

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fourth Delegated Legislation Committee

DRAFT ROAD SAFETY (FINANCIAL PENALTY
DEPOSIT) (APPROPRIATE AMOUNT)
(AMENDMENT) ORDER 2018

Monday 12 November 2018

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Friday 16 November 2018

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The Committee consisted of the following Members:

Chair: Ms KAREN BUCK

† Boles, Nick (*Grantham and Stamford*) (Con)
 † Brown, Alan (*Kilmarnock and Loudoun*) (SNP)
 † Cadbury, Ruth (*Brentford and Isleworth*) (Lab)
 † Coaker, Vernon (*Gedling*) (Lab)
 † Donelan, Michelle (*Chippenham*) (Con)
 † Foxcroft, Vicky (*Lewisham, Deptford*) (Lab)
 † George, Ruth (*High Peak*) (Lab)
 † Grant, Mrs Helen (*Maidstone and The Weald*)
 (Con)
 † Heappey, James (*Wells*) (Con)
 † Jones, Mr Marcus (*Nuneaton*) (Con)
 † Kawczynski, Daniel (*Shrewsbury and Atcham*)
 (Con)

McKinnell, Catherine (*Newcastle upon Tyne North*)
 (Lab)
 † Maskell, Rachael (*York Central*) (Lab/Co-op)
 † Norman, Jesse (*Parliamentary Under-Secretary of
 State for Transport*)
 † Philp, Chris (*Croydon South*) (Con)
 † Seely, Mr Bob (*Isle of Wight*) (Con)
 † Yasin, Mohammad (*Bedford*) (Lab)

Jeanne Delebarre, Jonathan Whiffing, *Committee Clerks*

† **attended the Committee**

Fourth Delegated Legislation Committee

Monday 12 November 2018

[MS KAREN BUCK *in the Chair*]

Draft Road Safety (Financial Penalty Deposit) (Appropriate Amount) (Amendment) Order 2018

6 pm

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): I beg to move,

That the Committee has considered the draft Road Safety (Financial Penalty Deposit) (Appropriate Amount) (Amendment) Order 2018.

It is a pleasure to serve under your chairmanship, Ms Buck. We had a valuable debate on the international road transport permits regulations and trailer registration regulations last week. The statutory instrument we are considering today is part of a package to put in place the necessary framework and systems for the haulage industry after the UK leaves the European Union in March 2019. It is very narrow in scope; it simply sets the level of a set of financial penalties. The road haulage sector plays an integral role in keeping our economy moving and helping businesses throughout the UK to trade with international partners in the EU and beyond. This instrument will support that with the effective enforcement of those regimes.

The order will support the enforcement of the haulage permits and trailer registration regimes. Its provisions will come into force on the same days that the related offences come into force. For the haulage permits and trailer registration regimes, the draft order will apply from 1 January and 28 March 2019 respectively. Later this month a further order will be laid, subject to the negative procedure, to designate offences for both permits and trailer registration, for which a fixed penalty notice may be issued or a requirement to pay a financial penalty deposit may be imposed. The order will set the level of the financial penalties associated with those offences.

Financial penalty deposits are an effective system for enforcing road traffic law on non-UK offenders and UK offenders with no fixed abode. The Driver and Vehicle Standards Agency can issue fixed penalties to non-UK residents and UK residents and request a financial penalty deposit from any offender without a fixed UK address. As such, fixed penalties ensure that enforcement can be undertaken regardless of whether a driver is from the UK or elsewhere. The offences and deposit amounts under both regimes replicate the existing enforcement regimes for international haulage and motor vehicle registration. Penalty deposits for haulage permit offences will be £300. For trailer registration they will be £100, except for the offence of obstructing an examiner, which will be £300.

Members will be particularly interested in how the order will affect Northern Irish hauliers. The enforcement orders cover Great Britain only, as enforcement in Northern

Ireland is covered by devolved legislation. It will be for the Northern Ireland Executive and civil service to decide whether they wish to enforce these offences using financial penalty deposits. Nevertheless, the absence of the Executive will not prevent the Northern Ireland Driver and Vehicle Agency from enforcing such offences through the Northern Irish courts system.

Approval of this draft instrument is important to ensure the effective enforcement of the regimes that have already been considered in Committee. The order will ensure that effective and equitable enforcement action may be taken against UK and non-UK drivers alike for offences committed under those regimes. I commend the draft order to the Committee.

6.3 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Ms Buck. Given what we have seen in the past week, it appears that this legislation will more or less be required as a result of the chaos ensuing in Government over Brexit, not least in the Department for Transport. The draft order puts forward the penalties that would apply should someone not have the required permits that have been discussed in the regulations we debated last week. Opposition Members challenged then the random nature in which penalties could be awarded, and that still very much concerns us, because a secure economy requires a systematic mechanism to award permits. That was clearly absent in the Government's fall-back position.

I do not know what this financial penalty structure is meant to achieve or what evidence there is that it will achieve the desired outcome, in the light of the small amount of the penalties—£300 to £100. Will the penalty be used in part to offset the cost of running the scheme, and will it be included in or excluded from the amount set aside? What evidence is there that such a low penalty will act as a lever to ensure that goods vehicles have the correct permit documentation present? I await the Minister's response.

6.5 pm

Vernon Coaker (Gedling) (Lab): May I ask the Minister a couple of questions that occur to me? If someone gets one of these penalties, how long will they be given to pay it? What happens to them if they do not pay it? What are the consequences for them? The Minister said that the scheme has been very effective, but can he give us some idea about what happened under the old scheme? How many drivers failed to respond? What is the amount outstanding? What was the previous amount and what has it gone up to? I know that it is an easy amendment and nobody is opposed to it, but I think that it would be helpful to have more information about the effectiveness of the old scheme and what we have moved to. I am particularly interested in how long someone has to pay the deposit and what happens to them if they do not.

6.6 pm

Jesse Norman: Let me pick up the questions that have been asked. The hon. Member for York Central asked whether the fines are set at a level that will ensure effective enforcement. We believe that they are, as does expert opinion, because the enforcement tracks the levels currently levied for domestic offences. If the offence

goes further than that and becomes a matter of systemic abuse or fraud, then different laws apply and different fines—potentially much larger ones—can apply as well.

Rachael Maskell: The Minister refers to domestic offences, but we are talking about commercial offences, which are completely different. Could he comment on that and say where his expert evidence stems from?

Jesse Norman: For example, the fine for using a vehicle

“in...contravention of the requirement to possess a Community licence”

is £100. The fine for causing or permitting

“a breach of a prohibition...on taking a vehicle to a country without reasonable excuse”

is £300. These are well-recognised numbers within our domestic enforcement.

Rachael Maskell: What about commercial fines?

Jesse Norman: That is precisely what they apply to: the domestic commercial environment. If someone commits multiple offences, they can be fined on multiple different grounds. If someone commits systemic or fraudulent offences, they will of course be prosecuted at a significantly greater level.

The hon. Member for Gedling asked how long people have to pay. If it is a fixed penalty deposit, they are required to pay immediately at the roadside, and they can be immobilised if they fail to do so or if there is a risk that they might flee. In response to his other question, if they fail to do so they can be taken to court. The normal regime of enforcement applies.

Alan Brown (Kilmarnock and Loudoun) (SNP): A communication today from representatives of the haulage industry speculates that the new permit system will be over-subscribed at the UK end, so the same may apply to reciprocal arrangements. Are the fines enough of a deterrent? If companies do not get the permits they seek, people’s livelihoods and businesses are at stake.

Jesse Norman: In previous Committees I have described several scenarios and set out why we believe that hauliers will be able to get permits in each case, whether through

a liberalised trade regime, through a European Conference of Ministers of Transport regime or through bilateral arrangements. None of those, however, is germane to the question before the Committee, which is what the fines associated with the various offences should be.

Let me fill out the picture. The Committee will recall that we undertook a consultation on the level of fines. There has already been considerable discussion with industry on the matter.

Rachael Maskell: The Minister has not yet answered my question about whether the fines will be used to offset the costs of the scheme. Will he make it clear where the money from the fines will go?

Jesse Norman: The fines will track our usual approach. They will go into general Treasury funds, as they would under any circumstances; they will not be used as some form of offset or—

Rachael Maskell: The Treasury, not the Department?

The Chair: Order. If the hon. Lady wishes to intervene, she should stand and intervene properly.

Jesse Norman: Let me be perfectly clear: the fines are to be levied in the usual way, and there is no question of any offset. As I have already said in a previous Committee, the permits confer a valuable right. That is why it is appropriate for people to be charged a suitable amount purely on a cost recovery basis, with up-front costs paid by the Government.

Approval of the draft order is important in ensuring that effective enforcement action can be undertaken, against UK and non-UK drivers alike, for offences committed under the regimes that the Committee has considered. Once again, I commend the draft order to the Committee.

Question put and agreed to.

6.12 pm

Committee rose.

