

EXPLANATORY MEMORANDUM TO

The Taxis (Taximeters, Devices and Maximum Fares) (Amendment) Regulations (Northern Ireland) 2021

SR No. 305

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 16(1), 18(5), 30(2) and 56(2) of the Taxis Act (Northern Ireland) 2008 and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The main purpose of the Regulations is to amend the Taxis (Taximeters, Devices and Maximum Fares) Regulations (Northern Ireland) 2015 to facilitate the introduction of new maximum fare rates.
- 2.2. The Regulations also provide for Royal Proclamations that either change the effective dates of existing specified day bank holidays or add additional bank holidays.

3. Background

- 3.1. As part of the Department's plan to support the taxi industry during the Covid recovery phase, the Department is implementing a 7.6% increase in the maximum fare tariff in advance of the Christmas period. As the fare charged by a driver of a class A or B taxi (the only classes using taximeters) cannot exceed the amount displayed on the taximeter, implementation of the fare increase will require recalibration of their taximeter.
- 3.2. Recalibration can only be done by breaking the seal on the taximeter and as a consequence an application for inspection, testing and resealing of the taximeter by Driver Vehicle Agency (DVA) is necessary. Inspecting, testing and sealing all taximeters would be a major and time consuming exercise for DVA which would not be possible in advance of the Christmas period. Therefore, to enable drivers to benefit from the fare increase, the Regulations will also make provision to permit taxis to operate for hire and reward, during the period from the operative date of these Regulations to 31st May 2022, with a broken seal or, in the case of a newly fitted taximeter, without a seal having been applied.
- 3.3. This derogation will only apply where an application for a taximeter test has been made and one of the following reasons apply: (a) the seal has been broken for the purpose of calibrating the taximeter so as not to exceed the maximum fare rates; (b) the seal has been broken for the purpose of amending specified days; or (c) a new taximeter has been fitted and has not yet been inspected, tested and sealed.

- 3.4. As an additional support the Department is waiving the £35 fee payable in respect of the inspection, testing and sealing of taximeters during the period specified above for all applicants provided the application is made on or after the operative date of these Regulations and no later than 28th February 2022.
- 3.5. The draft Regulations also address an issue with the designation of specified days that has arisen in relation to Royal Proclamations. The Regulations list, in Part 2 of the Schedule, seven Bank Holidays (specified days) on which taxi drivers can charge a higher rate between certain hours. However the date of a specified day maybe changed by Royal Proclamation or indeed additional Bank Holidays can be designated. The Regulations will now include additional Bank Holidays designated by Royal Proclamation as specified days and allow for the adjustment by Royal Proclamation of the dates of existing Bank Holidays.

4. Consultation

- 4.1. A targeted 4 week consultation on proposals to increase the maximum taxi fare tariff across Northern Ireland was carried out during the period 17th September 2021 to 15th October 2021. Of 196 responses received, 56 agreed with the proposal. The remaining 140 respondents expressed a range of views. While the outcome of the consultation does not provide broad consensus for the specific proposal of a 7.6% increase, a majority of respondents were in favour of an increase of at least this amount. A further review of maximum taxi fare tariffs has been scheduled to be conducted in spring 2022.

5. Equality Impact

- 5.1. A full equality impact assessment has not been completed given the need to take urgent action, however consideration was given to the compliance of these Regulations with section 75 of the Northern Ireland Act 1998. Both IMTAC and the Consumer Council raised equality concerns. Both recognised the need for an increase in maximum fares; both have concerns about the impact of fare increases on vulnerable groups; both have concerns about the impact on vulnerable groups of not increasing the supply of taxis; and both would prefer an updated comprehensive review of taxi fares.
- 5.2. Mitigating the potential impact of a fares increase on vulnerable groups can only take place as part of a detailed analysis of taxi fares. However delay in addressing fares is also likely to impact on vulnerable groups, as the shortage of drivers will not be addressed. Moreover, not all drivers and operators will implement the increase; to some extent at least, the fare that applies in any particular area will be determined by market forces.
- 5.3. The Department's assessment is that (i) implementing the proposed increase in maximum fares of 7.6% will help address existing driver shortages and therefore help vulnerable groups, albeit at potentially greater cost; and (ii) a comprehensive review of fares in spring 2022 will consider the equality issues raised.

6. Regulatory Impact

- 6.1. A Regulatory Impact Assessment has not been completed given the need to take urgent action to introduce an increased maximum fare rate as part of the Department's plan to support the taxi industry during the Covid recovery phase.

7. Financial Implications

- 7.1. Based on current Driver and Vehicle Agency (DVA) database records of existing taxi drivers, the total cost of providing free taximeter tests to all drivers who apply for one before 28th February 2022 is estimated at £250k, subject to eligibility

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 this Statutory Rule is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. None

10. Parity or Replicatory Measure

- 10.1. There is no equivalent GB legislation.

11. Additional Information

- 11.1. None