

LEGAL
UPDATE

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Recovery Loan Scheme live

FINANCIAL

The Recovery Loan Scheme opened on 6 April 2021. It provides financial support to businesses across the UK following the pandemic. They can apply to the scheme if COVID-19 has affected their business.

The finance can be used for any legitimate business purpose - including managing cashflow, investment and growth. However, you must be able to afford to take out additional debt finance for these purposes.

If your business has already borrowed from any of the other Coronavirus

loan schemes, such as the Bounce Back Loan Scheme (BBLs), the Coronavirus Business Interruption Loan Scheme (CBILs) or the Coronavirus Large Business Interruption Loan Scheme (CLBILs), RLS is still offered, although the amount you may borrow under RLS may be limited in some cases.

RLS will run until 31 December 2021, but this is subject to review.

A lender can provide up to £10 million as one of the following facilities: term loan, overdraft, invoice finance or asset finance.

RLS gives the lender a government-backed

guarantee against the outstanding balance of the facility. As the borrower, you are always 100% liable for the debt. If you're borrowing £250,000 or less, the lender won't take any form of personal guarantee. If you're borrowing more than £250,000, the lender has the discretion to decide whether to take personal guarantees.

The Recovery Loan Scheme will initially be available through a number of lenders accredited by the British Business Bank (www.is.gd/osovul). New lenders under the scheme will be listed on its website.

When looking to borrow, you should first approach your own finance provider - ideally via its website. You may also consider approaching other lenders if you're unable to access the finance you need.



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Look out for modified road tanker pressure/vacuum relief valves

SAFETY

The HSE warns users of hazardous goods tanks to visually inspect the pressure/vacuum relief valves fitted to tank containers and road tankers to look for unauthorised modifications.

In April 2020, the vacuum relief element of a tank valve became stuck in an open position, allowing an uncontrolled escape of hazardous nitric acid vapour. Although no-one was hurt, the incident led to a road closure.

During what should have

been a momentary venting operation, the vacuum relief element of the valve became stuck in an open position, allowing an uncontrolled escape of hazardous vapour.

Following an investigation by Cleveland Police and the HSE, it was determined that the relief valve fitted to the tanker barrel had been modified in a way that made it unsafe. The flanged bolt on the end of the valve stem had been removed, and a nut had been welded to the valve cap. The end of the valve stem caught on the



thread inside the nut, preventing the vacuum relief part of the valve from closing.

HSE speculates that the change was made when the valve was serviced. Some valve designs require a special tool to dismantle. The addition of the nut allows the valve cap to be unscrewed without the tool.

Fact File

FILING PSV INCIDENTS

The DVSA has recently launched a new online reporting system for serious bus and coach incidents.

PSV operators are required by law (Section 20 of the Public Passenger Vehicles Act 1981) to report any incident where a vehicle failure or damage has affected the safety of passengers or other road users. Reportable incidents include:

- fatalities
- serious injuries (such as broken bones, damage to major organs or overnight hospitalisation)
- a safety-critical system failure (such as brake failure or wheel loss)
- significant body damage (such as a bridge strike)
- a vehicle fire (including arson)
- a suspected serious safety defect.

Any incident must be reported as soon as possible. Companies will receive confirmation that the report has been submitted.

DVSA will aim to contact the operator within two working days to confirm whether the vehicle needs to be inspected. Until then, the vehicle must not be repaired or used on the public highway.

Failure to inform DVSA of a reportable incident may result in enforcement action being taken.

The new form, named PSV112, is available via www.is.gd/picumu.

The DVSA has also updated the ER112 form for serious incidents involving Earned Recognition operators: www.is.gd/eyoqud