

Economic Note	Number: HOEN 0019
Title of regulatory proposal	Clandestine Entrant Civil Penalty Scheme
Lead Department/Agency	Home Office
Expected date of implementation	13 February 2023
Origin	FINAL
Date	06/01/2023
Lead Departmental Contact	Name: Jonathan.Sanders3@homeoffice.gov.uk
Departmental Assessment	GREEN

Rationale for intervention, objectives and intended effects

During the financial year 2020/21 there were 3,145 incidents where clandestine entrants were detected concealed in vehicles. This rose to 3,838 incidents during the 2021/22 financial year.¹ The current Clandestine Entrant Civil Penalty Scheme aims to incentivise drivers and other responsible persons to secure their vehicles against unauthorised access. However, the Scheme is not having the intended effect, as responsible persons are not taking the steps required to secure vehicles and clandestine entrants are continuing to use these routes to enter the UK. The key objective for reform is to increase vehicle security compliance thereby reducing the ability of would-be clandestine entrants to gain entry to unsecured vehicles.

Policy options (including alternatives to regulation)

Option 1: Do-nothing. Scheme is not reformed.

Option 2: Scheme is reformed by increasing maximum levels of penalties for the existing offence, introducing a new penalty for failing to adequately secure a goods vehicle and narrowing the statutory defences for the existing offence, making it harder to avoid being penalised. **This is the Government's preferred option.**

Costs and benefit summary – Option 2

The anticipated costs to the private sector are familiarisation costs in year one only and lie in a range of **£15,900 to £67,100** with a central estimate of **£30,500**.

The estimated familiarisation costs to the public sector (Border Force) in year one only, lie in a range of **£3,300 to £10,600 with a central estimate of £5,500**.

Border Force staffing costs, over the appraisal period, are estimated to be **£30.1 million**.

The key benefit of the Scheme – an increase in vehicle security compliance - is non-monetised due to the uncertainty around the behavioural response of hauliers to the reforms and the number of clandestine entrants who would be subsequently prevented from entering the UK.

Estimated benefits from cashable income through the imposition of fines, over the appraisal period, lie in a range of **£15.8 million to £58.0 million with a central estimate of £36.9 million**.

Risks

Familiarisation costs for responsible persons may be an over or under-estimate of the actual costs due to a lack of data to robustly inform headcount and wages of those working in the sector. To mitigate these risks the closest available proxies have been used and costs have been estimated across three scenarios – low, central, upper.

Total Cost £m PV	Transition Cost £m	Cost to Business £m	Total Benefit £m PV
30.13	0.00	0.03	36.90
NPSV (£m)	BNPV (£m)	EANDCB (£m)	BIT Score (£m)
6.77	-0.03	-0.03	0.00
Price Base Year	PV Base Year	Appraisal period	Transition period
2022/23	2022/23	10 years	0.00

Departmental sign-off (SCS): David Livesey Date: 06/01/2023

Chief Economist sign-off: Tim Laken Date: 06/01/2023

Better Regulation Unit sign-off: Emma Kirk Date: 06/01/2023

¹ <https://www.gov.uk/government/consultations/clandestine-entrant-civil-penalty-scheme/consultation-document-clandestine-entrant-civil-penalties-accessible>

Evidence Base

A. Background

1. In 2021, the Government announced a step change in its response to illegal migration. The programme of reform has three key objectives:
 - To increase the fairness and efficacy of our system so that the Government can better protect and support those in genuine need of asylum.
 - To deter illegal entry into the UK, thereby breaking the business model of criminal trafficking networks and protecting the lives of those they endanger.
 - To remove more easily from the UK those with no right to be here.
2. A key element of this work is reform to the Clandestine Entrant Civil Penalty Scheme ('the Scheme'). The Scheme was created in 1999. It means that a penalty can be issued to a 'responsible person' if their vehicle is found to contain a concealed entrant. A 'responsible person' is an owner, hirer or driver (in the case of a detached trailer, an owner, hirer or operator). The Scheme has not been reformed since 2002.

B. The policy issue and rationale for government intervention

3. The Scheme aims to incentivise responsible persons to secure their vehicles against unauthorised access. It requires responsible persons to adhere to vehicle security standards with the aim of reducing the ability of would-be clandestine entrants to gain entry to unsecured vehicles, thereby reducing entry into the UK via this method. However, the Scheme is not having the intended effect, evidenced by the number of responsible persons not taking the required steps to comply with the Codes of Practice, meaning that clandestine entrants are continuing to use these routes to enter the UK.
4. Reform of the Scheme was proposed in 2021. A public consultation on these and other proposals to tackle illegal migration was held from 24 March to 6 May 2021. The Government carefully considered consultation responses. It then introduced primary legislation, including measures to overhaul the Scheme, through the new Nationality and Borders Act 2022 (NAB 2022). NAB 2022 sets out the broad framework for reform of the Scheme. It narrows the statutory defences for the existing offence of carrying a clandestine entrant. It creates a new offence of failing to secure a goods vehicle against unauthorised access – irrespective of whether a clandestine entrant is found. Remaining elements of reform are to be set out in regulations made by the Secretary of State.
5. Before making such regulations, the Secretary of State has a statutory duty to consult with such persons as she considers appropriate. During the passage of NAB 2022, the Government also committed to consult on the level of penalty for the new offence. The Government held a consultation on reform of the Scheme from 18 July to 12 September 2022. The Government carefully considered consultation responses and the outcomes of that consultation have informed the design of the recommendations the Government is now taking forward as Option 2.
6. Home Office and Border Force are working to operationalise the reforms by 13 February 2023.
7. The proposed reforms to the Scheme are expected to affect the following groups:
 - **Responsible persons:** Responsible persons will need to familiarise themselves with new documentation.
 - **Border Force staff:** These include dedicated frontline staff and the Clandestine Entrant Civil Penalty Team (CECPT), which processes all civil penalty referrals. All staff will need to familiarise themselves with reforms to the Scheme. In addition, it is anticipated that there may be higher volumes of casework arising because of these reforms. Frontline staff are expected to make more referrals to CECPT, in part because of the creation of the new offence. CECPT will in turn have more referrals to process under the Scheme.

C. Policy objectives and intended effects

8. The key objective for reform of the Scheme is to increase the proportion of responsible persons complying with vehicle security standards. It is hoped that this will reduce the ability of would-be clandestine entrants to gain entry to unsecured vehicles, thereby reducing entry into the UK via this method.

D. Policy options considered, non-regulatory options, implementation date objectives and intended effects

9. Two options have been considered:
Option 1: Do-nothing. Scheme is not reformed.

Option 2: Scheme is reformed by increasing maximum levels of penalties for the existing offence of carrying a clandestine entrant and introducing a new penalty for failing to adequately secure a goods vehicle. Statutory defences for the existing offence are narrowed, making it harder to avoid being penalised. **This is the Government's preferred option.**

Non-regulatory options

10. Whilst Border Force intend to run a four-week sector education campaign on changes to the policy from 16 January to 12 February 2023 (providing training and communications to responsible persons with the aim of promoting compliance with vehicle security standards), this measure alone is not considered to be viable to achieve the desired increase in compliance. This is evidenced by the number of responsible persons not taking the required steps to secure vehicles despite already being expected, under the current offence, to have security equipment in place. It is hoped that the introduction of the new penalty alongside the four-week sector education period will support long-term behavioural change.

E. Appraisal

General assumptions and data

11. It is expected that there will be private and public sector costs due to reforms to the Scheme. The costs are expected to be familiarisation costs, proxied by reading times, and Border Force staffing costs. Whilst responsible persons are likely to incur costs associated with failing to comply (penalties), these costs are not considered in this analysis as they can be avoided through compliance. The benefits expected include an increase in compliance with vehicle security standards with the aim of reducing illegal entry into the UK via this method, which is non-cashable, and cashable income generated through the imposition of fines.
12. Impacts of the Scheme were modelled in Autumn 2021 and Summer 2022 using a simulated model of a Juxtaposed port.² This model allows the Home Office to observe how many Clandestine Civil Penalties would be issued following the narrowing of statutory defences for the existing offence of carrying a clandestine entrant, new vehicle security checks and what impact this will have on Border Force operations. As with all simulated models, there may be discrepancies between predictions made using the model and actual outcomes.
13. Exact figures for the number of UK responsible persons operating vehicles which may fall under the Scheme are not available. The best estimate is assumed to be the number of Standard International (SI) Operating Licence holders. SI licences capture the proportion of total goods vehicle operators who are licensed to work internationally. The nature of this work means that they may fall under the Scheme due to their vehicles being routed through UK immigration controls. However, SI licence numbers can include operators who, in practice, never leave the UK and can exclude 'Restricted'

² Juxtaposed ports are a reciprocal arrangement whereby border controls take place before boarding the train or ferry, rather than upon arrival after disembarkation. The simulation model maps out the processes which vehicles follow through the port providing insights into how changes to port processes are likely to impact outcomes such as port fluidity and security. The simulation model is a simplification of port operations, and results are therefore illustrative of likely impacts.

licence holders who do travel internationally (although these are assumed to be a small proportion of the total number of SI licence holders). This is one factor which means that familiarisation costs for industry may be an over or under-estimate of the actual costs.

Costs to 'Responsible persons' / private sector

Familiarisation costs

14. It is expected that there will be costs to responsible persons associated with familiarising themselves with new documentation. These costs are proxied by the length of time it takes to read the updated guidance/requirements, Code of Practice and details of the relaunched Accreditation Scheme. These costs are assumed to only be incurred in the first year of implementation (2023/24) as there is no need for responsible persons to re-read the guidance after year one.³
15. For the year ending March 2022, the total number of goods vehicle operator licences in issue was 70,319.⁴ Of these, 13.5 per cent (9,510) of operators have SI licences, meaning they can work internationally. The percentage of drivers operating internationally is assumed to be lower than the percentage of operators, as not all drivers working for internationally licensed operators would necessarily drive abroad. Survey data from the Department for Transport suggests that the best estimate of the percentage of UK drivers operating abroad is 7 per cent of the total number of goods vehicle operator licences in issue (4,922).
16. Responsible persons will be expected to read parts of the updated security requirements in the new regulations that are relevant to their role (1,750 words) and parts of the Code of Practice that are relevant to their role (1,500 words). Additionally, managers will be expected to read the relaunched Accreditation Scheme (operator managers only, 500 words). The analysis does not account for operators who are also drivers as this exact figure is unknown, however, it is expected that this will not have a big impact on overall costs as the number of people this applies to is assumed to be small.
17. Three cost scenarios have been modelled: low, central and high, differing by the estimated number of words read, reading speed and the proportion of operator managers reading the guidance. Taking a ratio of the number of 'Managers in Transport and Distribution' to 'Large Goods Vehicle drivers' (2022),⁵ it is assumed that there is one manager for every four drivers in a central scenario. As the exact number of managers per firm is uncertain, a ± 5 per cent adjustment is applied to the manager to driver ratio in the high and low scenarios.
18. Familiarisation costs are estimated as: *volume of drivers or managers * time taken to read the guidance * gross hourly wage*.⁶ This calculation uses wage estimates from the 2022 ASHE four-digit SOC table.⁷ The median gross hourly wage for UK HGV drivers is taken as that for a 'Large Goods Vehicle driver' and the median gross hourly wage for UK HGV operators is taken as that for a 'Manager in Transport and Distribution'. The ASHE data gives a gross hourly median wage of £14.20 and £18.45 for drivers and managers respectively in 2022. However, ASHE data does not factor in national insurance employer contributions. Therefore, the median wage is uplifted by a wage multiplier of 1.2 from Eurostat data.⁸ This gives a familiarisation labour cost of £17.04 and £22.14 for drivers and managers respectively.

³ Costs for drivers and operators joining post go-live are not included in this analysis as the new guidance is a "replacement" rather than an "addition" of what they're required to read.

⁴ [Traffic Commissioners annual report 2021 to 2022: https://www.gov.uk/government/publications/traffic-commissioners-annual-report-2021-to-2022](https://www.gov.uk/government/publications/traffic-commissioners-annual-report-2021-to-2022)

⁵ [ONS: Earnings and Hours worked, Table 14.5a: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14)

⁶ Gross hourly wage includes pension contributions and National Insurance.

⁷ [ONS: Earnings and Hours worked, Table 14.5a: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14)

⁸ [Eurostat: https://ec.europa.eu/eurostat/databrowser/view/LC_LCI_LEV_custom_4399149/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/LC_LCI_LEV_custom_4399149/default/table?lang=en). UK calculation is (non/wage share/wage share), $(0.177/0.823) \times 100 = 1.215$ or 22 per cent.

19. The estimated total familiarisation costs to responsible persons lie in a range of **£15,900 to £67,100** with a central estimate of **£30,500**.⁹ This equates to approximately £4.90 per responsible person in a central scenario. All costs are presented in 2022/23 prices and are assumed to be incurred in year one only.

Table 1, UK HGV driver familiarisation costs

Estimated number of UK HGV drivers operating internationally: 4,922

Hourly Wages: £17.04

Cost Scenarios	Number of words	Speed (wpm) ¹⁰	Time (mins)	Re-read time ¹¹	Total time (hrs)	Total costs
High	3,500 ¹²	150	23.33	9.33	0.54	£45,700.00
Central	3,250	250	13.00	2.60	0.26	£21,800.00
Low	3,000	350	8.57	0.00	0.14	£12,000.00

Table 2, UK HGV manager familiarisation costs

Estimated number of UK HGV managers operating internationally: 1,313

Hourly Wages: £22.14

Cost Scenarios	Number of words	Speed (wpm)	Total time (mins, in. re-read time)	Total time (hrs)	Estimated number of managers	Total costs
High	4,000	150	37.33	0.62	1,559	£21,500.00
Central	3,750	250	18.00	0.30	1,313	£8,700.00
Low	3,500	350	10.00	0.17	1,067	£3,900.00

Additional costs

20. Additional costs to responsible persons (such as the purchase of security equipment) are considered but they have not been monetised in this analysis as they are currently anticipated to be minimal. This is because the proposed reforms to the scheme do not introduce any requirements to purchase new security equipment that vehicles are not already expected to have. In practice, this means that compliant businesses should not have to purchase new equipment due to the reforms. Further, implementation of the reforms has been designed to have minimal impact on port fluidity, which is to say that the Home Office do not anticipate that implementation will lead to delays or to costs of the type which can be associated with delays. Any costs incurred to responsible persons as a result of non-compliant behaviour are not considered in this analysis.

21. During an eight-week consultation period with industry, stakeholders expressed concerns about the impacts the reforms to the Scheme could have on their business, including difficulties recruiting and/or retaining drivers if there is a perception that the reforms make it more likely that those drivers could be fined. Whilst this is not a direct impact of the policy change, businesses may face wage related costs if drivers were to demand higher compensation because of this. Nevertheless, drivers and other responsible persons can avoid being penalised if they comply with the regulations. It is

⁹ All figures are rounded to the nearest £100.

¹⁰ A central reading speed of 250 wpm is assumed based on [irisreading.com: https://irisreading.com/what-is-the-average-reading-speed/](https://irisreading.com/what-is-the-average-reading-speed/) where a ±100 wpm is applied in the low and high scenarios to account for the range in reading speeds.

¹¹ Re-read times are assumed to be 40%, 20% and 0% of the initial time(mins).

¹² A ±250 words is applied to the number of words read in the high and low scenarios to account for range.

also at the discretion of CECPT to offer means testing of penalties for both drivers and companies to mitigate, where appropriate, the financial impacts of penalties.

Costs to Border Force / Public sector

Familiarisation costs

22. There is an expectation that there will be familiarisation costs incurred for three types of Border Force staff: existing frontline staff (staff not working directly on operationalising reforms to the Scheme but who might encounter something and who will need to know what to do); dedicated frontline staff (officers dedicated to operationalising the reforms to the Scheme); and staff in the Clandestine Entrant Civil Penalty Team (CECPT) who process the penalties. As the costs of hiring dedicated frontline and CECPT staff are accounted for in the 'Additional resource' section, familiarisation costs for these staff are not included to avoid double counting.
23. It is assumed that current frontline staff will be expected to familiarise themselves with internal written guidance (1,400 words). Hourly wages (excluding non-pay costs such as uniforms, training and development) for frontline staff is taken from Home Office internal information and is presented in 2022/23 prices. The average hourly wage for frontline officers is assumed to be £24.92.¹³
24. The estimated total familiarisation costs to Border Force (the Public Sector) lie in a range of **£3,300 to £10,600 with a central estimate of £5,500**. All costs are presented in 2022/23 prices and are assumed to be incurred in year one only.

Additional resource costs to the public sector

25. It is expected that Border Force will need to hire dedicated frontline staff (c. 40) to check for vehicle compliance in line with the introduction of the new penalty for failing to secure a goods vehicle. Further, it is anticipated that there may be higher volumes of casework arising because of these reforms and therefore, it is expected that Border Force will need to hire additional CECPT staff (c. 19) to process the penalties.
26. Frontline and CECPT staff pay and non-pay costs have been monetised. These include pay-related costs incurred following the level of staff resource and non-pay costs that include estates, IT, running costs, training and development. Non-Pay costs are calculated as 10% of overall frontline pay costs. The total estimated pay and non-pay costs, across the 10-year appraisal period is assumed to be **£29.7 million** (discounted, 2022/23 prices).
27. Additionally, Border Force will incur costs to purchase vehicles needed by frontline staff to travel between ports. Vehicles will be required to be purchased in years two and seven as they need to be replaced after five years.
28. The total estimated cost, across the 10-year appraisal period is assumed to be **£30.1 million** (discounted, 2022/23 prices).

Benefits

29. If the measures are successful in achieving their intended aims, it is expected that there will be two end benefits, namely: an increase in vehicle compliance rates, with the aim of reducing illegal entry into the UK via this method, which is not monetised; and if an increase in compliance rates are not achieved, cashable income generated through the imposition of fines above the existing level of income generation. Reforms to the Scheme are not about income generation – the key objective is to see responsible persons complying with security standards and therefore ensuring they are not liable for a fine.

¹³ This is the average of hourly wages for Border Force Staff ranging from Assistant Analysts to Grade 6.

30. Income generation is calculated using a simulated model of a juxtaposed port. The number of fines estimated is based on traffic flow, port capacity constraints, the number of checks conducted and compliance rates. This is then monetised by multiplying the estimated number of fines issued by a low, central and high scenario of the penalty level and the average proportion of debt recovered based on historical data. Three scenarios were modelled for the current and new offence as, although the maximum level of penalties have been determined, in practice, there will be a range of penalty levels up to and including the maximum level. For the current offence, the low scenario assumes the current average penalty level (£2,124) and the high scenario assumes a maximum penalty of £10,000. For the new offence, the low scenario assumes the current average penalty level (£2,124) and the high scenario assumes a maximum penalty of £6,000. For both offences, the central scenario is based on the midpoint between the low and high scenarios; £6,062 and £4,062 for the current and new offence respectively.
31. The estimated total income generated above the existing level of income generation, across the 10-year appraisal period, lie in a range of **£15.8 million to £58 million with a central estimate of £36.9 million** (discounted, 2022/23 prices). It is assumed that monetised benefits accrue once frontline specialist staff are in place, which is assumed to be in the final month of 2022/23. Therefore, benefits are only 1/12 of the per year total for 2022/23. The estimated total income generated does not account for instances where responsible persons are unable to pay the fines. An attempt has been made to mitigate this risk by including appeal, objection and debt recovery rates in the modelling as well as implementing a means tested regime for both drivers and companies.

Table 3 - Total costs and benefits summary, discounted, 2022/23 prices, £ million

	Low	Central	High
Familiarisation costs (Responsible Persons) ¹⁴	0.02	0.03	0.07
Familiarisation costs (Border Force)	0.00	0.01	0.01
Border Force staffing costs	30.10	30.10	30.10
Benefits	15.79	36.90	58.02
Total costs	30.12	30.13	30.18
Total benefits	15.79	36.90	58.02
NSPV		6.77	
BNPV		- 0.03	
EANDCB		- 0.03	

F. Risks and unintended consequences

¹⁴ The individual cost components may not sum up to the total cost figures provided due to rounding.

32. One unintended consequence associated with the Scheme is that there may be no change and/or a reduction in the proportion of responsible persons complying with vehicle security standards. The impacts of the policy are currently untested and there is no historical data to help predict how drivers will respond. The transient nature of the HGV industry further contributes towards this uncertainty, where drivers faced with higher penalties may look for alternative work. It is hoped that the introduction of the new penalty alongside the implementation of a four-week sector education period, providing training and targeted communications to responsible persons, will promote compliance with vehicle security standards. After the education phase, it will move to an enforcement phase as business as usual. This approach is untested, but the Home Office hope that by preceding enforcement with education, it will support lasting behaviour change.
33. The calculations assume that benefits will remain the same across the appraisal period. The monetised benefits (income generation) may decrease in the long-term as drivers/hauliers become more compliant over time to avoid being issued with fines.
34. There is a risk that some responsible persons cannot or will not pay their fines. An attempt has been made to account for this in the modelling by including appeal, objection and debt recovery rates. Further, to mitigate this risk, operational colleagues (CECPT) will have discretion to offer means testing of penalties for both drivers and companies which should mean that a situation in which a responsible person is unable to pay a fine should not arise.
35. Finally, whilst it is hoped that these measures, alongside others, will reduce the overall volume of illegal entrants and deter individuals from entering the UK illegally, evidence suggests that entrants are likely to change their behaviour to avoid enforcement efforts. This may lead to the displacement of irregular migration attempts into other methods of entry to the UK. Additionally, displacement to other smaller ports may also occur but the scale of this displacement is unclear.

G. Monitoring and evaluation

35. CECPT will compile management information to ensure that any impact from the reforms can be assessed. This reporting will continue until project/programme closure after which monitoring and evaluation of the Scheme will be integrated within business-as-usual reporting.

Specific Impact Test Checklist

Mandatory specific impact test - Statutory Equalities Duties	Complete
<p>Statutory Equalities Duties</p> <p>Equalities impacts will be regularly assessed in accordance with the Public Sector Equality Duty. We do not have data or evidence to support an analysis of every protected characteristic. However, at present, our assessment is as follows:</p> <p><u>Direct discrimination:</u></p> <p>We do not identify any risk of direct discrimination.</p> <p><u>Indirect discrimination:</u></p> <p>We use data on the protected characteristics of those employed in the transport sector as a proxy for responsible persons. This cohort is more likely to be aged over 35, around 85% are male and they may be more likely to come from the UK and from countries in Eastern Europe. This may mean that these cohorts are more likely to be impacted by changes to the Scheme on the basis of their protected characteristics of age, sex and race (nationality). In particular, there may be impact on nationals of countries where incomes are lower or where nationals may not be able to understand English. We do not identify specific action to address potential impact on the basis of</p>	<p>Yes</p>

<p>age or sex. However, on the basis of race (nationality), we will implement means testing which will be able to take income into account when setting levels of penalty and we will ensure information is provided in languages other than English. Any remaining impact is proportionate in order to deliver our legitimate policy aims. We therefore do not consider that there would be any indirect discrimination.</p> <p>We use data on the protected characteristics of small boats arrivals as a proxy for clandestine entrants. Around 1/6 of this cohort are under 18, around 87% are male and at the moment, they are more likely to come from Albania and Afghanistan – although the nationality mix does change over time. This means that if it is harder to attempt clandestine entry via a vehicle, members of these cohorts may be displaced to other risky routes to enter the UK. This may mean that these cohorts are more likely to be impacted by changes to the Scheme on the basis of the protected characteristics of age, sex and race (nationality). The same could be true for cohorts who have a vulnerability which is linked to a protected characteristic, in particular the protected characteristics of disability, pregnancy and maternity and sex insofar as sex relates to potential victims of human trafficking, noting in particular that women and girls who are trafficked are more likely to be subjected to psychological, physical and sexual control than males. Mitigation of this risk includes broader activity being undertaken by the Government to tackle illegal migration by this cohort, including the activity of the recently established Small Boats Operational Command. Any remaining impact is proportionate in order to deliver our legitimate policy aims. We therefore do not consider that there would be any indirect discrimination.</p> <p><u>Advance equality of opportunity:</u></p> <p>Changes to the Scheme may prompt people who are vulnerable because of factors linked to a protected characteristic to decide not to attempt a dangerous clandestine journey to the UK, to claim asylum in a safe country and so to get quicker access to any help and support they may require. This could advance their equality of opportunity. We identify clandestine entrants who are under 18, male and at the moment, from Albania and Afghanistan – although this may change over time. We also identify people with the protected characteristic of disability, pregnancy and maternity and in terms of sex, a cohort of males and females who may be particularly vulnerable to human trafficking.</p> <p><u>Foster good relations:</u></p> <p>We do not identify any specific opportunities to foster good relations between those who share a relevant protected characteristic and those who do not share it.</p> <p>The SRO has agreed these summary findings from the Equality Impact Assessment.</p>	
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Small and Micro-business Assessment (SaMBA)	Complete
<p>Analysts have investigated the potential impacts on small and micro-businesses (SMBs) due to reforms to the Scheme. The costs associated with the reforms that are likely to impact SMBs are familiarisation costs. These are assumed to be minimal; total familiarisation costs to responsible persons lie in a range of £15,900 to £67,100 with a central estimate of £30,500. This equates to approximately £4.90 per responsible person in a central scenario.</p>	Yes

According to 2022 Business Population Estimates¹⁵, SMBs account for 97.6 per cent of the intended regulated industry ('Freight transport by road and removal services' 494 SIC). For this reason, an exemption for SMBs is not considered appropriate as it would considerably reduce the policy effectiveness given that SMBs account for the majority of the target audience.

SMBs may be disproportionately affected by any costs associated with failing to comply (penalties) as they operate on a smaller scale to medium and large businesses and therefore these costs are likely to be a larger proportion of their overall costs. As these costs can be avoided through compliance, they are not considered in this analysis and do not warrant exemption for SMBs.

Reforms to the Scheme, however, considered several mitigation methods including means-based testing for both drivers and companies to mitigate, where appropriate, the financial impacts of penalties.

¹⁵ [Business Population Estimates 2022, Table 7: https://www.gov.uk/government/statistics/business-population-estimates-2022](https://www.gov.uk/government/statistics/business-population-estimates-2022)