

**Report of:** Service Development Officer

**Report to:** Head of Elections, Licensing and Registration

**Date:** 26 September 2017

**Subject:** Taxi and Private Hire Licensing: English literacy and numeracy screening.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. English literacy and numeracy testing as a pre-requisite to the grant of a taxi and/ or private hire licence was introduced as a result of concerns raised both by the public and the licensed trade, that some applicants have difficulty speaking, reading or writing English where it is not their first language. All applicants are required to undertake & pass this screening test before they can move on to the next stage of the application process.
2. The contract with learndirect to deliver the literacy and numeracy tests was a 12 month direct award and the contract expired on 28 June 2017.
3. Both parties have continued to perform their side of the contract in the belief that the contract was still in existence.
4. The Taxi and Private Hire Licensing service would like to secure the continued provision of testing by learndirect until June 2018 when it is the services' intention to have established a regional training framework which will cover all aspects of training currently delivered to new applicants to the licensed trade.
5. Failure to secure the continued provision would lead to a loss of services, loss of income for the service and criticism of the Council as new applications would not be able to be taken.

## **Recommendations**

6. That the Head of Elections, Licensing & Registration approve the waiver of Contracts Procedure Rules No 8.1 and 8.2 – Intermediate value procurements and award a contract and enter into a direct contract with Learndirect for the period up to 28 June 2018.

### **1 Purpose of this report**

- 1.1 Under Contract Procedure Rules 8.1 and 8.2 all contracts with a value of between £10k and £100k are to be competitively tendered by formally inviting a minimum of three tenders.
- 1.2 The Taxi and Private Hire Licensing service are seeking approval to waive this requirement to ensure a consistent approach to literacy and numeracy testing by engaging the existing provider, learndirect.

### **2 Background information**

- 2.1 The contract with learndirect to deliver the literacy and numeracy tests was a 12 month direct award and the contract expired on 28 June 2017.
- 2.2 Due to a misunderstanding over the correct procedure for extending the contract this contract actually expired.
- 2.3 Consequently, an extension agreement has not been put in place although both parties have continued to perform the contract in the belief that it was still in existence.
- 2.4 A review of all training currently delivered to applicants to the trade is currently underway within the Taxi and Private Hire service. It is the intention of this review to establish a regional framework by June 2018 for all training provision. A competitive tender in relation to English literacy and numeracy screening is not deemed cost effective with this in mind.

### **3 Main issues**

#### **Reason for Contracts Procedure Rules Waiver**

- 3.1 We are satisfied that this contract still provides good value and service to our client group.
- 3.2 The financial value of the contract is low (approximately £11,000 per year) in return for good benefits to the Council both in the recharge rates and in service and user satisfaction.
- 3.3 The contract is a source of income for the service. Currently, there are between 650 and 800 applicants per annum each paying £25 to the Section for the English literacy

and numeracy screening. The cost to the service of the screening is £10 per applicant.

- 3.4 Learndirect provides additional courses to applicants at no extra expense to either the applicant or the service. These courses help applicants achieve the relevant standard to pass the literacy screening test.
- 3.5 The waiver is requested to enable the service to continue to benefit from the current provision and to prepare and undertake a procurement process early in 2017 so that a new regional framework training contract can be in place before the expiry of the contract on 28 June 2018.

### **Consequences if the proposed action is not approved**

- 3.2 If this waiver is not approved the contract will be put out to tender which will be costly and time consuming for the service. The Council will struggle to get another provider in place quickly enough to have continuity of the screening and testing services. This will have a knock on effect in that the service would be unable to accept any new licence applications and this in turn will affect the income with service receives.
- 3.3 By putting the contract through another competitive tender process at this stage there is a risk that the cost to the service and the applicants will increase, which could lead to criticism of the Council and loss of valuable revenue in the interim.
- 3.4 There is a risk that another provider will not be able to offer the additional, free courses.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 It is not considered necessary to consult with service users and stakeholders at this stage since the decision being sought is to award a contract with the current provider up to 28 June 2018.

4.1.2 As and when the next procurement exercise is underway to create a regional framework in relation to training, appropriate consultation and engagement will take place with key stakeholders as part of the tendering procedure.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 There are no issues to consider at this time as all applicants to the trade are required to undertake the English literacy and numeracy testing prior to the grant of a licence. This is regardless of the service provider.

### 4.3 Council Policies and City Priorities

4.3.1 The Taxi & Private Hire Licensing policies contribute to the following aims:

#### **Best Council Plan 2013 -17**

#### **Towards being an Enterprising Council**

#### **Our Ambition and Approach**

**Our Ambition** is for Leeds to be the best city and Leeds City Council to be the best council in the UK – fair, open and welcoming with an economy that is both prosperous and sustainable so all our communities are successful.

**Our Approach** is to adopt a new leadership style of civic enterprise, where the council becomes more enterprising, business and partners become more civic, and citizens become more actively engaged in the work of the city.

#### **Our Best Council Outcomes**

Make it easier for people to do business with us

#### **Our Best Council Objectives**

Promoting sustainable and inclusive economic growth – Improving the economic wellbeing of local people and businesses. With a focus on:

- Helping people into jobs,
- Boosting the local economy
- Generating income for the council

Ensuring high quality public services – improving quality, efficiency and involving people in shaping their city. With a focus on;

- Getting services right first time
- Improving customer satisfaction

4.3.2 The Taxi & Private Hire Licensing policies contribute to priorities:

- Reduce crime levels and their impact across Leeds
- Effectively tackle and reduce anti-social behaviour in communities

4.3.3 Safeguarding children and vulnerable adults:

Leeds City Council has both a moral and legal obligation to ensure the duty of care for both children and vulnerable adults across all of its services. This cannot be achieved by any single service or agency. Safeguarding is ultimately the responsibility of all of us and depends on the everyday vigilance of staff who play a part in the lives of children or vulnerable adults.

#### **4.4 Resources and Value for Money**

- 4.4.1 The English literacy and numeracy screening is a source of income for the service which totalled £21,000 over a two year period. There is no impact to staffing should the waiver be approved.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Due to the value of the contract, less than £100k, this is an administrative decision and is not subject to call in. The report does not contain any exempt or confidential information and is not eligible for call in under the Access to Information Rules.
- 4.5.2 Awarding contracts directly to the consultant service provider in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that contracts of this value should be subject to a degree of advertising, particularly if it would be of interest to contractors in other member states. It is up to the Council to decide what degree of advertising is appropriate but consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.
- 4.5.2 The Head of Elections, Licensing & Registration has considered this and, due to the nature of the services being delivered, the relatively low value of the contract and the requirement to physically deliver the training in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to contractors in other EU member states.
- 4.5.4 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed its own procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.5 Although there is no overriding legal obstacle preventing the waiver CPR 8.1 and 8.2, the above comments should be noted. In making his final decision, the Head of Elections, Licensing & Registration should be satisfied that the course of action chosen represents Best Value for the Council.

#### **4.6 Risk Management**

- 4.6.1 If the waiver is approved there are no additional risks. If the waiver is not approved there is a risk in terms of income to the service and exposing the Council to criticism as outlined at 3.2, 3.3 and 3.4.

## **5 Conclusions**

- 5.1 It is Council policy to be looking for price reduction year on year. However, the extension of the contract with learndirect continues to meet the Council's duty to obtain best value for money.

## **6 Recommendations**

- 6.1 That the Head of Elections, Licensing & Registration approve the waiver of Contracts Procedure Rules No 8.1 and 8.2 – Intermediate value procurements and award a contract and enter into a direct contract with Learndirect for the period up to 28 June 2018.

## **7 Background documents**