thank you. I just was not sure how in practice this worked out or whether it was just a bit like somebody saying, "Turn up at the next police station with your licence", or something.

**Mr Devereux:** The inspectors do use a bit of skill and judgment, though, because there are judgments in this and this is not all black and white, and if there is a vehicle full of wholly perishable stuff or something that needs doing, they will use their skill and judgment.

**Q54 Angela Browning:** They use their judgment, fine.

**Mr Devereux:** Indeed.

**Q55 Angela Browning:** Page 6 in the summary pages at the top says: "Some checksites are situated at locations which are no longer strategically significant." How are you addressing that? It seems crazy to have checksites in places which really do not make any difference.

**Mr Devereux:** I can see that. Let me just tell you one fact that is not self-evident. Most of the vehicle miles in this country start and end in the same English region. It is not the case that most vehicle miles are people belting up the M6 and doing half the nation, so it is not daft to have some stations in the south-west, in East Anglia and in Wales, because actually it is still the case that by far the majority of freight does not move very far. Since there is a high correlation of red operators with local operations as well, you would expect some sites to be in this place. Now, the fact that the sites are there should not be read, because there is a risk of reading this, that we have staff there 24/7 trying hard to do good things. I went through the sites with colleagues earlier on: some of these sites are actually used seven days a

year—not as many as you would expect. There is a judgment call here: given the nature of freight and the nature of operators, we cannot simply have people permanently camped on the main motorways, but there is a judgment to be had about how much we want to do at other sites. This is a space in which VOSA is seeking to do quite a lot of change because we have rather too many of these, and I think probably we do not need to have anybody at some of these. But that is the reason why we still have them; so there is a rationale for them being there, but the question is how much time you spend at them rather than whether they physically exist because you may want to come back from time to time to sample.

**Angela Browning:** If you look at the way certain types of speed cameras are used on the road system, some of the most successful of course in terms of catching people breaking the law are those that move around, those that are deployable, where people do not expect to see them because people get very used, do they not, on a regular journey, where the cameras are? To what extent have you made an analysis so far as HGVs are concerned of the impact of satnav systems? It seems to me that increasingly we see HGVs on rural routes, including foreign vehicles, because they programme in for the shortest route. Are the routes being taken by HGVs changing as a result of satnav systems? In looking at what are strategic routes or strategic points for your checks, have you looked at that to see how you might have been affected by that?

**Q56 Chairman:** Mr Devereux, the acoustics in here are very bad and you are quite a long way away, so can you speak slowly and speak up, please?

**Mr Devereux:** Certainly. I have not looked specifically at satnavs. What I do know, though, is the vast majority of lorry miles take place on the big motorways, and if you think about the speeds at which they go, I would be very surprised if a half-competent operator actually thought it was, as it were, cheaper and faster to drive on a direct line as opposed to using the main trunk roads.

**Q57 Angela Browning:** Take my word for it that they do. I represent a rural constituency in Devon; we have huge problems with lorries, particularly foreign HGVs, using the most direct route, going through roads that are totally unsuitable for them and causing accidents as a result.

**Mr Devereux:** And not because they are trying to get somewhere that actually is a farm—

**Q58 Angela Browning:** No, they are using them as rat-runs from one town to another. They save a lot of petrol very often.

**Mr Devereux:** The way that the Agency operates is it has a number of fixed sites<sup>5</sup>, which it either owns or works from, and then from time to time it uses other sites at which they move around, so they are trying not to simply be caught out by always being in the same places where people can predict it. As I

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<sup>5</sup> Note by witness: VOSA also operates from over 1,000 temporary roadside sites



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mentioned to the Chairman earlier on, those joint operations make perfectly clear that people do know about this. Lorry drivers do talk to each other, so if VOSA is camped at the top of the M6 one day, word gets around quite quickly. There is a bit of a cat-and-mouse question here about how best to do this, and that is an issue that the Agency is alert to.

**Q59 Angela Browning:** You mention the top of the M6. I am concerned to read that your powers do not extend to Scotland. What sort of arrangements do they have in Scotland?

**Mr Devereux:** There are two things about Scotland, both of which are going to be fixed by October, so the good news is that the problem is going away. The first is that at the time we took powers to enable Alastair's staff to stop vehicles on the highway, which required a change to the law, the only passing vehicle was the Police Reform Act, where the relevant provisions did not apply to Scotland. At that point we still required the police to accredit every one of Alastair's staff, one at a time, and in some cases many police forces. We are changing in England to an arrangement where these staff will be accredited full-time and that is it done once; and what is happening in Scotland is that they will get powers to stop and be accredited simultaneously, all with effect from October. The powers north of the border will be identical to those south of the border from October. The only other difference between us and them relates to the newly-introduced graduated fixed penalty regime, where the graduated fixed penalties for GB operators are applied north of the border as they are applied south of the border. The one part we could not do immediately was to collect deposits from foreign operators, which has required changes in the Scottish courts IT system, which is a devolved matter; but again our expectation is that that will be done during the course of this year.

**Q60 Angela Browning:** That is encouraging.

**Mr Devereux:** I thought that too.

**Q61 Angela Browning:** Otherwise, I can see the run for the border being quite a significant part of daily operations. Could I just come back to something that the Chairman and Mr Touhig asked you about, and that is the question of foreign vehicles, particularly to do with the EU regulation. You are going to send us a note. If I understood you correctly, when we get to the point of sharing information within the EU it is a question of UK vehicles that have been stopped in other countries being fed back to the homeland. Are you confident that the system that has been set up is going to make that a harmonious policy across all the EU countries?

**Mr Devereux:** Harmonious in what sense?

**Q62 Angela Browning:** In the sense that you may receive information about UK vehicles; if you feed back to other countries, vehicles that have been stopped and found defective for one reason or another in this country, what sort of enforcement action then takes place?

**Mr Devereux:** I think as the Chief Executive has already illustrated to you, practice in different European States is not at the same consistent high standard as it is in the UK. I am not going to guess the country, but let us think of country X. If Alastair prohibits a vehicle and passes it back to country X, the extent to which they will do something profitable with that information other than simply recording it will vary between countries. Those that have good systems—let us take the Netherlands, which I would guess is a good system—they will use this information in just the same hungry way that Alastair would for the GB one, but that will not be consistent across the European Union.

**Q63 Angela Browning:** If you have this information and you are not satisfied that a vehicle re-entering or a company that regularly comes to the UK is re-entering the country after you have made a complaint, have you got the powers to blacklist a vehicle coming into the country?

**Mr Devereux:** That is a slightly different question.

**Q64 Angela Browning:** Yes, it is.

**Mr Devereux:** That is to do with it coming back again.

**Q65 Angela Browning:** Yes. Once you know there is a problem with it.

**Mr Devereux:** The Agency at the moment is seeking to establish a database for non-British vehicles to parallel the one they have already got for British vehicles. The only entries, if you think about it, that will be in that will be their own information because they are not getting any from any other countries; and that would mean at least that they are able to identify who potentially had a problem previously. Blacklisting is a slightly different question because it could well be that they found a bald tyre but the operator has now fixed the tyre. Coming back to the questions about the HMRC database, if we knew that a vehicle we had previously prohibited was on this ferry coming into this port on that day, then you can be assured that Alastair's people will be there to pick it up. You can target but I do not think you can blacklist.

**Q66 Mr Mitchell:** Given that paragraph 1.19 tells us that the problems with British lorries are more associated with driver performance but for foreign vehicles it is mechanical conditions, why do you not clamp down on foreign vehicles?

**Mr Devereux:** Clamp down in what sense? I am sorry.

**Q67 Mr Mitchell:** Given the fact that there are more mechanical deficiencies according to paragraph 1.19(2) with foreign vehicles, why do you not clamp down on foreign vehicles?

**Mr Devereux:** As I have already said to the Chairman, virtually all the big new initiatives that the Agency has taken, backed with the money that the Department has given it, have been to establish checkpoints on high traffic routes that are particularly used by international traffic. We are

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focusing a lot of attention on international traffic, but the same paragraph says that there are material problems with British-registered vehicles and so we cannot just turn a blind eye to that especially since there are now ten times as many of them.

**Q68 Mr Mitchell:** I am not suggesting you do that, but why do you not clamp down on foreign vehicles?

**Mr Devereux:** I am trying to understand what you mean by “clamp down”. Do you mean not let them in?

**Q69 Mr Mitchell:** Do you not have the power?

**Mr Devereux:** We are testing: about 50%<sup>6</sup> of all the roadside checks are against foreign vehicles, despite the fact they—

**Q70 Mr Mitchell:** If I had a foreign vehicle, is there a greater chance of being stopped and checked than if I am a British operator?

**Mr Devereux:** Yes.

**Q71 Mr Mitchell:** Good. Thank you. Now, what happens when you fine them or require changes?

**Mr Devereux:** Sorry, when I?

**Q72 Mr Mitchell:** A foreign vehicle is found to be deficient at one of your checkpoints. What happens then? Is it immobilised?

**Mr Devereux:** The good news is I can now immobilise it in the event that they cannot be compliant with whatever the inspector says should happen. The good news is I can now take money off them in the form of a graduated fixed penalty deposit system, which previously I did not do. So, on two counts, the immediate financial penalty and the ability to immobilise the vehicle, I am in a better place now than I was. —I cannot remember when it was introduced.

**Mr Peoples:** May last year.

**Mr Devereux:** —in May last year.

**Q73 Mr Mitchell:** What powers do you have over it until the fine is paid?

**Mr Devereux:** Strictly speaking, we seek a deposit, which coincidentally happens to be pretty much the same number as the fine. By the time they have paid the deposit, they have more or less settled their fine, and prior to doing that, if necessary they can immobilise the vehicle. Let me go off at a slight tangent here: one of the things that has become apparent in the current year is the very fact that this arrangement is beginning to dawn on some operators; that it is better to be compliant than to risk this. It is quite clear now that there are fewer vehicles being stopped and found non-compliant, particularly as they go across towards Ireland, than was previously the case. We may paradoxically find ourselves in a position where fewer vehicles appear to be prohibited because actually people are beginning to get the message that this is not the way that we want them to act, which is a good-news story.

**Q74 Mr Mitchell:** It says in 1.19(2): “For foreign vehicles mechanical condition and some driver-related factors”. What are “some driver-related factors” on foreign vehicles? Are they pissed out of their brains or what?

**Mr Devereux:** Fatigue—drivers driving too long—the same driving condition as applies to British drivers. They are over their hours, they have got two more hours to get to the port—“Let’s put the foot down and get there”—that is the sort of driver-related problem.

**Q75 Mr Mitchell:** Something which the Agency might be able to influence through the inspectorate—is that driver hours that you are influencing through the inspectorate?

**Mr Devereux:** Yes.

**Q76 Mr Mitchell:** You are just telling them it is naughty!

**Mr Devereux:** What is happening in putting the word around with Irish operators is that many of them have been caught; there is clearly behavioural change going on. The Agency is doing something to the vehicle they find and making a point of telling similar vehicles, “This is the regime that is now in place”, and it would appear to be having a genuine deterrent effect.

**Q77 Mr Mitchell:** Mr Touhig elicited the fact that some European States do not exchange information with any enthusiasm. Can you tell us which ones do not exchange?<sup>7</sup>

**Mr Devereux:** I have offered to write a note because I do not have that to hand, I am afraid.

**Q78 Mr Mitchell:** Can you tell us in a written answer?

**Mr Devereux:** I do not know, I am sorry. I have not looked—

**Q79 Mr Mitchell:** How can the generalisation be made that some do not provide information if you do not know which?

**Mr Devereux:** Sorry, it is known which do and which do not, but I do not know here. The NAO are correct and we signed this Report off, and I am assuming that—

**Q80 Chairman:** Perhaps the NAO could tell us now.

**Mr Devereux:** That is a good question.

**Q81 Chairman:** Tell us now.

**Mrs Barker:** I am sorry, we were dealing with another note at that point.

**Q82 Chairman:** Anybody in this room can speak up, even if they are the back row. They do all the work!

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*Mr Morse:* We do not know.

**Q83 Chairman:** So nobody knows!

*Mr Devereux:* We have a list of the good states.

**Q84 Chairman:** Tell us the good states, then.

*Mr Devereux:* The good states include the Netherlands, Belgium, France, Spain and Germany. I would not like to deduce that everybody I have not read out is a bad state or that all the bad states are included or whatever.

**Q85 Chairman:** You will write to us.<sup>8</sup>

*Mr Devereux:* Fine.

**Q86 Mr Mitchell:** There have been reported in the press, a number of instances where Irish lorries in inadequate conditions, bad conditions, have either caused an accident or been fined, and the fine has not been paid.

*Mr Devereux:* I would have to check the date of your press cutting because, given that we have now introduced this new regime from May 2009, I would hope that was not the case. Let me add to that: we talked about sites earlier on; the new site that has been opened at Sandbach, which is up in that direction, has managed to go from a total number of a couple of hundred stops each year to 2,000 just in the course of this year so far. We have got real resource being put in against the flows going through to Ireland, and it is making a difference.

**Q87 Mr Mitchell:** Do you keep lists of who pays the fines and who does not, which nationalities it is easy to collect the fines from?

*Mr Devereux:* It is generally not difficult to collect a fine from anybody whose vehicle has been immobilised because the fine is less than the value of the vehicle.

**Q88 Mr Mitchell:** Do you exchange information on which are bum firms? The Road Hauliers' Association has suggested you do not do enough operator inspections. With European or Irish firms it is difficult to know which are good firms and which are bad firms. Do the authorities exchange information on that?

*Mr Devereux:* No. As I am afraid I have already answered to Mr Touhig, the arrangements in respect of Europe, which I will check for you, I believe it to be the case that another nation is simply obliged to report on our vehicles found offending in their states, and nobody is obliged to report to another state infringements in the current country by foreign vehicles; so there is an asymmetry in the available information, which I regret, but we have tried to fix this in Europe without success to date.

**Q89 Mr Mitchell:** Why are the road hauliers telling us that you should do more inspections at the depot?

*Mr Devereux:* I wonder whether they are actually saying more inspections of British operators.

**Q90 Mr Mitchell:** Yes, I have moved on to British operators now. The interview is in English from this point!

*Mr Devereux:* Fine. There is a regime for checking operators. It reflects the risk-scoring. I am sure that some people would imagine it would be much better if—

**Q91 Mr Mitchell:** It would seem useful to build up an index of which firms are good and efficient and which firms are not and inspect accordingly.

*Mr Devereux:* Sorry, we do that, but the chart within the table on figure 4 on page 15, which explains how we assess operators, is based on all the different inspections we do, including inspections at their premises, yes.

**Q92 Mr Mitchell:** In relation to the point the Chairman made about some of the inspection points being a little outdated in the sense that traffic has moved elsewhere, I was interested to see on figure 10, page 26, that the M62 must be the most heavily inspected road in the universe, but on the other hand there is a huge stretch of the M1 going up to the M62 where there are hardly any inspections at all. Why is that? It cannot be because you inspect at exits and entry points because there are far more exit and entry points on that stretch of the M1 than on the M62.

*Mr Devereux:* The M62 is connecting ports on either side of the country and a very substantial amount of HGV traffic goes through there. The M1, from observation, appears to have at least—

**Q93 Mr Mitchell:** The A1 I am talking about.

*Mr Devereux:* The one that goes slightly north-west towards Birmingham is the M1. The green one is the A1. They both appear to have two stops short of the Midlands. I am not sure how many you would think was a good number but all the flow that is basically going up the M1 has got to go past both of those checksites, so I do not need more checksites, as it were, to capture more traffic.

**Q94 Mr Mitchell:** One final quickie: given the fact you are having problems inspecting at the ports apparently for lack of space, why do you not inspect the lorries on the vessel?

*Mr Devereux:* I have a feeling that is rather more operationally difficult than you might imagine, in particular if I have an electronic engine, I do not want to be turning on engines in a vessel that is moving. I will think about whether or not I can give you a better answer than this but I think we have looked at this because on several occasions people have said, "Surely you can just do all these checks while the thing is coming across", but it turns out to be rather more difficult than you think, because these vehicles are packed in quite tightly. We do not have access to the car deck generally for safety reasons, and we certainly do not want people to go and do anything with the engines. You can do visual inspections possibly, but I think this is an area that has been looked at. It worked out to be more difficult to do. What we have done in practice is either do it in the port, or more particularly now we have put

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checksites five or six miles north of the port, just outside the port, and just catch them driving off, which is much easier and much more straightforward. If I had a choice between a site just outside the port and trying to do it on board the ship, I would certainly take the site offshore.

**Chairman:** While we are on the subject of foreign lorries, which Mr Mitchell spent quite a lot of time dealing with—

**Mr Mitchell:** —successful!

**Q95 Chairman:** No, you are quite right to deal with it. If you go to France of course, British lorries are paying very heavy tolls on all French autoroutes, and the same applies to the Italian autostrada and in Spain. There are virtually no toll routes here. These foreign lorries are not paying any tax, they are paying no licence, and they use the roads and to that extent they are breaking up the roads. I just wonder, to what extent are you constrained by EU rules? Given there is clearly an imbalance here, that there are more and more foreign lorries using our roads not paying tolls and not paying their way, what can you do through the inspection regime or in any way you want to try and make them pay their way? We have already heard that they are causing a higher rate of accidents. In a sense there is obviously unfair competition here, is there not?

**Mr Devereux:** It is a subject—

**Q96 Chairman:** I know it is slightly wider than this Report but it is a very interesting subject to people in this country.

**Mr Devereux:** It is an interesting subject, and we have looked at several ways of trying to tackle that. First of all, the evidence as to relative costs—everybody focuses in on fuel duty, where we are indeed at one end of the spectrum in terms of the level of fuel duty—by the time you take account of other things, like employment tax and company taxes, the position is not quite as good a variant as you might imagine. Secondly, the sorts of things we have looked at, which include a sort of European vignette scheme, which basically says to all foreigners, “You need one of these stickers in your window before you come in”—that is constrained by European law because we cannot charge more than €11 per day for the privilege of having one of these things. When we did the cost-benefit analysis, which this Committee is interested in, it turned out to be a poor value-for-money proposition to pursue such a thing, so instead, as announced in Budget 2008, we put the £24 million into the high-risk traffic initiative with the effect of essentially saying to vehicles coming over here that we have already been talking about, which are actually not roadworthy or with too many driving hours, those are vehicles that we are going to go after. That was a conscious choice on the part of the Government as being the best way to spend money to maximum effect.

**Q97 Chairman:** How did they come to this €11 in the vignette because what British lorries are paying on French roads is far more than €11 a day, infinitely more?

**Mr Devereux:** Yes, because when British lorries are on French roads they are also filling up with French petrol. There are some swings and roundabouts in this. Suffice to say the Government—at least since I have been in the Department—has looked at this two or three times, most recently in the March 2008 budget, and comparing different ways of engaging with this question, the best answer was found to be to invest more money in VOSA and do more work on the dodgy, unsafe lorries and people who are also, by being unsafe, seeking to undercut—

**Q98 Chairman:** You can gather from what you have been asked so far that that is the way we are trying to push you even further on, doing more on dodgy, unsafe foreign lorries.

**Mr Devereux:** Fine. It is not immediately clear to me that that is obviously the place from a road safety perspective that you would want to put all of your money.

**Q99 Chairman:** No.

**Mr Devereux:** The NAO makes the point—I do not know why I do not chip in here, or nobody will ask the question otherwise—traffic offences, in particular fatigue and driving hours, is a real problem, a much more substantial problem, as the data makes clear, than roadworthiness. That is the territory that we need to get in from a road safety perspective, and it applies just as much to British drivers as it does to foreign drivers. Let us not assume conveniently that everything in the Report that is bad is international.

**Mr Morse:** We agree with that comment.

**Q100 Keith Hill:** Mr Peoples, I am right in thinking that you have records of which operators are most likely to commit offences?

**Mr Peoples:** We do.

**Q101 Keith Hill:** Do you publish these findings?

**Mr Peoples:** In terms of the operator compliance risk score, each operator has access to their own scores. This is not an operator rating scheme; it is not something that can say because of our risk score on a particular operator based on a number of encounters, that they are inherently bad; it just says that is the risk that we have found. The issue we have got is that this risk score can change from week to week, so each operator has access to that risk score for whatever number of vehicles they have got on their operator licence.

**Q102 Keith Hill:** The implication of that is that your kind of targeting of vehicles belonging to operators also changes week by week.

**Mr Peoples:** That is right.

**Q103 Keith Hill:** It does; it has that degree of flexibility?

**Mr Peoples:** It does because it is based on each encounter. If we have a positive encounter, it has a positive impact; if it is a negative encounter, it has a negative impact.

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**Q104 Keith Hill:** Do you find there are operators that are consistently at risk of committing offences?  
**Mr Peoples:** We do. Recently, we have followed up at operators' premises with those operators that are consistently red, to try and understand what they understand about the risk score, what they understand about the requirements on them in law, and what work we can do with them to try and change behaviours. Quite often these people are not found to be the criminal types; they are found to be people who are unaware of—or are unaware that their drivers are breaking the law. We have found that working with them is starting to change behaviours amongst those operators that we visited.

**Q105 Keith Hill:** I seem to remember from the days of yesteryear, the Leitch Report, that actually the average operator is quite a small-scale operator. What is the average number of vehicles?

**Mr Peoples:** The vast majority of operators have less than five vehicles.

**Q106 Keith Hill:** Fewer than five vehicles, extraordinary, is it not? Let us just go back to this business about inspectors visiting the premises, and to pick up a point raised by Austin Mitchell, which is the suggestion by the Road Haulage Association specifically that the Agency has rather diminished its visiting of premises because it has been eager to pursue the targets on roadside checks set by the Department. Do you accept that allegation?

**Mr Peoples:** No, I do not accept the allegation. We have changed the number of operator visits for a number of reasons. The number of registrations, operator licences, are falling, so that takes account of some of the downturn, and we are now better able to segregate the number of new operators that are coming online from those that have changed an operating address or changed premises, where before each one of those generated a new visit. As I said before, in terms of looking at red-rated operators, we are now targeting those and going and talking to those specifically.

**Q107 Keith Hill:** Let me ask you a question about the risk rating scores. If you look at the figures on pages 20 and 21, although there is some relationship between, for example, the score on brakes and the risk of accidents, overall there appears to be relatively little correlation between the risk rating score and accidents; so that naturally provokes the question: why do the risk rating scores not reflect more closely the factors that lead to accidents?

**Mr Peoples:** The risk rating score is a relatively new thing; it has been in force since 2007. Before that we had very little in which to target. We had local intelligence, so this is a major step forward from what we had. It is also evolving, and the Permanent Secretary alluded to graduated fixed penalties and deposits, which he has introduced, and that has now given us much more information and granularity not only on which incidents are happening, but the severity of those incidents, which we were not able to capture before. We are evolving our risk rating score, our operator risk compliance score, to take account

of emerging findings on those encounters that we are now having that are attracting graduated fixed penalties.

**Mr Devereux:** Let us be candid, though. We are clearly doing a lot of work, for example with overloaded vehicles—the third bar on figure 9—which by any stretch of the imagination is too much relative to what we are doing on other things. One of the things that is happening with the sites, many of which are actually fixed weighbridges, going back to the days when overloading was the thing to worry about, is now under the spotlight for VOSA to change. I think you would expect next time you enquire about all this, that these scores more accurately reflect that trend line.

**Keith Hill:** Fine, good. I accept the point you are making but, nevertheless, it is an illuminating bit of analysis by the National Audit Office. Let me revert to the bashing of Johnny Foreigner—

**Mr Mitchell:** Hear, hear!

**Q108 Keith Hill:** —which has characterised so much of our proceedings this afternoon. Let me ask you why you still do not have a risk-rating system for non-British operators.

**Mr Devereux:** The main reason is because there is no obligation on any operator to give us any information. The answer I was trying to develop with Mr Touhig was this, that there is nothing to stop the Agency—and that is what they are planning to do—compiling information that they collect on individual encounters with individual international lorries. Because they are the licensing authority for British operators, they are allowed to Hoover up all kinds of information about British operators. If I stop truck number one and I find it is from the same operator as truck number 99, I can actually do something with truck 99 when I see it. With the international operator, I have got no idea whether or not this truck belongs to the same operator or not. We are trying, by our own bootstraps, to collect this information together, but the fault which both Mr Mitchell and Mr Touhig identified about what the information flows between us and Europe are means we are precluded essentially from having a European-wide operator-based compliance strategy.

**Q109 Keith Hill:** That is something we need to look at more carefully in the European context. Let me hurry on and go back to Mr Peoples and ask a question about ANPR, Automatic Number Plate Recognition technology. If that is as effective at targeting non-compliant operators and vehicles as it appears to be from the NAO report, let me ask you: why are only a quarter of your vehicles fitted with cameras?

**Mr Peoples:** What we are doing as part of the HRTI is buying a number of new vehicles, and those vehicles are already capable of being fitted out with mobile cameras. We are also looking very shortly at the Agency at the business case, to make the case for putting additional mobile cameras in those new vehicles.

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**Q110 Keith Hill:** Finally, let me revert to a question which our Chairman put to you, but I think I would like to have a more comprehensive answer, and that relates to the fact that you stop relatively few red-rated vehicles: does that not really cast doubt on your ability to target the right vehicles?

**Mr Devereux:** I think that is a fair question, but for the fact as—

**Q111 Keith Hill:** That is why the Chairman asked it, Mr Devereux.

**Mr Devereux:** I was going on to say it is a fair question, but if you look at figure 5, I am afraid the evidence is that because our risk-scoring system is not as brilliant as you would hope it is. It is not the case that all the problem operators currently are scored as red operators. This tells you why other vehicles are pulled over. The Agency is finding in excess of 25% green operators have a mechanical fault. My view is that that tells you that we have not perfected by any stretch of the imagination a risk-scoring system that enables us to, with confidence, say who we ought to be pulling over. Come the day that I can identify 100% of bad vehicles straight away, that would be where you would want to be with the red ones. I do not think we are wasting time pulling over green and orange while the non-compliance rates are as high as that, but it does beg the question: how could you refine the risk-scoring system because these figures also tell you that of the order of half to two-thirds are being pulled over and found to be completely clean, as it were. There is a real added value in making sure that every vehicle stopped has really got something wrong with it. We are quite a long way down this track. These numbers are well in excess of the population levels of compliance, which for mechanical is around 10%—but could we do better? Of course we could.

**Q112 Mr Williams:** It is an interesting Report, but the bones have been picked pretty clean by my colleagues. Why did you suspend your work with the Highways Agency on your checksite project? What was behind that?

**Mr Peoples:** We were working with the Highways Agency on something called the Enforcement Synergy Programme, and it was quite clear that that work, while it was providing some very useful information, caused us to think we needed something more than what we were just getting, and we are now working with the Department on an HGV compliance strategy of which that highways work would form a part. We are also still working with the Highways Agency on acquiring a number of sites, and the Sandbach site is actually a Highways Agency site which they have refurbished for joint use. Although we have moved back from some of the more radical things we were talking about until an overall HGV compliance strategy has been completed, we are still working at a tactical level with the Highways Agency.

**Q113 Mr Williams:** Has the suspension had any adverse impact?

**Mr Peoples:** No. A lot of the stuff that we were working on was more medium-term outcomes, so we are quite happy that we are doing the short-term stuff now, and we are working very closely both with the Highways and the core Department in terms of ensuring that the compliance strategy does take account of that previous work.

**Q114 Mr Williams:** We were told you have no right of access to ports. This is interesting. Why?

**Mr Peoples:** I believe it is because they are private premises generally speaking, and they do not fall within our remit, but it would be wrong—

**Q115 Mr Williams:** Why are they not within the remit? Should they be within the remit? Would you like them within the remit?

**Mr Peoples:** Clearly, all we want is access to the ports. The mechanism or the legislative forum for that is rather academic from our point of view. It is not all ports—

**Q116 Mr Williams:** That is what I was asking at the very start; access.

**Mr Peoples:** It is not all ports that are denying us access. We have some very good relationships and, indeed, we are working with the British Ports Association to work up a memorandum of understanding to ensure that we do have access to the rest.

**Q117 Mr Williams:** Why are some of them so obstructive?

**Mr Devereux:** Because of competition: this is a private industry and if it is the case that you would be twice as likely to be caught by working alongside VOSA as some other site, then why would you not ship your vehicles somewhere else? What we are trying to establish here is something that gets vehicles in and out of ports, which is quite important anyway, but actually make sure that VOSA is in a position to check them in some way. Physically checking them in the port premises is not necessary. It is one way of doing it. If it can be done without too much bottleneck and too much problem at the port, that is fine. As I said earlier, the alternative of camping four or five miles down the next motorway, as it were, is a perfectly adequate way, if that is where we can find a site.

**Q118 Mr Williams:** If you had an automatic right of access, surely that would eliminate any suspicion that one port was getting the benefit over another?

**Mr Devereux:** It would in principle, but some of these ports are very heavily constrained for space, and so if there is not physical space to do all the work that Alastair's people need to do, it will not happen then.

**Q119 Mr Williams:** We accept that in that case you would not want access. Let us put the question slightly differently. Should you not have access where you want it and you think it would be appropriate, and do you have that?

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**Mr Devereux:** Perhaps I can put it another way round. If there was a passing legislative vehicle to give Alastair access to every port, I am sure we would be pleased with it. I am not at all sure we could demonstrate that it was a proportionate response to the observed problem.

**Q120 Mr Williams:** I still want to know whether you feel you are being deprived of some right that you need, or whether it is a situation that you are quite happy to live with. It sounds as though you are quite complacent about it, yet it is written up in the Report.

**Mr Devereux:** “Complacent” is the wrong word. What the Report already has recorded—and I am not going to take it any further than this—is that there are many ports where space is at a premium. That being the case, my guess is that passing laws to give Alastair theoretical access when it is not practically possible would itself be a problem just getting the law in that space. I am more interested in making sure that whatever route people are bringing into the country we have got a good chance of finding people that are not roadworthy or breaking the law. That does not necessarily have to be in the Report. I am sorry, I do not want to look a gift horse in the mouth; if such legislation could be forthcoming, I am sure we would not be against it, but I just cannot tell you it is top of the list of things to ask for when Parliament is so busy.

**Q121 Mr Williams:** Let me put the question another way because I am still not happy with the answer.

**Mr Devereux:** Sorry.

**Q122 Mr Williams:** From how many ports have you been barred to which you feel you should have access?<sup>9</sup>

**Mr Devereux:** I am afraid I personally do not have the answer to that question. I do not know if the Chief Executive does, but we may have to write you a note on that.

**Mr Peoples:** We have four ports that we are denied access from, but we have—

**Q123 Mr Williams:** Tell us which they are.

**Mr Devereux:** May we write to you about that?

**Q124 Mr Williams:** No, tell us who they are. You know what they are. You can tell us. That is the point of the hearing. If you are saying it is confidential information, you can put that to the Chairman if you wish, but I had no understanding this information was confidential; it is of great public interest.

**Mr Devereux:** I do not know whether it is confidential either; that is what I was just pausing for. If you think it is confidential, then we will ask the Chair if we can deal with it differently, but if it is not we will just say.

**Mr Peoples:** If I can find it in my notes, I will be very happy to say.

**Q125 Chairman:** Why would it be commercially confidential? It is not a question of unfair competition. It is a simple question. This is a public hearing. This is Parliament. Tell us the four ports now that ban you from inspecting them.

**Mr Devereux:** It depends whether we can find the right page.

**Q126 Mr Williams:** Help is behind you. Someone must know where it is.

**Mr Peoples:** While I am finding the right page, what I would say is that it is an impediment, but it does not mean we cannot access those vehicles because, as the Permanent Secretary said, we just move down the road to another site.

**Mr Williams:** You used the term “barred”; you said there were four ports.

**Q127 Chairman:** You cannot not know; you said there are four ports. You deal with this every day of your working life, Mr Peoples. You cannot not know! You cannot be grubbing around in your notes—you must know.

**Mr Peoples:** I have found the four ports: they are Cairnryan and Stranraer, in Scotland; Twelve Quays in Liverpool and Liverpool Port.

**Q128 Mr Williams:** Why is it you feel you would like to have access to those four?

**Mr Peoples:** Having access gives us proportionality in that we can say to the other ports, “It is not just you who we are targeting”. The other element—we talked about the commercial experience where people are going to go somewhere else because they feel they are not going to be stopped by VOSA having access—

**Q129 Mr Williams:** Their obduracy is rippling out and leading to other ports saying, “Because they are not doing it, we do not want to do it.”

**Mr Peoples:** Yes.

**Q130 Mr Williams:** It is important we get them to comply, is it not?

**Mr Peoples:** It is important. We have not found that ripple effect yet.

**Q131 Mr Williams:** Let us make sure we see why they should comply. Why do you want each of those—access applying to them?

**Mr Peoples:** As I said, to show that we have proportionality and that we are working out of every port and not giving a perceived commercial advantage to one port by the fact that we are not working from there.

**Q132 Mr Williams:** Would it be of help to you were this Committee in its wisdom to make a recommendation that you should have access to those four ports?

**Mr Peoples:** We are working on the assumption that through our negotiations with the British Ports Association that we will have access.

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**Q133 Mr Williams:** How long have you been negotiating?

**Mr Peoples:** We have been negotiating for some time, but we are—

**Q134 Mr Williams:** “Some time” is rather an elastic term.

**Mr Peoples:** I just do not have the information when we were put out of each individual port, but we have been—

**Q135 Mr Williams:** You have never had it, I assume. Have you ever had access to these ports?

**Mr Peoples:** We have had access.

**Q136 Mr Williams:** And they withdrew it.

**Mr Peoples:** And they withdrew it.

**Q137 Mr Williams:** You must know when that happened.

**Mr Peoples:** I am very happy to—

**Q138 Mr Williams:** You have given us the names and now you can write—

**Mr Peoples:** Yes, very happy to give—

**Mr Williams:** —because I understand you will not know the dates off the top of your head, but you can give us that information. That would be beneficial to you not only in relation to those ports but in relation to other ports that are just saying, “We are not doing it because they are not doing it.” That is something useful we can do. I think that is all I can achieve today, so thank you very much.<sup>10</sup>

**Keith Hill:** “I rest my case.”

**Q139 Mr Mitchell:** Just to pursue that, bringing more lorries in through Immingham and Grimsby—we have got lots of space—and I am sure that we would be delighted to provide an enormous amount of space for inspections. However, I see that the police are no longer present at your stop-and-inspect in England, but they are in Scotland. What happens if the inspection reveals an offence—say, the driver has been taking drugs or you stop the lorry at Ainley Top and 20 asylum-seekers scamper for the moors: what do you do?

**Mr Devereux:** Since VOSA staff do not have police powers they are unable to do something with offences that they do not have jurisdiction over.

**Q140 Mr Mitchell:** They cannot do anything.

**Mr Devereux:** I would imagine if we thought there were problems of that variety, we would report them to the police, but I do not think they set off over the fields chasing illegal immigrants.

**Q141 Angela Browning:** From the answer you have just given Mr Mitchell, I did start off by asking you that all those offences on pages 20 and 21 were presumably criminal, and that was not my understanding of what happens when you stop a vehicle. I assumed charges were brought.

**Mr Devereux:** No, that is absolutely correct, sorry. We are making a distinction. These are offences for which Alastair’s staff can prosecute. Mr Mitchell asked me questions about other offences, is the vehicle carrying illegal immigrants?

**Q142 Angela Browning:** I see, not the ones listed here.

**Mr Devereux:** Yes. In the nature of things, the Agency is only empowered to do the things it has been empowered to do and they do not run the whole gamut of potential illegality to do with trucks.

**Q143 Angela Browning:** Do you breathalyse people?

**Mr Devereux:** We do not, no.

**Q144 Angela Browning:** How do you know if they are under the influence of alcohol?

**Mr Devereux:** We do not.

**Q145 Angela Browning:** It says “impaired by alcohol” in figure 9: how do you know that they are?

**Mr Devereux:** Yes, it says it is, but what this chart is showing in the thin, green line is the relative occurrence of accidents according to these different classes. These are classes which the police are recording—

**Q146 Angela Browning:** If they cause an accident on the road.

**Mr Devereux:** —when they come to an accident. The only things we are doing are where the thick green bars are, and you will see there is not a big green bar over alcohol—so a green bar over alcohol is not very—

**Q147 Chairman:** One last question, while asking for a note on the proportion of foreign-registered lorries, in answer to me you put quite a lot of emphasis on the fact that fuel duty is more expensive here, but you know that the road hauliers who write to us and complain say a lot of these foreign lorries come in with very large tanks, so they are not using much of our fuel anyway. What I want to tease out from you by way of a note is, what are the relative costs of a British lorry moving on the French roads in terms of inspections, tolls and all the rest of it, and what are the relative costs of a French lorry moving on British roads? You must have this.<sup>11</sup>

**Mr Devereux:** Yes, because that is what was effectively underpinning the analysis in the March 2008 budget.

**Q148 Chairman:** Exactly, and I want to use our Report to add to this debate because if you cannot tax people and you cannot license people and you cannot register tolls and you cannot impose vignettes, then there are other ways of skinning the cat, are there not?

<sup>10</sup> Ev 16

<sup>11</sup> Ev 16



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 Department of Transport and Vehicle and Operator Services Agency
 

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**Mr Devereux:** Yes. Let me be clear, the answer you will get back will be inclusive of all the factors that were taken into account by the Government in making that judgment, including the relative levels of employment taxes and company taxes.

**Q149 Chairman:** We can add to the debate by putting it in our Report. It will be useful information for us. My last question: you put quite a lot of emphasis on this new strategy, better positioned checksites, for instance, but when will you complete the strategy?

**Mr Devereux:** What we actually said was we are already closing sites and opening new sites. We have closed five sites over the last two or three years from memory. The Department is in the process of finalising an HGV compliance strategy from which will flow further changes as well. That is work which I understand is in train and I expect to be finished in a few months.

**Q150 Chairman:** Can I ask the C&AG: you will report back to us when this strategy comes.

**Mr Morse:** I just wanted to make sure I understood. Pardon me, Mr Peoples, but you are expecting the compliance strategy to be completed when?

**Mr Peoples:** The compliance strategy is the Department's compliance strategy and it is close to completion. We do want to take account of the outcomes of the Committee of Public Accounts in finalising that report, but we have already opened

one site in Sandbach and there is another one opening very shortly and two more planned, so it is an evolving strategy in terms of checksites.

**Mr Morse:** I am only asking the question because the Chairman has just directed a question or an instruction to me to follow up and evaluate the effectiveness of that strategy so I need to know when to be alert for that, and you are saying it will be available when?

**Mr Peoples:** Within the next few months.

**Mr Devereux:** Sorry, can I make the distinction between finishing the strategy and having it had some effect that you can then measure. By all means come and read it, but the thing that the Committee would be most interested in is the extent to which having internalised the lessons from this Report and improved our targeting, you see compliance improving. By all means—if the question you really want is, did we produce the strategy, come and test it, but the harder question is: what difference will it make, which I think we will require a bit more time than a few months.

**Mr Morse:** I agree with that but I suspect the Chairman may want us to take it in two chunks: one, to see whether the strategy tackles the issues, and once we are satisfied about that, test that against compliance. I imagine it will evolve that way.

**Mr Devereux:** I have no difficulty with that. This is a helpful Report and if we have not—

**Chairman:** I suspect the Chairman will do whatever the C&AG asks him to do! Thank you. That concludes our hearing.

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 Memorandum from Road Haulage Association Limited

 NATIONAL AUDIT OFFICE REPORT: VEHICLE AND OPERATOR SERVICES AGENCY:  
 ENFORCEMENT OF REGULATIONS ON COMMERCIAL VEHICLES

I note the NAO's report on VOSA, published a week ago. While agreeing with much of the content, I would highlight several points of concern.

The Road Haulage Association represents, in the main, companies whose main business is providing road haulage and related services. Our members range from small to very large firms, operate around 100,000 trucks and provide much of the £26 million a year that makes up the bulk of VOSA's enforcement budget. The Association works to improve standards in the industry. It provides extensive advice and training (Appendix 1), not least on compliance issues and will shortly launch a strong campaign aimed at improving further the HGV driving culture in the UK.

## ENFORCEMENT

The report underplays the significance of operator visits, which have been neglected as VOSA has pursued the roadside check targets set by the Department. An increase in visits, with a sharpening of the enforcement edge, is needed to increase deterrence and detection of the worst operators. Operator visits should be renamed operator or depot checks, to align them with roadside checks.

## EDUCATION AND TRAINING

The report makes several references to education. It notes that VOSA "does not have a comprehensive education programme for operators or drivers" (Summary 8). It recommends that VOSA "should use the opportunity of its enforcement activities to educate drivers and operators" and says there should be "an educational element" to all operator visits (Recommendation 14).

It is unclear exactly what is envisaged. We are concerned that enforcement funds may be diluted by a build-up of education activity. Many organisations can educate but only VOSA can enforce (apart from the police); and there is no greater incentive to get educated—or to comply with regulations one knows but ignores—than strong enforcement.

It would be a positive step if VOSA inspectors took the opportunity of operator/depot checks to make operators aware of the education and training options available—of which there are many, from the RHA, other trade bodies and independent trainers. In this way, VOSA would be working with the private sector, rather than risk duplicating services that are already offered.

The report finds that the Department should “encourage operators to develop further systematic and long-term driver training programmes to improve performance and behaviour on the road” (Recommendation 14b). This opportunity is already provided by the Driver CPC. Training providers are already assisting operators in identifying the key skills needed to improve their business and providing suitable training packages.

These comments mirror points made to the Department as it prepares its new compliance strategy. I hope that they are of use to the Committee.

18 January 2010

## APPENDIX 1

### RHA ADVICE AND TRAINING

The RHA delivers compliance advice to members through: free-to-use regional help desks; specialist advisors (for example on hazardous goods); area managers who undertake paid-for compliance audits; and vehicle compliance inspections.

RHA Training has a full range of courses for managers and drivers available to all operators. This includes an industry-leading, five-day train the trainer course that has been used by many fleets to form the basis of new in-house driver training aligned to the new requirement for continuous professional development for drivers, the Driver CPC. In the past year, more than 500 trainers, mostly from SMEs, have successfully completed the course.

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### Supplementary memorandum from the Department for Transport

Question 31 (Mr Touhig) and Question 77 (Mr Mitchell): *which EU Member States do not exchange data with VOSA?*

Of the 26 other Member States the following regularly provide VOSA with details of GB HGVs found to be non-compliant in their country:

- Netherlands;
- Belgium;
- France;
- Spain;
- Germany; and
- Poland.

Sweden and Luxemburg send information less frequently. VOSA’s records suggest that no other Member States have passed data to the Agency over the last two years. This does not necessarily imply an unwillingness to do so but may be for valid reasons, for example GB hauliers are perceived to have a higher level of compliance than local counterparts and so do not attract much local enforcement attention.

Question 38 (Mr Touhig): *what are we doing to make Member States share data with us?*

A new EU Regulation on Access to the Occupation of Road Transport Operator (EC No 1071/2009) comes into force in December next year and sets out new EU-wide rules on bus, lorry and coach operator licensing. Among other things, it will require each member state, by the end of 2012, to establish a national database of their licensed operators. This data will include information on serious convictions and penalties committed by operators and transport managers—these can cover both road transport convictions (eg drivers’ hours or vehicle roadworthiness violations) as well as non-road transport convictions (eg human or drug trafficking). Each national register will also be accessible electronically by licensing authorities in all other member states. The detailed implementation of national registers is currently being determined by a Commission working group (with oversight by the CATP Committee), comprising all member states—including the UK.

A new EU Regulation on Access to the International Road Haulage Market (EC No 1072/2009) and Access to International Market for Coach and Bus Services (EC No 561/2006) requires a formal mechanism for notifying serious infringements defined in the Access to the Occupation Regulation, committed by foreign operators licensed in other member states, to the licensing authority in the “home” member state. When a notification is received, that licensing authority will also be required to formally reply to the notification, providing information to the notifying member state about what action was taken by the licensing authority against the operator. The Regulations require this mechanism to be established by 4

December 2011 and the details are currently being determined by the same Commission working group (with oversight by the CATP Committee) that is considering implementation of national registers under the "Access to the Occupation" Regulation.

Until the Regulations come into force, VOSA has begun to collaborate with certain Member States on dealing with HGV and PSV offences recorded in their respective countries. For example, VOSA seconded an expert in HGV compliance and enforcement to the Road Safety Authority in Ireland to advise on best practice and to share enforcement data. This is improving the condition of Irish trucks operating in Britain.

Question 69 (Mr Mitchell): *how many GB-registered lorries are checked compared to foreign-registered lorries?*

During 2008–09 VOSA examiners made the following checks (Figures taken from VOSA's published Effectiveness Report 2008–09):

<i>Number of GB checks</i>	<i>Percentage subject to prohibition</i>	<i>Number of non-GB checks</i>	<i>Percentage subject to prohibition</i>
<b>Roadworthiness (vehicles and trailers)</b>			
64,817	32.6%	61,039	40.1%
<b>Traffic (drivers hours, tachograph and overloading)</b>			
53,219	17.2%	46,335	21.4%

The figures demonstrate that there is roughly a 50/50 split of GB and non-GB checks.

Question 122 (Mr Williams): *when did ports deny access to VOSA?*

VOSA has for some time conducted roadworthiness and traffic inspections on vehicles and drivers within port authority premises. The scale of checking has been increased following the additional funding provided in Budget 2008 for enforcement action targeted at high-risk vehicles on international journeys.

As a result of the increase in VOSA activity at ports, three port authorities have refused VOSA access to their premises for vehicle inspections:

Twelve Quays	Access denied in October 2008.
Stranraer	Access denied in October 2009.
Cairnryan	Access denied in October 2009.

A fourth, the Port of Liverpool, changed its operational regime in 2008 which in effect prevented VOSA from conducting vehicle checks within the port complex. Following a number of serious vehicle-related incidents within the port, and at the instigation of the port police, VOSA has, since October 2009, been conducting two low-key checks per week within the port complex at Liverpool, assisted by the port police force.

In relation to Twelve Quays, VOSA is currently utilising its Bromborough Goods Vehicle Testing Station for checks of HGVs entering or leaving the port area and anticipates a new roadside check site facility on the M53 will be operational during 2010. In order to capture traffic going to and from Stranraer and Cairnryan, VOSA currently conducts checks on the A75 corridor, at its Dumfries GVTS and its Castle Kennedy site. The Agency is negotiating a new site in the locality which will provide greater facility to target non-compliant vehicles travelling to and from Stranraer and Cairnryan.

Question 147 (Chairman): *what are the costs for a French haulier on GB roads and for a GB haulier on French roads?*

The Haulage Industry Task Group announced in the Pre-Budget Report 2005 was set up to build a better understanding of the issues raised in the Burns Inquiry into fuel prices, freight taxes and foreign competition. The Task Group, chaired jointly by HM Treasury and Department for Transport Ministers and with representatives attending from key trade associations and other industry stakeholder groups, reported in December 2006.

The report stated that, as part of the Group's evidence gathering on operating costs:

"The FTA and NERA economic consultants contacted overseas haulage associations to collate data on the costs of operating large goods vehicles in different countries. This work showed costs within the UK are similar to those in Ireland, the Netherlands and Germany. For other close neighbours such as France, Spain and Italy, cost differentials are larger at around 10 to 15%.

Cost differentials reflect a number of factors, including fuel tax differentials. However, the fuel tax differential is partially offset by lower labour taxes and other employer costs in the UK."

The costs which the Task Group took into account included:

- fuel price;
- driver wages;
- workshop staff wages
- employer social contributions;
- VED;
- insurance;
- depreciation;
- tyres; and
- overheads.

The full December 2006 Task Group report is available at [http://www.hm-treasury.gov.uk/d/pbr06\\_haulage\\_230.pdf](http://www.hm-treasury.gov.uk/d/pbr06_haulage_230.pdf).

In addition to the operating costs set out in the Haulage Industry Task Group Report, UK hauliers driving in France are required to pay tolls on the whole of the French motorway network whereas French hauliers in the UK are only subject to charging on tolled roads and crossings which include Dartford crossing, the Severn Bridge, the Humber Bridge, the M6 toll section and also the congestion charge and low emission zone in London. French hauliers are, of course, required to pay tolls on French motorways, just as UK hauliers are, although it is more likely that French hauliers will be in a better position to benefit from the volume discounts available.

*22 February 2010*

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