EXPLANATORY MEMORANDUM TO

THE TAXI DRIVERS' LICENCES (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2023

2023 No. 123

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department for Infrastructure to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under sections 23(5), 30(1) and 56(1) of the Taxis Act (Northern Ireland) 2008 and is subject to the negative resolution procedure.

2. Purpose

2.1. The purpose of the Regulations covered by this Memorandum is to amend the Taxi Drivers' Licences Regulations (Northern Ireland) 2014 in order to increase fees payable in respect of a practical test of competence to drive a taxi.

3. Background

3.1. The Driver and Vehicle Agency ("DVA") currently operates a network of 15 test centres and 2 satellite driving test centres in Northern Ireland. It carries out over 1 million vehicle road worthiness tests and almost 60,000 practical driving tests each year.

3.2. DVA operates as a Trading Fund, which means that income received from fees must cover the cost of delivering the services that the agency provides. A Trading Fund is also permitted to build up cash reserves to finance current operating requirements and future capital investments.

3.3. DVA is responsible for conducting driving competency tests before granting taxi driver licences. Many driving test fees have remained the same since 2009, while the taxi driver test fees have not been increased since the test was first introduced in 2014, and the fees are no longer covering the cost of delivering the service. The deficit on the driving test fee account was £655k for the 2022/23 financial year and it is projected that this deficit will increase further in the 2023/24 financial year if no fee increases are made. Annual operating deficits utilise reserves which in turn impacts the deliverability of future capital schemes and ultimately the financial sustainability of the Trading Fund.

3.4. It is therefore necessary to implement a fee increase in respect of a practical test of competence to drive a taxi in order to ensure the future financial sustainabilty of the Trading Fund.

3.5. These Regulations amend the fees for practical driving tests of competence to drive a taxi from £60.00 to £70.00 where a test commences at any time between 8.30am and 4.30pm during the days Monday to Friday and from £90.00 to £109.00 where a test commences at any other tme.

4. Consultation

4.1. A consultation on the proposed increase to fees was carried out by DVA between 8th June 2023 and 3rd August 2023. The consultation proposed a general increase to the driving test fees and the vehicle test fees, referring to the fact that the current fees no longer covered the cost of providing these testing services. DVA operates as a Trading Fund and is required to generate sufficient revenue to cover it's outgoings, in line with the Financial Provisions Order 1993. The consultation set out the proposed fees increases which are required because most driving test and vehicle test fees have not increased in many years and are no longer covering the costs of delivering the service.

4.2. In responses to the 3 primary consultation questions:

(1) Approximately 18% of respondents agreed that the proposed fee increases were a fair way to ensure that current service levels are maintained and just over 80% disagreed.

(2) Just over 68% supported the development and modernisation of driving and vehicle testing services for a better experience for the customer while 31% disagreed.

(3) In order to avoid substantial fees increases in the future the consultation proposed that the driving test and vehicle test fees should be subject to more frequent reviews on a regular / annual / biennial basis; just over 31% of respondents agreed with the proposal while 67.5% disagreed.

5. Equality Impact

5.1. In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department conducted a screening exercise on the proposals and concluded that they do not have implications for equality of opportunity. The measures will not affect any group disproportionately. In light of this the Department considers that an equality impact assessment is not necessary.

6. Regulatory Impact

6.1. A Regulatory Impact Assessment was not deemed necessary as there is no impact on the costs to business, the public sector or the voluntary sector.

7. Financial Implications

7.1 DVA operates as a Trading Fund and is required to generate sufficient revenue to cover it's outgoings in line with the Financial Provisions Order 1993. Many driving test fees have remained the same since 2009, while the taxi driver test fees have not been increased since the test was first introduced in 2014, and the fees are no longer covering the cost of delivering the service. The deficit on the driving test fee account was £655k for the 2022/23 financial year and it is projected that this deficit will increase further in the 2023/24 financial year if no fee increases are made. The financial sustainability of the Trading Fund could be impacted in future years, which ultimately could impact the Departments financial position.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Department has considered the matter of Convention Rights and Community Law and is satisfied that the proposed legislation is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. The Regulations only apply to Northern Ireland and have no NI Protocol implications.

10. Parity or replicatory measure

10.1 The Regulations do not replicate a specific GB Statutory Instrument.

11. Additional information

11.1. Not applicable.