

# FINAL REGULATORY IMPACT ASSESSMENT

## 1. TITLE OF PROPOSAL

Introduction of a statutory rule to provide for the seizure and disposal of taxis in Northern Ireland.

***The Taxis Act (Northern Ireland) 2008 (Retention and Disposal of Seized Motor Vehicles, Equipment and Items) Regulations (Northern Ireland) 2016.***

## 2. PURPOSE AND INTENDED EFFECT

The purpose of the proposed legislation is to permit the seizure of motor vehicles, equipment and items when suspected of operating as a taxi without a proper licence under the section 42 of the Taxis Act (Northern Ireland) 2008.

This RIA lays out the options and gauges the potential impact that the proposals will have on the taxi industry, other related businesses, taxi users and wider society.

The key aim of the Statutory Rule is to provide for:

- the delivery and retention of seized vehicles into the custody of identified persons and the requirements placed upon them;
- the requirements of police, authorised officers, and DoE to give notice of seizure of such vehicles and equipment to drivers and owners;
- the conditions under which vehicles can be released including the payment of charges;
- the charges payable; and
- the circumstances in which seized vehicles and equipment may be disposed of or returned to the owner.

### **3. BACKGROUND**

The Taxis (Northern Ireland) Act 2008 provided the basis for a new regulatory framework covering all aspects of the provision of taxi services for the Northern Ireland public. Since then the Department has been working to develop a comprehensive raft of subordinate legislation to deliver the reforms envisaged in the Act. The statutory rule covered by this impact assessment is a key element in that legislative package.

Section 41 of the Act gives authorised officers or police constables the power to seize vehicles suspected of being operated as taxis without a valid Taxi Vehicle Licence issued under the Act.

Although the regulation of taxis is a matter for the Department of the Environment, the power to make the statutory rule in Section 42 was originally vested in the Secretary of State but was transferred to the Department of Justice by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The rule will therefore be made by the Department of Justice, supported by the Department of the Environment.

During the policy development leading to these new Regulations the Department considered a number of options.

### **4. OPTIONS**

#### Option 1: Do nothing.

The benefits of this option are:

- no need for the Department to make new legislation; and
- no drain on Departmental and Assembly time and resources.

The disbenefits are:

- will not address the problem of up to 1000 (11%) unlicensed taxis;

- will not enable the public to get the best possible service, taking into account the important issues of safety, accessibility and their rights as a consumer;
- will not provide enforcement staff with a tool to underpin the requirement for vehicles used to stand for hire or reward to be properly licensed; and
- the Department would face criticism from the Assembly and other key stakeholders such as taxi operators, for failing to implement an important element of the Taxis Reform Programme.

### Option 2: Introduce Taxi Power of Seizure Regulations.

The benefits of this option are:

- will help address the problem of up to 1000 (11%) unlicensed taxis;
- will help address the concerns of the Taxi Industry;
- provides enforcement staff with a tool to underpin the requirements for vehicles used to stand for hire or reward to be properly licensed; and
- addresses the objectives of the Agency to enable the public to get the best possible service, taking into account the important issues of safety, accessibility and their rights as a consumer.

The disbenefits are:

- the Departmental and Assembly resources and time to make the necessary legislation.

## **5. BENEFITS AND COSTS**

Sectors and groups that will be affected by the proposed changes include:

- vehicle owners whose vehicles are seized.

### **5.1. Benefits**

#### Option 1: Do nothing.

In the present position, the main beneficiaries would be unlicensed vehicles, which would not run the risk of the increased enforcement provisions. By maintaining the status quo, the Department is not implementing the Taxi Reform Programme and thereby not fully enabling a safe, fair and fit for purpose taxi industry to the benefit of providers and consumers alike.

#### Option 2: Introduce Taxi Power of Seizure Regulations.

The proposals would allow authorised officers to seize vehicles suspected of being used to stand for hire or reward without an in force taxi licence to be removed from the road. In addition, the legislation allows for the seizure of any item or equipment, providing the authorised officer has reasonable grounds to believe these may be required as evidence. The legislation aims to encompass the objectives of the Agency, that being, to enable the public to get the best possible service, taking into account the important issues of safety, accessibility and their rights as a consumer.

### **5.2. Costs**

#### Option 1: Do Nothing.

There would be a qualitative cost to consumers in terms of a continuing increased risk from vehicles that have not been subject to the necessary enforcement checks. Further, the demand from consumers for the legitimate taxi industry would continue to suffer due to the availability of illegal taxis at lower cost.

#### Option 2: Introduce Taxi Power of Seizure Regulations.

The main cost of this option will be on those vehicle owners whose vehicles are seized, as they will be required to pay a fee to have the vehicle released. The fee will cover the cost of removal and storage of the vehicle. The amounts payable for the removal of a vehicle depend on the type of vehicle and its maximum weight. Removal of a vehicle ranges from £150 for a vehicle equal to or less than 3.5 tonnes to £350 for a vehicle exceeding 18 tonnes. Charges are also payable for the retention of the vehicle for each period of 24 hours or part thereof. Storage of a

vehicle (per day or part day) ranges from £20 - £35. Application for release of a vehicle is £30. Of course, these costs will only be borne by drivers who chose to operate a taxi service illegally.

Aside from limited administrative costs which will be cost recovered, there will be no financial impact on Government.

## **6. CONSULTATION**

A consultation on proposals for a Taxi Licence and Powers of Seizure Regulations within Northern Ireland commenced on 4 July 2011 and closed on 30 September 2011. During this period the Department met with stakeholders and received written responses from those consulted. Responses representing the views of over 3000 people were received.

In respect of the proposed powers of seizure, the consultation focused on the conditions for returning a seized vehicle to the owner, the period of time in which an owner can apply for return of a seized vehicle (14 days), and the requirement for the registered keeper to pay cover costs of retention and recovery prior to the vehicle being returned to them.

In light of comments made in the consultation, the proposed conditions for the return of seized vehicles to owners were amended. The conditions proposed in consultation were that a valid taxi licence had to be produced for the vehicle to be returned. The revised conditions will make it a requirement for the registered owner or his/her agent to produce proof of ownership of the vehicle and proof of insurance for the driver.

Other comments received in the consultation were that the period within which an owner can apply for the return of a seized vehicle, fourteen days, was too short. The Department did not accept the representations made, on the basis that other, similar legislative provision operates well with a fourteen day period. The proposal for a fourteen day period has therefore been retained in the Statutory Rule.

The Justice Committee has been consulted and is content with the Regulations.

## **7. SMALL FIRMS IMPACT TEST**

The businesses most affected by the introduction of single tier licensing will be the taxi industry. As previously mentioned under the Benefits section of this impact assessment, there is likely to be a positive effect in terms of safety risks being improved as there would be more enforcement in this area.

## **8. COMPETITION ASSESSMENT**

As mentioned in the Small Firms Impact Test section, an improved trading environment will encourage greater competition and provide a 'level playing field' in terms of plying for hire.

## **9. ENFORCEMENT, SANCTIONS AND MONITORING**

The Department is responsible for ensuring that people who drive, own or operate taxis hold the appropriate licences. The Department, in liaison with its Agency DVA, will therefore monitor the operation of single tier licensing to assess if the elements of the new licensing system are delivering the anticipated benefits.

It is expected that DVA will be responsible for enforcing the single tier licensing system. DVA is responsible for licensing and testing vehicles and drivers in Northern Ireland as well as enforcement of licensing, roadworthiness and other legal requirements for goods and passenger carrying operators and their vehicles.

If an operator, owner or driver contravenes the relevant taxi licensing laws, the maximum penalty is a fine not exceeding level 5 on the standard scale, currently £5,000.

## **10. SUMMARY AND RECOMMENDATION**

The policy intentions embodied in the Taxis Act in 2008 will not be fully realised until the necessary subordinate legislation is made and operative, and the rationale for modernisation and rationalisation remains unchanged since the Department commenced the policy development process. For this reason the recommendation is that the legislation is made.

## **11. DECLARATION**

**“I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.”**

**Signed:**

**Elizabeth Loughran**

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### **Contact Point**

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