

EXPLANATORY MEMORANDUM TO
The Driver and Vehicle Agency Trading Fund Order (Northern Ireland) 2016
2016 No.

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of the Environment (DOE) to accompany the Statutory Rule (details above) which was laid in draft before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Articles 3, 4(1), (2) and (8), 4A and 10(2) and (4) of the Financial Provisions (Northern Ireland) Order 1993, in accordance with Article 11 of that Order and with the concurrence of the Department of Finance and Personnel. It is subject to the draft affirmative resolution procedure.

2. Purpose

- 2.1. This Order provides for the extension of the fund established by the Driver and Vehicle Testing Agency Trading Fund Order (Northern Ireland) 1996 (SR 1996 No. 32 – “The 1996 Order”) to include all operations of the Driver and Vehicle Agency (DVA) and for the appropriation to the fund of additional assets and liabilities related to the additional operations. The fund as extended will be known as the Driver and Vehicle Agency Trading Fund.

3. Background

- 3.1. The Driver and Vehicle Testing Agency (DVTA) Trading Fund has been in place in Northern Ireland since 1 April 1996. This is the only Trading Fund in Northern Ireland and covers, as set out in the 1996 Order, ‘such functions of the DVTA that are set out in Schedule 1’. The Schedule provided for all DVTA operations to be included within the Trading Fund.
- 3.2. In 2007, DVTA merged with Driver and Vehicle Licensing Northern Ireland (DVLNI) to form DVA. There was agreement with the Department of Finance and Personnel (DFP) that DVA would operate as a part-Trading Fund agency (in essence with testing operations in the Trading Fund, and licensing operations remaining outside the Fund) although it was accepted that there would be practical difficulties to be overcome as regards the ring-fencing of trading fund activity and the drafting of accounts directions. It was therefore agreed that the situation should be reviewed in due course.
- 3.3. In January 2013, Internal Audit recommended that DOE should commission a review of the DVTA Trading Fund to ascertain whether it remained fit for purpose from both a Departmental and DVA agency-wide perspective. It was also recommended that if the review identified additional operations within the DVA where Trading Fund status would be both strategically and operationally beneficial to the Agency and the Department, an approach should be made to DFP to amend the name of the Order to the DVA Trading Fund and to expand the range of operations contained in the Schedule to the 1996 Order. The Department accepted the recommendation.

- 3.4. The review was taken forward by Road Safety and Vehicle Regulation Division (RSVRD) in conjunction with DVA and DOE Finance Division colleagues. It concluded that all of DVA's operations should be brought within the scope of the Trading Fund. This would considerably simplify accounting and operational procedures, and bring the business focus that a Trading Fund is designed to engender to all DVA activities.

4. Consultation Outcome

- 4.1. The Department issued a consultation on its proposals to rename and extend the operations of the Trading Fund on 2 July 2015. Consultees included a range of individuals, organisations and representative bodies involved with or interested in the work of DVA in Northern Ireland. It was also made available on the Department's website.
- 4.2. The consultation sought comments on the additional operations proposed to be included in the Trading Fund and asked whether any operations should be omitted or added. The consultation ended on 27 August 2015.
- 4.3. The Department received two replies to the consultation; one from the Women's Forum Northern Ireland and the other from the Freight Transport Association. Both were largely content with the Department's proposals.

5. Equality Impact

- 5.1. An equality screening exercise was carried out on these proposals and no adverse impact on any section 75 group was identified. The Department has also not identified any particular impact on rural communities.

6. Regulatory Impact

- 6.1. The Department did not identify any regulatory impacts.

7. Financial Implications

- 7.1. Extension of the Fund will allow all DVA operations to have financial arrangements which support multi-year financial decisions. The Order has been approved by DFP.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The proposals have been scrutinised and are considered compliant with Section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Not applicable.

10. Parity or replicatory measure

- 10.1. Not applicable.

11. Additional information

- 11.1. Not applicable.