



Regulatory
Impact
Analysis:
Driver Skills
Development
Programme

Final Report

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Introduction

This document is a Regulatory Impact Analysis (RIA) of the proposed Driver Skills Development Programme. It has been carried out by Fitzpatrick Associates on behalf of the Commission for Taxi Regulation (hereafter referred to as the Commission). The details of the proposal are set out in the Commission's consultation document "*ROADMAP: Towards a New National Code of Regulation for Taxis, Hackneys and Limousines in Ireland*"¹. Specifically, ROADMAP states that:

"Section 34 of the 2003 Act, when commenced, provides that the Commission may establish requirements for the grant of a licence. Accordingly, the Commission proposes to develop a mandatory skills development programme, with practical application, for all existing and new taxi, hackney and limousine drivers. The programme would be delivered locally on a part-time basis, and would be accredited by a recognised accreditation body and include:

- *relevant legislation;*
- *route selection area knowledge;*
- *customer care training;*
- *fares and charges;*
- *health and safety;*
- *manual handling and lifting;*
- *good driving practice;*
- *equality diversity training (to include disability awareness);*
- *appropriate dress and deportment;*
- *knowledge of operation of equipment in vehicle.*

A separate short refresher course is proposed which all drivers would be required to attend every three years in conjunction with the renewal of their SPSV driver's licence. Drivers will be free to participate in refresher courses more regularly if they wish.

It is proposed that successful completion of the programme would be a requirement for all new applicants from 2007 and for renewal of existing licences from 2008 onwards. Attendance at a short refresher course would be required every three years thereafter".

¹ "*ROADMAP: Towards a New National Code of Regulation of Taxis, Hackneys and Limousines in Ireland*", Commission for Taxi Regulation, June 2005.

The development of the programme is at an early stage, and as such the RIA is being conducted based on assumptions about course delivery and structure, based on consultations with the Commission. The RIA follows the guidelines and structure set out in the Department of An Taoiseach's "*RIA Guidelines: How to Conduct a Regulatory Impact Analysis*"², which were published in 2005.

² "*RIA Guidelines: How to Conduct a Regulatory Impact Analysis*", Department of An Taoiseach, October 2005.

1. The Policy Problem and Objectives

1.1 The Policy Context

1.1.1 *Legislative Background*

In order to drive a taxi, hackney or limousine, it is necessary to hold a small public service vehicle (SPSV) licence. The Garda Commissioner must satisfy himself that an applicant for an SPSV licence is a fit and proper person to hold such a licence, and has an adequate knowledge of:

- the general traffic regulations;
- the area in which the driver normally proposes to make his/her services available and of the local parking and traffic regulations applying to that area;
- the regulations applying to SPSVs.

The Garda Commissioner must also satisfy himself that the applicant has not committed an offence that would render the driver unsuitable to hold an SPSV driver licence. Also, a person cannot drive in a taximeter area unless his licence is endorsed with a statement that the Garda Commissioner is satisfied that the person has an adequate knowledge of the taximeter area.

The period of validity for a licence is currently set at five years. However, there is now a concern that five years is too long a period. For example, a driver may be convicted of an offence and serve a prison term within the five year period, and this may not come to the attention of the relevant authorities until the renewal date. Thus, the time period for renewal of SPSV licences is likely to be reduced in the future, possibly to three years.

1.1.2 *Current Requirements*

In practice, the first-time applicant for an SPSV driver's licence must sit an examination. Those renewing a licence are not required to sit an examination.

In Dublin, the Carriage Office sets the test for applicants. This is a written examination, but arrangements are made for oral examination in exceptional circumstances. The current test set in Dublin comprises over 100 questions relating to the SPSV legislation and to knowledge of the area. The area knowledge is assessed via questions on location of landmarks, and on route finding. The Carriage Office has 15 different papers, which are rotated. Applicants are required to achieve in excess of 70% correct answers. The current annual failure rate is approximately 30% of all candidates, including candidates repeating the examination after failure on a previous occasion.

Up until the end of 2006, the licensing of drivers outside of Dublin has been the responsibility of the Public Service Vehicle Inspector. Sit-down examinations are rare in these cases and applicants are usually approved or denied a SPSV licence after discussions with the local PSV Officer, together with the normal background checks performed by the Gardaí.

1.1.3 Issues

The “*National Review of Taxi, Hackney and Limousine Services*”³ (hereafter referred to as the Review) shows that Irish SPSV drivers are generally highly regarded by consumers. However, the Review also found that not all drivers operate to the same level of professionalism. In particular, the survey conducted as part of the Review found a number of areas of concern in relation to driver qualities and standards. These included concerns that:

- some drivers were unsure of a number of aspects of the SPSV regulations, including issues relating to the relative roles of taxis and hackneys and maximum fares;
- many drivers are not fully aware of the needs of people with a disability, or of good practice in providing services to this group. For example, fears were expressed by drivers regarding assisting consumers in entering and exiting the vehicle, where this involved physical contact;
- representations made to the Commission indicated that a minority of drivers dress inappropriately, use bad language and have personal hygiene problems.

Discussions with staff of the Carriage Office, who deal with drivers on a daily basis, suggest that a significant proportion of drivers don't know the regulations under which they operate. Furthermore, about 20%-30% of the estimated 300 calls received by the Carriage Office each week relate to complaints by members of the public regarding drivers and/or their vehicles.

In both written submissions and meetings with the Commission, a number of drivers have expressed the view that they do not need training because they are already in the business. In some of these cases, it became clear from further written comments, or orally, that these same people were not aware of some of their obligations under existing SPSV and other regulations.

The SPSV industry has been subject to the development of regulations over the past number of years, and will continue to change significantly over the short-term. This will include the development of further regulations and actions proposed by the Commission. As such, all drivers need to be made aware and take heed of these changes.

³ “*National Review of Taxi, Hackney and Limousine Services*”, Commission for Taxi Regulation, June 2005.

Furthermore, the current testing procedures vary widely across the country, resulting in a disparity in the knowledge held by drivers in relation to area knowledge and an understanding of the SPSV regulations on an area-by-area basis.

Finally, discussion with some union representatives has shown that there is an element of training that would be beneficial to drivers. This is reinforced by evidence from the UK, where the requirement for driver training is on the increase across the various local authorities, which suggests benefits for both drivers and customers.

Currently, there are no regulations regarding training for SPSV drivers. A number of private companies provide training for SPSV driver licence applicants and drivers, but it appears that the uptake (particularly among existing drivers) is quite low. There is no formal accreditation or independent assessment of these courses or their delivery at present.

In order to maintain and improve the standard of service offered by SPSV licensed drivers, and to tackle the problems outlined above, the Commission has therefore proposed the introduction of a Driver Skills Development Programme, attendance to which will be mandatory for all new and existing drivers.

1.2 Objectives

The overall objective of the proposal is to ensure that drivers are operating under the SPSV regulations and continue to offer a high standard of service to taxi users. This is to be reached via the achievement of a number of sub-objectives. These are to:

- introduce a consistent standard of service nationwide;
- ensure that drivers are trained in dealing with the particular needs of persons with a disability, and others who may require special assistance when using an SPSV;
- ensure that drivers are aware of and can operate appropriate health and safety procedures;
- ensure drivers are knowledgeable of the geographical areas they are working;
- ensure drivers present themselves in the best possible light;
- ensure drivers know how to deal appropriately with customers;
- ensure that drivers have satisfactory knowledge of the operation of their vehicle, dealing with luggage, and fares;
- ensure that all drivers are aware of the SPSV regulations under which they operate.

2. Description of Options

2.1 Option 1: The Driver Skills Development Programme

Section 34 of the 2003 Act provides that the Commission may establish requirements for the grant of a licence. Accordingly, the Commission proposes to develop a mandatory skills development programme, with practical application, for all existing and new taxi, hackney and limousine drivers and Dispatch Centre operators. It proposes that an intermediary body be contracted to develop a training programme, which would then be delivered by trained trainers on a local basis. The training, to be delivered to both new applicants and existing taxi drivers, would cover:

- relevant legislation;
- route selection area knowledge;
- customer care training;
- fares and charges;
- health and safety;
- manual handling and lifting;
- good driving practice;
- equality diversity training (to include disability awareness);
- appropriate dress and deportment;
- knowledge of operation of equipment in vehicle.

Both new applicants and existing drivers would be expected to complete this training course, and successfully pass a subsequent examination, before approval or renewal of their SPSV driver's licence. The programme would also be mandatory for the owners and managers of Dispatch Centres. It is envisaged that the failure rate for the course would be low, given the focus on developing skills rather than providing a rigorous test. However, failure to complete all aspects of the training, or to achieve a satisfactory result in the examination, would require a re-sit.

It is estimated that this initial training will consist of 32-40 hours of classroom based training. It would be delivered by trained trainers. The scheduling of the classes would vary locally, but would likely be delivered for a couple hours a week over a 2-3 month period.

A separate short refresher course is also proposed, which all drivers would be required to attend in conjunction with the renewal of their SPSV driver's licence. This would provide drivers with updates on legislation and other issues related to operating an SPSV.

It is proposed that successful completion of the programme would be a requirement for all new applicants from 2007 and for renewal of existing licences from 2008 onwards.

2.2 Option 2: “Do Nothing” Scenario

The “do nothing” scenario, i.e. not making any changes to the current arrangements, is also considered.

2.3 Option 3: Self-training Using DVD/CD Software

An alternative considered to in-class training is the provision of a DVD to drivers. The full training programme as outlined above would therefore be provided on this DVD. Drivers would study the DVD and then sit the examination, as set by the Commission. The separate short refresher course would also remain under this option.

2.4 Option 4: Risk Based Approach

A fourth option is a “risk based approach”, i.e. making the course compulsory for drivers against whom a legitimate complaint has been made and substantiated. In this way, the threat of having to undertake a training programme would act as a deterrent for unprofessional behaviour among SPSV drivers. This option is also considered in conjunction with the short refresher course remaining in place.

3. Costs, Benefits and Impacts

3.1 Costs

3.1.1 Option 1: The Driver Skills Development Programme

There are three main costs to the introduction of the mandatory Driver Skills Development Programme as outlined above. These are:

- the direct financial cost of training and the subsequent examination for the driver;
- the opportunity cost of time spent in training for drivers;
- the cost to the Commission of developing and monitoring the programme.

The course fee is estimated to be about €300–€400 per person⁴. This is also likely to require some additional study material, e.g. reading material, at a cost of approximately €40. The cost of sitting a subsequent examination will be approximately €90. Thus, the direct cost of completing the training per driver is €430–€530.

A further cost to the driver will be the time spent attending the course. Assuming that half of this time spent at the course would have been at work, for example, would put the indirect cost to each driver at approximately €243⁵.

Thus, this puts the total cost per driver at €670–€770. This will be a once-off payment for existing and new drivers. However, the refresher course, which would be a requirement on subsequent renewal of licences (which will likely be every three years from 2007), is estimated to cost the driver approximately €60.

Thus, over a ten year period, the total cost to a driver of initial and refresher training is likely to be approximately €850, assuming €670 in Year 1, and €60 every three years thereafter. This is equivalent to about 5% of a driver's annual operating costs in Year 1, or 0.5% of a driver's total operating costs for a 10 year period. The direct portion of these costs can be declared as an expense by the drivers for tax purposes, however, thus lessening the financial burden.

⁴ The assumptions underlying these cost estimates are outlined in Annex 1.

⁵ In Hyndburn Council in the UK, there was initial resistance to training, as it took 30 hours in total. This was resolved by enabling drivers to take the course a few hours at a time over several weeks. It is likely that the Commission will also offer a number of options regarding the time to undertake the training.

We have also assumed the cost to the Commission of dealing with the day-to-day organisation of the programme to cost approximately €100,000 over the 10 year period. This is made up of:

- time spent dealing with day-to-day enquiries about the training programme;
- annual organisation, collection and analysis of participant feedback forms;
- informing all existing drivers of the need to enrol for training in time for renewing their licence.

The Commission does not envisage that the costs of the training borne by the driver will result in an increase in the fares charged by drivers. Therefore, there should be no additional costs to consumers.

Table 3.1 summarises the total cost of the training and refresher course, and when the costs are likely to fall over the next 10 years. These are based on assumptions about the number of drivers entering the market, which is outlined in Annex 1.

Depending on the number of new entrants to the market and the costs of training, none of which can be forecast with any great certainty, the total cost of the measure is estimated to be €24 mn (in 2006 prices) over the next 10 years. The figures will be highest in 2008-2011, when the number of licence renewals (for existing drivers who have yet to undertake the full training course) is greatest.

TABLE 3.1: ESTIMATED COST OF DRIVER SKILLS DEVELOPMENT PROGRAMME (€MN, 2006 PRICES)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
Direct Cost	0.413	2.739	2.484	3.791	2.245	0.329	0.339	0.349	0.360	0.386	13.435
Indirect Cost (Time)	0.233	1.548	1.404	2.142	1.268	0.186	0.192	0.197	0.203	0.218	7.591
Refresher Programme	-	-	-	0.058	0.382	0.347	0.547	0.655	0.351	0.551	2.891
Cost to Commission	0.026	0.013	0.013	0.013	0.013	0.005	0.005	0.005	0.005	0.005	0.103
TOTAL	0.672	4.300	3.901	6.004	3.908	0.867	1.083	1.206	0.919	1.160	24.020

Note: This assumes the direct cost is €430 per driver. The higher estimate of €530 would increase the overall cost of this measure to approximately €25 mn.

SOURCE: DERIVED BY FITZPATRICK ASSOCIATES

3.1.2 Option 2: “Do Nothing” Scenario

There are no immediate euro costs to the “do nothing” scenario. However, there may be financial costs to drivers if they are found to be in breach of the regulations, which otherwise may not occur on the completion of training.

3.1.3 Option 3: Self-training Using DVD/CD Software

There are a number of costs associated with this approach. These are:

- the initial cost of developing the DVD. A consideration here is that different DVDs would have to be developed for the different local authority areas, due to the fact that the area knowledge section will be different;
- the cost of producing and distributing the DVD;
- the cost of redeveloping and updating the DVD as regulations change;
- the cost of reprinting and redistributing the updated DVDs.

As stated, this option would also include an examination, as per Option 1. The cost of this would be as in Option 1. The time required to go through the DVD is also likely to be the roughly the same as for attending the taught course. It is unlikely that the DVD will be used for the refresher course, and as such the cost for the refresher course will be the same as in Option 1. Finally, the costs to the Commission are similarly assumed to be the same as outlined in Option 1.

As a result, Table 3.2 shows that the overall cost of this option is approximately €14 mn over the next 10 years (2006 prices).

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
Direct Cost (Exam)	0.09	0.57	0.52	0.79	0.47	0.07	0.07	0.07	0.08	0.08	2.81
Indirect Cost (Time)	0.23	1.55	1.40	2.14	1.27	0.19	0.19	0.20	0.20	0.22	7.59
Refresher Programme	-	-	-	0.06	0.38	0.35	0.55	0.65	0.35	0.55	2.89
Developing CD/DVD	0.10	-	-	-	-	-	-	-	-	-	0.10
Redeveloping DVD	-	-	0.01	-	0.01	-	0.01	-	0.01	-	0.04
Distributing DVD	0.06	-	0.12	-	0.05	-	0.01	-	0.01	-	0.25
Cost to Commission	0.03	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.12
TOTAL	0.51	2.13	2.06	3.00	2.19	0.62	0.84	0.93	0.66	0.86	13.80

SOURCE: DERIVED BY FITZPATRICK ASSOCIATES

3.1.4 Option 4: Risk Based Approach

In costing this approach we have assumed the following:

- that 10% of the number of drivers required to take the full Drivers Skills Development Programme outlined in Option 1 are required to do so under this option;
- that the direct cost of training per driver increases due to a lack of economies of scale. The cost of training is likely to be based on the numbers per class. Under this option, it will be more difficult to determine the likely demand for training, and numbers per class are also likely to be smaller. As such we are assuming an increase in the direct cost per driver of 33%;
- that there would be costs to the Commission in terms of validating which drivers have to undertake the training, assumed to be roughly the cost of one Enforcement Officer's time and expenses;
- that the "refresher" element of the programme is retained. Part of the objective of the refresher course is to bring drivers back up to date with any changes in regulations;
- that each driver will have to sit some sort of standard nationwide examination, thus replacing the current situation whereby formal examinations are mainly held in Dublin only.

The costs associated with this approach are outlined in Table 3.3 below. This shows that the costs of a risk based approach are approximately €10.8 mn over a 10 year period.

TABLE 3.3: ESTIMATED BREAKDOWN OF COST OF RISK BASED APPROACH (€MN, 2006 PRICES)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
Full Training Direct	0.05	0.36	0.33	0.50	0.30	0.04	0.05	0.05	0.05	0.05	1.79
Full Training Indirect	0.02	0.15	0.14	0.21	0.13	0.02	0.02	0.02	0.02	0.02	0.76
Refresher Course	-	-	-	0.06	0.38	0.35	0.55	0.65	0.35	0.55	2.89
Exam Direct	0.11	0.75	0.68	1.03	0.61	0.09	0.09	0.10	0.10	0.10	3.66
Exam Indirect	0.02	0.15	0.14	0.21	0.13	0.02	0.02	0.02	0.02	0.02	0.76
Commission Costs	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.70
TOTAL	0.53	1.94	1.81	2.54	2.07	1.04	1.24	1.36	1.06	1.27	10.75
SOURCE: DERIVED BY FITZPATRICK ASSOCIATES											

3.2 Benefits

3.2.1 Option 1: The Driver Skills Development Programme

There are a number of likely benefits to the Driver Skills Development Programme for both drivers and their passengers. The first main benefit is that the introduction of a nationwide training and accreditation system will bring similar standards of service nationwide, reducing the anomalies of the current system.

However, probably the most significant benefits will be in relation to the subject matter of the various modules of training. These can be loosely be grouped under five themes, although a number of the training modules and their benefits cut across more than one of these themes. These are:

- improved customer service;
- improved knowledge of health and safety regulations and procedures;
- greater equality and disability awareness amongst service providers;
- driver's own business development;
- greater regulatory compliance for service providers.

Training will benefit all drivers to some, but not necessarily the same extent. The level of benefits are likely to be greatest in areas where very few drivers have received training, or where time in the industry has not adequately "qualified" drivers. Health and safety and equality/disability awareness training would be of particular benefit in this case. Training in other areas such as customer care will be of benefit to all drivers, but some drivers will likely learn more than others⁶.

In the UK, local authorities increasingly require drivers to attend training programmes, particularly health and safety and disability awareness courses. Our research shows that there have been a number of benefits from this. For example, in the Hyndburn Council area, evidence from the course feedback forms handed to drivers on completion shows 80%-90% of comments are positive. Since the course was introduced there has been a 30% drop in complaints concerning driver attitudes, and most complaints now received by the licensing department are against those older drivers who were exempt from having to attend the course.

There has also been an increase in the number of drivers becoming owner-drivers or self-employed since the course was introduced. It is thought this is due to driver's confidence being increased through completion of the course and small business advice being included in the course.

⁶ This is reflected in the scoring of benefits for each option in Table 3.4.

The level of benefits to be derived from the course, for both drivers and consumers, will primarily depend on the course content. Comments received in the consultation process are of particular relevance in this regard.

3.2.2 Option 2: “Do Nothing” Scenario

This scenario has no additional benefits beyond the present situation.

3.2.3 Option 3: Self-training using DVD/CD Software

The self-training option will likely bring many of the benefits that the classroom based option will have. However, training under this option might have some drawbacks compared to Option 1. These include the following:

- some elements of training are not as well taught via DVD as in person, e.g. the physical element of securing a wheelchair, other disability awareness training, and health and safety procedures;
- some of what would likely be taught in the Driver Skills Development Programme does not lend itself to testing in a short written examination. As such, some drivers may study the part of the DVD which is likely to be examined, ignoring some beneficial elements of the training programme.

Further considerations here, in comparing this to Option 1, would be the likely level of take-up of the DVD option and the likely failure rates for the DVD option.

3.2.4 Option 4: Risk Based Approach

Under the risk based approach, only those drivers against whom a legitimate complaint has been made (and substantiated) would receive training. Typically, complaints against drivers are in relation to overcharging and/or driver department. This is just one element of the proposed Driver Skills Development Programme. As such, only drivers who are in need of training in these elements will be required to undertake training. The “threat” of having to undertake training may also encourage drivers to ensure they present themselves in a light that will not result in a complaint.

However, this approach only adequately deals with one element of the proposed programme, i.e. driver department. Customers are unlikely to complain that a driver is not operating within the SPSV regulations, as the consumer will rarely be aware of this. Furthermore, if a driver does not have knowledge of health and safety procedures, this may only come into light after an incident has happened. It could also be argued that disability awareness training would benefit all drivers, not just those who have had a complaint made against them.

Benefits to the driver would also be less under this approach than compared to Option 1. For example, all drivers would benefit from the business development element of the training programme. As such, the risk based option does not score as well on these elements (see Table 3.4).

3.2.5 Comparison of Benefits

Table 3.4 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, by their theme. These are:

- Health and Safety: 5
- Equality Awareness: 5
- Regulatory Compliance: 3
- Customer Service: 1
- Business Development: 1

Using our rating of benefits, Option 1 achieves the highest score (105 out of 120, or 88%). Option 3 delivers the next highest score (60.5 out of 120, or 50%), followed by Option 4 (29 out of 120, or 24%). By definition, however, Option 2 delivers a score of zero.

TABLE 3.4: COMPARISON OF BENEFITS OF EACH OPTION						
Benefits	Themes	Weight (0-5)	Option 1 DSDP	Option 2 Do Noth	Option 3 DVD	Option 4 Risk
			Score (0 – 5)			
Ensuring that drivers have knowledge of health and safety procedures, both for themselves and their customers.	Health and Safety	5	5	0	2	1
Ensuring knowledge of good driving practice which are specific to taxi drivers e.g. safe stopping distances when hailed	Health and Safety, Customer Service	5	5	0	2.5	1
Ensuring drivers are trained to deal with the particular needs of people with a disability, and other people who may require special assistance when using a SPSV.	Customer Service, Health and Safety, Equality Awareness	5	4	0	2	1
Ensuring all drivers are aware of SPSV regulations	Regulatory Compliance	3	4	0	3	1
Ensuring drivers have a similar skill and knowledge set nationwide	Customer Service	1	4	0	3	1
Ensuring drivers are aware of the areas they are operating and route selection	Customer Service, Business Development	1	3	0	3	2
Ensuing drivers are trained to deal appropriately with customers, including awkward and abusive customers	Customer Service, Business Development	1	5	0	3	2
Ensuring drivers know correct fares to charge, and the logic behind them	Customer Service, Business Development	1	5	0	4	2
Ensuring drivers know how to present themselves in the best possible fashion, including their dress and deportment.	Customer Service, Business Development	1	3	0	3	2
Ensuring drivers know how to properly use their in-car equipment	Business Development	1	3	0	3	2
Total Weighted Benefit Score			105	0	60.5	29
% Maximum Score (120)			88%	0%	50%	24%
Note: Total weighted benefit score for each option is the sum of each benefit score multiplied by each benefit weight.						
SOURCE: DERIVED BY FITZPATRICK ASSOCIATES						

3.3 Other Impacts

3.3.1 Socially Excluded or Vulnerable Groups

Option 1: Driver Skills Development Programme: The equality and diversity training element of the proposed programme (including disability awareness training) would have a positive impact for people with a disability and other groups that may have a difficulty in using taxis. These benefits include the following:

- basic aspects of this training could show drivers good practice in relation to issues like safely guiding a person with vision impairment or communicating with a person who has a hearing impairment;
- wheelchair handling training would reduce the potential health and safety risks that some drivers may associate with assisting a person in a wheelchair to board a taxi or hackney;
- it would also ensure that the driver was fully competent in the safe securing and clamping of a wheelchair, thus increasing the safety for the passenger;
- training in wheelchair handling may also help to dispel the pre-conceived ideas that some drivers have about the time it takes to assist a person with a disability into a taxi.

Care also needs to be taken to ensure that measures are put in place to ensure that existing or new drivers, who may require extra assistance, are facilitated during the delivery of the training programme and the subsequent examination. This may include facilitating drivers with low levels of literacy or drivers who may have a disability.

Option 2: “Do Nothing” Scenario: No drivers would receive equality or diversity training under this approach.

Option 3: Self-training Using DVD/CD Software: Certain elements of the equality diversity training (including disability awareness training) might be less effective when provided via a DVD if compared to an in-class practical approach. However, it is obviously preferable to a “do nothing” approach.

Also, certain groups of drivers may require assistance in operating the DVD. The needs of those with low literacy levels should therefore be taken into account when designing the DVD content.

Option 4: Risk Based Approach: Under this approach, a minority of drivers would receive training in terms of dealing with customers who require additional assistance.

3.3.2 Market Impact

Option 1: Driver Skills Development Programme: The introduction of mandatory attendance and completion of the Driver Skills Development Programme is unlikely to restrict market entry. This assessment is based on the following:

- the direct cost of training, approximately €430–€530 per driver, will constitute a very small proportion (less than 1%) of total start-up costs for new entrants;
- facilities will be provided to accommodate existing drivers and new entrants who have a lower level of literacy. Thus, this group of drivers should not be deterred from entering the market;
- experience from the UK suggests that there has not been a significant impact on market entry following the introduction of skills training courses;
- the Commission's aim is to focus the training on developing skills and informing drivers, which will be achieved through active participation in the course. A high failure rate for the subsequent test is not expected.

Experience in road haulage examinations has also shown that when business training modules outline the true costs of operating in the business, a small percentage of applicants found that they did/would not have the capital to remain in the business, and therefore left. This is a positive impact and might be considered in the development of the Driver Skills Development Programme.

Options 2, 3 and 4: The other options would not have a significant impact on market entry.

3.3.3 Other Considerations

It is unlikely that the proposal would have a significant impact on national competitiveness, and any impact would most likely be positive by improving the public transport system. The measure does not have any significant environmental impacts and does not have any impact on the rights of citizens.

Option 4, however (the risk based approach) can be perceived as bringing negative connotations, both for a driver and a consumer, since it might be perceived as treating training as a punishment. This in turn might have some possible negative impacts.

3.4 Summary of Costs, Benefits and Impacts

Table 3.5 provides a summary of the costs and benefits estimated for each of the four options under review. For each option, a “benefit rating” is calculated, which presents the benefit scores presented in Table 3.4 on a per unit of cost basis.

Using this benefit rating, both Option 1 (the classroom based Driver Skills Development Programme) and Option 3 (the self-taught DVD/CD option) achieve a rating of 4.4, i.e. Option 1 delivers more benefits but at a higher cost, while Option 3 delivers less benefits but at a lower cost. Option 4 (risk based approach) achieves a rating of 2.7, however, well below Options 1 and 3, while Option 2 (“do nothing” scenario) by definition has a rating of zero.

TABLE 3.5: SUMMARY OF OVERALL COSTS AND BENEFITS OF EACH OPTION				
	Option 1 (Programme)	Option 2 ("Do Nothing")	Option 3 (DVD)	Option 4 (Risk Based)
Cost (€mn)	24.0	-	13.8	10.8
Benefit Score	105.0	-	60.5	29.0
Benefit Rating per €mn	4.4	-	4.4	2.7

SOURCE: DERIVED BY FITZPATRICK ASSOCIATES

4. Consultation

4.1 Introduction

The consultation process consisted of the following:

- face-to-face meetings with the four main SPSV unions to discuss in detail their reaction to the proposal;
- a meeting with members of the Carriage Office on this subject and other matters relating to the Commission;
- a review of public submissions made to the Commission regarding the Driver Skills Development Programme proposal as described in ROADMAP;
- consultation with potential training developers in order to estimate costs;
- consultations with local authorities in the UK that have implemented similar proposals.

The information gathered from UK local authorities and the training providers has contributed to the previous sections of the RIA. The issues raised by the other stakeholders are outlined below.

4.2 Consultation with the Unions

The **National Taxi Drivers Union** expressed concerns over the introduction of training for certain member of its union. It felt that some drivers would have a legitimate fear of training. In particular, it felt that mandatory training and the subsequent examination would be disproportionately burdensome for older drivers, drivers with particularly low levels of educational attainment (and subsequently little experience of a classroom-type environment or examinations) and drivers with low levels of literacy. The union stated that the requirements of these drivers need special consideration, with the possibility of separate classes (but not courses) for individuals who require extra assistance. The examination of these groups should also be considered, with oral examinations being offered as required. A key point was that the privacy of drivers be respected and that any non-standard approach to training and examination remain confidential.

The union recognises a need for training in the areas of disability awareness. The possibility of including disability groups in this area was raised. A lack of knowledge by drivers in relation to the relevant legislation was also noted. Other areas of training that would be beneficial would include dress code and driver behaviour, although the vast majority of drivers are exemplary in these areas.

The union also expressed a concern over the absence of training that would benefit drivers in relation to the running of a business. For example, this may include awareness of the resources required to run a taxi, the taxation requirements, and the prudence of having some funds in reserve should the driver need to be off the road for some time. It was also noted that the number of drivers experiencing high levels of stress or family problems has increased since liberalisation. As such, information on the availability of counselling could be made at these training seminars. In addition, information on what to do in the event of an attack on a driver would also be useful.

Regarding the delivery of training, the union stated that there should be more than one option for when training takes place, given the fact that existing drivers operate at different times in the day. This is of less concern for new applicants. Also, the drivers should be made aware of the format of both the training and examination before they take place, as this may help reduce the fear and uncertainty that some drivers may have. Lastly, the union stated that there may be a call to have training sessions for applicant drivers separate from that for existing drivers. This is because applicant drivers are likely to have more questions and enquiries than existing drivers, which would otherwise slow the training process. Also, where drivers fail an exam, they should be instructed as to which areas they answered incorrectly.

The union did not feel that the cost of mandatory training (at an assumed cost of €400) would deter new entrants from entering the market. It also raised the point that it is crucial that enforcement procedures are put in place to ensure that the person who undertakes the course and sits the examination is the same person who drives the taxi.

The ***Irish Taxi Drivers Federation*** is of the opinion that the training programme should be mandatory for new drivers entering the market, optional for those drivers already in the sector, and mandatory for those who have committed an offence or against whom a legitimate complaint has been made. The Federation stated that it has members who have been driving for up to 30 years, and that these experienced drivers do not need a comprehensive training programme⁷.

SIPTU stated that the Driver Skills Development Programme could be beneficial to drivers and their businesses on a number of levels, not least to improve the negative perception which SIPTU believes the public has of the industry. The programme should also be seen as a qualification.

⁷ It is assumed that certain elements of training will be of benefit to drivers to largely the same degree, e.g. disability awareness training. Other elements of training, e.g. customer care, will benefit different drivers to a different degree, but all drivers will benefit to some degree. This is reflected in the scoring of benefits in Section 3.2.

SIPTU believes that participation in the programme should be a requirement for new entrants to the market. However, the programme should not become a barrier to entry to the market. Special consideration should be given to those with a low level of literacy. For example, examination procedures should have an oral or audio-aided option. It was also stated that some drivers may not be able to undertake all elements of training or conform to all the requirements in relation to training. For example, older drivers or drivers with disabilities of their own may have problems with certain functions.

SIPTU did not believe that training should be mandatory for all existing drivers. Instead, an optional familiarisation course to cover elements for which existing drivers may not be familiar with should be offered. It was suggested that this would be of far shorter length than the programme proposed in ROADMAP. The key was to show that the training would be of benefit to the driver and his/her business, it was said.

Furthermore, there should be more than one option regarding the timeframe as to when training has to be undertaken and completed (e.g. one day a month for several months, or a more intensive option). SIPTU also made a number of specific points about the programme content:

- **customer care:** SIPTU stated that drivers should be shown how to present themselves in the best possible light. It agrees that this does often require training and is not a “given”. It noted that there is a physical element to this training, e.g. aiding customers into and out of the vehicle, plus manual handling. Some drivers with disabilities of their own may not be able to fully comply in this area. Another point was that training should be given on how to appropriately deal with “awkward” or abusive customers;
- **route knowledge:** SIPTU stated that the valuable technology is not as advanced or useful as might otherwise be considered. Furthermore, the expansion of urban areas means that new estates and housing complexes are developing all the time. Basic map reading skills is therefore a necessity;
- **disability awareness:** SIPTU stated that this should not be confined to those operating wheelchair accessible taxis (WATs). SIPTU also believes that taxis should be fully accessible, not just wheelchair accessible. It raised the point that the incidence of a driver coming into contact with a person in a wheelchair, or a person with a disability, is relatively small. However, it noted the prevalence of older, sometimes frail taxi users who require assistance in accessing taxis. Training for drivers in this aspect could be beneficial. SIPTU raised the point that if the driver had certification that he or she had received certified training in this aspect, this could help in the event of a public liability insurance claim, should this arise;
- **fares and charges:** SIPTU stated that training in this area would be beneficial to drivers in a number of areas. Firstly, with the changing of the fare structures there may be some ambiguity regarding which type of fare to charge. Secondly, drivers need to understand the business logic

behind the different charges, and how accepting different fares will affect their weekly income. Training should also be given regarding when and when not to accept a fare on health and safety grounds (e.g. a driver who feels fresh enough to accept a fare to go from Dublin to Galway, but may be too tired to drive back);

- **health and safety:** a particular point raised was the issue of “double-jobbers”, i.e. those taxi drivers working a full-time job during the week and then driving in the evenings and/or weekends. It was suggested that these people were perhaps subverting the Working Time Act, and that safety issues for these types of workers should be addressed during training;
- **good driving practice:** SIPTU raised the point that good driving practice for taxi drivers goes beyond what is needed to pass the national driving test. There are specific elements unique to taxi drivers, both from a business and a safety perspective. For example, training could touch on areas such as keeping in the left lane on the road so as to always available for hire, applying safe stopping distances when hailed, and so on;
- **dress and deportment:** while the existing legislation requires clean and tidy dress, this is somewhat ambiguous. SIPTU therefore sees a benefit of training in this area. It also suggested the possibility of introducing a “uniform allowance”, whereby drivers could write-off the purchase of certain clothes for use while driving.

A further element, not proposed in ROADMAP, was the introduction of a business element to training, whereby drivers would be instructed on the basic elements of bookkeeping, the costs involved in running a taxi, and the prudence of keeping some funds in reserve for a “rainy day”.

SIPTU also stated that on renewal of their licences, drivers should be informed, perhaps through the production of a pamphlet, of any changes in the regulations since they last renewed their licence.

Finally, SIPTU raised the issue of “duty of care” for the Commission on behalf of the driver, if he or she is disadvantaged by undertaking the requirements set by the Commission. For example, if a driver is injured undertaking a requirement set by the Commission, there should be measures in place to ensure that the driver is taken care of.

The **National Private Hire and Taxi Association (NPHTA)** raised a number of issues. It shared the concerns regarding the groups of drivers who may have difficulties given their age, educational attainment and literacy levels, for example. It also had reservations regarding the necessity of a number of the areas that drivers were to be taught in. For example, it saw no need to teach drivers “good driving practice” if they have already passed a driving test. “Appropriate dress and deportment” was also already a requirement in legislation, and as such the necessity to revisit this area should be more in the area of enforcement than training. The need to train existing drivers in the use of equipment, which is becoming increasingly simple to use, was further questioned. Finally, it was suggested that only those operating WATs need undertake disability awareness training.

A number of these points were made subject to the caveat that the details of what training in the area of “good driving practice”, and the other areas stated in ROADMAP, were not known, and as such there is no deep understanding of what training in these areas would entail.

Regarding the payment of fees for training, the NPHTA suggested that only new entrants pay for the training course, questioning the justification for setting a fee for existing drivers who were already “qualified” via their experience of being in the job for a number of years. When it was suggested that the training would act as professional development, it was stated that the benefit of training to drivers would be minimal. The possibility of providing a grant to existing drivers, who may have to take time off work in order to participate, was also raised.

4.3 Garda Carriage Office, Dublin

The Carriage Office has extensive experience with dealing with existing and applicant drivers in Dublin. The staff members consulted stated that they believed training would be beneficial and could be used as part of the granting of a licence. In particular, they noted the importance of focusing some part of training on communication skills. They noted the increasing number of non-national drivers, many of whom have adequate written English skills but not language skills. There was also an issue of some non-national drivers not being able to read road signs and signposts correctly.

4.4 Submissions made Regarding ROADMAP

A small number of *individual taxi drivers* made submissions regarding the Driver Skills Development Programme in response to its outline in ROADMAP. A number of these drivers were in favour of the introduction of training. Particular areas noted were instruction on dress code and hygiene for some drivers, for example. At the same time, a number of drivers suggested that training should include modules outside of those listed in ROADMAP. These included addiction counselling, drug and alcohol abuse counselling, first aid training, and instruction dealing with people with language difficulties.

One driver, however, questioned the need for training given the high levels of customer satisfaction apparent in the industry. A further point was that training should only apply to new drivers, or for drivers against whom a legitimate complaint has been made against.

The **Cork Taxi Drivers Association** stated that some of the taxi courses seem unnecessary, and that compensation should be sought for work lost. They also stated that there should be concessions for long service taxi drivers.

A number of **taxi users** stated that they welcomed the introduction of a training course. In particular, training with regard to disability awareness, including the visually impaired, was raised. A number of other stakeholders suggested that the introduction of training would act as a deterrent to non-dedicated drivers entering the market.

The **Transport Committee of the Consumer Association of Ireland** agrees with courses for drivers in customer care and dealing with passengers with disabilities. It also stated that there should be a more stringent test about geography for proposed drivers, and suggested that drivers should complete a short first aid course.

The **Competition Authority** recommended that the Commission should consider a risk based approach, i.e. making the course compulsory for drivers against which legitimate complaints have been received. In this way, the threat of having to undertake a training programme would act as a deterrent for unprofessional behaviour among drivers, it was said. This system would target the problem, would not impose any costs on drivers who operate in a professional manner, and could therefore prove to be a cost effective solution to the problem.

The Competition Authority stated that the introduction of the Driver Skills development Programme has the potential to increase the entry requirements for the industry, as the drivers could face substantial costs in terms of fees and lost earnings. The Authority stated that such a scheme should only be introduced if the Commission is of the view that the programme would bring benefits to consumers that outweigh the costs borne by both drivers and consumers.

5. Enforcement and Compliance

5.1 Option 1: Driver Skills Development Programme

The undertaking and completion of training will be part of the licence renewal and application process. In order to renew and apply for a licence, a driver must present his/her certificate, which is achieved on successfully passing the examination that is to be held on completion of the Driver Skills Development Programme. As such, enforcement will be the responsibility of the Commission, which is set to assume the role of awarding and renewing licences.

Procedures would have to be put in place to ensure that the person undertaking the Drivers Skills Development Programme and the subsequent examination is in fact the person applying/renewing the licence.

The proposal conforms to the principle of consistency in that all drivers, existing and new entrants, across the taxi, hackney and limousine sectors will be required to undertake the same training and testing procedures. Full compliance is being sought, i.e. all drivers will have to undertake the training course.

5.2 Option 2: “Do Nothing” Scenario

This option involves no changes to the enforcement and compliance regime since the current system would continue. In addition, no enforcement or compliance costs or changes to the institutional framework are generated by this option.

5.3 Option 3: Self-taught DVD/CD Option

Similar enforcement and compliance issues would apply under this option as outlined under Option 1 above. One caveat may be that only certain elements of the training provided on the DVD are “testable”. As such, it would not be feasible to assess whether a driver had gone through the whole DVD or not.

5.4 Option 4: Risk Based Approach

Enforcement under this option differs from those listed above. Drivers against whom a legitimate complaint had been received and substantiated would be required to undertake training. This could arise from the day-to-day inspections by Enforcement Officers or by follow-up investigations by Enforcement Officers after receiving customer complaints. However, the latter is complicated by the fact that verification of a complaint may prove difficult. In extreme cases, this could include legal costs.

6. Review

The Commission's "*Strategy Statement 2005-2009*"⁸ states that progress on each of the Commission's proposals will be reported on in its Annual Report. Options for review may include (for each of the proposed options):

- ***participant feedback surveys*** for those that complete training, to include level of satisfaction with course content, delivery, costs and benefits;
- ***monitoring the trend in customer complaints*** and how these relate to training. As stated previously complaints are generally about driver deportment, overcharging and vehicle quality. These only constitute a fraction of the proposed training scheme;
- ***consumer surveys***, monitoring trends in consumer satisfaction with the service offered.

⁸ See "*Strategy Statement 2005-2009*", Commission for Taxi Regulation, August 2005.

7. Conclusion

This RIA has presented an examination of the Commission for Taxi Regulation's proposed Driver Skills Development Programme 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 both the Commission's proposals (Option 1) and the alternative of a self-taught DVD/CD option (Option 3) are likely to deliver the similar benefits relative to costs. In particular, Option 1 will deliver greater benefits but at a higher cost, while Option 3 will deliver lesser benefits but at a lower cost.

This may therefore present a case for making both of these options available to SPSV drivers, depending on their experience in the industry and their particular training needs.

Annex

Annex 1 Cost Assumptions

A.1 Option 1: Driver Skills Development Programme

Cost per Driver

The course fee, reading material and examination costs were derived from discussion with the Chartered Institute of Logistics and Transport (CILT). CILT designed and accredits a similar scheme in the road haulage sector. The costs of operating this programme were therefore applied pro-rata to the proposed Driver Skills Development Programme.

The course fee to drivers of €300-€400 was estimated under the following assumptions:

- 35 hours training, with a trainer requiring €80 per hour, i.e. total cost of 35 hours is €2,800;
- 10 people per class, therefore the cost per driver is €280;
- that this figure would increase by about 25% when facility costs (e.g. hotel room, tea/coffee) are included, bringing the cost per driver to €350.

The range of €300-€400 is used as these costs may go up or down depending on class numbers, location etc.

The additional direct costs to the driver are the course material (€40) and the cost of sitting the test (€90), bringing the total direct cost to €430-€530 per driver.

The indirect cost is based on time spent at the course and subsequent examination, assumed to be 36 hours in total. It was assumed that half of this time would have been spent at work, and half not at work. The values attributed are as follows:

- value of work time is assumed to be equal to the earnings forgone. Average earnings per hour for full-time taxi drivers is €9.86, as stated in the *“National Review of Taxi, Hackney and Limousine Services”*;
- value of non-work time is estimated at 37% of work time, as per the latest Department of Transport guidelines. This equates to €3.65 per hour;
- the total indirect cost is therefore €243 (i.e. $(€9.86 * 18) + (€3.65 * 18)$).

The details of the short refresher course, the first sitting of which would be in 2009, have not been fully considered. It would likely last only a couple of hours, and the cost is assumed to be approximately €60.

Number of Drivers

The overall cost of the programme is the total cost per driver multiplied by the number of drivers that will have to take the full programme and refresher programme in each year.

This requires an estimation of a) the number of new entrants each year and b) when those already in the sector will have to renew their licence.

The figure used for the number of drivers is assumed to be equal to the “cabs in use” figures as per the details provided by the Vehicle Registration Unit (VRU). The forecasting of this figure over the next 10 years is then based on the following assumptions:

- an overall increase of 3% per annum in the number of cabs in use (which includes taxis, hackneys and limousines) from 2004 onwards. Figures for 2005 were not available;
- that the number of limousines increases at 3% per annum;
- that the number of hackneys continues to decrease in 2005 and 2006, as drivers continue to transfer to the taxi market, but that this transfer ceases thereafter. The number of hackneys then increases at a slower rate than the overall market, i.e. 1% from 2007 onwards;
- that the growth in the number of taxis is the difference between the growth in the overall market (3% per annum) and the growth in the limousine and hackney market. This is equivalent to about 4% per annum.

In working out when existing drivers would have to renew their licence, it was assumed that, of the total number of cabs in 2003, 20% were to renew their licences in 2004, 20% in 2005, and so on. It was also assumed that the period for renewing a licence would decrease from five years to three years from 2007 onwards.

There are no figures on attrition rates, and as such this is omitted. Thus, the costs may be slightly overestimated. This is somewhat counterbalanced by the fact that the years where hackney numbers decrease (2005 and 2006) assume zero new entrants. Thus, this is a slight underestimate of the cost for those years. In any case, the figures are broad estimates and should be treated as such.

Cost to the Commission

The cost to the Commission is estimated as including the following:

- €18,000 in 2006-07, for informing all existing drivers by post that they are to undergo training on renewal of their licence over the coming years;

- €3,000 per year spent on distributing, collecting and analysing feedback forms from course participants;
- project managers' and receptionists' time spent dealing with calls and enquiries, which will be highest in the first four years (€5,000-€10,000), when the numbers to undertake training is greatest, falling to about €2,000 per annum after this.

A.2 Option 3: Self-training Using DVD/CD Software

Many of the costs associated with this approach were estimated after consultation with the CILT. The estimates were:

- the initial cost of developing the DVD, estimated at €100,000-€150,000;
- the cost of producing the DVD, approximately €4.00 each;
- it is assumed that DVDs are produced every two years. DVDs are only produced for the number of people likely to undertake training in the two year period (as forecast in our model). This, however, may underestimate the cost, as the Commission is likely to produce an excess of those required in case the number of new entrants or first time renewals is greater than forecast;
- the cost of redeveloping and updating the DVD as regulations change. This depends on the level of updating required, but could cost €3,000-€6,000 a year (assuming 50-100 hours spent updating per annum at a cost of €60 per hour);
- the cost of the examination would be as in Option 1, i.e. €90 per driver. Again, the number of drivers is based on our assumptions for Option 1;
- the time required to go through the DVD is likely to be the roughly the same as that needed for attending the taught course, which is costed at about €243 per driver;
- that the cost of the refresher course would be as in Option 1, i.e. €60 per driver.

A.3 Option 4: Risk Based Approach

- 10% of the number of drivers required to take the full Driver Skills Development Programme training outlined in Option 1 are required to do so under this option.
- The direct cost of training per driver increases due to a lack of economies of scale. As such, we are assuming an increase in the direct cost per driver of 33%.
- The “refresher” element of the programme is retained for every driver (although it would no longer be referred to as a refresher course) and has the same cost as Option 1, i.e. €60 per driver every three years.
- Each driver will have to sit some sort of standard nationwide examination. The cost of the examination would be as in Option 1, i.e. €90 per driver.

- The enforcement cost to the Commission is equivalent to one Enforcement Officer's salary and expenses, approximately €70,000 per annum. This cost could be greatly increased if drivers' court appearances are needed to validate complaints and thus enforce training.