

Case Study

HGV Road User Levy

The HGV Levy came into force in April 2014 and its foreign operator payment system has taken 97% of payments digitally in its first year.



Successful first year

The Department for Transport was looking for a cost effective way to bring forward legislation requiring all heavy goods vehicles (HGVs) over 12 tonnes to make a contribution to wear and tear on UK roads through a new time-based charge. The levy needed to be operational on 1st April 2014, a year ahead of original plans.

For UK-registered HGVs, payment of the levy would be made alongside the existing Vehicle Excise Duty transaction, but a new GOV.UK digital service was needed to manage payments from foreign HGVs.

Complex charges

The amount paid needed to vary according to the weight, number of axles and type of vehicle.

The levy also had to comply with EU charging legislation, in particular a cash payment option needed to be available to drivers, and operators given the choice of daily, weekly, monthly and annual levies to suit their operational requirements.

In September 2013, Northgate Public Services was awarded a five-year contract to create and run the new payment system and took on the risk of development and implementation.

After extensive consultation with drivers, hauliers, booking agents and enforcement agencies three portals were built to cover payments, enforcement and public access, allowing anyone to check that a valid levy has been paid.

A major communications programme with 23 partner organisations raised awareness of its introduction.

Simple screens

Payment screens were designed to be accessible from any device and easy to use, featuring content in six languages and with strong use of images.

Users can create accounts to manage their fleet and make advance or one-off payments and a multi-lingual contact centre is available for payment assistance.

The system also matches levy payment records with records of HGVs that arrive or leave by ferry or the Channel Tunnel. Enforcement agencies - DVSA in Great Britain, DVA in Northern Ireland and the police - can then be kept up to date through the system to enable targeted on-the-road enforcement.

Results

The foreign operator payment system went live on GOV.UK on 1st April 2014.

In the first month alone, 170,000 levies were sold to 59 different countries, with 97% of payments made digitally, compared to 20% for similar schemes elsewhere.

More than one and a half million levies were sold in the first year, averaging about 6,000 each day.

The levy generated over £46 million revenue from foreign HGVs for the Government in its first year of operation and compliance rates are high, at about 95%.

Continuous improvement

An ongoing engagement programme with foreign operators and drivers helps to deliver further improvements.

Additionally, closer co-operation with other road, bridge and tunnel charging bodies like the Dartford Crossing, London Congestion Charge and M6 Toll is being considered to provide a one-stop payment service for foreign operators.

Details of the Euro Class of the vehicle are also collected within the Foreign Operator Payment System as this may be factored into the levy in future to encourage the use of vehicles with lower emissions.

Results

1.5m+

levies purchased in first year

97%

of payments made digitally

£46m

Revenue generated in first year

95%

compliance