



DRIVER AND VEHICLE LICENSING NORTHERN IRELAND

PROPOSALS TO REVISE THE FEES FOR ROAD FREIGHT AND PASSENGER OPERATOR LICENCES

NOVEMBER 2006



INVESTOR IN PEOPLE

DRIVER AND VEHICLE LICENSING NORTHERN IRELAND
Road Transport Licensing Division
148-158 Corporation Street BELFAST BT1 3DH
Tel: (028) 9025 4109 Fax: (028) 9025 4086

From: ROAD TRANSPORT LICENSING
DIVISION, DVLNI.

Telephone 028 9025 4109

Fax: 028 9025 4086

To: FREIGHT AND PASSENGER
REPRESENTATIVES AND OTHER
INTERESTED PARTIES

Date: November 2006

ROAD FREIGHT AND PASSENGER OPERATOR LICENSING FEES

1. This consultation letter and the supporting Partial Regulatory Impact Assessment seeks your views on the changes we are proposing to make to the level of Road Freight and Passenger Operator Licensing fees. We intend to introduce the revised fees from March 2007. Any comments should be made by 10 January 2007 in one of the following ways:

a. In writing or by fax to:

Grace Hull,
Road Transport Licensing Division,
148-158 Corporation Street,
BELFAST
BT1 3DH
Fax: (028) 9025 4086

b By e-mail to grace.hull@doeni.gov.uk

This document is available on DVLNI's website at www.dvlni.gov.uk.

Alternatively, requests for further copies should be made to Grace Hull at the telephone number and e-mail address shown above.

BACKGROUND

2. The fees for road freight and passenger operator licensing have remained the same since 1997. On the freight side there are two fees. The first fee is for an “operators licence” and is £35 for 5 years. The second fee is for each vehicle operated under the licence and is £48 per year. On the bus side there is no “operator licence” fee as such rather fees are calculated in respect of each vehicle authorised to be used under the licence. Currently this fee is £39 per vehicle per year. As a consequence DVLNI has sustained a financial loss over the past number of years and is now required to recover the operational and all other costs associated with this licensing regime.
3. We therefore propose to increase the fees for the Operator Licensing functions carried out by DVLNI and these are set out in the table below.

	Current Fee	Proposed Fee
Road Freight Licences:		
Road Freight Operator – (5-years)	£35 (£7/yr)	£150 (£30/yr)
Road Freight Vehicle Licence – (Annual)	£48 (£4/mth)	£60 (£5/mth)
Road Service (Bus) Licences:		
Road Service Vehicle Licence – (Annual)	£39 (£3.25/mth)	£78 (£6.50/mth)

4. At some point over the next year, it is expected that a new system for obtaining criminal records/repute checks will be introduced in Northern Ireland. It is also expected that the costs of the new service will have to be passed onto applicants for Road Freight and Passenger licences and this may further increase the above proposed fees.

REGULATORY IMPACT ASSESSMENT AND OTHER DOCUMENTS.

5. A Partial Regulatory Impact Assessment prepared for these proposals is attached. It would be helpful, when you reply, if you would indicate whether or not you have any specific comments on this document. Also enclosed are the Equality of Opportunity Analysis and the draft legislation.

ROAD TRANSPORT LICENSING DIVISION

PARTIAL REGULATORY IMPACT ASSESSMENT

1. **TITLE**

Set out in the table below are the Operator Licensing functions for Road Freight and Passenger Operators carried out by DVLNI for which a fee is levied and the current and proposed fees.

	Current Fee	Proposed Fee
Road Freight Licences:		
Road Freight Operator – (5-years)	£35 (£7/yr)	£150 (£30/yr)
Road Freight Vehicle Licence – (Annual)	£48 (£4/mth)	£60 (£5/mth)
Road Service (Bus) Licences:		
Road Service Vehicle Licence – (Annual)	£39 (£3.25/mth)	£78 (£6.50/mth)

2. **ISSUE AND INTENDED OBJECTIVE**

Objective

To ensure that the cost of providing a licensing system for Road Freight and Passenger Operators is matched by the income from fees.

Background

Driver and Vehicle Licensing Northern Ireland (DVLNI) is responsible inter alia for licensing Road Freight and Passenger Operators. This function is exercised by the Road Transport Licensing Division (RTLTD) based at Corporation Street, Belfast. Road Freight Operator licences are issued for a 5 year period, after which they must be renewed. The second fee on the freight side is for each vehicle operated under the licence and is £48 per vehicle per year. On the bus side there is no “operator licence” fee as such rather fees are calculated in respect of each vehicle authorised to be used under the licence. Currently this fee is £39 per vehicle per year.

There has been no fee increase in respect of Road Freight and Passenger licences in the past 9 years to reflect the increasing costs of providing the service.

It is now necessary to amend fees payable for the issue of Road Freight and Passenger licences to take account of: -

- Inflation (since 1997)
- The need to include indirect and support costs which were not previously included in the fee (e.g. senior management and internal policy costs)
- Additional costs due to the implementation of a computerised system.

At some point over the next year, it is expected that a new system for obtaining criminal records/repute checks will be introduced in Northern Ireland. It is also expected that the costs of the new service will have to be passed onto applicants for Road Freight and Passenger licences and this may further increase the above proposed fees.

This partial regulatory impact assessment considers the fee levels necessary to ensure that the licensing authority (DVLNI) recovers all of the costs it incurs through licence fees.

3. RISK ASSESSMENT

In the context of this Regulation there is no perceived hazard or situation which could lead to any harm or detriment to any organisation or individual. However, if this increase in fees cannot be made, the Department will not be able to meet its financial objective of full cost recovery for road freight and passenger licensing. We have, therefore, no option other than to increase the fees.

The magnitude of the increases in fees appears high but is relatively small when compared to the annual running costs incurred by road freight and passenger operators. It is, therefore, considered unlikely that the higher fees will tempt road freight and passenger operators to skip the requirement to have an up to date freight or bus licence. However, if this does occur such conduct will risk enforcement action by the Department's Enforcement staff or by the PSNI.

4. OPTIONS

OPTION 1 – Do nothing. Realistically, this is not a feasible option. If the current fees were to be retained, costs would not be recovered and this would necessitate a fundamental review of the licensing process.

OPTION 2 – Introduce revised fees which would cover only inflationary increases since the fees were last revised in 1997. Road Freight and Passenger Operators would benefit from a lower fee. The drawback is that it does not address the full cost recovery objective of the Department.

OPTION 3 – Introduce a revised fee structure of £150.00 and £60.00 respectively for applications for Road Freight Operators and Road Freight Vehicle Licence fees; and £78 for Road Service Licence fees. The size of the overall fee increase although probably not welcomed by road freight and passenger operators should not unduly penalise road freight or bus operators.

We believe that option 3 would be preferable as it best meets the objectives of the Department.

5. BENEFITS

For the freight and bus operator, a valid licence is provided at a reasonable cost thus enabling them to operate legally. Licensing helps to provide a level playing field whereby all operators must comply with legislative requirements. Also, the public and all other road users can be assured that all necessary steps have been taken to ensure road freight and passenger operators meet the standards for entry into these industries. It should also be noted that the revised fees being proposed in Northern Ireland are generally lower than comparable fees in GB.

6. EQUITY/FAIRNESS

It is perceived that the proposed measure would impact proportionally across road freight and bus operators. The likely burden on small businesses is not considered to be any more onerous in relation to size than it would be for larger businesses. In absolute terms, the cost of licensing is very small by comparison with the purchase price of lorries and buses and with the costs incurred in operating them.

7. COMPLIANCE COSTS

The estimated annual increased compliance costs to the industry will be: -

Road Freight

		£
Road Freight Operator Licences	450 x £150-£35	= 51,750
Road Freight Vehicle Licences	6700 x £60-£48	= 80,400

Bus Operators

Road Service Licences	2300 x £78-£39	= 89,700
-----------------------	----------------	----------

Total **£221,850**

8. RURAL IMPACT

Road Freight and Bus operators operate on roads throughout Northern Ireland and we do not expect the Regulations to have any significant impact in rural areas when compared to other areas.

9. EFFECTS ON INTERNATIONAL COMPETITIVENESS

The measure should have no bearing on international competitiveness.

10. SUMMARY

The proposals are necessary to keep the accounts for road freight and road service licensing in financial balance. The increases may appear large in percentage terms, however these fees have not been increased for over 9 years and the new fees are generally below the level of comparable fees in GB. The fee increases must be viewed in context and are minimal compared to the costs of buying and operating lorries and buses. When this comparison is made, the fees for road freight and road service (bus) licensing is very good value for money and will continue to represent a very small proportion of the annual costs of operating lorries and buses.

DOE SECTION 75 EQUALITY OF OPPORTUNITY SCREENING ANALYSIS FORM

Section 1

Introduction

This form is intended to help you to consider whether a new policy or legislation will require a full equality impact assessment (EQIA). It will also provide a record of the factors taken into consideration for audit purposes and for reference in the Department's Annual Review of Progress prepared for the Equality Commission.

Background

The Legal Background
<p>Under section 75 of the Northern Ireland Act 1998, the Department is required to have due regard to the need to promote equality of opportunity:</p> <ul style="list-style-type: none">• between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;• between men and women generally;• between persons with a disability and persons without; and• between persons with dependants and persons without. <p>The main groups within each of the nine categories, highlighted above, are identified at Appendix 1.</p>
<p>In addition, without prejudice to its obligations above, the Department is also required, in carrying out its functions relating to Northern Ireland, to have regard to the desirability of promoting good relations between persons of different religious beliefs, political opinion or racial group.</p>

Role of Equality Unit

The Equality Unit, Room 413A, Clarence Court, Tel 41194 or 40855 is happy to assist with all aspects of the screening process and will help with the completion of the form, if required.

In all cases the form should be signed off by a Senior Officer responsible for the policy and legislation with copies placed on file and a copy forwarded to the Equality Unit.

Section 2 – Policy to be screened

Definition of Policy

There have been some difficulties in defining what constitutes a policy in the context of Section 75. To be on the safe side it is recommended that you consider changes to or any new initiatives, proposals, schemes or programmes as policies. The policies covered in the Equality Scheme EQIA programme are a reasonable guide both to the nature of departmental policies and the level at which they should be considered.

It is important to remember that even if a full EQIA has been carried out in respect of an “overarching” policy or strategy, it will still be necessary for the policy maker to consider if a further EQIA needs to be carried out in respect of those policies cascading from the overarching strategy.

OFMDFM Guidance on Legislative Procedures (Primary and Subordinate) sets out clearly the stages at which equality of opportunity considerations should be taken into consideration in the development of legislation.

Overview of Policy Proposals

The aims and objectives of the policy must be clear and terms of reference well defined. You must take into account any available data that will enable you to come to a decision on whether or not a policy may or may not have a differential impact on any of the S75 categories.

2.1 Please insert below a brief description of the policy/legislation, including the title and all the main aims and objectives

Title	Revised fees for the grant of Road Freight and Passenger Operator Licences
Aims	The cost of a Road Freight Operators Licence is £35.00; Road Freight Vehicle licence £48.00 and a Road Service Licence £39. These fees have remained unchanged since 1997. As a consequence DVLNI has sustained a financial loss over the past number of years and is now required to recover the operational and all other administrative costs associated with the licensing regime. It is therefore proposed to introduce a revised fee structure of £150.00 and £60.00 respectively for applications for Road Freight Operators and Road Freight Vehicle Licence fees; and £78 for Road Service Licence fees.

It is essential that **all** the aims/objectives of the policy be clearly and fully defined.

2.2 On whom will the policies/legislation impact? Please specify

The policy/legislation will impact on the road freight and passenger industries as a whole but as licensing costs constitute a very small fraction of the overall costs of operating lorries and buses the impact of this measure will be almost negligible given that it can be spread over the term of the licence. The likely burden on small businesses is not considered to be any more onerous in relation to size than it would be for larger businesses. In absolute terms, the cost of licensing is very small by comparison with the purchase price of lorries and buses and with the costs incurred in operating them.

2.3 Who is responsible for (a) devising and (b) delivering the policy, eg is it DOE, a Whitehall Department or EU? What is the relationship and have they considered this issue and any equality issues?

Road Transport Licensing Division (RTL) of Driver and Vehicle Licensing, Northern Ireland (DVLNI) is responsible for the devising and the delivery of the policy. Government accounting insists that where feasible, full cost recovery is the norm. Equality issues have been considered.

2.4 What linkages are there to other NI Departments/NDPBs in relation to this policy/legislation?

The Department's Driver and Vehicle Testing Agency (DVTA) and the Police Service of Northern Ireland (PSNI) in conjunction with the Northern Ireland Court Service (NICS) will be involved in the enforcement of the policy. Persons who act as road freight and passenger operators without a valid operator's licence will be liable to prosecution. The fee is a constituent part of the licensing process.

2.5 What data are available to facilitate the screening of this policy/legislation?

In any customer satisfaction survey the issue of fees has not been raised. The magnitude of the increases in fees appears high but is relatively small when compared to the annual running costs incurred by road freight and passenger operators. .

2.6 Is additional data required to facilitate screening?

No.

See Appendix IV of Equality Commission Practical Guidance on EQIA or speak to Central Statistics Research Branch, (Nicola Kilpatrick ext 40877) or Equality Unit (Alex Boyle, ext 41194, or Jeff Johnston ext 40813).

Section 3 – Screening Analysis

In cases where there is no available quantitative or qualitative evidence, you will need to take a pragmatic, common sense judgement as to whether the policy/legislation you are screening may have a particular/differential impact on any of the groups. Discussions with Equality Unit, Statistics Branch and organisations representing the Section 75 Groups will be important and helpful at this stage.

The following criteria must be considered when screening.

3.1 Is there any evidence of higher or lower participation or uptake by the following Section 75 groups?

	Yes	<u>No</u>
Religious belief		•
Political opinion		•
Racial group		•
Age		•
Marital status		•
Sexual orientation		•
Gender	•	
Disability		•
Dependants		•

Please elaborate

This issue will affect all licensed road freight and passenger operators equally, although there are relatively more males than females in the 2400 or so operators within Northern Ireland.

3.2 Is there evidence that any of the following Section 75 groups have different needs, experiences, issues and priorities in relation to this policy issue?

	Yes	No
Religious belief		•
Political opinion		•
Racial group		•
Age		•
Marital status		•
Sexual orientation		•
Gender		•
Disability		•
Dependants		•

Please elaborate

N/A

3.3 Have consultations with the relevant representative organisations or individuals within any of the Section 75 categories, indicated that policies of this type create problems specific to them?

	Yes	No
Religious belief		•
Political opinion		•
Racial group		•
Age		•
Marital status		•
Sexual orientation		•
Gender		•
Disability		•
Dependants		•

Please elaborate

N/A

3.4 Is there an opportunity to better promote equality of opportunity or community relations by altering the policy, or by working with others, in Government, or in the larger community in the context of this policy?

No.

Please elaborate

Equal opportunities for all groups already exist within the scope of the legislation relating to the grant of road freight and passenger operators. The proposal will have a neutral effect on community relations.

3.5 It may be that a policy/legislation has a differential impact on a certain Section 75 group, as the policy has been developed to address an existing or historical inequality or disadvantage. If this is the case, please give details below:

This is not the case.

3.6 If the answer to any of the questions is affirmative please indicate whether you consider if the policy/legislation could be changed, to promote better equality of opportunity and or if a full EQIA should be carried out.

Please elaborate

The policy/legislation does not require changing and a full EQIA is considered unnecessary.

A record of the screening process undertaken must be held on file. A copy of the documentation must be forwarded to the Equality Unit for information.

It is important that the necessary documentation is available should either the Equality Commission or the Department challenge a decision.

Reference should also be made to the screening exercise in any submission on a policy that is to be sent to the Minister.

Section 4

EQIA Recommendation

- 4.1 Full EQIA procedures should be carried out on policies considered to have significant implications for equality of opportunity. In light of the above 3 sections please fill in the following grid in relation to the policy/legislation.

	Significant Impact	Moderate Impact	Low Impact
Social Need.			•
Effect on people's daily lives.			•
Effect on economic, social and human rights.			•

Please elaborate

The proposal will have little, if any, impact on social need nor on economic, social and human rights as licensing costs are but a very small part of the overall costs by comparison with the purchase price of lorries and buses and with the costs incurred in operating them.

- 4.2 **What is the scale of expenditure incurred by the policy/legislation?**

Approximately £220k per annum.

- 4.3 **Do you consider that this policy/legislation should be subject to a full EQIA? Please give reasons for your considerations. Yes/No**

No. The evidence to date does not indicate that the policy will have a differential impact on any of the Section 75 groups. It is not therefore anticipated that that a full EQIA will be required.

4.4 If an EQIA is considered necessary what data are required in the future to ensure effective monitoring?

N/A

Signed: _____

Division: _____

Date: _____

PLEASE FORWARD A COPY OF THIS COMPLETED FORM TO:

**DOE EQUALITY UNIT
ROOM 413A
CLARENCE COURT

10-18 ADELAIDE STREET
BELFAST
BT2 8GB**

**ANY QUERIES: ALEX BOYLE EXT 41194
alex.boyle@doeni.gov.uk**

**JEFF JOHNSTON EXT 40813
jeff.johnston@doeni.gov.uk**

<u>Main Groups Relevant to the Section 75 Categories</u>	
<u>Category</u>	<u>Main Groups</u>
Religious belief	Protestants; Catholics; people of non-Christian faiths; people of no religious belief
Political opinion	Unionists generally; Nationalists generally; members/supporters of any political party
Racial Group	White people; Chinese; Irish Travellers; Indians; Pakistanis; Bangladeshis; Black Africans; Black Caribbean people; people with mixed ethnic group
Men and women generally	Men (including boys); women (including girls); transgendered people
Marital status	Married people; unmarried people; divorced or separated people; widowed people
Age	For most purposes, the main categories are: children under 18, people aged between 18-65, and people over 65. However, the definition of age groups will need to be sensitive to the policy under consideration
“Persons with a disability”	Disability is defined as: A physical or mental impairment, which has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities as defined in Sections 1 and 2 and Schedules 1 and 2 of the Disability Discrimination Act 1995
“Persons with dependants”	Persons with personal responsibility for the care of a child; persons with personal responsibility for the care of a person with an incapacitating disability; persons with personal responsibility for the care of a dependant elderly person
Sexual orientation	Heterosexuals; bi-sexual; gays; lesbians

2006 No.

ROAD AND RAILWAY TRANSPORT

**The Road Transport Licensing (Fees) (Amendment) Regulations
(Northern Ireland) 2006**

Made - - - - 2006

Coming into operation - 2006

*To be laid before Parliament under paragraph 7(3) of the
Schedule to the Northern Ireland Act 2000*

The Department of the Environment makes the following Regulations in exercise of the powers conferred by sections 9(1) and 16(2) of the Transport Act (Northern Ireland) 1967(1), and with the approval of the Department of Finance and Personnel (2):

Citation and commencement

1. These Regulations may be cited as the Road Transport Licensing (Fees) (Amendment) Regulations (Northern Ireland) 2006 and shall come into operation on 2006.

Amendment of the Road Transport Licensing (Fees) Regulations (Northern Ireland) 1997

2. In regulation 2 (fees for road service licences) of the Road Transport Licensing (Fees) Regulations (Northern Ireland) 1997(3) for “£3.25” there shall be substituted “£6.50”.

3. In regulation 4 (fees for road freight operators’ licences) for “£7.00” there shall be substituted “£30.00”.

4. In regulation 5 (alteration of the road freight vehicle licence fees) for “£4.00” there shall be substituted “£5.00”.

Sealed with the Official Seal of the Department of the Environment on 2006



A senior officer of the
Department of the Environment

The Department of Finance and Personnel hereby approves these Regulations.

Sealed with the Official Seal of the Department of the Finance and Personnel on 2006

(1) 1967 c. 37 (N.I.) section 9 was amended by S.I. 1984/1986 (N.I. 15) Article 10(1)
(2) Formerly the Department of Finance. See S.I. 1982/338 (N.I. 6) Article 3
(3) S.R. 1997 No. 57



A senior officer of the
Department of Finance and Personnel

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Road Transport Licensing (Fees) Regulations (Northern Ireland) 1997 by increasing fees for:

- (1) Road Service Licences from £3.25 per month to £6.50 per month; and
- (2) Road Freight Operators Licences from £7.00 per year to £30.00 per year.
- (3) Road Freight Vehicle Licences from £4.00 per month to £5.00 per month.