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Report of the Chief Executive (Corporate Governance)

Licensing Committee

Date: 15 March 2011

Subject: NVQ & VRQ Qualifications – Officer response to Licensing Committee request to consider alternative training delivery.

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

This report sets out the responses to the issues raised by Members at Licensing Committee on 16 November 2011, when considering the decreasing funding available for Taxi and Private Hire drivers undertaking NVQ and VRQ professional qualifications. (minute 39 of the meetings minutes covers this discussion).

Members were given 4 options within the report of 16 November 2010 but resolved to defer the matter pending further consideration and requested additional information.

As much of the requested information as can be provided is detailed within this report and Members are requested to consider this information and indicate whether they feel able to make a decision on the future of the conditions or, alternatively, to defer the matter again whilst some new and additional proposals are explored.

1.0 Purpose Of This Report

1.1 To set out for Members the responses to issues they raised on 16 November 2010 and potential options in respect of the existing requirement to undertake NVQ and VRQ qualifications for new and existing drivers.

2.0 Background Information

2.1 On 2nd September 2008 The Licensing & Regulatory Panel introduced a training requirement on all new Private Hire and Hackney Carriage drivers to undertake NVQ & BTEC training in the first 12 months of their licence.

2.2 The Panel also resolved that all other licence holders had until 31 December 2011 to complete that training.

2.3 There was Central Government funding available and a significant amount was set aside for the training of Leeds drivers. This 'reserve' was largely taken back into Central Government in August 2010, although pockets of funded training are still available.

2.4 Up until 4 February 2011, 4322 drivers had signed up to the training and 3583 had achieved passes (figures supplied by the Skills Funding Agency). The figures represent both trades and are not broken down.

2.5 There are currently 1033 Hackney Carriage driver's and 5134 Private Hire drivers.

2.6 On 16 November 2010 the Licensing Committee received a 'further information' report and all the main issues at 3.1. to 3.5 set out some alternative options to consider in the light of the funding withdrawal.

2.7 The options available to Members on 16 November 2011 were

- To continue with the current requirements for all new drivers to obtain the qualification within 12 months and all existing drivers to obtain the qualification by 31st December 2011
- To continue the requirements but change the time scales by which both new and existing drivers need to obtain the qualification
- To consider whether, if the requirement were removed, there be some kind of incentive scheme to reward drivers who have obtained or do obtain the qualification prior to December 2011
- To instruct officers to explore the possibility of procuring one training provider.

2.8 The Committee minutes of that meeting resolved as follows:

That, due to additional issues raised by the Committee, determination of this matter be deferred until the next meeting. The Committee requested a further report be presented in due course to include responses to Members comments, including:

- cost of in-house procurement of the training modules and the cost of exemptions of experienced drivers from the scheme
- the impact of the above on the licence fees given the ring fencing of the

TPHL budget

- statistical information on complaints received since the implementation of the scheme
- appropriate measures which could be implemented to ensure 100% takeup of the scheme
- whether LCC could procure training providers to deliver locally and reduce the cost

3.0 Main Issues

3.1 In relation to their information requests, Members are advised as follows

- 1) Cost of in-house procurement of the training modules and the cost of exemptions of experienced drivers from the scheme.

Response - Summary of position:

The Council's preference has been to move away from internal training in recent years and it now buys in most of its training and qualification requirements from external providers. Existing training contracts apply only to Council employees. In order to undertake such a project in respect of Taxi & Private Hire drivers the Council would have to establish a training centre approved by the awarding body for this type of vocational qualification and examination. It would also have to employ, or contract, occupationally qualified assessors and an internal verifier to meet the requirements of the examining body. There are cost concerns here and also management issues in that the Council can require and expect its employees to attend formal training, but the expectations of that level of compliance might be somewhat different from an industry not employed by the Council. The cost of administering and managing attendance failing would then fall on the Council.

The Council do not directly employ licensed drivers in Leeds. The responsibility for ongoing professional development and training lies with the employers of the licensed drivers or with individual taxi drivers, where self employed. This responsibility includes the procurement/sourcing of qualifications, such as NVQs.

The availability and the funding for NVQs has changed considerably over the last 3 years. The council signed the Skills Pledge in November 2008 meaning that **Train to Gain** funding was used for delivery of many NVQs. As a result, NVQs have increasingly been delivered by external providers, rather than by the Council itself.

- 2) The impact of the above on the licence fees, given the ring fencing of the Taxi & Private Hire Licensing budget.

Response – Members may feel at this stage, with out predetermining any final decision, that when considering the cost implications of future training that Officers should seek options that prevent any further costs falling upon those who have already achieved their qualifications.

Members can themselves determine that a training requirement is a prerequisite to the granting or renewal of a licence and that it is the responsibility of the applicant to under take any training at their own expense. Again this is a matter to be resolved in some way at a later stage.

Members could also revisit options which were available to them at the time of the original decision in September 2008. (Please refer to 3.1 of this report).

- 3) Statistical information on complaints received since the implementation of the scheme.

Response - Information to follow. This entails a manual search of the complaints system over a number of years and there has not been sufficient staff time available up to this point.

Further discussion with the Chair of the Licensing Committee has taken place and clarification sought.

It is proposed that it would be more informative for Members if a separate report was brought to the Licensing Committee setting out the categories of complaints, the numbers involved and the outcomes of investigations. This proposal is now included in the recommendations at 7.7.

- 4) Appropriate measures which could be implemented to ensure 100% take up of the scheme.

Response – Every encouragement and all available information has been given to drivers, Operators and Trade Association members about available funding. Together with this details of the Council's timescales to undertake the training have been emphasised and the possibility that available funding may dry up.

- 5) Whether LCC could procure training providers to deliver locally and reduce the cost.

Response - It should be noted that funding remains in place until 31 July 2011 with all training providers currently known to the Taxi and Private Hire Licensing Section and delivering to Leeds licence holders. Train to Gain funding will cease in its entirety from August 2011 onwards.

Working in liaison with the Corporate Procurement Unit, a Market Testing exercise was undertaken for three weeks commencing 7 January 2011.

Within this, parties interested in delivering both the NVQ and the VRQ were asked to submit information surrounding the following key areas;

1. Allocated funding to cover the cost
2. Commercial cost(s) where funding is not available
3. Referrals to funded provision for Skills for Life courses, as applicable
4. Provision for those who may need assistance during the course of their study
5. A sustainable delivery plan and timetable
6. When and where training could be delivered to accommodate a predominantly Leeds and Bradford client base.
7. Assurance of compliance with the Data Protection Act
8. Security vetting to monitor applicant identities
9. Assessor resource
10. Awarding body
11. In-house quality assurance procedures within the test environment

After an initial show of interest of in excess of 30 training providers, only five submissions were received. These papers are presented as Appendix 1 as "Exempt Information" on the grounds of their commercial sensitivity.

The commercial costs submitted for the delivery of the training and attainment of both qualifications are wide ranging estimates only, contained within the exempted information.

- 6) The Committee also requested the cost of in house procurement of the training modules.

Response – This requires significantly more time to explore but Members should be aware that such training would not be accredited by an examining body, although a testing element could be introduced into it.

- 7) The Committee also requested the costs of exemptions of experienced drivers from the scheme.

Response – In effect, as of today, that would probably encompass the majority of those who have not taken the opportunity to undertake the free training. There would be no cost benefit or disadvantage to the Council, only the individual, if such a group were to be excluded. It would, however, significantly reduce any interest by external trainers in the procurement exercise.

3.2 Arising from these responses Members may consider a wide range of options:

- Consequences of retaining the NVQ/VRQ on applicants, licensed drivers, the trade and the Section budget following the ending of funding.
- Consequences of removing the requirement totally.
- Reconsidering the options presented to the Committee in September 2008, reproduced below.

3.2. *If it is considered to be necessary then Members will need to consider the implications of that decision in terms of how it is adopted and some proposals might be:*

3.2.1. *That new applications for licences will require the applicant to attain the qualifications prior to the licence being granted.*

3.2.2 *That new applications for licences will require the applicant to attain the qualifications within 12 months of the licence being granted.*

(NB: there would be some protection for the Council with such a policy if there was a knowledge screening test in place and enable licence holders to learn 'on the job'.)

3.2.3 *That existing licence holders be given a time scale to attain the qualification which is reasonable to their learning needs and helpful to the training providers.*

(For example December 2010 or December 2011, but there is a need to be alert as some licence holders may seek to defer for as long as possible and potentially undermine the value of the training plan. The Hackney Carriage Associations would wish to

balance any timescale for those who may be leaving the trade around that period)

3.2.4 That existing licence holders need only attain the qualification in the event of some form of complaint being proven against them or a conviction or caution administered.

3.3 Alternatively, consider in house training and testing scheme run by the Section applied to all new and existing none qualified drivers.

Such an in-house scheme would require development and testing and include most of the modules in the NVQ, with the option of requiring a VRQ at their own expense in the event of a transgression.

3.4 In the event of Members requiring more detail on the latter option a good deal of work would be required to identify time schedules, staff issues, testing and integrity matters.

4.0 Implications For Council Policy And Governance

4.1 The Council can set conditions and withdraw them but the changes to conditions should be weighed carefully and options considered evenly so that the conditions remain substantive, proportionate, defensible and causing the minimum of adverse impact to achieve its aims.

5.0 Legal And Resource Implications

5.1 For further consideration when Members indicate their preferred recommendation.

6.0 Conclusions

6.1 Members may feel that the benefits of such training should not be lost in total and the requirement for professional standards in the trade have not decreased, it is how the training to achieve that may still be the issue to be determined. There would also be a potential negative impact on the good will of the trade.

6.1 Before Members take a final decision in reviewing the necessity for an NVQ and VRQ or alternative training and testing options, Members will need to consider how it might be carried forward and some recommendations are produced below to enable Members to direct Officers accordingly.

7.0 Recommendations

7.1 That Members discount the procurement of external training providers, at this time, on the basis of costs obtained during the market testing exercise (refer to Appendix 1).

7.2 That Members note that there is no route for none employees of the Council to obtain accredited vocational training qualifications via the Council's Corporate training programme.

7.3 That Members refer to the options presented on 16 November 2011 reproduced at 3.2 above and make a fresh determination after considering the most recent information.

(Members need to be aware that the financial concerns leading to the presentation of this and the previous report of 16 November would still apply to any category of driver affected by this Committee's decision).

OR

- 7.4 Members require Officer's to carry out further feasibility work and design a training and testing system that would mirror as far as possible the elements and benefits of the exiting NVQ & VRQ qualifications.

AND

- 7.5 That Members note that there will be no enforcement of the original requirements whilst the option at 7.4 is investigated
- 7.5 That Officers prepare an information report setting out the categories of complaints, the numbers involved and the outcomes of investigations.

8 Background Papers

Report to the Licensing and Regulatory Panel dated 2 September 2008

Report to the Licensing Committee dated 16 November 2010