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## **The Northern Ireland Action Plan**

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1. In Northern Ireland the Department of the Environment (DOE) is the taxi licensing authority and is responsible for taxi regulation policy. DOE welcomed the Office of Fair Trading's (OFT) report into the public hire taxi and private hire vehicle (PHV) market, which was published on 11<sup>th</sup> November 2003. The Department has also been conducting its own, more wide-ranging, Northern Ireland Review of Taxi Regulation. That Review is to report within the next three months on a package of reform proposals on which the Department will consult widely.
2. The OFT made a number of recommendations to Government, aimed at improving services for consumers. Taxi and private hire services have an important role to play in transport provision. This is especially so for people with a disability, on lower incomes, or who do not have access to a car. In areas poorly served by buses and trains taxis and PHVs may, at times, themselves perform a public transport role. For all users, these services can connect first or last trips to a journey making it easier to use public transport.
3. In considering OFT's recommendations, the Department has taken into account representations from key stakeholders who commented on them. These include consumer and disability interest groups and organisations representing the taxi industry.
4. This action plan addresses all of the OFT's recommendations and findings relevant to Northern Ireland. Separate Government action plans have been produced for England and Wales and for Scotland.

### **Quality and Safety Regulation**

5. Quality and safety regulation for public hire taxis and PHVs varies considerably across UK licensing authorities. The OFT states that there is a strong case for regulating quality and safety as:
  - consumers cannot judge certain standards when getting into a taxi or PHV; and
  - taxi and PHV services can have a role to play in broader social welfare policy.

6. It is vital to ensure that quality and safety standards are of a high level. OFT also recognize that taxi licensing authorities should be able to apply quality and safety regulations to suit their needs. However, there is a concern that excessive or disproportionate conditions can have a severe impact on the market. It is important, therefore that licensing authorities ensure that any quality and safety specifications set do not go beyond what is required to achieve their policy aim. To help licensing authorities, the OFT recommended that the Department for Transport promote and disseminate best practice in applying quality and safety regulations, involving the Scottish Executive and DOE in this process.
7. The Department agrees with OFT that quality standards have an important role to play in securing the safety of the travelling public and ensuring that they are provided with a high level of service. It also agrees that there is scope for developing and sharing best practice to facilitate and promote proportionality.
8. The Department will therefore work with others in Government, taxi licensing authorities and other stakeholders to develop and publish best practice guidance as OFT recommend. That best practice will comprehensively cover licensing issues including suitable criteria for licensed vehicles, drivers and PHV operators; driver training; safety; security and other topical issues. The draft guidance will also contain sections on fares (see below); enforcement; taxi zones; and flexible transport services. The aim would be to consult on draft guidance later this year, with a view to publication by the end of the year.

### **Regulating Fares**

9. The OFT recommends that licensing authorities should only set taxi fare tariffs which represent the maximum that can be charged, and not set fixed or minimum fares to:
  - protect vulnerable consumers;
  - address a lack of price competition; and
  - allow consumers to negotiate lower fares in certain situations.
10. The Department agrees with OFT that where the level of taxi fares is regulated by licensing authorities they should be a maximum,

and that fixed or minimum fares should not be set. This is already (or in the case of London, soon will be) the case everywhere else in the UK. In Northern Ireland only fares for Belfast public hire taxis are regulated and that is a fixed tariff. The Taxi Review is considering a range of other proposals relating to regulation of the level and structure of fare tariffs and how information about taxi fares should be made available to consumers.

11. To bring Northern Ireland into line with the rest of the UK the Department will bring forward legislation, as soon as it is feasible to do so, to change the basis on which Belfast public hire fares are set from a fixed tariff to a maximum. This change will be made in conjunction with other fare reforms resulting from the Taxi Review. This change will be made in conjunction with other fare reforms resulting from the Taxi Review.
12. The Department also notes OFT's advice that consumers should be encouraged to negotiate for lower fares, particularly when booking taxi services over the telephone. OFT will be asked to contribute guidance on measures to promote more price competition in the market, to be included in the best practice guidance for taxi licensing authorities. The guidance will make clear that initiatives to promote greater competition should not jeopardise the safety of consumers or drivers, or create enforcement issues.

### **Further Issues**

13. The OFT also commented on several further issues that concern taxi and PHV licensing but which are outside the remit of the market study.

### Taxi Licensing Zones

14. The OFT considers that where taxi licensing areas are divided into more than one zone, greater clarity would be brought to the market if licensing authorities removed the zones and established single taxi licensing areas. Northern Ireland is divided into two taxi zones, the five-mile radius around Belfast city centre and everywhere else. Public hire taxis in Belfast (but not elsewhere) must be wheelchair accessible and fitted with taximeters and their fares are regulated by the Department. These restrictions do not apply to public hire taxi operating outside Belfast.

15. The Department agrees in principle with the OFT's finding. It will consult later this year on proposals to eliminate the differences between public hire taxis in Northern Ireland, which will, over time, facilitate the removal of zones.

30 March 2004