



Regulatory  
Impact  
Analysis:  
Dispatch  
Centre  
Operating  
Standards

Final Report

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# Introduction

This document is a Regulatory Impact Analysis (RIA) of the proposed new operating standards for Dispatch Centres. It has been carried out by Fitzpatrick Associates on behalf of the Commission for Taxi Regulation (hereafter referred to as the Commission). The standards, which are outlined in “ROADMAP: Towards a New National Code of Regulation for Taxis, Hackneys and Limousines in Ireland”<sup>1</sup>, propose that Dispatch Centres will be required to meet certain standards of service to include:

- developing and implementing a complaints process for their customers;
- providing a fully accessible service including the availability of wheelchair-accessible taxis at all times of operation;
- putting in place improved and more accessible booking procedures including provision for booking by fax, e-mail and SMS messaging;
- providing training for staff in customer care and dealing with people with disabilities;
- ensuring all affiliated drivers and vehicles are properly licensed and compliant;
- preparing and implementing a health and safety statement;
- providing information to the Commission on vehicles and drivers affiliated.

Dispatch Centres would also be encouraged to participate in a voluntary quality assurance scheme. Details of Dispatch Centres that have achieved the voluntary quality mark will be published, with the Commission carrying out regular checks to ensure that relevant standards are met. In addition, the Commission proposes to provide details of the number of fully accessible and wheelchair-accessible vehicles affiliated to each Dispatch Centre on its website, which can be found at [www.taxiregulator.ie](http://www.taxiregulator.ie).

The development of the operating standards for Dispatch Centres is at an early stage, and as such this RIA is therefore being conducted on the basis of assumptions about the nature and content of each standard. This has been drawn from consultations with the Commission. The analysis also follows the guidelines and structure set out in the Department of An Taoiseach’s publication, “*RIA Guidelines: How to Conduct a Regulatory Impact Analysis*”<sup>2</sup>.

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<sup>1</sup> “ROADMAP: Towards a New National Code of Regulation of Taxis, Hackneys and Limousines in Ireland”, Commission for Taxi Regulation, June 2005.

<sup>2</sup> “RIA Guidelines: How to Conduct a Regulatory Impact Analysis”, Department of the Taoiseach, October 2005.

# 1. Policy Problem and Objectives

## 1.1 Problem

Taxis and hackneys are often affiliated to Dispatch Centres, which provide radio communications to their affiliates and take telephone bookings in return for a fee. Dispatch Centres' role in providing small public service vehicle (SPSV) services is also increasingly important, as more and more customers are using advance booking services. For example, the "*National Review of Taxi, Hackney and Limousine Services*" (hereafter referred to as the National Review)<sup>3</sup> found that nearly two-thirds of all bookings (64%) are taken by phone, with 33% of bookings taken on the street and 3% of bookings taken in hackney offices. While there are less bookings taken by phone in Dublin, Ireland's largest SPSV market, its proportion of phone bookings has nonetheless increased from 38% in 2001 to 53% in 2005.

In general, based on the results of the National Review, both consumers and business users are reasonably happy with the level of service provided by SPSVs in Ireland. While this is broadly accepted to be the case, the Commission feels that there are some areas of concern, which impinge on Dispatch Centre activities and which need to be addressed. These issues include the following:

- currently, there are no regulations governing the operation of Dispatch Centres other than in relation to the licensing of communications equipment (regulated by ComReg, the Commission for Communications Regulation);
- while many SPSV drivers affiliate to Dispatch Centres, they remain self-employed owner-drivers who decide their own hours of work. This can lead to ambiguity and a lack of accountability if customers receive poor service, e.g. when pre-booked SPSVs fail to collect passengers;
- a large proportion of wheelchair users (55% of those surveyed in the National Review) have been refused service by Dispatch Centres, mainly due to a lack of suitable vehicles;
- finally, there is limited information available on many Dispatch Centre operations, and this needs to be addressed.

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<sup>3</sup> "*National Review of Taxi, Hackney and Limousine Services*", Commission for Taxi Regulation, June 2005.

## 1.2 Objective

Dispatch Centres are often the first point of contact for many passengers, particularly people with disabilities. Given the obvious importance of this role, the Commission's objective with regard to Dispatch Centres is to improve the quality and accountability of the services provided. This is because customers need to know that they can have confidence in providers' ability to deliver a service that has been booked, or that they have some form of redress in the event of failure to deliver the required or booked service.

## 2. Description of Options

### 2.1 Option 1: Commission Proposals

The service standards for Dispatch Centres, as proposed by the Commission, cover a number of different areas. Each of these areas is described below.

**Dispatch Centre Licensing:** Section 34 of the Taxi Regulation Act 2003 provides that the Commission may make regulations in relation to the control and operation of SPSVs and their drivers and the fitting and operation of equipment in the vehicles. This also includes the operation of Dispatch Centres.

In future, all Dispatch Centres will therefore have to obtain a licence from the Commission in order to operate. To improve the quality of service for people who book SPSVs off-street, the Commission also proposes that all Dispatch Centres be required to meet certain minimum standards of service. These standards of service will be mandatory if a Dispatch Centre is to obtain a licence, and they will cover a number of key areas – service provision, accessible services, accessible booking procedures, complaints mechanisms, staff training, driver and vehicle licensing and compliance, health and safety, and information. In addition, participation in a voluntary quality assurance scheme will be optional.

At present, it is estimated that 50% of SPSV drivers are affiliated to a Dispatch Centre. Under the new regulations, all SPSV drivers will be encouraged (but not required) to affiliate to Dispatch Centres that meet the required standards. However, the Commission also proposes to seek approval to introduce a form of financial relief or assistance for the purchase of fully accessible vehicles. If this is approved, any person in receipt of financial assistance for the purchase of a fully accessible vehicle will be required to affiliate to a Dispatch Centre for the purpose of ensuring the delivery of service to people with disabilities. The independence and self-employed status of individual drivers would not be compromised by these arrangements, but it is hoped that greater co-operation and co-ordination of services would be achieved.

It is proposed that all Dispatch Centres must have standards in place by March 2007. Commission personnel will then audit all Dispatch Centres prior to licensing, which is scheduled for commencement in June 2007. Current timelines require that all Dispatch Centres be licensed by September 2007.

**Improved Service Provision:** The Commission intends to set a minimum standard for a professional Dispatch Centre booking service for all customers in order to ensure that services to

customers are either (a) successfully delivered or (b) accompanied with an alternative/redress in the case of failure to deliver service. This means that Dispatch Centres should follow up with customers in cases where they are, for whatever reason, unable to provide a service that has been booked, e.g. by informing the customer and, if possible, providing an alternative. The same would also apply where a service can still be provided, but not within the expected timeframe, e.g. at peak times or at times when there is a shortage of drivers available. Furthermore, records of bookings will have to be made available to the Commission on request.

This standard is only likely to be feasible on the basis described above, as Dispatch Centres are unlikely to be able to “guarantee” service at all times. This is because (as mentioned in Section 1.1 above) taxi and hackney drivers are self-employed people who ultimately decide when and how they want to work. Dispatch Centres, therefore, do not have control over drivers and cannot guarantee that capacity is available at all times.

**More Accessible Booking Procedures:** The Commission will also require Dispatch Centres to put in place improved and more accessible booking procedures for consumers. In practice, this means that the Commission will require Dispatch Centres to provide at least two different methods for booking a service, e.g. by providing the option of booking services by fax, e-mail or SMS as well as by phone.

**Complaints Process:** If not already in place, each Dispatch Centre will be required to develop and implement a complaints process for the consumer. The Commission has not prescribed how this should operate within any particular Dispatch Centre, and it is for the operators themselves to decide whether such a process or system should be, for example, paper-based or electronic. Dispatch Centres should be the first point of contact for customer complaints, however, and the first to take action on a complaint before any further redress is sought through the Commission’s own planned complaints process. Records of complaints will also have to be made available to the Commission on request.

**Training:** Either the owner or manager of each Dispatch Centre will be required to complete the Driver Skills Development Programme that is being developed for SPSV drivers. All other Dispatch Centre staff, where not already provided, should also undertake some form of relevant certified training in customer care, health and safety, and in dealing with people with disabilities. In addition, it is envisaged that all training will be provided locally.

**Driver and Vehicle Records and Information:** The Commission will require all Dispatch Centres to retain proper paper records to show that all affiliated drivers and vehicles have proper documentation to allow them to operate SPSV services. In practice, this means that Dispatch Centres must retain records of SPSV licences and SPSV driver licences.

Dispatch Centres will also be required to provide information to the Commission on vehicles and drivers affiliated, including details on the number of fully accessible and wheelchair-accessible vehicles affiliated. The Commission in turn proposes to provide details of the number of fully accessible and wheelchair-accessible vehicles affiliated to each Dispatch Centre on its website [www.taxiregulator.ie](http://www.taxiregulator.ie). Finally, the Commission will require Dispatch Centres to update information on at least an annual basis.

**Health and Safety:** In compliance with Section 20 of the Safety, Health and Welfare at Work Act 2005, all employers must have a Health and Safety Statement. As a result of this legislation, the Commission will therefore expect all Dispatch Centres to prepare and implement a Health and Safety Statement. Health and safety requirements will relate purely to the Dispatch Centres and their staff, i.e. by providing a proper statement that is applicable to the Dispatch Centre premises and all activities within the premises. Dispatch Centres will not, however, be responsible for monitoring the health and safety “readiness” of the vehicles of affiliated drivers (other than keeping a record of all necessary documentation – see above).

It is also important to bear in mind that this is a statutory requirement, which Dispatch Centres are obliged to comply with regardless of any proposed Commission standards.

**Quality Assurance Scheme:** Dispatch Centres will also be encouraged to participate in a voluntary quality assurance scheme. While all Dispatch Centres will be required to at least meet minimum standards across all requirements, obtaining a quality mark will probably require standards that are above the minimum for some or all requirements. This could potentially include different categories of quality mark.

The Commission will carry out regular checks to ensure that relevant standards are met, and an awareness campaign will encourage customers to notify the Commission of exceptional service received from Dispatch Centres. Details of Dispatch Centres that have achieved the quality mark will be published on the Commission’s website.

**More Accessible Services:** Finally, the Commission will seek to ensure that Dispatch Centres provide a fully accessible service, including the availability of wheelchair-accessible taxis at all times of operation. In practice, the Commission envisages that this will mean that a minimum proportion of Dispatch Centre fleets should be wheelchair-accessible, at all operational times. This is likely to require at least 10% of fleets to be wheelchair-accessible at all times of operation.

## **2.2 Option 2: “Do Nothing” Scenario**

Under this option, the current situation regarding the provision of Dispatch Centre services would remain unchanged. This would mean that Dispatch Centres would remain unlicensed by the Commission and would therefore not be required to meet any of the standards described in Option 1 above.

## **2.3 Option 3: Self-regulation of Dispatch Centre Standards**

This option would involve the development of the requirements of Option 1 above, but within a self-regulatory environment. This would mean that Dispatch Centres would set and control their own standards, but without any direct intervention from the Commission.

It would also remove the need to formally license Dispatch Centres.

## 3. Costs, Benefits and Impacts

### 3.1 Costs

#### 3.1.1 Option 1: Commission Proposals

This section provides a summary of the costs that are likely to be associated with each aspect of the operating standards for Dispatch Centres, over a 10 year period from 2007 to 2016, as proposed by the Commission. All costs are presented in constant 2005 prices. Further details on the costings for each individual aspect of the operating standards is provided in Annex 1.

**Assumptions:** The derivation of these costings relies heavily on the use of a series of assumptions, some of which apply across all costings and some of which apply only to some costings. The two main assumptions which underpin all of the costings presented are as follows:

- a) an assumed maximum total number of 300 Dispatch Centres, which remains unchanged over the period under review;
- b) an assumption that 45% of Dispatch Centres have less than 50 affiliated vehicles, 30% have between 50 and 99 vehicles, 15% have between 100 and 199 vehicles, and 10% have 200 or more vehicles. Again, these proportions remain unchanged year-on-year.

Other assumptions that are used are more specific to particular aspects of the standards, and these are outlined in more detail in Annex 1. However, these assumptions most commonly deal with the following issues:

- a) the extent to which Dispatch Centres are already likely to be compliant with what the Commission proposes. Where relevant, it is assumed that a certain percentage of centres are already meeting the Commission's proposed standards, and this in turn is varied by the size of Dispatch Centres;
- b) the number of staff hours likely to be required to comply with an operating standard, which applies to those Dispatch Centres that do not already meet the Commission's proposed standards, as well as estimates for training hours where required. Again, these vary by size of Dispatch Centre. In addition, all estimates for staff time are assumed to be constant on a year-on-year basis (unless otherwise stated) to allow for the likelihood of future growth in demand for SPSV services<sup>4</sup>;

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<sup>4</sup> For example, the staff time required for implementing and operating a complaints process is assumed to be constant over 10 years. This is because overall growth in the SPSV market could lead to growth in the absolute volume of complaints handled, even though the proportion of complaints among all bookings will most likely decline.

- c) the average cost per staff hour required, which also varies by size of Dispatch Centre. For some of the standards, estimates have similarly been applied for both the direct cost of training and the opportunity cost of time spent training.

The costings generated using these and other assumptions are summarised in Table 3.1 below. As mentioned earlier, more details on the costings for individual elements of the Commission's proposals are provided in Annex 1.

**Summary of Costs:** Over 10 years, the estimated cost for implementing the Commission's proposed operating standards for Dispatch Centres comes to nearly €5.4 mn. Nearly 40% of this spend is likely to be attributable to the provision of more accessible booking procedures, mainly due to the staff costs, training costs and equipment costs that it will generate. Another 17% will be spent on training (based on a classroom-style format), with 14% spent on licensing and 11% spent on improved service provision.

<b>TABLE 3.1: SUMMARY OF COSTS ASSOCIATED WITH DISPATCH CENTRE OPERATING STANDARDS</b>				
<b>Standard</b>	<b>5 Years (€000s)</b>	<b>%</b>	<b>10 Years (€000s)</b>	<b>%</b>
Dispatch Centre Licensing	375	13.3	750	13.9
Improved Service Provision	306	10.8	612	11.4
More Accessible Booking Procedures	1,010	35.7	2,019	37.5
Complaints Processes	190	6.7	380	7.1
Training	593	21.0	919	17.1
Records and Information	229	8.1	458	8.5
Health and Safety	-	0.0	-	0.0
Quality Assurance	-	0.0	-	0.0
Enforcement and Compliance	126	4.5	252	4.7
<b>TOTAL</b>	<b>2,829</b>	<b>100.0</b>	<b>5,390</b>	<b>100.0</b>
Note: The training costs cited above are based on the provision of classroom-style training.				
<b>SOURCE: DERIVED BY FITZPATRICK ASSOCIATES</b>				

The Commission's proposals will not lead to any additional costs for the delivery of Health and Safety Statements, since this is a statutory requirement that is not specific to the Commission's proposed operating standards. It is also assumed that there will be no additional quality assurance costs, as they should be covered by the income earned from the licence fee.

However, there will be some costs associated with enforcement of the operating standards. This function will be carried out by the Enforcement Officers employed by the Commission, and it is assumed that 5% of Commission spend on Enforcement Officers (or €250,000 over 10 years) can be attributed to Dispatch Centre operating standards. Further details on this are provided in Section 5.1 and Annex 1 below.

Finally, the costings above exclude the Commission requirement for Dispatch Centres to make wheelchair-accessible vehicles available at all times of operation. This issue is discussed in more detail below.

**Wheelchair-accessible Vehicles:** As noted in Section 2.1 above, the Commission seeks to ensure that Dispatch Centres provide a fully accessible service, which includes the availability of wheelchair-accessible taxis at all times of operation. Section 1.1, however, has also referred to the nature of the relationship between the Dispatch Centre and the taxi and hackney driver, whereby (in most cases) drivers are self-employed people who independently decide their own hours of work.

Both the National Review and the ROADMAP document also highlight the relatively low supply of wheelchair-accessible vehicles in Ireland. The National Review clearly indicates that the economics of purchasing and operating a wheelchair-accessible vehicle requires a significant financial incentive, while the ROADMAP document has prompted the Commission to seek to find ways of introducing financial relief or assistance for the purchase of fully accessible vehicles.

Ensuring that wheelchair-accessible vehicles are available at all times, therefore, appears to be a supply-side issue, and under current circumstances it would not appear feasible for Dispatch Centres to meet the proposed standard. Other measures, such as those referred to above, are needed to increase supply. Dispatch Centres can certainly be encouraged to use whatever means possible to facilitate the availability of wheelchair-accessible vehicles at all times (e.g. through rostering with drivers), though this is only possible on a voluntary basis at present.

As an example, Annex 2 provides some indicative costings for expenditure needed to increase the wheelchair-accessible fleet up to a minimum of 20% of all SPSVs from 2007, exclusive of any financial relief or assistance.

### **3.1.2 Option 2: “Do Nothing” Scenario**

There are no costs associated with the “do nothing” scenario, as this option by its nature involves a continuation of the status quo, which in turn would have no implications for additional costs.

### **3.1.1 Option 3: Self-regulation of Dispatch Centre Standards**

Table 3.2 below provides estimates for the costs involved in developing standards under self-regulation of Dispatch Centres over 10 years. These costings make the following assumptions:

- the standards would be met at the level the Commission has proposed in Option 1 (though again excluding the standard on wheelchair-accessible vehicles);

- a range of cost scenarios apply, depending on whether there is a 25%, 50% or 100% take-up of standards by Dispatch Centres affected;
- in order to achieve either a 50% or a 100% take-up of standards among those Dispatch Centres that are affected, there would probably be a need for additional resources to support an industry representative body that would take the lead in implementing self-regulation (see Section 5.3);
- both the general and more standard-specific assumptions underlying Option 1 would otherwise also apply to this option<sup>5</sup>.

In this case, we also have to make an assumption about the cost to the Commission of running its proposed quality assurance scheme (because there is no licence fee under this option, which would otherwise cover the cost). We have therefore assumed that the scheme would cost a maximum of €20,000 per annum, or €200,000 over 10 years given full compliance with standards, with costs varying depending on the level of take-up of standards. This would include the cost of staff time as well as marketing costs, certification costs etc. However, there would be no enforcement costs for the Commission under this option.

<b>Standard</b>	<b>25% Take-up</b>	<b>%</b>	<b>50% Take-up</b>	<b>%</b>	<b>100% Take-up</b>	<b>%</b>
Dispatch Centre Licensing	-	-	-	-	-	-
Improved Service Provision	153	12.3	306	11.5	612	12.5
More Accessible Booking Procedures	505	40.5	1,010	37.8	2,019	41.3
Complaints Processes	95	7.6	190	7.1	380	7.8
Training	230	18.4	460	17.2	919	18.8
Records and Information	114	9.1	229	8.6	458	9.4
Health and Safety	-	0.0	-	0.0	-	0.0
Quality Assurance	150	12.0	175	6.6	200	4.1
Industry Organisation Costs	-	-	300	11.2	300	6.1
<b>TOTAL</b>	<b>1,247</b>	<b>100.0</b>	<b>2,670</b>	<b>100.0</b>	<b>4,888</b>	<b>100.0</b>

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

Using these assumptions, estimated costs range from €1.2 mn over 10 years for a 25% take-up of standards up to €4.9 mn for a 100% take-up of standards. Under a self-regulation regime, it is likely that the actual costs involved will relate to a level of take-up that is somewhere in between these two.

<sup>5</sup> The only previous assumptions affected in this case would relate to the proportion of Dispatch Centres which would need to improve their operations in order to comply. This is altered in each case by the 25%, 50% and 100% take-up scenarios.

## 3.2 Benefits

### 3.2.1 Option 1: Commission Proposals

The main benefits that will arise from the Commission's proposed operating standards for Dispatch Centres flow directly from the measures that have been outlined in Section 2.1 above. These benefits include:

- better regulation of the Dispatch Centre industry generally;
- better quality of service for individuals and businesses that are booking taxi and hackney services through Dispatch Centres;
- better customer service generally, including improved service for people with disabilities;
- greater choice of booking channel for the consumer, including better service for consumers who have difficulty using voice-based booking systems;
- more effective action and better transparency in dealing with customer complaints, and better redress for consumers in cases where complaints are upheld<sup>6</sup>;
- better trained, more highly skilled and more productive staff due to customer care, disabilities and driver skills training;
- better information for both the policy maker and the consumer on Dispatch Centres and their operations, including information on wheelchair-accessible vehicles affiliated;
- better consumer confidence in the quality of service offered by Dispatch Centres<sup>7</sup>.

The implementation of improved health and safety arrangements across Dispatch Centres should also lead to reduced health and safety risks. These benefits would not be specific to the Commission's proposed standards, however.

A lack of quantitative information on the performance of Dispatch Centres in these areas means that it is not possible to reliably quantify the scale of the benefits that the Commission's proposal will generate. In addition, it is important to note that the benefits should add to what is already a reasonably high level of satisfaction with the quality of SPSV service generally.

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<sup>6</sup> This could also lead to relatively fewer complaints over time. However, the National Review found that very few users of SPSVs know how or where to make complaints about services. Any increase in complaints in the short-term, therefore, could reflect better user knowledge of how to make complaints rather than a decline in quality of service.

<sup>7</sup> This could lead to a greater likelihood that consumers will give more business to Dispatch Centres, all other things being equal. However, the National Review found that a substantial proportion of both individuals and businesses would use SPSVs more if fares were cheaper.

### **3.2.2 Option 2: “Do Nothing” Scenario**

There are no additional benefits associated with the “do nothing” scenario, as this option by its nature involves a continuation of the status quo, which in turn would have no implications for additional benefits. However, some benefits might be gained through other measures that are not being examined here, e.g. other Commission proposals, other wider policy measures.

### **3.2.3 Option 3: Self-regulation of Dispatch Centre Standards**

Self-regulation by Dispatch Centres should, in theory, deliver similar benefits to those that would be derived under the Commission’s own proposals. Where the benefits under each option are likely to differ, however, is in the scale of each particular benefit, e.g. the difference in the level of improvement in quality of service between the two options.

In this regard, the scale of the benefits achieved is likely to be different if self-regulation does not deliver a 100% take-up of compliance with the proposed standards. As indicated in Section 3.1.3 above, the actual level of take-up is likely to be somewhere between the 25% and 100% cost scenarios.

For the scoring of benefits below, we assume that the benefits to be gained from this option would be based on a 50% take-up of self-regulation by Dispatch Centres.

### **3.2.4 Comparison of Benefits Across Options**

Table 3.3 below provides a comparison of added benefits achieved across different options. This involves listing each of the main benefits to be achieved, taking into account both the status quo and the probable maximum benefit that is achievable, and scoring the likely extent to which benefits will be achieved under each of the three options. Each benefit is scored from 0 to 5, and these benefits are then weighted for relative importance, also from 0 to 5.

The results of this scoring exercise clearly suggest that Option 1, the Commission’s proposed approach to introducing operating standards for Dispatch Centres, will deliver the most additional benefits (119 out of 140, or 85%). While Option 3, self-regulation of Dispatch Centres, would also deliver positive results, the scale of benefits are likely to be less than for Option 1 (51 out of 140, or 36%) owing to the “voluntary” nature of the approach involved.

**TABLE 3.3: COMPARISON OF BENEFITS ACROSS OPTIONS**

<b>Benefit</b>	<b>Weight (0-5)</b>	<b>Option 1 (0-5)</b>	<b>Option 1 x Weight</b>	<b>Option 2 (0-5)</b>	<b>Option 2 x Weight</b>	<b>Option 3 (0-5)</b>	<b>Option 3 x Weight</b>
Better quality of service	5	4	20	0	0	2	10
Greater choice of booking channels	3	5	15	0	0	2	6
Better complaints mechanisms	5	3	15	0	0	2	10
Better customer care skills	5	4	20	0	0	2	10
Better skills dealing with people with disabilities	5	5	25	0	0	1	5
Better owner and manager skills	1	4	4	0	0	2	2
Improved information about Dispatch Centres	1	5	5	0	0	2	2
Better regulation of Dispatch Centres	3	5	15	0	0	2	6
<b>TOTAL</b>	-	35	<b>119</b>	0	<b>0</b>	15	<b>51</b>
Maximum Score	-	40	<b>140</b>	40	<b>140</b>	40	<b>140</b>
<b>% Weighted Score</b>	-	-	<b>85.0%</b>	-	<b>0.0%</b>	-	<b>36.4%</b>

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

It is important to note that the scoring of benefits above excludes the proposed standard on the provision of wheelchair-accessible vehicles. It also takes account of the caveats identified in the standard for improved service provision, as described in Section 2.1.

### 3.3 Other Impacts

#### 3.3.1 Option 1: Commission Proposals

Outside of the immediate costs and benefits associated with the Commission's proposed operating standards for Dispatch Centres, there may also be some other small impacts that the proposals could generate. These may include, for example:

- a positive contribution to improving public transport services in Ireland, which is an important input into national competitiveness;
- contributing to a better quality of life for socially excluded or vulnerable groups by providing better service for people with disabilities (through the introduction of disabilities training).

Policy makers should also be wary of the potential impacts of licensing regimes on market entry and competition. Imposing a licensing regime, for example, can have the potential to reduce competition by introducing barriers to market entry (i.e. the operating standards). If barriers are set too high, this could lead to (a) the exit of existing players who cannot meet these standards and (b) a reluctance among potential new entrants to enter the market. The nature of the Commission’s proposed operating standards for Dispatch Centres, however, suggests that they are probably unlikely to pose such problems.

### 3.3.2 Option 2: “Do Nothing” Scenario

The “do nothing” scenario is unlikely to have any major positive impacts. In fact, it is probably more likely that such a scenario will contribute to more negative impacts, as failure to act will put further pressure on customer service in the SPSV market at a time when other external factors are also impacting negatively on the sector, e.g. traffic congestion.

### 3.3.3 Option 3: Self-regulation of Dispatch Centre Standards

Any other impacts attached to the self-regulation of Dispatch Centres would be similar to any additional impacts under the Commission’s own proposals, assuming that self-regulation delivers a similar scale of benefits. Market entry impacts would not be an issue in this case, however.

## 3.4 Summary of Costs and Benefits

Table 3.4 provides a summary of the costs and benefits estimated for each of the three options under review. For each option, a “benefit rating” is calculated, which presents the benefit scores presented in Table 3.3 on a per unit of cost basis. As with benefits, the 50% take-up scenario is assumed to represent the likely costs for Option 3.

<b>TABLE 3.4: SUMMARY OF COSTS AND BENEFITS FOR EACH OPTION</b>			
	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Cost (€mn)	5.39	-	2.67
Benefit Score	119	-	51
Benefit Rating per €mn	22.1	-	19.1

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

Comparing costs and benefits in this way still suggests that Option 1, the Commission's proposals for Dispatch Centre operating standards, is likely to deliver the most benefits relative to costs. For this option, the benefit rating is equivalent to 22.1 for every €1 mn spent, while for Option 3 the benefit rating is 19.1 for every €1 mn spent. Option 2, the "do nothing" scenario, has a benefit rating of zero.

As for the costs and benefits above, Option 1 excludes the proposed standard on the provision of wheelchair-accessible vehicles, and takes account of the caveats identified in the standard for improved service provision described in Section 2.1.

## 4. Consultation

### 4.1 Consultation Process

Part of the research for this RIA has involved a detailed consultation process with key stakeholders. This has included (a) consultations for information-gathering purposes, e.g. to determine Dispatch Centres' existing levels of compliance with the proposed standards or the likely costs involved, and (b) more substantive consultations regarding key stakeholders' views and opinions on the operating standards proposed for Dispatch Centres.

The main information-gathering elements of the consultation process have included:

- discussions with the Commission, which provided clarification on the nature and content of the operating standards being proposed for Dispatch Centres (see Section 2.1);
- a short survey of Dispatch Centres attending Commission workshops (see below), which provided some useful information on the operations of nearly 50 Dispatch Centres. Some of the relevant findings of this survey are referred to in the discussion of costs in Annex 1;
- discussions with other relevant informants to determine likely costs involved in implementing the proposed standards.

Key stakeholders' views and opinions on the proposed operating standards were obtained through the following sources:

- a review of relevant submissions received by the Commission in response to the ROADMAP consultation paper;
- attendance at a series of information and "question and answer" workshops for Dispatch Centres, which were organised by the Commission in early 2006. Workshops were held in Dublin (2), Cork and Galway, covering invitees from across the country, with Fitzpatrick Associates attending one workshop in Dublin and one in Cork;
- discussions with the Taxi Company Owners Association (TCOA);
- consultations with the main SPSV unions in Ireland, i.e. the National Taxi Drivers Union (NTDU), the National Private Hire and Taxi Association (NPHTA), the Irish Taxi Drivers Federation (ITDF) and SIPTU.

## 4.2 Consultation Outcomes

This section deals with the key outcomes arising from the Dispatch Centre workshops, union consultations, and submissions received in response to ROADMAP.

**Dispatch Centre Workshops:** The workshops with owners and managers of Dispatch Centres produced a range of views on the operating standards proposed by the Commission, with some of the proposed standards proving more controversial than others.

The requirement to provide a fully accessible SPSV service, including the provision of wheelchair-accessible services at all operating times, proved to be very controversial, and the workshops appeared to convey a general consensus that this proposed standard was unworkable in the present climate. A number of reasons were given for this:

- there are not enough wheelchair-accessible taxis available in the SPSV fleet at present<sup>8</sup>, and their numbers are declining as drivers exchange wheelchair-accessible licences for conventional SPSV licences at the time of renewal;
- part of the reason for this is that wheelchair-accessible trips account for a very low proportion of the overall SPSV market, which does not justify the substantial investment required to operate a wheelchair-accessible vehicle;
- furthermore, wheelchair-accessible trips are, relative to other trips, more time-consuming because they are more likely to require (a) longer distances for customer pick-up and (b) a higher level of customer assistance from the driver. From a purely commercial perspective, this additional time represents an opportunity cost to the driver, i.e. in terms of potential fares lost;
- drivers also have some concerns about health and safety issues relating to wheelchair-accessible services.

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<sup>8</sup> As mentioned in Section 3.1 earlier, the National Review states that just 9% of the taxi fleet is wheelchair-accessible, and the “*National Review of Taxi, Hackney and Limousine Vehicle Standards*”, published by the Commission in June 2005, states that 7% of the total taxi, hackney and limousine fleet examined by the National Car Testing Service (between May 2004 and May 2005) is wheelchair-accessible.

Several Dispatch Centres claimed to have tried to offer more competitive base rates (and in some cases free affiliation) as a way of increasing their fleet of wheelchair-accessible taxis. However, this has not proved successful. Generally, Dispatch Centres suggested that the wheelchair-accessible fleet will only increase if:

- a) the very substantial cost of investing in wheelchair-accessible vehicles is reduced by removing both Vehicle Registration Tax (VRT) and Value Added Tax (VAT) from the purchase cost of such vehicles;
- b) some kind of reward or refund is provided for taking wheelchair-accessible trips, whether this is done through a new fare structure or through a separate subsidy.

Another issue commonly raised in the workshops was the issue of co-ordination of bookings, and the difficulties of trying to arrange this between Dispatch Centres and (self-employed) drivers. Ultimately, Dispatch Centres stated that they cannot compel self-employed drivers to operate at specified times, which means that they can only provide service as and when drivers make themselves available<sup>9</sup>. These problems are also compounded in Dublin, because there is a substantial level of on-street business available.

Other points raised on other operating standards during the workshops with Dispatch Centres included the following:

- some concerns about the use of SMS as a booking mechanism, and the issue of customer reliability in such cases, particularly where it is being used by customers booking late night services from pubs, nightclubs etc;
- the need to define what constitutes a “Dispatch Centre” and whether this has any implications for the Commission’s licensing requirements, and also the need to define what constitutes an “on time” booking<sup>10</sup>;
- the need to use the fare structure to provide more incentive for drivers to join Dispatch Centres. In particular, several participants suggested that an increase in the call-out charge was necessary to make affiliation to Dispatch Centres more attractive. Other participants also recommended that a new fare structure should allow for differential pricing at peak and non-peak hours, pricing structures for unsocial operating hours etc;
- the need to ensure that all Dispatch Centres have proper public liability and employer’s liability insurance, as well as proper tax clearance, as part of their licensing checks;

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<sup>9</sup> Dispatch Centres cannot provide additional service at peak times if drivers do not want to work at these times, for example.

<sup>10</sup> Some participants referred to instances where a number of SPSV vehicles are operating through a single dispatch radio, but with no physical “premises” involved. While such operations may be covered by Commission licensing requirements, enforcement of operating standards might be more difficult (e.g. for centralised logging and recording of complaints, driver records etc).

- concerns that the proposed timeframe for implementing Dispatch Centre licensing and standards is too ambitious;
- health and safety concerns arising from the length of hours worked by some SPSV drivers.

**Association and Union Consultations:** The consultations with the main SPSV associations and unions elicited a number of different views regarding the proposed operating standards for Dispatch Centres.

The TCOA generally welcomes the principle of Dispatch Centre licensing and the development of a more professional attitude within the sector. However, it has some serious concerns about the practicalities of implementing some of the operating standards proposed. For example, it has concerns that the operating standards imply a need for Dispatch Centres to be able control driver activity and “roster” work according to agreed schedules, which it sees as being unworkable given the self-employed status of drivers. Similarly, it considers the proposed standard for wheelchair-accessible service to be unworkable, given the small and decreasing number of wheelchair-accessible taxis that are available in the SPSV fleet at present. Also, it questions the need for owners and managers of Dispatch Centres to attend training.

On licensing, the TCOA feels that every Dispatch Centre should be required to have proper compliance with taxation and social welfare regulations, e.g. P35, Tax Clearance Certificates. While welcoming licensing, however, it is somewhat fearful that some smaller Dispatch Centres could be put out of business under a more rigorous licensing regime. These operators do valuable work in local areas that the larger Dispatch Centres cannot cover, however, and proper licensing could lead to fewer Dispatch Centres, which could reduce the choice of providers available to drivers (but which could also admittedly give remaining Dispatch Centres more leverage to negotiate with drivers on agreeing service schedules).

The NTDU was supportive of a number of aspects of the proposed operating standards, including the requirement for Dispatch Centres to (a) provide information for customers in cases of delay/inability to deliver service and (b) keep records of all driver and vehicle licensing documentation. The proposed requirement to make wheelchair-accessible vehicles available at all times was again seen as being problematic, however. To remedy this, it was felt that either:

- a) Dispatch Centres would have to purchase, license and operate wheelchair-accessible vehicles;
- b) VRT and VAT would have to be removed from the purchase and conversion cost of vehicles.

The NTDU suggested that at least 30% of SPSVs would need to be wheelchair-accessible if the Commission's proposed operating standard was to make any impact. In addition, the union suggested that a fares incentive for carrying wheelchair passengers might also be necessary.

The NPHTA queried the need to impose standards on Dispatch Centres when (to its knowledge) there were relatively few complaints from customers about their service. The standards for wheelchair-accessible service were also queried given the number of vehicles available, the self-employed nature of drivers (including their right not to affiliate to a Dispatch Centre) and the health and safety issues that this business creates for both customer and driver.

Neither the ITDF nor SIPTU made detailed comment on the proposed operating standards for Dispatch Centres. Both unions pointed to the difficulties inherent in meeting customer expectations for service levels, however (e.g. traffic congestion, road works, traffic accidents, punctures), which means that it is extremely hard to "guarantee" a customer that a vehicle will pick them up at a specified time and carry them to their destination within a specified time.

On the subject of wheelchair-accessible vehicles, SIPTU suggested that such vehicles should have been required to affiliate to Dispatch Centres at the time of deregulation. However, it was also suggested that disability needs would be better served by a "Vantastic"-type operation rather than relying on the SPSV fleet. Issuing different "types" of taxi and hackney licences (e.g. day licences and night licences) might also facilitate a better spread of capacity across all operational hours.

The ITDF suggested that the larger Dispatch Centres are most likely meeting the standards that are proposed by the Commission. Smaller centres, on the other hand, may need to improve standards more. This includes ensuring that customers receive service from a metered taxi when it is requested rather than being sent an unmetered hackney instead.

**Submissions to the Commission:** The submissions received as a response to the ROADMAP document made relatively little comment on the proposed operating standards for Dispatch Centres, with about five submissions in total making reference to them. Those comments that were made included the following:

- a suggestion that callers requiring a taxi/hackney should be asked if they require a wheelchair-accessible vehicle;
- agreement with the proposal that all SPSV drivers should be encouraged to register with a Dispatch Centre;
- agreement with the proposal that Dispatch Centre staff should receive training in customer service;

- a suggestion that traditional phone bookings and fax bookings should continue to be allowed as the sole booking mechanism for small or developing Dispatch Centres, as the use of e-mail and SMS can be problematic.

The Competition Authority also made a submission to the Commission, which was a general response to the ROADMAP document but which also made specific comments regarding Dispatch Centres. In this regard, the Authority identifies two ways by which the Commission could foster a quality scheme among Dispatch Centres:

- a) it could limit its role to acknowledging that a particular company has taken the necessary steps to ensure that a contract negotiated over the phone will be honoured;
- b) alternatively, it could (as is proposed) license Dispatch Centres.

The Authority also proposed that the Commission's plans for Dispatch Centres should be examined under an RIA so as to ensure that the Commission's intervention does not disproportionately raise barriers to entry and rivalry into the market.

## 5. Enforcement and Compliance

### 5.1 Option 1: Commission Proposals

Under this option, the Commission would be responsible for enforcing the operating standards for Dispatch Centres. All Dispatch Centres would be required to meet the standards in order to receive a licence to operate, and no Dispatch Centre would be allowed to operate without a licence. The target level of compliance for the Commission's objective would therefore be 100%.

In practice, the standards will be enforced by the Commission's team of Enforcement Officers. There will be nine officers in this team, which will provide a national coverage for enforcement purposes. This team will also be responsible for enforcing SPSV regulations for both drivers and vehicles, so inspection of Dispatch Centre compliance will only form part of their remit.

The cost of compliance would be borne mainly by the Dispatch Centres themselves, although there would also be some costs borne by the Commission. A separate RIA for complaints, commendation and enforcement processes within the Commission estimates that Enforcement Officers will cost the Commission about €5 mn over 10 years. It is assumed that 5% of Commission spend on Enforcement Officers (or €250,000 over 10 years) can therefore be attributed to Dispatch Centre operating standards.

There should be little risk of these costs being passed on to the consumer, as taxi fares are already regulated. Hackney and limousine fares will remain unregulated, though they form both a small and declining proportion of the total SPSV fleet.

### 5.2 Option 2: “Do Nothing” Scenario

This option involves no changes to the enforcement and compliance regime since the current system involving an unregulated Dispatch Centre would continue. In addition, no enforcement or compliance costs or changes to the institutional framework are generated by this option. The onus would therefore be on the customer to ensure that they use Dispatch Centres that operate to a high standard of service.

### 5.3 Option 3: Self-regulation of Dispatch Centre Standards

The responsibility for enforcement and compliance under this option would rest with the individual Dispatch Centres themselves, and it is likely that the effectiveness of such an arrangement will depend on the compliance target. There may be a number of drawbacks to enforcing this approach, however.

In order to achieve a compliance target of 100%, for example, it is probably likely that a relevant industry association would need to take the lead in implementing self-regulation. Industry representation of this nature within Dispatch Centres is limited, however, as the TCOA only represents a small number of mainly Dublin-based operators. Expanding the membership of the TCOA or creating an entirely new industry body would also mean that additional resources would be needed to support a full-time executive structure. Furthermore, assuming that such a body would have no statutory basis, it is unlikely that membership could be made a mandatory requirement for all Dispatch Centres.

The costs of compliance would mainly be borne solely by the Dispatch Centres themselves, though the introduction of a new industry representative body could require ongoing Exchequer or other support, including monitoring of compliance<sup>11</sup>. These costs have been dealt with separately in Section 3.1.3 above.

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<sup>11</sup> For example, if such a body had total running costs of €300,000 per annum, it would require an average membership fee of €1,000 from 300 Dispatch Centres. This is unlikely to be sustainable.

## 6. Review

### 6.1 Option 1: Commission Proposals

Responsibility for review of the Commission’s proposals, and for the development of mechanisms to facilitate review, will rest with the Commission itself. The Commission has already committed to using its Annual Report to report on progress against its key objectives and actions<sup>12</sup>. This will require a review of compliance with Dispatch Centre operating standards against a number of key performance indicators, which might include (for example):

- compliance targets, possibly on a standard-by-standard basis;
- indicators for levels of customer satisfaction with Dispatch Centre services;
- the number of customer complaints to Dispatch Centres, the number of complaints which are addressed successfully by the Dispatch Centres, and the number of complaints which are forwarded to the Commission;
- levels of use of alternative booking channels for Dispatch Centre bookings.

Given that there is a limited amount of information available on Dispatch Centres and their services, there will probably be a need for developing new data collection mechanisms in order to gauge progress against key performance indicators. This could probably include customer surveys, for example. Dispatch Centre surveys would also be important, however, to review compliance issues as they affect operators, e.g. to review the difficulties/costs associated with standards compliance.

### 6.2 Option 2: “Do Nothing” Scenario

Under a “do nothing” scenario, there will also be an onus to review the implications of making the decision not to change the status quo. In particular, this could focus on levels of customer satisfaction with Dispatch Centres, numbers of complaints, or the degree to which Dispatch Centres “comply” with the kinds of standards that are proposed under Option 1.

Again, this would probably be the responsibility of the Commission.

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<sup>12</sup> See “*Strategy Statement 2005-2009*”, Commission for Taxi Regulation, August 2005.

### **6.3 Option 3: Self-regulation of Dispatch Centre Standards**

The need for review mechanisms under the self-regulation option would be the same as for the review mechanisms that would be needed under Option 1. The onus would also be on the Commission to carry out this review if it was to decide to “cede” the implementation of Dispatch Centre regulation to the operators themselves.

## 7. Conclusion

This RIA has presented an examination of the Commission for Taxi Regulation’s proposed operating standards for Dispatch Centres as well as an examination of alternative options for action. This has included: a description of the nature of the options available; a review of costs, benefits and impacts; discussion of the outcomes from consultations carried out as part of the study; and an assessment of likely mechanisms for enforcement, compliance and review.

The findings of the analysis suggest that the Commission’s proposals (Option 1) are likely to deliver the most benefits relative to costs. It is also likely to present the most ready mechanisms for enforcement, compliance and review.

However, the findings regarding Option 1 come with some caveats. For example, the proposed standard for Dispatch Centres to make wheelchair-accessible vehicles available at all times is not considered feasible. The issue of wheelchair-accessible service availability is in fact a wider issue, which needs other actions outside the remit of Dispatch Centres. These operators have no control over the number of wheelchair-accessible taxis in the SPSV fleet, and similarly they have no control over the working hours of self-employed SPSV drivers. In addition, the nature of the relationship between the Dispatch Centre and the driver means that Dispatch Centres cannot “guarantee” service at all times.

The possibility of introducing financial relief or assistance for the purchase of fully accessible vehicles, which is being examined by the Commission, could of course help to increase the availability of wheelchair-accessible vehicles within the SPSV fleet.

## Annexes

# Annex 1 Option 1: Detailed Costings

## 1. Overview

This annex provides the detail for the costs that are likely to be associated with each aspect of the operating standards for Dispatch Centres, over a 10 year period from 2007 to 2016, as proposed by the Commission. Underlying these costings lie four general assumptions, which are as follows:

- the costings assume a maximum total number of 300 Dispatch Centres, which remains unchanged over the period under review;
- of these, the costings assume that 45% have a fleet of less than 50 vehicles, 30% have a fleet of between 50 and 99 vehicles, 15% have a fleet of between 100 and 199 vehicles, and 10% have a fleet of 200 or more vehicles. Again, these proportions remain unchanged year-on-year;
- all estimates for staff time involved in carrying out tasks are assumed to be constant on a year-on-year basis unless otherwise stated. This is to allow for the likelihood of future growth in demand for SPSV services<sup>13</sup>;
- all costs are shown in constant 2005 prices rather than current prices in each year.

Other assumptions are also made, which are specific to each of the various aspects of the Commission's proposals. These assumptions are outlined throughout the remainder of this section.

## 2. Dispatch Centre Licensing

The costs associated with implementing the licensing of Dispatch Centres includes the cost of the licence fee that will be payable by Dispatch Centres. The Commission has already indicated that Dispatch Centres will pay an annual licence fee of €250 in order to be licensed. Assuming constant 2005 prices, this would mean that the total annual licence fee cost would be €75,000 (€250 x 300 licensees), while the 10-year cost would be €750,000 between 2007 and 2016.

The Commission itself will incur costs in setting up and running the Dispatch Centre licensing process. It is assumed that these costs will not be additional, however, as they will be covered by the income earned from the licence fees.

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<sup>13</sup> For example, the staff time required for implementing and operating a complaints process is assumed to be constant over 10 years. This is because overall growth in the SPSV market could lead to growth in the absolute volume of complaints handled, even though the percentage of complaints among all bookings will most likely decline.

### 3. Improved Service Provision

The costs associated with delivering improved service provision as recommended by the Commission could include the following:

- additional staff costs for Dispatch Centres due to the need to follow up with customers when service cannot be delivered, when service has been delayed, or where alternative arrangements have to be made;
- possible additional communication costs for Dispatch Centres due to this activity, e.g. extra phone costs.

Discussions with key informants in the sector, and the Commission's Action Plan for 2006 and 2007<sup>14</sup>, suggest that a large number of Dispatch Centres already provide the kind of service that the Commission requires. Therefore, the costings for this aspect of the Dispatch Centre operating standards make the following assumptions:

- only a proportion of all Dispatch Centres will need to upgrade their services – in this case we assume that 50% of centres with less than 50 vehicles will be affected, 37.5% of centres with between 50 and 99 vehicles, 25% of centres with between 100 and 199 vehicles, and 15% of centres with 200 or more vehicles;
- the number of annual staff hours required to implement the standard increases incrementally with Dispatch Centre size, from 52 for centres with less than 50 vehicles (an average of an extra staff hour per week) up to 104 hours for centres with 200 or more vehicles (an average of two extra staff hours per week);
- the average cost per extra staff hour will increase incrementally with Dispatch Centre size from €8.50 for centres with less than 50 vehicles up to €9.25 for centres with 200 or more vehicles;
- in the case of communication costs, however, it is assumed that the costs here would be negligible, as the volume of calls made would probably be covered by the "bundled" telecommunications packages that most businesses can now avail of.

Using these assumptions suggests that the total cost of implementing this aspect of the operating standards would be over €600,000 over 10 years. The bulk of these costs would fall on Dispatch Centres with less than 100 vehicles.

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<sup>14</sup> "Driving Forward: Action Plan 2006-2007", Commission for Taxi Regulation, March 2006.

**TABLE 1: COSTS ASSOCIATED WITH IMPROVED SERVICE PROVISION**

Year	<50 Vehicles (€)	50-99 Vehicles (€)	100-199 Vehicles (€)	200+ Vehicles (€)	TOTAL (€)
Year 1	29,835	19,195	7,898	4,329	61,257
Years 1-10	298,350	191,953	78,975	43,290	612,568

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

#### 4. More Accessible Booking Procedures

The costs associated with providing more accessible booking procedures within Dispatch Centres would include:

- additional equipment costs for Dispatch Centres owing to the installation of alternative booking procedures such as fax, e-mail or SMS;
- possible additional communications costs owing to the operation of more than one booking channel;
- additional staff costs for Dispatch Centres due to the need to operate more than one booking channel;
- additional staff training costs for Dispatch Centres where it is needed (e.g. for e-mail bookings) and the opportunity cost owing to time spent training.

The survey of Dispatch Centres found that about 47% of respondents already use more than one booking channel, and therefore meet the operating standard proposed by the Commission. Smaller Dispatch Centres appear to be more likely to provide only one booking channel, however, as 82% of centres with less than 50 affiliated vehicles provide only phone bookings.

The costings for the delivery of more accessible booking procedures therefore make the following assumptions:

- 75% of centres with less than 50 vehicles will be affected by the standard as well as 50% of centres with between 50 and 99 vehicles, 25% of centres with between 100 and 199 vehicles, and 15% of centres with 200 or more vehicles;
- Dispatch Centres will only be required to provide one additional type of booking channel (of their choice) in order to meet the required standard;
- equipment costs will range from €1,000 for centres with less than 50 vehicles up to €1,500 for centres with 200 or more vehicles. However, centres will only have to incur equipment costs every five years;
- the number of annual staff hours required to implement the standard will increase incrementally with Dispatch Centre size, from 104 hours for centres with less than 50 vehicles (an average of

two extra staff hours per week) up to 156 hours for centres with 200 or more vehicles (an average of three extra staff hours per week);

- the average cost per extra staff hour will increase incrementally with Dispatch Centre size from €8.50 for centres with less than 50 vehicles up to €9.25 for centres with 200 or more vehicles;
- the number of additional staff training hours will range from four hours per annum for centres with less than 50 vehicles up to eight hours per annum for centres with 200 or more vehicles. Training needs will only occur every three years, however;
- the average cost per training hour (including the cost of the training itself as well as the opportunity cost for lost staff time) will increase incrementally with Dispatch Centre size, from €13.50 for centres with less than 50 vehicles up to €14.25 for centres with 200 or more vehicles;
- again in the case of communication costs, it is assumed that the costs here would be negligible, as the volume of calls made would probably be covered by the “bundled” telecommunications packages that most businesses can now avail of.

Using these assumptions gives a total cost for improving accessible booking procedures of about €2 mn over 10 years. Again, the bulk of the costs would fall on Dispatch Centres with less than 100 vehicles.

<b>TABLE 2: COSTS ASSOCIATED WITH MORE ACCESSIBLE BOOKING PROCEDURES</b>					
<b>Year</b>	<b>&lt;50 Vehicles (€)</b>	<b>50-99 Vehicles (€)</b>	<b>100-199 Vehicles (€)</b>	<b>200+ Vehicles (€)</b>	<b>TOTAL (€)</b>
Year 1	196,223	111,150	31,050	13,757	352,179
Year 2	89,505	51,188	14,479	6,494	161,665
Year 3	89,505	51,188	14,479	6,494	161,665
Year 4	94,973	54,900	15,581	7,007	172,460
Year 5	89,505	51,188	14,479	6,494	161,665
Year 6	190,755	107,438	29,948	13,244	341,384
Year 7	94,973	54,900	15,581	7,007	172,460
Year 8	89,505	51,188	14,479	6,494	161,665
Year 9	89,505	51,188	14,479	6,494	161,665
Year 10	94,973	54,900	15,581	7,007	172,460
<b>TOTAL</b>	<b>1,119,420</b>	<b>639,225</b>	<b>180,135</b>	<b>80,487</b>	<b>2,019,267</b>

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

## 5. Complaints Processes

The costs associated with developing and implementing complaints processes within Dispatch Centres include the following:

- additional staff costs for Dispatch Centres as a result of setting up and implementing the complaints process;

- possible additional communication costs as a result of implementing the complaints process, e.g. phone and e-mail costs.

The survey of Dispatch Centres suggests that a very large proportion (94%) already claim to have a complaints process in place, including centres with less than 50 affiliated vehicles (87%). Generally, these processes involve the logging or recording of complaints, the follow-up of complaints at a supervisory or management level (including contact with the complainant), followed by appropriate action/response. Furthermore, the National Review has (as indicated earlier) suggested that there is a reasonably high level of satisfaction with taxi and hackney services among consumers and businesses, while discussions with Dispatch Centres suggest that the typical volume of complaints that are dealt with in any given week is relatively small.

The costings for implementing complaints processes across all Dispatch Centres therefore make the following assumptions:

- 30% of centres with less than 50 vehicles will be affected by the standard as well as 25% of centres with between 50 and 99 vehicles, 17.5% of centres with between 100 and 199 vehicles, and 10% of centres with 200 or more vehicles;
- the number of annual staff hours required to implement the standard will increase incrementally, from 52 hours for centres with less than 50 vehicles (an average of an extra staff hour per week) up to 78 hours for centres with 200 or more vehicles (an average of 1.5 extra staff hours per week);
- the average cost per extra staff hour will increase incrementally from €8.50 for centres with less than 50 vehicles up to €9.25 for centres with 200 or more vehicles;
- for communication costs, it is assumed that the costs here would be negligible, as the volume of calls made would probably be covered by the “bundled” telecommunications packages that most businesses can now avail of.

Based on the assumptions for implementing complaints processes across all Dispatch Centres, the total costs involved would be €380,000 over 10 years.

<b>TABLE 3: COSTS ASSOCIATED WITH IMPLEMENTING COMPLAINTS PROCESSES</b>					
<b>Year</b>	<b>&lt;50 Vehicles (€)</b>	<b>50-99 Vehicles (€)</b>	<b>100-199 Vehicles (€)</b>	<b>200+ Vehicles (€)</b>	<b>TOTAL (€)</b>
Year 1	17,901	12,797	5,138	2,165	38,001
Years 1-10	179,010	127,969	51,384	21,645	380,008

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

## 6. Training

The costs associated with providing (a) the Driver Skills Development Programme for owners/managers of Dispatch Centres and (b) customer care and disabilities training for other Dispatch Centre staff include the following:

- the cost of the training itself, which will be borne by the Dispatch Centres;
- the opportunity cost of working time lost due to training, which will again be borne by the Dispatch Centre.

The survey of Dispatch Centres has found that 73% of respondents claim that their staff has received some form of customer care training (including 65% of smaller Dispatch Centres). However, only 35% claim to have provided their staff with disabilities training. As mentioned earlier, at least one owner/manager from each licensed Dispatch Centre will also be required to attend the Driver Skills Development Programme. For all costings provided, the training is assumed to be classroom-based.

The assumptions underlying the costings for the customer care training to be undertaken by Dispatch Centres are as follows:

- 50% of centres with less than 50 vehicles will be affected by the standard as well as 40% of centres with between 50 and 99 vehicles, 30% of centres with between 100 and 199 vehicles, and 20% of centres with 200 or more vehicles;
- the number of additional staff training hours will range from 16 hours per annum for centres with less than 50 vehicles up to 32 hours per annum for centres with 200 or more vehicles. Training needs will only occur every three years, however;
- the average cost per training hour (including the cost of the training itself as well as the opportunity cost for lost staff time) will increase incrementally from €18.50 for centres with less than 50 vehicles up to €19.25 for centres with 200 or more vehicles.

These assumptions would suggest that the cost of providing customer care training within all Dispatch Centres affected will be just under €190,000 over 10 years.

<b>TABLE 4: COSTS ASSOCIATED WITH PROVIDING CUSTOMER CARE TRAINING</b>					
<b>Year</b>	<b>&lt;50 Vehicles (€)</b>	<b>50-99 Vehicles (€)</b>	<b>100-199 Vehicles (€)</b>	<b>200+ Vehicles (€)</b>	<b>TOTAL (€)</b>
Year 1	19,980	16,200	7,182	3,696	47,058
Years 2-3	0	0	0	0	0
Year 4	19,980	16,200	7,182	3,696	47,058
Years 5-6	0	0	0	0	0
Year 7	19,980	16,200	7,182	3,696	47,058
Years 8-9	0	0	0	0	0
Year 10	19,980	16,200	7,182	3,696	47,058
<b>TOTAL</b>	<b>79,920</b>	<b>64,800</b>	<b>28,728</b>	<b>14,784</b>	<b>188,232</b>

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

The assumptions underlying the costings for the disabilities training to be undertaken by Dispatch Centres are as follows:

- 75% of centres with less than 50 vehicles will be affected by the standard as well as 70% of centres with between 50 and 99 vehicles, 60% of centres with between 100 and 199 vehicles, and 50% of centres with 200 or more vehicles;
- the number of additional staff training hours will range from 16 hours per annum for centres with less than 50 vehicles up to 32 hours per annum for centres with 200 or more vehicles, and training needs will occur every three years;
- the average cost per training hour and per hour of lost staff time will also increase incrementally from €18.50 for centres with less than 50 vehicles up to €19.25 for centres with 200 or more vehicles.

These assumptions would suggest that the cost of providing disabilities training within all Dispatch Centres affected will be just under €330,000 over 10 years.

<b>TABLE 5: COSTS ASSOCIATED WITH PROVIDING DISABILITIES TRAINING</b>					
<b>Year</b>	<b>&lt;50 Vehicles (€)</b>	<b>50-99 Vehicles (€)</b>	<b>100-199 Vehicles (€)</b>	<b>200+ Vehicles (€)</b>	<b>TOTAL (€)</b>
Year 1	29,970	28,350	14,364	9,240	81,924
Years 2-3	0	0	0	0	0
Year 4	29,970	28,350	14,364	9,240	81,924
Years 5-6	0	0	0	0	0
Year 7	29,970	28,350	14,364	9,240	81,924
Years 8-9	0	0	0	0	0
Year 10	29,970	28,350	14,364	9,240	81,924
<b>TOTAL</b>	<b>119,880</b>	<b>113,400</b>	<b>57,456</b>	<b>36,960</b>	<b>327,696</b>

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

The assumptions underlying the costings for the driver skills training to be undertaken by Dispatch Centres are as follows:

- at least one owner/manager from all licensed Dispatch Centres will be required to attend the Commission’s Driver Skills Development Programme;
- the volume of training will be 40 hours for all participants, regardless of the size of their centres’ operations, while about five hours of “refresher” training will thereafter be required every three years;
- the average cost per training hour and per hour of lost staff time will increase incrementally from €20.00 for centres with less than 50 vehicles up to €25.00 for centres with 200 or more vehicles;
- the cost of study materials will be approximately €40 for the main programme and approximately €5 for the refresher training;
- the cost of sitting the examination for the programme will be €90, but there will be no examination costs associated with the refresher training.

Also, the assumptions above do not allow for market entry/exit among Dispatch Centres or for turnover of owners/managerial staff (if this were to require further full training to be undertaken by a centre).

These assumptions would suggest that the cost of providing driver skills training within all Dispatch Centres affected will be just over €400,000 over 10 years.

<b>TABLE 6: COSTS ASSOCIATED WITH PROVIDING DRIVER SKILLS TRAINING</b>					
<b>Year</b>	<b>&lt;50 Vehicles (€)</b>	<b>50-99 Vehicles (€)</b>	<b>100-199 Vehicles (€)</b>	<b>200+ Vehicles (€)</b>	<b>TOTAL (€)</b>
Year 1	125,550	92,700	48,600	33,900	300,750
Years 2-3	0	0	0	0	0
Year 4	14,175	10,575	5,569	3,900	34,219
Years 5-6	0	0	0	0	0
Year 7	14,175	10,575	5,569	3,900	34,219
Years 8-9	0	0	0	0	0
Year 10	14,175	10,575	5,569	3,900	34,219
<b>TOTAL</b>	<b>168,075</b>	<b>124,425</b>	<b>65,306</b>	<b>45,600</b>	<b>403,406</b>

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

## 7. Driver and Vehicle Records and Information

The costs associated with maintaining proper records and files of affiliated drivers' and vehicles' documentation will mainly involve additional staff and administration costs for Dispatch Centres. The costings for implementing this across all centres therefore make the following assumptions:

- 50% of centres with less than 50 vehicles will be affected by the standard as well as 37.5% of centres with between 50 and 99 vehicles, 25% of centres with between 100 and 199 vehicles, and 15% of centres with 200 or more vehicles;
- the number of staff hours per annum required to implement the standard will increase incrementally, from 40 hours for centres with less than 50 vehicles up to 60 hours for centres with 200 or more vehicles;
- the average cost per extra staff hour will increase incrementally from €8.50 for centres with less than 50 vehicles up to €9.25 for centres with 200 or more vehicles.

Based on the assumptions for providing improved records and information across all Dispatch Centres, the total costs involved would be nearly €460,000 over 10 years.

<b>TABLE 7: COSTS ASSOCIATED WITH PROVIDING IMPROVED RECORDS AND INFORMATION</b>					
<b>Year</b>	<b>&lt;50 Vehicles (€)</b>	<b>50-99 Vehicles (€)</b>	<b>100-199 Vehicles (€)</b>	<b>200+ Vehicles (€)</b>	<b>TOTAL (€)</b>
Year 1	22,950	14,766	5,569	2,498	45,782
Years 1-10	229,500	147,656	55,688	24,975	457,819

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

## 8. Health and Safety

The Commission's proposals will not lead to any additional costs for the delivery of Health and Safety Statements within Dispatch Centres. This is because Dispatch Centres are already required by law to prepare and implement Health and Safety Statements, so the costs involved are not specific to the Commission's proposed new standards.

## 9. Quality Assurance

The minimum necessary costs of operating a voluntary quality assurance scheme will mainly fall to the Commission. In this regard, the Commission will bear staff and administration costs arising from the development and operation of the scheme as well as promotional costs to make both Dispatch Centres and SPSV users aware of the scheme. However, it is again assumed in this case that such costs will not be additional, as they should be covered by the income earned from the licence fee.

## 10. Enforcement

The cost of compliance with operating standards would be borne mainly by the Dispatch Centres themselves, through the actions outlined above, although there would also be some enforcement costs borne by the Commission. A separate RIA for complaints, commendation and enforcement processes within the Commission estimates that Enforcement Officers will cost the Commission about €5 mn over 10 years. It is assumed that 5% of Commission spend on Enforcement Officers (or €250,000 over 10 years) can therefore be attributed to Dispatch Centre operating standards.

# Annex 2: Wheelchair-accessible Vehicles

## 1. Introduction

Section 2.1 above has noted that the Commission, as part of its proposed operating standards for Dispatch Centres, seeks to ensure that centres provide a fully accessible service, which includes the availability of wheelchair-accessible taxis at all times of operation. Section 3.1.1, however, suggests that it would not be feasible for Dispatch Centres to operationalise this standard because of wider issues surrounding the low number of wheelchair-accessible vehicles generally and the nature of the relationship between centres and taxi/hackney drivers.

On the issue of vehicle supply, the National Review clearly indicates that the economics of purchasing and operating a wheelchair-accessible vehicle requires a significant financial incentive. This has led the Commission to begin to investigate ways in which financial relief or assistance might be provided for the purchase of fully accessible vehicles. Any proposals made in this regard will, of course, also have to be approved by the Minister for Finance.

As an example, the following annex therefore provides some indicative costings for the expenditure needed to increase the wheelchair-accessible fleet up to a minimum of 20% of all SPSVs from 2007, exclusive of any financial relief or assistance.

## 2. Indicative Costings

The costs associated with delivering a fully accessible service, which incorporate the cost of having wheelchair-accessible taxis available at all times of operation, would principally include the following:

- additional capital costs for SPSV drivers due to the need to increase the proportion of wheelchair-accessible vehicles within the fleet;
- additional running costs for SPSV drivers, which would arise from operating wheelchair-accessible vehicles.

According to the National Review, representative groups for people with disabilities suggest that at least 20% of taxis should be wheelchair-accessible to ensure a greater service provision. Therefore, the cost estimates here make the following assumptions:

- the number of wheelchair-accessible taxis and hackneys needed is equivalent to 20% of the total taxi and hackney fleet for each year between 2007 and 2016;

- the total SPSV fleet grows by 3% per annum from 2004. However, the hackney fleet declines by 500 in 2005 and 300 in 2006 before growing by 1% per annum thereafter;
- the average additional capital cost of a wheelchair-accessible vehicle is €19,455, as per the National Review (this represents the difference between the cost of purchasing a wheelchair-accessible vehicle and the cost of purchasing a standard second-hand vehicle);
- the average additional operating cost of a wheelchair-accessible vehicle is €4,353, again as per the National Review (this represents the annual cost of operating a wheelchair-accessible vehicle minus the annual cost of operating a standard vehicle).

Using these assumptions, the total cost of maintaining a 20% minimum of wheelchair-accessible taxis would come to more than €200 mn over 10 years. Some €70 mn of this would be capital costs relating to the purchase of vehicles, while the remaining €130 mn would relate to the cumulative extra operating costs incurred over 10 years.

<b>TABLE 1: COSTS ASSOCIATED WITH INCREASING THE WHEELCHAIR-ACCESSIBLE FLEET</b>			
<b>Year</b>	<b>Additional Capital Costs (€)</b>	<b>Additional Operating Costs (€)</b>	<b>TOTAL (€)</b>
Year 1	46,658,615	10,439,730	57,098,345
Year 2	2,579,733	11,016,938	13,596,671
Year 3	2,657,553	11,611,558	14,269,111
Year 4	2,735,373	12,223,590	14,958,963
Year 5	2,820,975	12,854,775	15,675,750
Year 6	2,902,686	13,504,242	16,406,928
Year 7	2,992,179	14,173,734	17,165,913
Year 8	3,081,672	14,863,249	17,944,921
Year 9	3,175,056	15,573,658	18,748,714
Year 10	3,264,549	16,304,092	19,568,641
<b>TOTAL</b>	<b>72,868,391</b>	<b>132,565,566</b>	<b>205,433,957</b>

**SOURCE: DERIVED BY FITZPATRICK ASSOCIATES**

The figures above do not allow for a re-sale value for wheelchair-accessible vehicles. Including such a notional value would reduce the above capital costs. However, there is also a concern among drivers (which is acknowledged in the National Review) that such vehicles have a very limited second-hand market.