Regulatory Triage Assessment
For Self-Certified Measures in Defra

Policy teams are advised to submit this assessment to their Better Regulation Business Partner, and, once signed-off, to upload the checklist alongside the relevant entry on SIPI. The assessment will need to be self-certified by Defra's BRU G7 Economist. The RTA fields have been amended to reflect the latest Better Regulation Framework updates which have introduced a de-minimis threshold, and a self-certification and call-in process.

Title of Measure	Identification of taxis and Private Hire Vehicles in Clean Air Zones
Lead Department/Agency	Defra
Expected Date of Implementation	1 April 2019
Origin (Domestic or International)	Domestic
Date of Assessment	9 August 2018
Lead Departmental Contact	Alison Maydom
SIPI Reference Number	Defra/ENV/018

Rationale for intervention and intended effects
Briefly summarise the reason for intervention and the intended effects of the new measure

The creation of a centralised database populated by all local authorities with taxi licensing functions (LAs) in England and Wales with certain licensing details of taxis and Private Hire Vehicles (PHVs), will facilitate charging those vehicles that do not meet the appropriate minimum emission standards, making it more likely that the predicted/modelled reductions in NO_2 concentrations within Clean Air Zones (CAZs) are delivered. At present it is not possible for LAs to identify taxi and PHVs that have been registered outside of their area of jurisdiction unless the vehicle has distinct body work to distinguish them from a private vehicle. They do not have access to information for vehicles licensed by other LAs (subsequently referred to as "out of area vehicles"). Such identification will be necessary in order to enforce charging arrangements for taxis and PHVs as part of CAZs. The 2017 *UK plan for tackling roadside nitrogen dioxide concentrations* estimated that the implementation of CAZs would generate an estimated £400m of health benefits through reduced NOx emissions

Viable policy options (including alternatives to regulation)
Set out the live policy options that are actively being considered. This should not include the 'status-quo' option.

- Powers under the Environment Act 1995 to require all English and Welsh LAs to share certain licensing data of taxis and PHVs with a central database

Description of Novel and Contentious Elements (if any)
Does the measure have novel or contentious elements that may attract stakeholder or political interest, or which may require additional analysis?

This measure is believed to have no contentious elements. It will simply mandate LAs to share taxi data with a central hub. This data is currently already collected and sharing the data to a central database should be a small additional burden. The information shared will not be of a level to identify confidential details. A public consultation will be held on this proposal.

Assessment of Impacts on Business
Describe how the business or community or voluntary sector will be affected, whether beneficially/adversely:

Businesses will not be directly affected by this measure. The legislation will simply mandate LAs to share taxi data with a central hub. LAs will be funded for this additional work. The database will become an integral part of the wider infrastructure being developed for the support of charging CAZs. Maintenance costs will therefore fall within this programme of work.

There will be small adverse impacts on LAs to initially convert the data (familiarisation costs) and to share the data weekly (admin costs). Communities will benefit through positive associated impacts with reduced concentrations of NO_2, including human health benefits. Having this data available to all LAs will facilitate charging CAZs so that those vehicles that do not meet the appropriate minimum emission standards can be charged, making it more likely that the predicted/modelled reductions in NO_2 concentrations within the CAZs are delivered.

- *Include some quantification of the range of impact (e.g. the number and type of businesses affected, and the additional obligations that are being imposed)*

Taxi and PHV licensing in England and Wales is undertaken by licensing authorities (district and unitary councils), all licensing authorities in England and Wales (315) will be affected by this measure. The additional obligation for these licensing authorities will be minimal; they already have data on taxis and PHVs licenced within their area of jurisdiction and they will simply have to convert and share this data to a central hub.

- *Indicate whether the impacts will be mainly one-off or ongoing*

One off impacts:
- Familiarisation - Each LA has this data already but it is likely that they have it in different formats. Initially each LA will have to convert the data they have into a common format and become familiar with how this data should be presented for the central database.

Ongoing Impacts:
- Administration costs - Each week LAs will have to update and share data on their taxis and PHVs with the central database.

- *estimate the likely costs associated with the impacts, including both monetisable and non monetisable costs*

Monetisable:
- Administration costs: Estimated annual cost for all LAs to update and share data is £188,100 (see Supporting evidence section 4 – Table 1,2, 3 and Annex 1)

Non-monetisable:
- Familiarisation costs
- Benefits associated with efficient CAZs.

- *give orders of magnitude of the costs, and if possible, benefits*

N/A

- *For call-in purposes, please also explain why the net impacts are below the de-minimis threshold of +/- £5m EANDCB and identify whether there are any significant gross effects despite small net impacts.*

The Equivalent Annual Net Direct Cost to Business is £0 as this measure has no impact on businesses (see section 4 – Table 4 of Supporting evidence and Annex 2)

The Net Present Value of the intervention is also low (-£1.6m) (see Table 4)

There are no significant gross effects.

Brief Assessment of Distributional Impacts
Will the measure have significant distributional impacts? For example, will the measure lead to a significant transfer between different business and sectors?

This measure will not lead to any distributional impacts. All LAs will be required to share this information and no individuals or businesses will be affected.

Brief Assessment of Small Business Impacts
Will the measure lead to disproportionate burdens on small businesses?

This will not lead to disproportionate burdens on small businesses.

Brief Assessment of Wider Impacts
Will the measure have significant wider social, environmental, or financial impacts?

This measure will not have any significant wider impacts.

Summary of monetised impacts
If impacts have been estimated please provide
- *Estimated Net Present Value*
-£1.6m (see Table 4)

- *Estimated Business Net Present Value*

£0 (see Table 4)

- *Estimated Equivalent Annualised Net Costs to Business*

£0 (see Table 4)

- *Appraisal period (please explain if it's different to the 10 year appraisal period typically adopted)*

10 years

- *The Price Base Year and Present Value Base Year chosen*

Price base year: 2016
Present Value base year: 2019

- *A breakdown by transitional and ongoing costs, if applicable*

N/A

Rationale for producing an RTA (as opposed to an IA)
Please summarise why an RTA was a proportionate approach to estimating the impacts of your policy option.

- This is a policy with small scale impacts on LAs with taxi licensing functions only.
- There are no impacts to businesses of this measure. Equivalent Annual Net Direct Cost to Business is £0 (below the £5m threshold). (see Table 4)
- We believe this proposal will have no contentious elements and will be carrying out a public consultation.
- The use of this database will facilitate implemented CAZs in being effective, making it more likely that the predicted/modelled reductions in NO_2 concentrations within the CAZs are delivered.

For the above reasons it would be disproportionate to carry out a full IA and it is necessary that the fast track appraisal route is used.

	Name, Role	Date
Departmental sign off	**Alison Maydom**	**28/08/18**
Economist sign off (senior analyst)	**Alexander Barr**	**28/08/18**
Better Regulation Unit Sign off		
Confirmation of self-certification by the BRU G7 Economist		

Supporting evidence

The narrative in this section should provide evidence that supports the information in the summary template. For the majority of proposals this would be around 2-3 pages and no more than 6 pages of supporting information. The narrative should include the following items:

1. The policy issue and rationale for government intervention

For deregulatory proposals, this section should set out what the existing regulatory position is, why it exists and how it currently affects business. It should also cover what is being removed/repealed or simplified.

For low-cost proposals this should set out the policy issue that you are seeking to address.

Following a legal challenge by Client Earth, we published in July 2017 the UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations, setting out how we will achieve compliance with statutory limits in the shortest possible time, supported by a £3.5 billion investment into air quality and cleaner transport. The Plan required named LAs to develop and implement local plans with a view to achieving complianceThis is underpinned by £475 million in funding. – Nationally, through our modelling we (JAQU) found CAZs to be the quickest route to compliance. We now need to do everything necessary to enable implementation of any charging scheme which LAs might introduce as part of a CAZ. The first CAZ is expected to be operational in autumn 2019.

There are four classes (A-D) of charging CAZ in England, all of which charge pre-Euro 6 diesel and pre-Euro 4 petrol taxis and PHVs. Only class D CAZs will charge personal cars. The Welsh Government have consulted on a separate Framework which, in its current draft form, provides flexibility to Welsh authorities to select any combination of vehicle groups that may be subject to a charge[1]. If LAs implement a class A-C charging CAZ (or a combination of vehicle groups in Wales that would include taxi's/PHV's, but not private cars) they will need to be able to distinguish a private car from a taxi or PHV, noting that these vehicles may look similar.

There are around 280,000 taxis (hackney carriages) and PHVs currently registered in England.[2] There are around 10,000 Taxis and PHVs currently registered in Wales[3]. (290,000 in total in England and Wales) A taxi can be hailed on the street

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[1] Welsh Ministers have yet to take a decision on whether or not to apply a categorisation system in line with England, or whether to retain wider flexibility as proposed in the current draft *Clean Air Zone Framework for Wales*.

[2] https://www.gov.uk/government/statistics/taxi-and-private-hire-vehicles-statistics-england-2017

[3] https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehilces-and-their-drivers

and use taxi ranks whilst a PHV must be pre-booked. Taxis can operate as PHVs anywhere outside of their licensed area. Taxi and PHV licensing is undertaken locally and details are recorded by individual LAs. They do not share this information between themselves and it is not possible for LAs to identify taxis and PHVs operating in their area that are licensed elsewhere. For PHVs, the driver, vehicle and operator must be licensed with the same LA but they are able to complete jobs outside of their own licensing area as along as the booking is routed through or sub-contracted to an operator in their licensing area.

This current situation means that taxis and PHVs operating out of area cannot be identified by an LA unless the vehicle has distinct body work. If this situation is not resolved then:

- LAs will not be able to identify all licensed taxis and PHVs operating in their area of jurisdiction that are liable to pay a CAZ charge. This would be unfair and unacceptable to stakeholders;
- CAZs would not be as effective as modelling predicted because fewer pre-Euro 6 standard taxis and PHVs would be dis-incentivised from entering the zone. This could result in the need to introduce a higher class of CAZ in order to generate the required reductions in NO_2 concentrations to deliver compliance with statutory NO2 limits, affecting more types of vehicles (and in some cases private cars).

2. Policy objectives and intended effects

A brief description of the intended effects of the regulatory or deregulatory proposal.

The policy objective is to require LAs to share certain licensing data (primarily vehicle registration number plates) of taxis and PHVs with a central database. This data would then be available to those LAs wishing to implement a class A-C CAZ. Ideally the database would include information on vehicles licensed in England and Wales in order to ensure that non- compliant vehicles do not opt to licence in Wales and operate in England, or vice-versa.

The intended effect will be that any taxi or PHV entering a CAZ that has charging arrangements in place for this type of vehicle will be charged unless the vehicle meets the appropriate Euro standards. This will facilitate charging those vehicles that do not meet the appropriate minimum emission standards, making it more likely that the predicted/modelled reductions in NO_2 concentrations within the CAZs are delivered.

3. Policy options considered, including alternatives to regulation

This should cover the main viable policy options that are actively being considered. This should include any alternatives to regulation as well as the highest cost

regulatory option. This should not include the 'status-quo' option as this has no impact beyond the status quo.

> Option 1: Powers under the Environment Act 1995 to require all English and Welsh LAs to share certain licensing data of taxis and PHVs with a central database

4. Expected level of business impact

This section should explain how the business or voluntary sector will be affected, whether beneficially/adversely as a result of intervention. It should be clear what the new proposals are, who they will impact and the likely scale of the impact.

For low-cost regulatory measures where there are a range of viable policy options, the option with the highest cost to business should be assessed.

In particular this section should include the key assumptions that have been made to support analysis of the following areas:

- *Quantification of the range of impact (e.g. the number and type of businesses affected, and the additional obligations that are being imposed)*

There are 315 taxi licensing authorities in England and Wales[4]. There are various definitions of local authority, only district and unitary councils (and TfL for London) are responsible for licensing taxis/ PHVs. All taxi licensing authorities will be required to submit their taxi/PHV licencing data.

- *Indication of whether the impacts will be mainly one-off or ongoing*

Administration costs – ongoing
The main cost of this legislation will be the increased administrative burden placed on LAs. The legislation will require LAs to share data on a weekly basis. Therefore, this is an ongoing impact.

Familiarisation costs – one-off
We expect that there will be some costs associated with LA employees becoming familiar with the format of the central database and initially converting the existing data. Therefore, this is a one-off cost.

- *Estimation of the likely costs associated with the impacts, including both monetisable and non monetisable costs*

Monetised costs:
- Administration costs: LAs already have this data so will be required to update and share it to the central system on a weekly basis, and therefore this is not

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[4] https://www.gov.uk/government/statistics/taxi-and-private-hire-vehicles-statistics-england-2017

expected to use much resource. The specific amount of time it will take the LAs to share the data is not known.

A previous IA[5] that involved cross-checking a database suggested 5 minutes per case. This is not directly comparable to the situation here. For the existing IA the administrative task involved looking at individual driver level data, cross checking a centralised database and in some cases an additional administrative burden would apply for cases where licences were found to be revoked or refused. This is different to our situation because it wouldn't involve moving/sharing data for all taxi drivers. Based on this information we have estimated the total time to complete the administrative task for the proposed database would take longer than the time taken for the administrative task described in this previous IA due to the greater level of data/information involved.

We have explored a low scenario (10 minutes), high scenario (60 minutes) and best estimate (30 minutes) of the time it is likely to take each LA to complete this task per week. Based on the limited data available and uncertainty of the time it would take LAs to perform this administrative task we feel our estimates are reasonable. We have calculated the costs for 1 year and then this has been projected over a 10 year period.

Key Assumptions:
- LAs will share the data on a weekly basis
- For 1 FTE individual it will require 30 minutes per week to complete this task (10 minutes in the low scenario and 60 minutes in the high scenario). It is assumed that the time taken will remain the same each week.
- This amount of time is taken as a proportion of weekly hours (assumed 37) and multiplied by the gross weekly wage (£424.80) for a local government administrative occupation.[6]
- This is then multiplied for the full year and then multiplied by the number of taxi licensing authorities (315). We have assumed that taxi licensing authorities in Wales will be included in this proposal (not yet confirmed). The total number of taxi licensing authorities in Wales is 22,[7] the total amount of taxi licensing authorities excluding Wales (in England) is 293.
- Non salary costs are not know but are assumed to be equal to the salary costs, this is then added to the salary costs to obtain a total annual cost estimate.
- Total annual costs have been rounded up to the nearest hundred in this document.

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[5] https://publications.parliament.uk/pa/bills/cbill/2017-2019/0022/HCB22IA.pdf

[6] ONS ASHE – Median gross weekly pay (2016) for 4113: Local government administrative occupations available at:
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashetable14

[7] https://statswales.gov.wales/Catalogue/Transport/Roads/Public-Service-Vehicles/licencedtaxisandphvs-by-localauthority-surveyyear

Table 1: Annual administrative cost (best estimate)

Best estimate of time taken	
Variables	**Assumption**
Number of employees	1 FTE
Weekly wage	£424.80
Time taken for administration (minutes per week)	30
% of weekly time (assumed 37 hour/2220 min week)	1.35%
Value of employee's time (week)	£5.74
Value of employee's time (year)	£298.51
Number of LAs	315
Salary cost for all LAs	£94,030.05
Non salary cost	£94,030.05
Total annual cost	£188,100

Table 2: Annual administrative cost (low estimate)

Low estimate of time taken	
Variables	**Assumption**
Number of employees	1 FTE
Weekly wage	£424.80
Time taken for administration (minutes per week)	10
% of weekly time (assumed 37 hour/2220 min week)	0.45%
Value of employee's time (week)	£1.91
Value of employee's time (year)	£99.50
Number of LAs	315
Salary cost for all LAs	£31,343.35
Non salary cost	£31,343.35
Total annual cost	£62,700

Table 3: Annual administrative cost (high estimate)

High estimate of time taken	
Variables	**Assumption**
Number of employees	1 FTE
Weekly wage	£424.80
Time taken for administration (minutes per week)	60
% of weekly time (assumed 37 hour/2220 min week)	2.70%
Value of employee's time (week)	£11.48
Value of employee's time (year)	£597.02
Number of LAs	315
Salary cost for all LAs	£188,060.11
Non salary cost	£188,060.11
Total annual cost	£376,200

(See Annex 1: Admin costs)

Non-monetised costs:
- Familiarisation costs: we have not monetised the familiarisation costs because the exact format/software used for the central system is not yet known. It is also not known how much the central database will differ from existing LAs data collection formats. It is therefore difficult to estimate how much this would cost. Furthermore, there is no robust data to underpin any analysis and the costs will likely be covered under existing training budgets. Given the relative non-complex nature of converting the data, it is our expectation that the familiarisation time (and therefore associated cost) will be negligible.

Non-monetised benefits:
Reduced concentrations of NO_2: We have not monetised the associated benefits of effective CAZs (reduced concentrations of NO_2) from LAs being able to identify all taxis and PHVs. This is because it can't accurately be quantified how many additional taxis and PHVs would be identified as a result of the national database, additionally it is even more difficult to estimate what further impacts that could then have for example on health as there are many cofounding factors. We are unable to estimate the amount of benefit due to this scheme but The 2017 *UK plan for tackling roadside nitrogen dioxide concentrations* estimated that the implementation of CAZs would generate an estimated £400m of health benefits through reduced NOx emissions.

- *The overall orders of magnitude of the costs, and if possible, benefits*

N/A

Quantification will be difficult at an early stage and attempts to provide spurious accuracy should be resisted. Where impacts cannot be reliably monetised, a qualitative description of the impacts should be undertaken. In particular, a key metric is the number of businesses that will be affected.

Table 4: NPV and EANDCB calculator

Cost of Option (2016 prices, 2019 present value)			
Total Net Present Social Value	**Business Net Present Value**	**Net direct cost to business per year**	**BIT Score**
-1.6	0.0	0.0	0.0
Appraisal Period (Years)	10		

	Net Benefit (Present Value (PV)) (£m)		
Low:	-3.2	High: -0.5	Best Estimate -1.6

Costs	Total Transition (constant price)	years	Average Annual (excl. Transition, constant price)	Total Cost (present value)
Low	0.0		0.1	0.5
High	0.0		0.4	3.2
Best Estimate	0.0		0.2	1.6

Benefits	Total Transition (constant price)	years	Average Annual (excl. Transition, constant price)	Total Benefit (present value)
Low	0.0		0.0	0.0
High	0.0		0.0	0.0
Best Estimate	0.0		0.0	0.0

Direct impact on business (Equivalent Annual) £m:		
Costs: 0.0	Benefits: 0.0	Net: 0.0

All numbers are presented in millions of pounds.

The standard discount factor of 3.5% is used.

(See Annex 2: IA calculator)