

## **IMPORTANT NOTE TO ALL APPLICANTS**

**Your application may be refused if it is incomplete. You must read this note and the attached guidance notes before you complete and send your application form!**

A summary is attached of the types of information or documentation required in support of an application for a Goods Vehicle Operator's licence. It is intended to highlight the most common failures by applicants to provide a complete application, thus delaying decisions. In many cases applications are refused, with wasted advertisement costs and the loss of application fees. In addition to the summary, your attention is drawn particularly to the guidance notes on finance and advertisements, two of the most confusing issues for applicants.

Please note the warning given on page 7 of your application form that your application will not be considered unless all questions on your application have been answered, all supporting documents or information have been supplied and the £190 application fee paid. **In other words, your application must be complete when first received by your Traffic Area Office.** A hastily submitted, incomplete application, designed to try to obtain an earlier decision, will in fact have the opposite effect: it will generate a great deal of unnecessary correspondence which will delay the outcome and lead to possible refusal.

Provided your application is complete when first received, our normal expectation is to obtain a decision regarding the grant or refusal of your application within 9 weeks. Your attention is drawn, however, to other issues, all of which might affect this timescale:

- Your failure to react quickly to any subsequent application related correspondence;
- Opposition lodged against your application by local residents, your local authority or police, which may necessitate a public inquiry being held before your application can be determined;
- Information provided in support of your application that is found to be false, which may again necessitate a public inquiry, with refusal a likely outcome.

**You are therefore strongly advised to read all of the attached literature and, if you remain uncertain about any aspect of completing the application form or providing the required supporting information, to contact this, or any other, Traffic Area Office for advice before submitting your application. The onus is on you as the applicant to provide a correct and complete application.**

Although the current application form doesn't specifically request this information, if you have an e-mail address through which you can be reliably contacted, this can be entered on the front page (somewhere near the field where you enter your telephone number). This will provide us with an alternative means of communicating with you where this is deemed appropriate or made necessary by other external factors: for example, where there is disruption to other communication outlets.

You will note that all letters sent by this office during the processing of your application (and, if a licence is granted, on any subsequent licensing related issues) include in the caseworker details in the top right hand corner of the letter, an e-mail address that you can use in correspondence, again where appropriate or made necessary.

## FINANCIAL EVIDENCE GUIDANCE NOTE

Applicants must satisfy the Traffic Commissioner that they have sufficient financial reserves to maintain vehicles and trailers in a fit and serviceable condition. Applicants for Standard licences additionally have to demonstrate that they have sufficient funds to run their transport business. Evidence is normally accepted from three sources and must be in the name of the applicant:

Bank and/or Building Society statements – for all applications submitted by sole traders, partnerships and Ltd Companies with an annual turnover of less than £5m. These must be original copies (not photocopies), cover the full 3 months preceding the date on which the licence application is submitted;

Audited Accounts – **for Ltd Companies with an annual turnover of £5m or more.** These must again be originals, be signed, less than 18 months old and show that the Company is trading profitably (on the profit and loss sheet) with positive ratios of more than 1.0 (when dividing total assets by total liabilities) and 0.5 (when dividing current assets by current liabilities). If these three thresholds are not met, original bank statements for the latest 3 months must also be provided;

Overdraft agreements – written confirmation in the form of the signed and dated original agreement itself will be needed. We also need written confirmation that the overdraft is in place.

The evidence will then be measured against the current financial levels required for a licence, which are:

Licence Type	1 <sup>st</sup> Authorised Vehicle	Each Additional Authorised Vehicle
<b>Restricted</b>	£2,700	£1,500
<b>Standard National</b>	£4,300	£2,400
<b>Standard International</b>	£5,400	£3,000

Example: An applicant for a Standard National licence for 3 vehicles will have to demonstrate access over the previous 3 months period to a figure of £9,100 (£4300 + £2400 + £2400). If the bank statements show an average daily closing balance of, say, £4,100 over this period, this would have to be supplemented by an additional £5,000 from either another account or in the form of an overdraft agreement (both of which must again be in the applicant's name).

If a person wishes to apply for a licence as a sole trader but also runs a separate business in partnership with another person, the financial evidence must be in the applicant's (not the partnership's) name;

If a partnership forms a Ltd Company, the financial evidence must be in the Ltd Company (not the partnership) name. If the Ltd Company has insufficient funds, the partnership would need to transfer funds into a new Ltd Company account before submitting its application;

If a Ltd Company applies for a licence, the financial evidence must again be in the Ltd Company (not a Director's) name. The Director would again need to transfer funds into the Ltd Company account, if necessary.

These three examples re-iterate the fact that the financial evidence must be in the name of the applicant. The Traffic Commissioner may, in the last two examples, accept an opening balance in the

name of the new entity (rather than insisting on a full 3 months set of statements) subject to other considerations such as known 'bad history' recorded against anybody named in the application, which may (but not necessarily) relate to past licence related activity.

Some applicants enter into an invoice financing (factoring) agreement with a bank or finance company as another means of raising additional funding. Traffic Commissioners may accept this as financial evidence, in addition to the standard types of financial evidence detailed on the previous page. If you have entered into an agreement of this type and wish to offer this as additional supporting evidence, you will need to obtain from this office a financial proforma/declaration, which you must then forward to the bank or finance Company for completion.

## GOODS VEHICLES (LICENSING OF OPERATORS) ACT

# ADVERTISEMENT GUIDANCE NOTE

### Suitable Newspapers

Sections 11 and 18 of the above Act require an applicant applying for a goods vehicle operator's licence, or a licence holder applying to vary an existing licence, to publish notice of the application. The requirement of the Act is complied with if, within the period beginning 21 days before the date on which the application is made and ending 21 days after that date, notice of the application has been published in a newspaper circulating in the locality of the relevant operating centre.

**Traffic Commissioners will normally only consider an advertisement as being acceptable if it is published in a newspaper in which other public notices regularly appear (such as notice of planning applications for development placed by the local authority) in the same area as that in which the operating centre is located.** The planning department of the appropriate local authority can be contacted for this information if necessary. Publication in an advertisement only newspaper is not acceptable and if this form of publication is used Traffic Commissioners will require the applicant to re-advertise, at his own expense, in a suitable publication.

Advice on whether a publication will be acceptable or not can be obtained from the relevant Traffic Area Office in advance of placing your advertisement.

### Further Important Advice On Advertising

A sole trader must provide his/her full names (including Christian names). The same applies if the application is made by a partnership, with all partners named.

If the applicant is a Ltd Co, that name must be included as the applicant, not ".....(a Director) t/a ..... (the Ltd Co name)".

If the applicant has a trading name, this should also be included in the advert, as in the following examples:

- ◆ J Smith t/a Smith removals;
- ◆ J Smith & F Jones t/a Smith & Jones Removals;
- ◆ J Smith Ltd t/a Smith removals.

If there is any change to the entity holding an existing licence, a new licence will be required. If so, your advertisement must include the words (after the applicant name) "is applying for a licence to..", not "is applying to change an existing licence by ..."

**If you applying to use an operating centre within an industrial estate, trading estate or other such premises**, you must include details in your advertisement of the unit number or other identifying name which indicates to local residents and the Traffic Commissioner the exact location within the overall premises where your vehicle will be parked. Failure to do so will necessitate a further advertisement and additional cost.

**If, having read this note and the guidance included in the attached "Guide for Operators" booklet, you remain uncertain about any aspect of advertising, please contact your Traffic Area Office for advice before proceeding to place your advertisement.**

<b>Subject Matter</b>	<b>GV79 Q'n No.</b>	<b>Guide Book Page No.</b>
<b>Names</b> – you must provide <u>full</u> names (including <u>all</u> forenames) of the applicant(s), including partners and directors.	1 & 8	
<b>Ltd Company</b> – you must provide the certificate of incorporation or the last change of name certificate to confirm your company name and registration number.	7	
<b>Licences already held</b> – we require details of <u>any</u> licences held by <u>any</u> person or body named on your the form (in <u>any</u> Traffic Area). For example, if a director named on a Ltd Co or PLC application holds a licence in his own name, this should be declared.	10	
<b>Refused applications/Revoked licences</b> - the same advice applies as explained under 'licences already held' above.	12	
<b>Professional Competence</b> – you must send the <u>ORIGINAL</u> CPC certificate(s) of qualification (or other qualifying certificates) with the application. If somebody other than the applicant is nominated as transport manager, the enclosed contract of employment must be fully completed, signed and dated by both parties, and the <u>ORIGINAL</u> copy of this contract sent with this application. Details must also be provided of a nominated transport manager's similar association with any other licences or ongoing applications (in <u>any</u> Traffic Area) – or <u>any</u> other type of employment held (including non transport related).	13	Page 10 (paras 3.9 to 3.12) <u>Also</u> Pages 32-34 (Appendix 4)
<b>Operating centres</b> – if you do not either own or lease your proposed operating centre, you must provide a letter from the owner giving you permission to use the premises. This letter must be signed and dated and give the full operating centre address (including, if appropriate, a unit or plot number), the number of vehicles and (if appropriate) trailers.	14	Pages 11-12 (part 4)
<b>Maintenance</b> – you must provide an example of the vehicle/trailer safety inspection form to be used. If you have indicated that you are going to employ an external contractor, you must also provide a maintenance contract, which is signed and dated by you and the contractor, and includes the time intervals between safety inspections.	15	Page 9 (para 3.6) <u>Also</u> Pages 38-39 (Appendix 6)
<b>Finance</b> – we receive a great deal of information from other agencies and you are advised therefore to correctly answer all issues raised under this section. If involvement has been mentioned with a company now in receivership or liquidation, you must obtain and supply a copy of the receiver or liquidator's report with your application form, together with a written explanation of the background circumstances leading to that situation. <b>Please also see the enclosed advice note regarding financial evidence required to support this application.</b>	17	Pages 9-10 (paras 3.7-3.8) <u>Also</u> Guidance note
<b>Convictions</b> – again, we receive a great deal of information from other agencies, so you are advised to provide full and correct information. For convictions incurred other than for speeding offences, we require a full explanation of the background circumstances. For Standard licence applications, ALL convictions (whether transport related or not), which are not "spent", must be notified.	18	Pages 8-9 (paras 3.3 to 3.5) <u>Also</u> Pages 36-37 (Appendix 5)
<p><b>Other important issues:</b></p> <p><b>Application fee</b> – you must provide with your application the statutory application fee of £190. <u>This fee is non refundable, even in the event that your application is subsequently withdrawn or refused;</u></p> <p><b>Advertisement</b> - please read the enclosed advice note on placing advertisements. Legislation allows you to publish your advertisement during the period 21 days before and 21 days after your application is submitted. You are strongly advised to do so in advance of submitting your application. If it is incorrect in any way, you will then have sufficient time to publish a correct advertisement before this period expires. Failure to be able to do so <u>will</u> result in the application being refused. You must provide the full page of the newspaper containing the advertisement with your application form.</p>		Page 17 (paras 6.6 to 6.8)  Pages 5-6 (paras 2.3 to 2.6) <u>Also</u> Guidance note