# Vehicle recovery storage and disposal statutory charges review

# SUMMARY OF CONSULTATION RESPONSES AND WAY FORWARD

The consultation ran from 18 April 2024 until 13 June 2024

**DECEMBER 2024** 



#### **Foreword**

This consultation arose following similar reviews carried out in Scotland in 2019 and in England and Wales early in 2023. A review in Northern Ireland was considered appropriate to ensure that the equivalent fees set by the Department of Justice are fair to both those carrying out removal, storage and disposal work and those whose vehicles are removed.

Government departments, police, local councils and others authorised to act on their behalf all have powers to remove, store and dispose of vehicles in certain circumstances. These include, for example, where a vehicle is being driven without insurance, has been left in a place causing an obstruction or danger to others, or is in contravention of certain prohibitions or restrictions.

When these powers are exercised, the relevant authority is often entitled to charge a fee to the owner of the vehicle. This consultation sought views on the levels of fees that can be charged for the removal, storage and disposal of vehicles where a vehicle was driven uninsured, or carelessly, inconsiderately or offroad in a way causing alarm, distress or annoyance, or where a vehicle seizure order has been made in relation to an unpaid financial penalty.

The fees in these circumstances are prescribed in legislation and have remained at the levels set in 2008, despite the costs for this work, which is typically contracted out to independent operators, having increased.

I would like to thank all those who took the time to respond to the consultation in order to inform this report, which can be seen on the Department of Justice website at: Link to be inserted on publication

**NAOMI LONG** 

MINISTER FOR JUSTICE

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#### Introduction

- 1. A public consultation on vehicle recovery storage and disposal statutory charges in Northern Ireland ran from 18 April 2024 until 13 June 2024.
- 2. The consultation sought views on potential changes to the level of charges set by the Department of Justice that apply to the seizure/removal, storage, and disposal of vehicles where:
  - a vehicle is being driven without insurance;
  - a vehicle is being driven carelessly, inconsiderately or illegally off-road and is causing, or is likely to cause, alarm, distress or annoyance to members of the public; or
  - a vehicle seizure order is made in respect of an unpaid financial penalty.
- 3. The Department received eleven responses to the consultation. Nine respondents answered the questions using the online consultation questionnaire; two respondents provided separate written responses.
- 4. The consultation contained four questions all linked to the main question of whether fees relating to the seizure/removal, storage and disposal of vehicles should increase.
- 5. The majority of respondents agreed that the fees should increase. The response section below provides further detail on the responses.
- 6. A breakdown of the responses to each question is included at Annex A.

#### **Consultation Responses**

#### Establishing whether fees should change

- 7. This was a targeted consultation with just four questions to establish whether vehicle seizure fees should remain as they are or increase to take account of inflation and increased operational costs. There was almost unanimous support for an increase in fees.
- 8. Ten of the eleven respondents disagreed with Option 1: Do nothing maintain fees at current levels.
- 9. The Association of British Insurers, who represent the UK insurance industry, were the only respondent who agreed that no change should be made. In their response they indicated concerns that the seizure/removal, storage and disposal costs would be passed to insurers, resulting in a consequent impact on motor insurance premiums. On this basis they were not content to support an uplift in fees, and their preference would be to maintain the status quo. In further correspondence with this respondent, it was highlighted that the legislation provides for exceptions to the liability to pay the fees in circumstances where the owner was not driving the vehicle at the time when it was seized, and did not know that it was being driven at the time, had not consented to its being driven and could not, by taking reasonable steps, have been prevented it from being driven. Considering this information the respondent agreed that their concern that insurers could be liable for costs would not actually be the case. This

clarification therefore removes any opposition to a change in fees.

# **Level of Change**

- 10. Regarding the level of increase, the consultation proposed option 2: Increase fees to reflect inflation and increased operational costs from 2008, and to maintain parity with fees in England and Wales.
- 11. Five respondents agreed with this proposal, two did not respond to this question and four disagreed.
- 12. All four of the respondents who disagreed called for a higher increase than the 28% proposed.
- 13. One respondent advised that the Association of Vehicle Recovery Operators (AVRO), who are the lead trade representative body within the roadside recovery industry, recommends using the Bank of England inflation calculator (currently 58%) which they considered to be a more realistic and focused index that best represents the increases in costs to members.
- 14. Another respondent stated while the recent uplift in fees in England/Wales was 28%, these had not been reviewed since 2008. Taking into consideration inflation year on year, the increase should be 42%.
- 15. Extremely high running costs was another reason given without specifying the preferred level of increase.

## Additional comments/suggestions

- 16. The consultation also gave respondents the opportunity to include any other relevant comments or suggestions.
- 17. A number of responses raised the challenges of recovery, storage and disposal of electric vehicles. Main issues include the fact that electric vehicles weigh more than conventional vehicles, are more difficult to recover and cost more to store due to increased risk of fire. A separate category of rates for electric vehicles was suggested as was a premium to cover additional costs. One advised that the Home Office has agreed to consider a separate charging matrix for electric vehicles.
- 18. Five respondents highlighted security risks for operators in Northern Ireland including arson attacks, physical attacks and threats issued to company directors. This also has an impact on insurance premiums.
- 19. An annual inflationary review of fees was suggested.
- 20. Storing vehicles, which have been involved in fatalities, for too long in free storage was raised as an issue by one respondent.
- 21. A response received from The Driver & Vehicle Agency (DVA) supported the principle

- that an increase in the statutory fees is required to ensure that the recovery, storage and disposal schemes remain viable in Northern Ireland.
- 22. In addition, DVA are of the view that the Taxis Act (Northern Ireland) 2008 (Retention and Disposal of Seized Motor Vehicles, Equipment, and Items) Regulations (Northern Ireland) 2016 ('the Taxi Regulations'), which were outside the scope of this consultation, are similar in content and operation to the Regulations being reviewed in this consultation.
- 23. In order to maintain operational effectiveness and to prevent a situation arising where vehicle recovery operators would receive less favourable terms for the recovery, storage and disposal of taxis seized, they believe the statutory fees in the Taxi Regulations should be kept in line with those in the suite of recovery, storage and disposal regulations consulted on.

#### **Rural/Equality Impact**

- 24. Two respondents commented in this section regarding mileage.
- 25. One respondent suggested a surcharge of £1.50 should be chargeable for each mile travelled over 40 and £125 for any journey involving ferry travel.
- 26. Another respondent stated that rural operators are at a disadvantage as the first 30 miles of each journey is not chargeable.
- 27. The Department approached PSNI who advised that operators are not entitled to any mileage under statutory powers. However, under a local arrangement PSNI pay £1.15 per mile for any mileage in excess of 30 miles.

#### **Decisions**

- 28. The Minister agrees with the majority view that an increase in fees is needed to reflect inflation and increased operational costs from 2008.
- 29. The Minister believes a balanced and measured approach based on the consultation responses is to increase fees by 28% to reflect inflation and increased operational costs from 2008. This will also ensure continuing parity with fees in England and Wales, which will be monitored on an ongoing basis.
- 30. The Minister approves amending the three sets of regulations as outlined in the consultation:
  - The Road Traffic (Northern Ireland) Order 1981 (Retention and Disposal of Seized Motor Vehicles) Regulations (Northern Ireland) 2008 (vehicles driven without insurance).
  - The Criminal Justice (Northern Ireland) Order 2008 (Retention and Disposal of Seized Motor Vehicles) Regulations (Northern Ireland) 2008 (vehicles driven carelessly, inconsiderately or illegally off-road in a manner causing or likely to

cause alarm, distress or annoyance).

• The Enforcement of Fines and Other Penalties Regulations (Northern Ireland) 2018 (where a vehicle seizure order has been made to enforce the payment of an outstanding financial penalty).

#### **Next Steps/Way Forward**

- 31. The Department will arrange to amend the following regulations to give effect to the Minister's decision to increase fees by 28%:
  - Road Traffic (Northern Ireland) Order 1981 (Retention and Disposal of Seized Motor Vehicles) Regulations (Northern Ireland) 2008 (vehicles driven without insurance).
  - The Criminal Justice (Northern Ireland) Order 2008 (Retention and Disposal of Seized Motor Vehicles) Regulations (Northern Ireland) 2008 (vehicles driven carelessly, inconsiderately or illegally off-road in a manner causing or likely to cause alarm, distress or annoyance).
  - The Enforcement of Fines and Other Penalties Regulations (Northern Ireland)
     2018 (where a vehicle seizure order has been made to enforce the payment of an outstanding financial penalty).
- 32. The Department will engage further with the DVA as regards any change to the Taxi Regulations.

### Annex A

# **Summary Table of Responses**

Question 1:  Do you agree or disagree with Option 1: Do nothing - maintain fees at current levels?	Total	Percent
Agree	10	90.9
Neither agree nor disagree	0	0
Disagree	1	9.1
Not Answered	0	0

Question 1: If you agree or disagree with Option 1, please give reasons.	Total	Percent
Reason provided	11	100
Not Answered	0	0

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Question 2a:  Do you agree or disagree with Option 2: Increase fees to reflect inflation and increased operational changes from 2008, and to maintain parity with fees in England and Wales?	Total	Percent
Agree	5	45.46
Neither agree nor disagree	0	0
Disagree	4	36.36
Not Answered	2	18.18

Question 2b: If you agree or disagree with Option 2, please give reasons.	Total	Percent
Reason provided	8	72.73
Not Answered	3	27.27

Question 3:	Total	Percent
Do you have any other comments or suggestions?		
Comment provided	6	54.55
Not Answered	5	45.45

Question 4:	Total	Percent
Do you consider there to be any rural or equality impacts arising from either of the options put forward in this consultation paper?		
Comment provided	2	18.19
Not Answered	9	81.81