



A Consultation Document on
the Department's proposals to rename
the DVTA Trading Fund Order and to
extend its scope

CONTENTS

	Page
CONSULTATION ARRANGEMENTS	3
BACKGROUND	4
DETAIL	5
PROPOSAL	5
IMPACT ASSESSMENTS	7
CONSULTEE RESPONSE FORM	ANNEX A
LIST OF CONSULTEES	ANNEX B

1 CONSULTATION ARRANGEMENTS

1.1 Purpose of Consultation

This Consultation Document seeks your views on the Department's proposals to rename the Driver and Vehicle Testing Agency Trading Fund (the DVTA Trading Fund) to the DVA Trading Fund (Driver and Vehicle Agency) and to extend its scope to cover all of DVA. The proposals will require a renaming order and an amendment of the newly renamed Trading Fund Order.

You are invited to comment on the proposals and, in particular, the likely impact they will have on you or your organisation. A response form is attached at Annex A for this purpose.

1.2 Consultees

The consultation is aimed at individuals, organisations and representative bodies who are involved with or have an interest in the work of the Driver and Vehicle Agency in Northern Ireland.

A list of consultees can be found at Annex B.

1.3 Responses

If you wish to respond to this consultation, please reply to either of the following addresses:

E-mail: vehicle.standards@doeni.gov.uk

Write to: Gillian McIntyre
 Road Safety Policy
 Department of the Environment
 Clarence Court
 Adelaide Street
 BELFAST
 BT2 8GB

1.4 Code of Practice on Access to Government

Please note that information supplied to the Department may be disclosed in response to a request under the Code of Practice on access to Government Information. If you consider that any such information is either confidential or commercially sensitive, you should identify the information to the Department and specify any reasons for its sensitivity. The Department will consult you about the information before making a decision on any request received.

1.5 Help with Queries

If you have any queries or require further information about this consultation, please do not hesitate to contact Gillian McIntyre on telephone number 02890 823507 or Alex Boyle on telephone number 02890 541194 or at the above address. This consultation document can also be found at www.doeni.gov.uk on the Road Safety and Vehicle Regulation consultations page.

1.6 Closing Date for Responses

The closing date for responses is 27 August 2015.

2 BACKGROUND

- 2.1 A Driver and Vehicle Testing Agency (DVTA) Trading Fund has been in place since 1 April 1996. This covers, as set out in the DVTA Trading Fund Order, 'such functions of the DVTA that are set out in Schedule 1.' Schedule 1 to the Order includes inspection, examination and testing of vehicles and drivers; maintaining the Approved Driving Instructor (ADI) register; enforcement of relevant laws in this field; the promotion of vehicle safety and environmental protection in connection with vehicles; and operations incidental, conducive or otherwise ancillary to these matters.
- 2.2 The DVTA Trading Fund was established to allow the agency to adopt a more commercial and business-like approach to managing activities and to benefit from greater flexibility in matching income and expenditure across financial years. This in turn contributes to improved effectiveness and efficiency of management.
- 2.3 In 2007, DVTA merged with DVLNI to form the Driver and Vehicle Agency (DVA). The Department confirmed at that time that it was not legally necessary to change the scope of the Trading Fund to include all of DVA and there was agreement with the Department of Finance and Personnel (DFP) that DVA would operate as a part-Trading Fund agency (in essence with testing functions in the Trading Fund and licensing functions outwith the Fund). However, it was recognised that there would be practical difficulties to be overcome as regards the ring-fencing of trading fund activity and the drafting of accounts directions; it was therefore agreed that the situation should be reviewed in due course.
- 2.4 The Department has recently reviewed the operation of the Trading Fund and considers that changes are appropriate; this consultation document explains the proposed changes and the reasons for them.

3 DETAIL

- 3.1 Trading Funds are established in Northern Ireland by secondary legislation under the Financial Provisions (Northern Ireland) Order 1993.
- 3.2 The primary advantage of a Trading Fund is that it engenders a more commercial and business-like approach to managing activities and that it offers more flexibility in matching income and expenditure across financial years.
- 3.3 Trading Funds are required to achieve financial targets and to pay a return, as and when required by the responsible Department, in the form of interest on loan capital and /or dividends on the public dividend capital and reserves.
- 3.4 Bodies/activities considered for Trading Fund status need to be classified as a Public Corporation by the Office for National Statistics (ONS). The requirements for such a classification are threefold:
 - It must be classified as a market body, covering more than 50% of its costs by sale of goods/services;
 - It must be controlled by central government, local government or other public corporations; and
 - It must have substantial day to day operating independence and so be seen as an institutional unit separate from its sponsoring Department.

4 PROPOSAL

- 4.1 The Department has considered the suitability of functions to be included in the Trading Fund and concluded that the whole of DVA should be considered as the scope, bringing in driver licensing; taxi and bus licensing and regulation; and compliance and enforcement of the transport industry.
- 4.2 This would considerably simplify accounting and operational procedures and bring the business focus that a Trading Fund is designed to engender, to all DVA activities. It also presents an opportunity for the Agency to operate as a single cohesive identity making best use of its available resources.
- 4.3 As explained above, DVA Testing activities are currently covered by the DVTA Trading Fund and specifically these are:
 - Vehicle testing (Cars, Motorcycles, Light Goods Vehicles, Public Service Vehicles, Heavy Goods Vehicles, Buses, Trailers, Taxis, Vehicle Identity Check, Individual Vehicle Approval)
 - Practical driving testing (Cars, Motorcycles, LGV, Minibus, Bus, Driving Instructor, Motorcycle Instructor)
 - Driver Theory Testing
 - Other tests and licences (PSNI Road Traffic Collision Reports, Certificate of Basic Training, Certificate of Professional Competence)

4.4 It is proposed that the Order be extended to include the remaining DVA functions:-

Functions	Current Funding Arrangements
Road Transport Compliance and Enforcement Operations – of Freight, Taxis and Buses only	1. Payment by DOE for enforcement activity 2. Fees collected through taxi licensing, through and freight and bus testing for compliance activity
Driver Licensing (Ordinary Driving Licences – first licence & renewals, Medically Restricted licence renewals, Over 70's renewals, Vocational Driving Licences (Lorry & Bus Driving Licences)	1. Fees 2. Payment from DOE to fund any shortfall in fees
Digital Tachograph Card Operations	1. Fees
Taxi Licensing – Taxi Driver Licences, Taxi Operator Licences, Public Service Vehicle Licences	1. Fees 2. Payment from DOE to fund any shortfall in fees
Bus Licensing	1. Fees

Income and costs of proposed new activities (for the year ended 31 March 2015)

	Fees £'000	DOE Payment £'000	Costs £'000
Road Transport Enforcement & Compliance	1,486	2,056	3,474
Driver Licensing (incl. Tachograph cards)	5,253	580	5,833
Taxi Licensing	1,441	169	1,610
Bus Licensing	210	-	159

4.5 Given the changes to NICS Departments announced earlier in the year, it is also proposed to define the DVA functions in the Schedule to a new Trading Fund Order to ensure that any additional functions placed in the Agency within the new Department for Infrastructure can be considered for inclusion in the Trading Fund – that is, that the Trading Fund will encompass all DVA activities. At this stage, it is not possible to be certain whether any additional functions will be added to DVA when it becomes part of the Department for Infrastructure.

4.6 DVA sets fees that are designed to recover the full cost of the services it provides, including corporate costs such as Finance, IT, HR etc. Some costs are not considered to be recoverable through fees as they are not incurred in delivering the current service, such as project costs.

- 4.7 The Department has identified the following advantages of moving remaining DVA activities into the Trading Fund:
- A single funding regime will bring DVA into line with its ONS classification as a Public Corporation
 - Moves DVA to a more business-like funding arrangement – more financial flexibility to manage peaks and troughs in fee income
 - Allows the accumulation of reserves for investment in future developments - reducing the need for Departmental funding
 - More predictability of funding to help management of the delivery of demand-led services
 - A single set of combined annual accounts reporting the results for a single agency
- 4.8 The Department has not identified any disadvantages, for DVA and its customers, of the change

5. IMPACT ASSESSMENTS

Regulatory Impact Assessment

The Department has not identified any regulatory impacts.

Human Rights and Equality

The Department has not identified any human rights or equality impacts arising from the proposals.

Rural Issues Statement

The Department has not identified any particular impact on rural communities.

List of Consultees

The following is not an exhaustive list, but is indicative of the types of organisations this document was sent to.

All Executive Ministers and Junior Ministers
Leaders of parties in the Assembly
Other parties not in the Assembly
MPs/MEPs who are not party leaders or MLAs
The Speaker of the Assembly
Assembly Departmental Committee
Members of the NI Assembly
Assembly Business Office
NI Assembly Library
Chief Constable of Police Service of NI
Office of the Attorney General
OFMDFM Central Management Unit
North South Ministerial Council – NI Secretariat
Northern Ireland Office
Legal Deposit Libraries
Departmental Library
The Executive Council of the Inn of Court of NI
Belfast Solicitors Association
The Law Society of NI
School of Law, Queens University Belfast
School of Law University of Ulster
NI Court Service
HM Council of County Court Judges
Courts and Tribunal Service
Lord Chief Justice's Office
The Board of Deputies of British Jews
Civil Law Reform Division
Law Centre (NI)
NI Law Commission
Equality Commission for NI
Judge McKibbin, District Judge (Magistrates Court)
Human Rights Commission
NI Ombudsman
Confederation of British Industry
The General Consumer Council for Northern Ireland
Federation of Small Businesses
NI Association of Citizens Advice Bureaux
Food Standards Agency
NI Chamber of Commerce and Industry
NI Chamber of Trade
NIC/ICTU

The NI Council for Voluntary Action
The Society of Local Authority Chief Executives
NI Local Government Association
NI Judicial Appointments Commission
Ministry of Defence
Community Relations Council
All Executive Ministers and Junior Ministers
Leaders of parties in the Assembly
Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO)
Participation & the Practice of Rights Project
Catholic Bishops of Northern Ireland
Information Commissioner's Office
HM Revenue and Customs
Disability Action
Lord Chief Justice Office
The Northern Ireland Association for Mental Health (NIAMH)
Section 75 Groups
British Motorcycle Federation
Community Transport Association
Councils, Borough, City and District
Driving Instructor National Association Council
Federation of Passenger Transport (NI)
Freight Transport Association
Motorcycle Action Group (MAG) Ireland and UK
Road Haulage Association
Road Safety Council of Northern Ireland
ROSPA (NI)
Translink

© Crown copyright [2010]

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk.

This document is also available on the DOE internet, consultations page, at the address listed earlier in the document.

Similarly any enquiries regarding this document should be sent to us at the address listed earlier in the document.