



**Northern Ireland
Assembly**

**COMMITTEE FOR
REGIONAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

Review of Operator Licensing

8 September 2010

NORTHERN IRELAND ASSEMBLY

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REGIONAL DEVELOPMENT**

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Members present for all or part of the proceedings:

Mr Fred Cobain (Chairperson)
Miss Michelle McIlveen (Deputy Chairperson)
Mr Cathal Boylan
Mr Danny Kinahan
Mr Billy Leonard
Mr Trevor Lunn
Mr Ian McCrea
Mr Conall McDevitt
Mr George Robinson

Witnesses:

Ms Kellie Armstrong) Community Transport Association

The Chairperson (Mr Cobain):

We will now receive a briefing from the Community Transport Association. Good morning.

Ms Kellie Armstrong (Community Transport Association):

Good morning. I apologise because my colleague who was due to be here today is ill, so you have me all to yourselves.

I wrote to the Committee in June to highlight the concerns from the community transport sector regarding the Department of the Environment (DOE) consultation on the future of road operator licensing. Thank you very much for letting me come along here today to outline those concerns to the Committee. I have provided a paper that outlines the issues contained in that

letter. The community transport sector has met with DOE officials on several occasions to discuss those concerns, but the consultation is still ongoing. Some concerns may be addressed as an outcome of the consultation, but they are still very live concerns.

The consultation from DOE contains a preferred option on the way forward for road operator licensing. It has caused a number of concerns in the community and voluntary sector and, in particular, in the community transport sector. If the preferred option is realised, it will reduce the ability of community transport organisations to deliver community-led transport solutions for older people and people with disabilities; it will stop volunteers and community groups from being able to avail themselves of a community resource, such as a centrally managed community minibus; it will make volunteers pay DOE up to £250 to obtain a commercial driving licence in order to drive a centrally managed, community, not-for-profit vehicle; it will increase transport costs to funders and to the community; it will stop the use of funded vehicles for the Department for Regional Development's own programmes, including the rural transport fund and, as part of that, the Department of Agriculture and Rural Development (DARD) assisted rural transport scheme; it will force organisations whose transport services are ancillary to their objectives to buy minibuses, thus increasing the need for capital expenditure rather than the consolidation of community resources, which is currently in existence; it will devastate community organisations' ability to reduce rural isolation and social exclusion; and it will turn charities into semi-commercial organisations that will be unable to provide or engage volunteering solutions and will reduce the ethos of what community transport endeavours to provide.

Since we wrote to you initially, DOE officials have stated that, following the public meetings, they have changed some of the considerations outlined in the consultation paper. That is welcome, but we can only respond to the written consultation at this stage. DOE officials have asked the community transport sector to provide the evidence to prove the negative impact, which is difficult for us to do, as we are not within Driver and Vehicle Agency (DVA) enforcement. However, we will try our best to do that, and we already have some information to give to them and to the Committee.

The greatest concern for us is that DOE officials announced at the public meetings that the consultation aimed to give a knee-jerk reaction and to provide them with the evidence so that they could take the consultation forward. From the community and voluntary sector's point of view, it has been quite a difficult knee-jerk reaction because when the general public read documents,

such as the DOE consultation, they immediately feel that their community transport will be withdrawn with immediate effect. Of course, the consultation will take time to go through, but it has caused a lot of fear. It has caused fear for volunteer drivers too. Even during the consultation period, a number of volunteer drivers have stopped delivering services. Those are the issues that we are bringing forward, and I welcome the opportunity to hear your views.

Mr Kinahan:

Thank you for that presentation and for a clear, concise set of notes. I am sure that you have a fourth option that was put together by South Antrim Community Transport. Its main points included that we should encourage greater use of volunteers, and that is included in your submission to the Committee; more ability to share resources; and fewer rules that would allow arrangements to be a little freer. Should we oppose Europe-inspired regulations for as long as we can to try to keep things a little bit looser and then find a way of introducing such regulations slowly?

Ms K Armstrong:

The consultation was implemented by DOE to improve road safety, and everyone — no matter who the transport provider or the person using transport is — accepts that the improvement to road safety must be applauded, and we welcome changes to bring that about. The community transport sector does not have difficulty with the European legislation. Our difficulty is that GB has a section 19 permit and a section 22 permit that have undergone significant changes to improve and introduce road safety regulations.

DOE officials tell me that, because Northern Ireland has a regulated transport system, we cannot replicate such improvements. The section 10B permit here is equivalent to the section 19 permit in GB. DOE officials whom I met yesterday said that they did not know why being a regulated area means that we cannot replicate what has happened elsewhere in the UK. For instance, London's transport system, which is also regulated, can operate a community-type permit, and that works very well.

As the Committee heard, a section 22 permit allows community transport systems to provide innovative services that are identified by the community. The community might identify a route that is needed and decide to give it a go, although there is no funding for it. The section 22 permit that allows communities to do that in GB is not replicated here. That is why we have been

pushing for officials to consider that as a fourth option. We all admit, absolutely, that what we have needs to be improved, particularly from the perspectives of the DOE and DVA enforcement team. We are happy to work with the DVA enforcement team to bring about that improvement, but that does not take away from European legislation. The UK remit allows such changes elsewhere in GB. We simply say that option four, which was not considered, should be. We should see what has happened elsewhere in the UK and try to replicate it here. That would allow the community sector to provide services for people who are unable to access conventional public transport.

Mr Boylan:

The Environment Committee is also scrutinising these proposals, but we are all aware of the community and voluntary sector's contribution to closing gaps in community transport. The proposals before the Committee will take resources away from sports and other organisations, because they will require a licence to operate their transport, and that will cost money. I do not really have a question for Kellie. However, members of the Environment Committee are well aware of the issues involved and would like this Committee's support. We are scrutinising the Transport Bill, which covers transport provision by the community and voluntary sector. Failing to retain the section 10B permit system will lead to serious problems for local communities. People have to understand the impact that that would have, even outside the public transport arena, on the single operators and people who work in areas without public transport.

Mr G Robinson:

Kellie, I think that you were at the meeting in Coleraine at which a lot of concerns were expressed. Among the bigger concerns was the fact that the consultation period had been short and people, such as those involved in schools, had not had time to respond because of the school holidays and so forth.

Ms K Armstrong:

Yes.

Mr G Robinson:

After that meeting, I wrote to the Minister, from whom I received quite a detailed response yesterday, and it may be possible to share that with you at some stage.

Ms K Armstrong:

After that first public meeting, the consultation date was extended to 24 September. The Department was applauded for its recognition of the issues that would be created for schools, and that consultation extension was very welcome.

Mr G Robinson:

That is right.

Mr Lunn:

Thank you for your presentation. What will it cost the voluntary sector to fund the commercial driving licence for all paid and volunteer drivers?

Ms K Armstrong:

I mentioned that the licence will cost £250. That is the licence fee to the Department of the Environment for a commercial driving licence, whether it is a full D1 licence, removing the “not for hire or reward” element, or the full Driver Certificate of Professional Competence (CPC) costs. The licence fees are similar, but that figure does not take into account the training costs. With training costs and additional fees for ongoing training through a five-year period, the cost for each driver is £1,500. Currently, 16 rural community transport partnerships are funded by the Department for Regional Development. I know them inside out and upside down because I help the rural transport fund with those groups. They have in excess of 3,000 drivers. When that is multiplied by the £1,500, the cost in year one runs to £4.5 million. Of those 3,000 drivers, 118 are paid and the rest are volunteers. One of the unintended costs of the proposal is the loss of volunteers. Every one of the volunteers whom I have interviewed to date said that they did not want to become commercial drivers or to take work away from private operators. That is not their intention, but the idea of getting a commercial licence is frightening them off. That is an unintended consequence.

Even if 50% of those drivers decide that they are finished, and if each driver’s workload averages out at 10 hours a week, to employ drivers at a cost of £8 an hour over those 52 weeks would cost £6.25 million a year. We would have to pay that to replace the loss of those 1,500 volunteers. Some people might say that, if those volunteers disappeared, they would get somebody else to do it. At the minute, however, that salary cost does not have to be met because the volunteers do not get paid. The community and voluntary sector will have to meet a

minimum of £6.25 million a year just to cover the salary costs to replace those volunteers. In this economic climate, nobody will do that. My fear is that other unintended consequences will build from that, such as non-attendance at hospitals, a lack of people taking up education resources, rural isolation and social exclusion.

Mr Lunn:

What is your position on the DOE's preferred option, which is to split in two the licensing for community transport operators?

Ms K Armstrong:

The Community Transport Association and the sector are against that. The third option proposes three tiers of licence. The first tier is for private operators, and nothing will change in that regard. The second tier is aimed primarily at those community transport organisations that receive funding from DRD's rural transport fund. That tier-two licence will be purely for them because they are very visible in the community and are earmarked as providing quite a lot of work. Tier three is, for example, for the small church group that has a minibus and is made up of volunteers.

A charity that has been created by the community to deliver transport solutions should be no different from any other charitable group. For example, in Mossley there is a very small community transport organisation that was set up recently by an agreement among the communities in Newtownabbey to deliver transport services for people who cannot walk from the cul-de-sac down to the mainstream public transport route. It provides no more than 40 passenger trips a week, so it is a very small community transport group. It falls into tier two: it will have to have a commercial driving licence and a commercial PSV. Age NI is a well-known organisation throughout Northern Ireland and runs its own minibuses. That transport function is ancillary to its main charitable objectives, so it will not have to be commercially licensed. It will not have to do anything, but it could be running 2,000 passenger trips each week. We admit that the permit has issues and it can be improved, but one benefit is that there is a level playing field for all in the community and voluntary sector. It means that we can set a high standard so that everybody who provides transport meets road safety and passenger safety ideals.

Mr Lunn:

This is my last point, Chairperson, if you do not mind. Usually, I am quiet. Basically, this is a road safety initiative?

Ms K Armstrong:

Yes.

Mr Lunn:

Is there any evidence that community transport drivers cause any more accidents or injuries than any other road users?

Ms K Armstrong:

That issue came out in the consultation, and there is no evidence of that. To date, there has been one known prosecution of a false use of a section 10B permit. Although I will not say that every driver is perfect, and I am sure that there are a number of drivers who have speeding or parking tickets, there is no evidence to suggest that not having a commercial driving licence has meant that road safety has not been improved. Because it is not commercial, no alternative community-type licence comes through our licensing scheme. Therefore, we have developed MiDAS, the Minibus Driver Awareness Scheme, within the sector, and Brian Morrison, the chief examiner with the DVA, has admitted that it is a good holistic scheme that covers much of what is already in the commercial sector. It is not another letter that can be added on to a driving licence, but those in charge of community transport tell drivers that they are not allowed to drive a bus with passengers unless they have gone through additional training, and that has been accepted. The insurance claims ratio is next to nothing, although we can only go by information from the insurers that we know through Community Transport and those with whom we deal. I do not know whether it means anything to you, but it is less than 40%, which, apparently for anybody who knows anything about insurance, is very good. I have no evidence that community transport has created significant crashes, injury or damage to people or property.

Mr Lunn:

Wearing my previous hat, as an insurance man, I can tell you that many insurance companies would break your arm to get a claims ratio of 40%. I would settle for 90%.

Ms K Armstrong:

I defer to you.

The Chairperson:

We have a lot of business to get through and we are up against time. We have three more questions. Can we be as concise as we can?

Mr McDevitt:

You said that London has a regulated system and that it has managed not to fall into the trap that you are concerned about. What specific lessons could the DOE learn from that system?

Ms K Armstrong:

The DOE could ask to have a look at it. To date, any time that we have broached the subject, the answer has been that Northern Ireland has a regulated system. The DOE does not seem to have looked at London's system. I met DOE officials yesterday, and they have asked the Community Transport Association, which has worked with the Vehicle and Operator Services Agency (VOSA) and the Department for Transport in England, to put forward the changes and improvements that were made to the section 19 permit. In 1994, the section 10B permit was written on the basis of the original section 19 permit. We are grateful, at last, that we are able to get that evidence forward. The Community Transport Association facilitated officials talking to the Department for Transport in, I think, October 2009, but none of that discussion was followed through into the consultation. We now have the opportunity to do that, and the community sector would like to see whether the issues can be addressed by fixing what we currently have.

Mr Leonard:

I prefer to leave my comments, as my question relates to how the Committee reacts to Kellie's presentation.

The Chairperson:

Thank you very much.