

Loss prevention standards

Goods Vehicle Operator Licensing

**Good practice guidance to assist motor fleets
in maintaining legal compliance with Operator
Licensing Regulations.**

Introduction

Goods vehicle operator licensing in Great Britain is designed to ensure that such vehicles are used in a safe and professional manner, whilst also protecting the environment around operating centres. The main licensing provisions can be found in the Goods Vehicles (Licensing of Operators) Act 1995, the Goods Vehicles (Licensing of Operators) Regulations 1995, and the Goods Vehicles (Licensing of Operators) (Fees) Regulations 1995.

The operator licensing system in Great Britain is divided into eight traffic areas, these are: North East of England, North West of England, West Midlands, London & South East of England, Scotland, West of England, East of England, Wales. Northern Ireland follow similar rules, although licences are granted under a slightly different regime. A licence is required in each of the areas where vehicles are to be based.

Under the licensing provisions, it is an offence to use a goods vehicle without a valid licence if one is required, with operators potentially being liable to prosecution and having their vehicles impounded. As such, Aviva policyholders must be in possession of an appropriate operator's licence where legally required to do so.



The Role of the Traffic Commissioner

Traffic Commissioners are appointed by the Secretary of State for Transport and regulate the road transport industry in Great Britain. Their role is to ensure that only safe and reliable operators of goods vehicles are permitted to be licensed. They will consider and grant a licence based on the undertakings given by the applicant and will expect the operator to comply with those undertakings during the life of the licence. Traffic commissioners may take regulatory action against an operator if they fail to comply. This can include revocation, suspension or curtailment of an operator's licence, or suspension or revocation of an individual's vocational driving licence.

The Role of DVSA

The Driver and Vehicle Standards Agency (DVSA) is responsible for ensuring that operators of goods vehicles are compliant with legislation relating to drivers' hours, roadworthiness, operator licensing and the safe loading of vehicles. DVSA have the power to carry out vehicle spot checks and issue roadside [prohibitions](#) and [fixed penalties](#) if necessary.

Who Needs a Licence?

Operators will usually need a goods vehicle operator's licence to use a goods vehicle of over 3.5 tonnes gross plated weight or (where there is no plated weight) an unladen weight of more than 1,525kg, to transport goods for hire or reward or in connection with a trade or business.

An operator's licence is required to carry goods for hire or reward on international journeys when using a vehicle (or a vehicle combination) with a maximum laden weight of more than 2.5 tonnes.

For a vehicle and trailer combination, a goods vehicle operator's licence is usually needed if the maximum laden weight or unladen weight of the vehicle and trailer combined exceeds 3.5 tonnes (or 2.5 tonnes if carrying goods for hire or reward in Europe). In the context of operator licensing, 'goods' means burden of any description.

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Which Type of Licence is Needed?

There are three types of licence as follows;

- Restricted Licence - this licence only usually allows an operator to carry their own goods within the United Kingdom and the EU. The goods carried must be the property of the undertaking or must have been sold, bought, let out on hire or hired, produced, extracted, processed or repaired by the undertaking.
- Standard National Licence – this licence allows an operator to carry their own goods in the United Kingdom or abroad, or other people’s goods for hire or reward only in the United Kingdom.
- Standard International Licence - this licence allows an operator to carry their own goods and goods for other people for hire or reward, both in the United Kingdom and on international journeys.

Determining the correct type of licence can be open to interpretation, although if the following questions can be answered in the affirmative, it is likely that the operation requires a standard licence:

- is the transport of the goods a predominant part of the service provided?
- does the operator hold, and rely on when carrying those goods, a type of insurance policy that covers carriage of goods for reward?
- does the carrying result in payment, direct or indirect, which benefits the owner or user of the vehicle?

Licence Exemptions

Some vehicles do not need an operator’s licence. However, any use of a vehicle which relies on an exemption, must fall exclusively within that exemption. Any operation outside of an exemption requires an operator’s licence no matter how short the period. The current list of exemptions can be found [here](#).

Applying for a Licence

The licence should be applied for in the name of the person, company or partnership that is the ‘user’ of the vehicle and applications can be made through [Vehicle Operator Licensing self-service](#).

All applicants and holders of an operator’s licence must be of good repute, in terms of having no relevant convictions and the ability to obey all the rules in connection with the requirements of an operator’s licence. This includes any undertakings or additional conditions that the Traffic Commissioner may impose. Standard National and International holders will have additional requirements, including professional competence.

The operator must have sufficient financial resources to ensure that vehicles will be maintained in a fit and serviceable condition and also have satisfactory facilities and arrangements for vehicle parking and maintenance.

An application for a licence should be made at least nine weeks before vehicles are intended to be used. This allows time for the necessary checks to be made. A licence is usually issued within nine weeks, but this may take longer. The issue of an interim licence is no guarantee that the Traffic Commissioner will grant a full licence. It is illegal to operate a vehicle before a licence (or interim licence) is issued. If the operator does, they could be liable to prosecution and the vehicle(s) could be impounded.

The licence authorises the holder to use a maximum number of vehicles and, if applicable, trailers. Operators should apply for slightly more vehicles than they first need, in order to meet day-to-day operational requirements, such as using a spare or hire vehicle to replace a specified vehicle being serviced/repaired, or to provide scope for business expansion without needing to vary the licence. This is known as the ‘margin’, which is the difference between the number of vehicles authorised and the number of vehicles ‘in possession’.

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For example;

The licence authorises 10 vehicles and 10 trailers; the operator has 9 vehicles and 9 trailers in possession, giving a margin of +1, which is **acceptable** ✓

However, if the licence authorises 10 vehicles and 10 trailers; the operator has 11 vehicles and 11 trailers in possession, giving a margin of -1. This is **not acceptable**, even if only 10 vehicles and 10 trailers are used at any one time. **X**

The licence authorises 10 vehicles and a spare vehicle is also kept in order for vehicles to be serviced/MOT'd. This is **not acceptable**, as the licence authorisation must include all vehicles 'in possession', which in this case would be 11. **X**

In accordance with the [Goods Vehicle \(Licensing of Operators\) Act 1995](#) operators must not have more vehicles 'in possession' (unless exempt) than the licence authorises.

Vehicles subject to Statutory Off-Road Notification (SORN) do not require authority on the operator's licence, although it may still be relevant to the capacity of the operating centre, if stored at those premises.

If the licence does not provide for any extra vehicles, an online application should be made for a [major variation](#).

Once granted, licence holders have an obligation to advise a traffic commissioner of relevant changes that affect the operator's licence within 28 days; details of the relevant changes can be found [here](#).

Checklist

A Goods Vehicle Operator Licensing Checklist is presented in Appendix 1 which can be tailored to your own organisation.

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For more information please visit:

[Aviva Risk Management Solutions – Specialist Partners](#)

Sources and Useful Links

[Stat Doc 0 \(publishing.service.gov.uk\)](#)

[Goods vehicle operator licensing guide](#)

[Northern Ireland operator licensing guide](#)

[Traffic Commissioners for Great Britain - GOV.UK \(www.gov.uk\)](#)

[Professional driver conduct hearings](#)

[Operator applications and decisions](#)

To find out more, please visit [Aviva Risk Management Solutions](#) or speak to one of our advisors.

Email us at riskadvice@aviva.com or call 0345 366 6666.*

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Location	
Date	
Completed by (name and signature)	

	Goods Vehicle Operator Licensing Checklist	Y/N	Comments
1.	Do you operate goods vehicles in connection with your trade/business?		
2.	If the answer to Q1 is yes, are the vehicles exempt from operator licensing?		
3.	If the answer to Q2 is no, do you hold an operator's licence?		
4.	If you already hold a licence, does your operational activity accurately reflect the type of licence that you hold?		
5.	Do the 2022 changes to licensing for vans and light goods vehicles involved in international journeys affect your business?		
6.	Are <u>all</u> vehicles in your possession authorised on the licence (unless exempt)?		
7.	Do you ensure that any material changes to the business that may affect the operator licence are advised to the office of the traffic commissioner (OTC)?		
8.	Do you ensure that vehicles safely maintained and that all relevant staff are aware of their responsibilities?		
9.	Do you regularly monitor your vehicle inspection records, MOT pass rate and operator compliance risk score (OCRS) in order to identify potential areas for improvement?		
10.	Where applicable, do you monitor tachograph records to ensure legal compliance?		



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