



Northern Ireland  
Assembly

Committee for Infrastructure

# OFFICIAL REPORT (Hansard)

Driver and Vehicle Agency Briefing

5 February 2020

# NORTHERN IRELAND ASSEMBLY

## Committee for Infrastructure

### Driver and Vehicle Agency Briefing

5 February 2020

**Members present for all or part of the proceedings:**

Miss Michelle McIlveen (Chairperson)  
Mr David Hilditch (Deputy Chairperson)  
Mr Roy Beggs  
Mr Cathal Boylan  
Mr Keith Buchanan  
Mrs Dolores Kelly  
Ms Liz Kimmins  
Mr Andrew Muir

**Witnesses:**

Ms Julie Thompson	Department for Infrastructure
Mr Paul Duffy	Driver and Vehicle Agency

**The Chairperson (Miss McIlveen):** I welcome Mr Paul Duffy, chief executive of the Driver and Vehicle Agency, and Ms Julie Thompson, the deputy secretary with responsibility for planning, water and the DVA in the Department for Infrastructure. You are both welcome to the Committee. I thank officials for facilitating Committee members at the Boucher Road test centre last Wednesday. All who attended found it incredibly useful, and we had the opportunity to speak to staff and see the issue at first hand.

I am not sure whether you want to make an opening statement or move straight to questions. Julie, will you give us an initial update?

**Ms Julie Thompson (Department for Infrastructure):** Yes, I am happy to do so. I will update the Committee on the key actions taken over the past week since I was last here. Paul would also like to give you an overview of the key aspects of DVA in that broader sense. Following that, we will be open to questions, if that works for you.

In the last week, one of the key actions has been to give priority to processing temporary exemption certificates (TECs) for most customers. That has involved cancelling appointments and then issuing TECs as their MOTs become due. We have also had to prioritise vehicles that cannot get a TEC. As I explained last week, and as the Minister also explained, those are four-year-old cars, taxis and cars in car dealerships. Five lifts have been reopened and are operating. Three existing lifts — two in Lisburn and one in Belfast — have been independently inspected and put into use. Those lifts had no faults originally, but we wanted to take that precautionary step to ensure that they were independently assessed and checked again before they were utilised. Two brand new lifts have been installed, one in Belfast and one in Derry. The lift in Derry should open today.

We have worked hard on communications, and we appreciate that that is still an issue for folk. There is a lot more information on the nidirect website, and we are pointing people to that. We are trying to help and deal with customers as best we can in all sorts of circumstances. Getting that engagement in place has been a priority. We have also been working with various key internal stakeholders, such as the trade union side, on working patterns and schedules, for instance, and external stakeholders, such as taxi drivers, car dealers or those involved in freight transport. All have had various forms of engagement.

As the Minister said, the two reviews also started in the past week. Those have kicked off and are being worked through, as she explained. A lot of that is keeping the basics of life moving forward and making sure that people are protected and able to drive their cars. We have also been turning our heads to the future; I think that you have been having that conversation as well. We have to look at, and we are looking at, other options for how to get operations back in place as quickly as possible. A range of things there, including the expert review, is working through that.

That is the kind of work that has been happening over the past week. Paul will give you a broader perspective on the DVA, and then I am open to questions.

**Mr Paul Duffy (Driver and Vehicle Agency):** Thank you, Chair, for the opportunity to speak to the Committee today and for the Committee's visit to the Balmoral test centre. I know that the staff greatly appreciated its attendance.

I will give you an overview of the Driver and Vehicle Agency. Our vision is for safer drivers and safer vehicles. All our functions, in some way, contribute to making people safer on the road. We are largely structured around three main functions: driver and commercial licensing; driver and vehicle testing; and compliance and enforcement. Over the past three or four years, we have been embarking on a significant digital transformation programme that touches on almost all the services provided by the DVA. I will highlight some of those developments when I talk about the individual functions and services that we deliver.

I will give the Committee a little background. Approximately 800 staff work in the DVA. They are a mixture of administrative and technical staff. The technical staff are made up of vehicle examiners, driving examiners and enforcement officers. Geographically, the organisation is quite dispersed. We have three main administrative offices: one in the Balmoral Road test centre; one in Corporation Street; and one in County Hall, Coleraine. There are 15 MOT centres and two satellite driving test centres. We also own and manage six weighbridges that carry out roadworthiness checks for the haulage industry.

County Hall, Coleraine, is our main licensing hub, where we currently process about 250,000 driver licences a year, both ordinary and vocational. Over the past three years, we have been working to digitalise a number of those licensing transactions in order to make them much more efficient for customers. At the moment, customers are able to go online and renew their driving licence. That also allows them to pay for their licence online and upload their photograph: they can either go to a photo booth or upload it from their mobile phone. They can go online and change their address or request a replacement driving licence. That has greatly improved turnaround times for applicants renewing their licences.

We are working closely on identity assurance with colleagues in the Department of Finance. If you are a first-time applicant for a provisional driving licence, we need to be able to confirm your identity, and, at the moment, that is not possible. In Coleraine, we also process commercial licences for the bus and taxi industry, including licences for operators, drivers and vehicles. That has largely been a paper-based process, but we are finalising the development of a commercial licensing system that will allow operators to manage their fleets much more efficiently. We have worked closely with the taxi and bus industries on developing that solution so that it meets their business needs.

The Committee will be aware that we have responsibility for the roadworthiness test, which, as I mentioned, is delivered from our 15 MOT centres across Northern Ireland. Last year, we conducted about one million tests. The Committee will also be aware of some of the challenges that we faced last year with waiting times. The demand for vehicle tests has grown steadily over the past decade, and it is not uniform throughout the year. Demand tends to peak from January to May, falls away over the summer, peaks again around September and October, and then falls to its lowest point during November and December. That largely reflects new car registrations, as people do not tend to buy new vehicles in December.

Last year, in response to the growing waiting-time issue, we introduced a number of measures to address it. We recruited a number of additional permanent vehicle examiners. We have also made use of some temporary vehicle examiners. We extended our opening hours during the summer to include Sundays and bank holidays. I felt that we were starting 2020 in a good position to get on top of waiting times. Preparations were under way to open two additional test lanes in the New Buildings test centre, which would provide additional capacity of about 1,500 tests per week. We were also in the process of appointing a construction company to commence the building of an additional MOT centre at Hydebank in Belfast. It is planned to be completed in 2022 and will provide additional capacity of about 90,000 to the greater Belfast area.

We also have responsibility for the delivery of the theory and practical driving tests. Each year, we conduct around 70,000 theory tests and 60,000 practical driving tests. We have looked at how best we can digitalise that in order to make it better for customers. Now, when an applicant turns up to do their driving test, we already have their details on a tablet device, and the assessment of the test is recorded on that device. If the candidate passes, we can issue a driving licence remotely from the car that day. It will be printed overnight in Swansea and posted immediately to the applicant. It is a much quicker turnaround and a better service for customers.

Finally, turning to compliance and enforcement, we carry out enforcement operations for the haulage, bus and taxi industries. We check the roadworthiness of vehicles at the roadside, and we check the licensing entitlements of the operators and drivers responsible for those vehicles. We work very closely with partner organisations such as the PSNI, HM Revenue and Customs (HMRC) and other enforcement bodies in GB and Ireland. We also work closely with the likes of the Education Authority on the safety of school buses. We have introduced digital technology in this area, which allows our enforcement officers to access information at the roadside. It also allows them to take a more risk-based approach to enforcement and to minimise any inconvenience caused to compliant operators and drivers, the people to whom we certainly do not want to cause any inconvenience.

Chair, that was a quick summary of the overall responsibilities and functions of the DVA. I am happy to take any questions, and I appreciate that the Committee will want to focus, to some extent, on the current disruption in the MOT system.

**The Chairperson (Miss McIlveen):** OK. Thank you very much. You have been thrust into a spotlight that you, no doubt, did not want to be in. There is no doubt that, for the DVA, this has been a disaster from a PR perspective and for public confidence in it.

You indicated that communication is an ongoing problem. It certainly was an issue a couple of weeks ago when the story broke, and it will take time for people to fully understand what is going on. Those who had an immediate issue with their MOT will have received their TEC and will understand the process. Many others will not be quite as aware of how it will impact them.

I appreciate that you were not in post when the lifts were procured. Was the DVA advised, as far as you are aware, by the manufacturer on whether the lifts would be fit for purpose for the number of lifts that they would be required to do, given the fact that, as you mentioned in your opening comments, there has been an increase in the number of vehicles tested over the last 10 years.

**Mr Duffy:** At the time of the procurement of the lifts, a private finance initiative (PFI) contract was in place, and the lift replacement was a refresh programme as part of that contract. The lifts were replaced between August 2011 and November 2013, although the bulk were replaced in 2011-12, and that was the responsibility of the PFI contractor at the time. There is no indication that there was a pre-determined period for which lifts should be used. As part of the termination of the PFI contract, the ownership of the lifts passed to the DVA. At that time — May 2013 — a preventative maintenance and service programme was put in place. The purpose of that programme is to ensure that lifts are properly maintained and serviced, and that they are fit for purpose. A reactive maintenance element is built into it so that, if any part or element of the equipment in the test hall needs to be repaired or replaced, it is flagged up. That is the process that is followed.

It is difficult to say that a lift should be used for x number of years. It depends on the usage and how that lift has been maintained, but the purpose of those eight-weekly and six-monthly inspections is to try to identify when parts need to be replaced or have failed.

**The Chairperson (Miss McIlveen):** I just want to be clear: at the time of purchase, there was no recommendation given by the manufacturer.

**Mr Duffy:** Certainly not that I have been able to uncover, in any way.

**The Chairperson (Miss McIlveen):** I accept that there is a maintenance and inspection routine in place, and you have a duty of care to your employees and the service users at each of your sites. Mindful that the lifts were ageing, was any resource set aside in your business plan for a refresh period for each of those lifts?

**Mr Duffy:** The DVA, as a trading fund, is able to accumulate a level of reserves, but on the basis only that there is a plan to use them. Normally, we function on a full cost recovery; we are not entitled to make any profit, but it is prudent to plan for future investment. An amount of money has been accumulated in the DVA's reserves to replace equipment. It is prudent to do so because, at some stage, equipment will need to be replaced. We are also mindful that there will be a requirement to purchase equipment to furnish the development at Hydebank. That has all been built into a plan to build up sufficient reserves to allow that to happen.

**The Chairperson (Miss McIlveen):** So it had been your plan to replace the lifts.

**Mr Duffy:** Inevitably, all the equipment in a test hall will have to be replaced at some time in its useful life. We work very closely with the contractor to understand what maintenance is happening and what repairs and replacements it recommends. At the end of, I think, October 2018, we asked the contractor to carry out a condition survey of all the equipment in the test halls, including lifts. We asked it to conduct that on the basis that we needed to plan — whether there was any equipment that would need to be replaced in the future — and also to get a good sense of what condition our equipment was in. It produced that quite comprehensive and detailed report in October 2018. Its assessment was that the condition of each individual lift was either "good" or "acceptable". There was no indication at that stage that lifts needed to be replaced. We normally ask for that during our monthly service meetings with the contractor. If a piece of equipment in all 15 test centres was starting to show defects, we would say, "There are a growing number of defects in this piece of equipment. Does it need to be replaced?". That has not been the case, certainly not for lifts.

**The Chairperson (Miss McIlveen):** Until two weeks ago, you had no intention of replacing any of the lifts, with the exception of buying additional lifts for the New Buildings site and for the new complex at Hydebank.

**Mr Duffy:** That is right.

**The Chairperson (Miss McIlveen):** Any moneys that you currently have in your reserves, which, of course, we are not clear about at this stage — perhaps you might like to enlighten us as to how much you have in reserve — is committed to the Hydebank site. You said during last week's interview that it could cost in the region of £30,000 or £40,000 per lift to replace. If we multiply that up, it is quite a significant amount of money. If we have to replace the majority of those lifts, and if your money is committed to Hydebank, for example, will you require assistance from the Department?

**Mr Duffy:** I will set out the level of reserves in the DVA and then talk about the individual component in relation to equipment. At the moment, there is £36.9 million reserves in the DVA. That information is published in the accounts for the DVA. Of that, £17 million is set aside for the development at Hydebank: the building of an MOT centre and a new depot for our compliance and enforcement teams. One of the new roads at the development of York Street interchange goes through the building that the team is currently in, so we need to relocate that building, and Hydebank is the preferred location. There is £3 million for the development of a new booking system. The system for booking your MOT and driving test has been in place for quite some time, and we are working on replacing it. In addition, £11 million has been set aside for equipment, and there is a £6 million contingency that we are required to hold for working capital and unforeseen events; in the unfortunate circumstance of losing a test centre, you have to have enough reserves to replace it. The £11 million that is sitting in reserves for vehicle equipment is to fund equipment in totality in the test hall, not just lifts. That is equipment for Hydebank and for any refresh programme required in the future, or for proposals around the development of a new network of test centres.

**The Chairperson (Miss McIlveen):** Are you saying that you have the money to cover the replacement of all the lifts, if that is the case?

**Mr Duffy:** There is certainly sufficient money in the reserves to cover the cost if lifts need to be replaced. There is a contingency there that gives flexibility.

**Ms Thompson:** It is the distinction between having the moneys available, but there were no plans in place to utilise it. That is the stage that we were at, with the money being set aside because it is prudent to do so, but not having gone to the point of setting off procurement and all of that, but the funds exist to enable that to happen.

**The Chairperson (Miss McIlveen):** How much is added to your reserves each year?

**Mr Duffy:** It varies, but around £3 million to £4 million over the last number of years has been added. That largely comes from vehicle testing, so the cost of an MOT test is £30-50, which has remained the same for probably the last 12, 13, 14 years.

**The Chairperson (Miss McIlveen):** We had the Minister in for a discussion, and she is seeking a report about the number of lifts that could be salvaged through repairs or whether we will have to go down the purchase route. What discussions have you had with manufacturers for lead-in times for delivery of the lifts?

**Ms Thompson:** There are a range of proposals, and we really need external expert opinion on that, as the Minister has described. We need to understand what the options look like, how many lifts could be repaired and, if they need to be replaced, do we go to the current supplier or go more broadly. That is the scope of that ongoing work. That is then linked to discussions with the supplier on the position that we currently find ourselves in. It is all wrapped up in a bigger picture, and, therefore, there is a need to be clear about where exactly the supplier is, what is involved in all of that, what our options are and whatever. We are still working through that, and we will use external expertise to help us to do that. The time frames, as the Minister said, are very difficult to predict because we do not yet know which options will be pursued in that space.

**The Chairperson (Miss McIlveen):** Obviously, in the meantime, while lifts are not operating, there is a greater backlog. We understand that there is also an issue in relation to the six-month rule for TECs, so that creates a further problem for you. While you do not want to rush this because you need to get the right information, there is a consequence of not moving forward.

**Ms Thompson:** We are completely mindful of that. You are doing a combination of a lot of things at the same time, so working on the current situation to make sure that customers get the protection that they need but, absolutely, at the same time, working as fast as we possibly can to understand the options for moving ahead and getting back to full-scale operations. We completely understand that, in four months' time, the demand will increase because of the demand at that point plus the four months running out. Therefore, all that the Minister was discussing with you earlier around the types of options need to be looked at. We are looking at procurement and other options that might help to manage the demand, at the same time as giving priority to the customers whom we face here and now who need to be put through the centres. There is a multitude of ongoing work by Paul and the team to make sure that we are looking at all those avenues.

**The Chairperson (Miss McIlveen):** I understand that a similar issue has now shown itself in the Irish Republic. Can you give any information as to whether they are the same lifts and whether the issue is exactly the same as that which you are experiencing?

**Mr Duffy:** When the issue became more serious, I had a discussion with the provider in the South to enquire whether they were witnessing such an issue or whether they used the same supplier or the same type of lift. At that stage, they had no issues with their lifts. They were being regularly inspected. That was on the Friday. On the Monday, I had further contact with the provider who had said that they had just noticed, now that we had brought it to their attention, cracks on a number of their lifts. That led to the suspension of the lifts entirely in the South.

I am now aware that there could be cracks in lifts in other European countries. I am aware that the supplier is about to provide a statement to each of its customers on this particular lift. We have not received a copy of that from the supplier as yet, but I am aware that one is imminent.

**The Chairperson (Miss McIlveen):** We are in a situation now where this could be a design issue, so perhaps the manufacturer becomes liable.

**Mr Duffy:** We need to explore that issue as part of our contract negotiations.

**The Chairperson (Miss McIlveen):** That sheds a totally different light on some of the conversations that we have been having. I will open up the discussion to other members.

**Mr K Buchanan:** Paul and Julie, we have established — correct me if I am wrong with my terminology or wording — that you did not expect a life cycle for these lifts? Lifts were fitted back in 2011, 2012 or 2013. As long as you maintained a lift correctly and inspected it for whatever the life of the lift was, in your eyes, it was not expected to last any specified time.

**Mr Duffy:** That is certainly my understanding. As part of our planned preventative maintenance programme, those eight-weekly and six-monthly checks by the contractor identified defects and whether there was a deterioration in the condition of the lift. As well as those eight-weekly and six-monthly inspections, an independent inspection by the insurance inspector was also done every six months. Again, that gives us confidence about the condition of the lifts and the other equipment that they were inspecting at that time.

**Mr K Buchanan:** OK. You are expecting a report from, I presume, an engineering company. When are you expecting that report? Will it advise you whether to repair or replace the lifts?

**Ms Thompson:** We are expecting an update on that at the start of next week. The company has been out looking at the lifts, which will give it a much better sense of where we are at, which will help to inform the next steps. At that stage, we will get an initial view, which will inform what needs to happen next.

**Mr K Buchanan:** The company that maintains the lifts has a contract in place that outlines that maintenance. What is the definition of maintenance? A crack is a breakdown; you could define what that is. Under that contract, is it the company's responsibility to repair that?

**Mr Duffy:** The contract has two elements. It has a maintenance and servicing element for all the equipment, and it also has a reactive repair element. When the contractor identifies a fault with any piece of equipment, they make a recommendation on what the repair should be or whether that element should be replaced. If that is accepted, the contractor is then funded for that. There is no incentive for them not to highlight these issues because they get to carry out the repair work.

**Mr K Buchanan:** Based on that, what is the company saying that you should do? Ultimately, you have a contract with that company to advise you what to do, so what are they saying to do with the crack?

**Mr Duffy:** Initially, when the crack was identified in November, the recommendation was to repair the lift. The company said that it had taken that element of the lift apart. It had investigated it and was content that a welded repair would be sufficient. That is what we then embarked on: we made repairs to the lifts.

**Mr K Buchanan:** What is the communication line, then and now, with the company? What additional support is it offering? Has it stepped back a little bit because, obviously, you are bringing in your own people to give you further advice? If the company has stepped back, do you feel that it is giving you all the support that it can, considering that the problem is now Europe-wide?

**Mr Duffy:** When we got to the stage on 27 January where we were not getting sufficient assurance from the company or the contractor about the quality of the repairs being done to the lifts, our engagement has moved on to a more contractual basis. I am not sure whom we want to speak to about repairs, given the company's past performance.

**Mr K Buchanan:** This is my final question, Chair. Is it correct that you installed two new lifts — one in Belfast and one in Londonderry at New Buildings?

**Ms Thompson:** That is right.

**Mr Duffy:** Yes, at New Buildings.

**Mr K Buchanan:** Is the design of those two new lifts any different to the design of the other 55 lifts?

**Mr Duffy:** They carry out the same functions, but it is a new model.

**Mr K Buchanan:** Are they any stronger? They still have a safe working load, I understand of 4,200 kilograms — 4.2 tons.

**Mr Duffy:** It is 4.5 tons.

**Mr K Buchanan:** Sorry: 4.5 tons. They may be a different model, but are they stronger, based on the fact that there were problems in the same location in 48 lifts?

**Mr Duffy:** As those lifts were being supplied to us and before they went into commission, the DVA got an independent insurance assessor to come in and give us an assurance around those lifts to make sure that they were safe and fit for purpose. A positive report came back.

**Mr K Buchanan:** Yes, but the point remains. You have fitted two new lifts. It would be interesting to know whether they are physically stronger lifts. If the plan is to buy more, you could be buying the same style as the 48 faulty ones.

**Ms Thompson:** That is where the external expert comes into it by saying, "Right, OK. What are our options moving ahead? How fixable are the lifts that we already have? If they are not fixable, what do we do? Where do we buy them from? What do our options look like?". That is absolutely part of the current conversation. You wrap a layer around that of the contractual discussions with the supplier. There is a long way to go to come out the other side, but we are taking forward that work. We are doing that in conjunction with the Central Procurement Directorate (CPD), which is giving us the very good advice, help and support that we need.

**Mr K Buchanan:** Paul or Julie, based on what you know now and what you are going to know next week, if you were to give a time frame for when the MOT centres in Northern Ireland will be back to normal — if there is such a thing as normal — when would you say that is?

**Ms Thompson:** The Minister answered that earlier. We cannot speculate about when that will be.

**Mr K Buchanan:** Is it months?

**Ms Thompson:** We have the work to do. The first stage of that work is the report that will come in at the start of next week, and we will follow on from there. We will keep going as quickly and as appropriately as we can until we get to the end of it. We have bought ourselves a bit of time, which is more than helpful, but we must have solutions in four months' time. That brings you into the wider space about the legislative angles that the Minister was talking about. Those are all in place and all working, but I cannot give you an answer to that question at this stage.

**Mr K Buchanan:** Thank you.

**Mr Hilditch:** Procurement and other jurisdictions have been covered, so I will not repeat all that. Last week, I raised questions about workers' welfare and the risk to workers. Mr Boylan touched on customer safety as well. Last week, the answer was no, but given what has developed over the past week, is it still your opinion that workers were not at risk?

**Mr Duffy:** The inspections of the lifts that identified cracks did not suggest that there were any safety issues with them. I do not feel that workers were at risk. We have taken a precautionary measure to remove those lifts to ensure that we were completely satisfied that they were not at risk.

**Mr Hilditch:** Have you been told specifically that they were not at risk, or are those just your thoughts?

**Mr Duffy:** It is on the basis that we were never told that the lifts presented any safety issues.

**Mr Hilditch:** Did you ask?

**Mr Duffy:** Yes.

**Mr Hilditch:** Thank you. I take it that you want to continue on the MOT theme. I have other questions on the earlier presentation. Will I come back?

**The Chairperson (Miss McIlveen):** No, you are OK. Continue.

**Mr Hilditch:** My question is on the Coleraine licensing situation. People who work and earn a living as drivers — taxi drivers, lorry drivers, bus drivers and things like that — may be middle-aged males. If they fall ill, they can be out of work for some time. If they get clearance from their GP or a medical consultant, that is all forwarded to Coleraine, but it turns out there are waiting lists of between three and five months to get those people back to work. Normally, those people have to endure difficulties during that time. We have also identified that it could lead to mental health stresses. Can anything be done to improve that situation? I know from talking to the people up there that it is outwith their hands; it is in someone else's hands. Who is making that decision? Why is it taking so long to get people who have suffered illness back to work?

**Mr Duffy:** Chair, we are focused on this issue. The process is that an applicant applies to renew their licence. That application comes into Coleraine and is assessed. If there is a medical condition, people are issued with a medical questionnaire to complete, which then comes back into Coleraine. We then use the Department of Finance's occupational health service (OHS), who are the medical professionals, to assess that medical application; my staff are administrative staff and do not have those skills. It is passed over to the occupational health service, which makes an assessment on an application. Unfortunately, for some conditions, that may require going to the individual's GP and, in some cases, may also require them to go to the likes of a cardiologist or a specialist for tests before the occupational health service can make a recommendation to the DVA on that individual's condition

That process, when it leaves Coleraine and goes into the occupational health service and then goes out into the wider medical field, can sometimes take more time than we would like. We have introduced a number of measures to try to reduce that time frame for customers. We are working with the OHS and have asked if it can dedicate medical advisers just for DVA cases in order to speed up turnaround times.

We have been working with our own staff in conjunction with the Driver and Vehicle Licensing Agency in Swansea, which undertakes this task for the rest of the UK. It has developed what is called the "medical wizard", which answers some of the medical questions online. We are training our staff on how to use that, which should mean that fewer cases are being referred to the OHS. That will, hopefully, speed up the turnaround times. We are also trying to improve our communication with customers so that, when you send your medical application in, you know where it is in the system and that it has not gone into a black hole in the OHS.

**Mr Hilditch:** That is important, because I have met people who are in a very distressed state as they have bills to pay and are out of work. Their local GP or consultant says that they can go back to work, it falls into your system and, five months down the road, they are still waiting.

**Mr Duffy:** I appreciate that. We are working really hard to keep track, when the information goes into the OHS, of where it goes after that, and regularly feeding that back to customers to keep them informed. We have a responsibility to ensure that people on our roads are safe and medically fit to drive, which is why we must use medical professionals to give us their opinions. We are working closely with them to speed up that turnaround time for customers.

**Mr Hilditch:** Thank you.

**Mr Boylan:** Thanks very much for the update. I have a couple of questions. Julie, when will the report be ready?

**Ms Thompson:** We will get an initial report at the start of next week, which will be, I guess, an assessment of what they have found as they have gone round looking at the lifts. That will help us to understand what the next steps will be. We would expect them to do more work after that, but it will be informed by the work that they are doing this week.

**Mr Boylan:** On the communication point, I am getting texts as I sit here from people asking what to do. The Chair referred to that, so communication is a big issue at the moment.

I thank the staff whom we met last week. We got a better understanding when we went out to see for ourselves. Those who had been through the MOT already had some understanding, but it was helpful to go out and talk to staff. We appreciate their work and the pressure that they have all been under.

You said that we — or the Department — took public ownership of the lifts six years ago. Is that right?

**Mr Duffy:** We took ownership of the lifts in May 2013.

**Mr Boylan:** Right, OK. We had a discussion with officials when we were down there. No matter what it is, there is a shelf life — no matter what you buy or what you do. I am not defending anyone, but we saw some of the cracks. They are minuscule, but they are still a fault.

**Mr Duffy:** Yes.

**Mr Boylan:** That is primarily the issue. Did nobody look at the original contract to see whether there was any reference to a shelf life or a number of lifts? That will come out in the report, but I am trying to establish that because people are asking questions in the South, because they have exactly the same lifts. Was any of that looked at previously? When you took over the lifts, was there any conversation about their shelf life?

**Mr Duffy:** My understanding is that there is nothing in the contract that says that there is a specific shelf life for an individual lift; that depends on the usage of the lift and how well it is maintained and serviced. It is through the service and maintenance programme that identifying a lift replacement should really start to materialise. Just for information, the lifts in the South were installed in 2009, but, because they have had a rolling programme of new centres, they do have some that are younger.

**Mr Boylan:** When were most of ours installed?

**Mr Duffy:** The first of the lifts were in August 2011, I think, and the last were in the middle of July 2012, and a few in 2013.

**Mr Boylan:** By no means am I challenging the engineering or the lift itself, but what would happen if there were to be a catastrophic failure of a lift. Some people whom we met that day said that there is a system that holds the lift in place. The primary issue is that there are faults in the lifts and some are now 10 years old. They could not last forever. As part of the review, and those carrying it out, if the lifts were inspected two or three times a year, all of a sudden all of them now have faults. That message needs to get out. It was missed somewhere.

**Mr Duffy:** The oldest lifts are about eight years old. The inspections are not just a couple of times a year. They are every eight weeks and every six months, so there is quite a good lift inspection regime. The question is why, in the external inspection, those cracks were not identified earlier.

**Mr Boylan:** I appreciate that. All I am saying is that we saw a lift without any stress fracture or any load on it. I am sure that, if there had been a weight on it, it may have been different. Even with those checks, it maybe should have been picked up a bit sooner, but it will all come out in the review.

How much are you supposed to hold in reserves?

**Mr Duffy:** There is not a set amount. You should generate reserves for only a planned purpose and not for the sake of generating them. You should normally be on full cost recovery, so we are not entitled to create a profit, but there are reserves of £36.9 million.

**Mr Boylan:** You said that there was £17 million. What were the plans to upgrade the new centres? Was there a plan in place to upgrade all the centres?

**Mr Duffy:** Work was done about four years ago looking at the future of the network of MOT centres. There has been a growing demand for MOT tests. Our centres were built about 45 years ago. We have squeezed as much capacity as possible out of that infrastructure, hence we are building a test centre at Hydebank. There was a plan to modernise the entire network of test centres.

**Ms Thompson:** That brings you into a wider debate. If you think about the reserves, while £36.9 million may seem like a lot, it really pays for only the Hydebank test centre. Therefore, if there were to be a network of new centres, it would be unlikely that the DVA would have sufficient reserves to do that, and that would bring it into that wider departmental capital budget that you know is under considerable pressure for all the other reasons.

There is a limit as to how much the DVA can fund itself, and the reserves will get us the one test centre that is in play. Once it comes to wider network issues, the Minister will need to consider that alongside all the other capital priorities because at that point the DVA will not be able to self-fund and will need to go to the wider departmental budget to get finance.

**Mr Boylan:** I appreciate that. I ask that question in the context that we will face serious difficulties in four months' time with the temporary certificates and all that we need to do. If we do not get hold of the matter fairly quickly, besides the money that we have to spend, we will have a serious problem trying to address the issue. Would extending the test to every two years get us out of a situation for a time?

**Ms Thompson:** We are still looking at that because we need to understand the legislative impact. You are weighing up what the legislation allows and the impact on road users and insurance companies. Other people will have views on whether we should make that change, so it is early doors, really, in considering that option. It impacts on the scale and demand that will go through the centres dramatically, because you are going through only every other year, rather than every year —

**Mr Boylan:** No. I appreciate that, Julie.

**Ms Thompson:** — so a lot of things need to be worked on.

**Mr Boylan:** I take on board road safety and all the elements that were raised with the Minister. All that I am saying is that we need to get hold of it — After these reviews are all over, you will soon see, we will need to get hold of it. I asked the question in that context only. Will it then be down to the business plan and all that comes with it?

**Ms Thompson:** Yes.

**Mr Boylan:** The procurement process, which was asked about already. I understand that now. I appreciate your answers.

The other issue that I want to bring up is the taxis industry, Paul. Now that the Assembly is back, it has been raised again. I have received a number of emails. It was brought up with the Minister today. There are still ongoing issues. Would you like to respond on what is happening in the city and how we address some of the issues that have been raised with us — I am sure that they have been raised with you — about the roll-out of the Taxis Act after such a substantial period?

**Mr Duffy:** DVA's responsibility is to regulate the taxi industry in accordance with whatever legislation the Minister has in place at the time. For DVA, I suppose that the biggest challenge with regard to the taxi industry is how to enforce the two-mile zone that exists in Belfast, where we have witnessed a degree of what we would determine to be illegal picking up by classes of taxis that are not permitted to do so. We work closely with the industry to try to address that issue. It is a difficult issue to address. For us to detect someone doing that and take it to the stage of either issuing a fixed penalty or prosecuting the driver, a member of our staff has to actually get into the taxi unidentified, take the taxi journey and get a receipt for money to show that there has been payment reward. That can then lead to a fixed penalty or prosecution. You can understand that that is quite a time-consuming process for one detection when it happens quite a bit on a Friday or Saturday night or any afternoon during the week.

It is very challenging to enforce that two-mile zone. That is the biggest challenge that we face. Probably the biggest criticism that we get from certain classes of taxi drivers is that we are not doing enough, but it is a very challenging issue to address.

**Mr Boylan:** I appreciate your answer. If members are not familiar with taxis legislation, they will become very familiar with it over time. I appreciate your response.

**Mr Muir:** Are there plans to reform that legislation in order to allow easier enforcement?

**Mr Duffy:** The Minister has given a commitment that she will look at taxis legislation. The lessons that we have learned from the previous legislation is that we need to look at how it is applied on the ground — its practical outworkings — to ensure that whatever is put in place is actually enforceable.

**Mr Muir:** Yes, because there is a safety issue here. If there are taxi drivers who contravene legislation, you potentially have people picking up who are not licensed taxi drivers, do not have the necessary insurance in place and are charging consumers fares that are way above what they should be, when there are licensed taxi drivers who are working hard for a living.

**Mr Duffy:** The illegal picking up that we witness tends to be done by licensed taxi drivers who are picking up outside their licensing conditions. They are not permitted to pick up within the two-mile zone, but they continue to do so. It is hugely resource intensive to try to address that issue. I understand the frustration that it creates in parts of the taxi industry. My preference would be that our priority focus would be on illegal taxis, because that is where the safety issue is. That is a particular issue in the night economy, especially on Friday and Saturday nights. That is where we would like to focus more; on ensuring that the taxis that pick people up are licensed and lawful.

**Mr Muir:** Thank you for coming along to give an update on the MOT situation. Most of us are probably concerned to hear that this is potentially a wider issue across Europe. More information on that would be useful in due course. As regards the safety issues, which have been picked up on by some members, there was discussion about the involvement of the Health and Safety Executive. Is there any more information about its involvement?

**Mr Duffy:** The issue materialised round about, I suppose —. Forgive me, but the past three weeks have blurred greatly for me; it seems to have been one long day. The engagement with the Health and Safety Executive began when we were getting concerned about some of the repairs that were being made and some of the feedback that we were getting from staff. We engaged with the Health and Safety Executive to keep them fully informed of what was happening. I wrote to them on, I think, 25 January to set out the regime we were putting in place, which was to inspect the lift, repair it and reinspect before putting it into operation, to protect our staff and customers. We were keeping them informed throughout the whole process.

**Mr Muir:** Is there ongoing engagement from them, now that you have proactively reported it to them?

**Mr Duffy:** At this stage, given that the lifts have been suspended, the Health and Safety Executive is no longer involved, but we always keep that communication open in case there are any further developments.

**Mr Muir:** My understanding is that, in the South, they are conducting the national car test (NCT) without the element involving the lift. What is your view on that? Hopefully, the independent inspection will come back next week and will allow some of these lifts to be used — we do not know — but the reality is that some of them, I suspect, will not be permitted to be used, and there will be a process of procuring and installing lifts. I suspect that it will take months to do that correctly. What is the situation down there? I also understand that they have started to do full tests as well.

**Mr Duffy:** Yes. In the South, they are conducting the first part of the test and, when it gets to the visual inspection of the underside of the vehicle, they suspend it. Therefore, they are not able to issue a test certificate to a vehicle. They are bringing those vehicles back at a later date, which is yet to be determined, to go through that part of the test. I am not sure how that fits with the directive, given that you will have a vehicle on the road without any sort of test certificate.

The process that we have put in place, with the temporary exemption certificate, allows us to extend the one-year MOT by four months. In the South, because they do their test every two years, they do not have any latitude to extend, because that is the minimum amount the directive allows you to do. So, I am unclear as to how their vehicles are on the road without a certificate at the moment.

As I said earlier, they have had a programme in which they had replaced some equipment at their test centres at a later date and, therefore, some of their lifts are younger. I understand that they have between six and eight lifts up and running at their centres. They are in the process of installing 13 new lifts, which they purchased from the same contractor, and they will be up and running this week. They are now looking at the lifts with cracks and, like us, assessing whether they can be repaired or need to be replaced.

**Mr Muir:** The installation of the 13 lifts has been very quick.

**Mr Duffy:** They had them already. They had plans to start refreshing some of their stock at a later date. The contractor was aware of that and had 13 lifts sitting in stock, ready for them to call upon as and when they needed them.

**Ms Thompson:** It is very similar to the two lifts that we had in the same position here.

**Mr Muir:** What about the cost if, eventually, new lifts have to be purchased? Obviously, there is a capital cost associated with that. Is there an opportunity for that to be subject to an insurance claim or compensation claim? The default position of going to the public purse in relation to this is something that I think we should not be —.

**Ms Thompson:** That is all subject to the conversations that we are having with the contractor about why we are in the position that we are in and solutions to resolve it. It is all wrapped up in that, and it will follow through, as it does.

**Mr Muir:** Since we are talking about the financial situation, in the first-day briefing, the Minister outlined that further investment of £120 million was required to bring the DVA test centres in line with the European roadworthiness directive. There was also information in relation to the diesel emissions test. I would like an update on that. I understand that, here and now, we are dealing with the MOT situation, but these are long-term strategic issues that we need to deal with. The like of the diesel emissions test was discussed previously in the media. What are the plans to address that?

**Ms Thompson:** I will start on the strategic bit on the plan. It is a bit like the conversation around the fact that we need to see what our network of test centres will look like, where they would be located and how that would be followed through. We know that we only have reserves for the one, which is at Hydebank. Therefore, it becomes part of that strategic conversation about how we might need to use our DFI broader funds and what that will look like, because we are fully aware of the other significant priorities that may be in that budget. However, that does not mean that nothing is happening on diesel. Paul can explain what is happening at the moment.

**Mr Duffy:** At the moment, we still conduct full emissions tests for all petrol vehicles. Diesel emissions tests are carried out on heavy goods vehicles, buses and vans over 3,500 kg. We carry out a visual inspection on cars and light vans when they turn up for test. In May last year, we began using what is known as the malfunction indicator light (MIL) as a testable item. If it is visible on the dash, that gives an indication that there is a problem with the vehicle's emissions. If that light is on, the vehicle fails the MOT test on the grounds of emissions.

**Mr Muir:** What is the long-term plan to introduce diesel emissions tests in line with the regulations?

**Ms Thompson:** It is back to the sites. It is, again, back to health and safety issues around making sure that we can test safely. That is what is behind all of that, which means that we need to bring the conversation about test centres alongside how we fund all the other capital requirements. That is something that we need to go through with the new Minister.

**Mr Muir:** That will be important, because we talked earlier with the Minister about air quality and stuff like that, and this feeds into that.

**Ms Thompson:** Very much so.

**Mrs D Kelly:** Thanks for your presentation. Julie, I think you said that the cost of an MOT has not gone up in 12 or 13 years and it is currently around £30. You also mentioned an obligation for full-cost recovery. What would full-cost recovery look like when it comes to the MOT?

**Ms Thompson:** At the moment, an MOT costs £30-50. If we did not have to invest in the future infrastructure that is required — that is one of the reasons why we accumulated a degree of reserves — then the cost of an MOT would, probably, be slightly less than what it is now. The extra pound that we charge for every MOT amounts to roughly £1 million in revenue every year. We generate about £3 million or £4 million a year, so the full-cost recovery for an MOT is roughly around £27 or £28, but the little bit above that allows us to build up reserves for future investment in the MOT system.

**Ms Thompson:** Full-cost recovery in the broader sense in the public sector allows us to set that money aside. Otherwise, we would have problems when we needed to make investments. It is completely normal that we factor that buffer into our fees. That money will be used, and it has to be set aside and used for particular purposes, as Paul said. We are allowed to make sure that we are getting those funds in to make those periodic investments. That is all part of the norm.

**Mrs D Kelly:** That is fine. The other thing that I am interested in goes back to Mr Hilditch's comments about waiting times. You said that you were addressing that, but you have not given us much detail, and it is no comfort to the people who have been waiting for a long time.

I am also interested in hearing a wee bit more about services for disabled drivers, particularly those who have had an illness or an injury. I know that drivers who have an injury need to take a specific test. What are the waiting times like for those tests? Are you up to speed on all of that? Are there any particular issues that need to be addressed?

**Mr Duffy:** We took a number of measures last year to deal with waiting times. We noticed that we always got a spike in demand between January and May. In previous years, waiting times tended to go out during that period but we have succeeded in keeping them to a manageable level. What happened last year was that that tipped slightly above what was an acceptable level and, as a consequence, there was some media reporting on it. When we looked back at the trend of bookings, once that media report came out, we saw a huge spike in applications, and we witnessed what was almost panic booking. The people to whom we sent reminders that their MOT was due in seven or eight weeks' time and who maybe would not normally have booked two or three weeks out were booking as soon as they got the reminder, which then accentuated the problem. We had quite a difficult time trying to bring those waiting times back down.

As I said, we have done that through a number of measures. We went through a period of Sunday opening, we opened during all the bank holidays in the summer and recruited some additional casual staff to come in and assist us with those tests. In preparation for this year, we increased the number of vehicle examiners that we employ permanently. About 35 or 40 additional vehicle examiners were brought in, and they have been trained and are in place for this year. At the very start of this year, we also moved to some Sunday opening so that we would stay ahead of the issue, rather than running it close.

Unfortunately, we find ourselves talking about the disruption of the MOT service, and it is easy for me to say this now, but I was fairly confident that we were on top of the waiting-time issue and would not have seen a repeat of it, because of the measures that we had put in place.

We have worked very closely with Disability Action to arrange the particular tests for disabled drivers that were affected. I am not aware that there have been any significant issues with waiting times. We have arrangements to facilitate disabled drivers who come to our centres for driving or vehicle tests. If it is a vehicle test, we will either take the vehicle through with them or will have arrangements that allow us to adjust the test to suit their requirements. It is the same for the driving test.

**Mrs D Kelly:** On the occupational health issue, have any additional resources been put in to allow the medical reports to be examined and signed off?

**Mr Duffy:** There are two areas. We have a team that looks after medical applications. We have strengthened that team, and, as I said, we did some work with the Driver and Vehicle Licensing Agency in Swansea to get the software to process applications faster and filter them better. We have also engaged closely with the Occupational Health Service on getting assurances from it that it has sufficient resources to manage the throughput that we are asking it to manage and to give us dedicated medical advisers who will deal only with DVA cases until its backlog has been reduced.

**Mrs D Kelly:** OK. Thank you, Chair.

**Mr Beggs:** Thanks for your updates so far. I think we all need to concentrate on what we can do urgently to fend off the growing problem that is coming in about four months, or sooner. You mentioned that EU directives are one of the factors that are restricting what can be done. I appreciate that we are still in a transition phase. Is this a matter that we can legislate on, or will the new two- or four-man committee decide on that? Can the Assembly legislate on that?

**Ms Thompson:** It has been transposed into UK law at this point. Any changes would have to come back through in that way, and then you are into — as with all EU legislation — whether you change it locally and what that will mean for being able to trade and all that. At the moment, it is a law that applies, and that is the law that we have to abide by.

**Mr Beggs:** I understand that. Could a law change at Westminster give us flexibility, or are we restricted in what we can do by the Brexit deal that is going through?

**Ms Thompson:** Much of that is in the "unknown" category. We do not know quite how that will work through.

**Mr Beggs:** OK. I want to turn to the problems that we face with the lifts. According to your investment strategy report, a procurement is under way for Hydebank, which runs from July last year until June this year; that is the schedule. We must get our procurement right. That is just for one centre, and there are plans for a complete revamp of all centres a year or so later. My question is about the specific procurement at Hydebank. Does it have a life cycle for the lifts built into it, so that you know what you are buying and when the lifts will be due for renewal? It is not just the vertical up and down; there is a sideways shaking movement that tests the suspension and the steering at the front. That is putting sideward stress on the pivot point, and that, I suspect, is the cause of the cracks. Has a cycle limit been specified in the procurement process so that we know what we are buying?

**Mr Duffy:** The procurement process that is under way, is to appoint a construction company that will build the facility at Hydebank. The second element is the equipment that will be put into that building. It is something we will test with the contractor. It will be very difficult to put a definitive time frame on when a lift needs to be replaced, but it is something we will tease out with them. It is a bit like saying, "How old should a car be when you replace it?".

**Mr Beggs:** Sorry, my question was about cycles. Metal stresses depending on the number of times it bends, so is there a method of recording through the test system?

**Mr Duffy:** There is a way of knowing how many cycles the lift has been put through. But now, given our experience, it is something we will want to tease out a little bit more with the equipment manufacturer. I am going to contradict myself, but we will want to tease out a time frame of when a lift going through X number of cycles will need to be replaced.

**Mr Beggs:** The wider refurbishment is a £120 million or £140 million contract. You have indicated that you only have £11 million extra built into your resources for flexible expenditure on equipment.

**Mr Duffy:** Yes, that amount is estimated. The amount has been built up on the basis that if we were to have X number of new centres, this amount would be required to put the equipment in to those new centres.

**Mr Beggs:** We have learnt about the pressures on the roads, the water system, the sewage system etc. Why has the MOT cost not, at least, increased in-line with inflation for 13 years to build up a reserve to renew the centres? Everyone knew it was coming?

**Mr Duffy:** DVA is slightly different to other public sector bodies within central government, because it is a trading fund, it can actually borrow. The borrowing can be paid back over the life of the asset. For example, to accumulate £100 million for an investment over a short period of time would require a very significant hike in the MOT fee. Normal practice is to borrow the money and then repay that through the fee over the life of the asset.

**Mr Beggs:** Does the borrowing go against public expenditure limits?

**Mr Duffy:** It does.

**Mr Beggs:** So it affects other infrastructure projects.

**Mr Duffy:** It is still public sector borrowing.

**Mr Beggs:** OK.

**The Chairperson (Miss McIlveen):** Do Members have any other questions? I have a couple of tidy-up questions. A query was raised with me about the testing of e-cars. Are any adaptations required to the centres in order to give e-cars, particularly their brake systems, a full test?

**Mr Duffy:** Chair, you will appreciate our test centres have been designed for vehicles that have been on the road for quite some time but new types of vehicles have been developed. When a new type of vehicle comes through the test centre, sometimes there are teething issues about how it is used in the test. I am aware there was an issue with electric vehicles and how they come out of the brake rollers. The brake roller system has been fixed. The contractor was asked to come up with a solution, and that has been implemented.

**The Chairperson (Miss McIlveen):** OK. Thank you. We want clarification about a query raised last week, is it still possible to book an MOT online?

**Mr Duffy:** Yes. I knew that question would come up, and last night I tried to book an MOT myself, and it works.

**The Chairperson (Miss McIlveen):** OK. Thank you. Obviously, there has been quite a long discussion about Hydebank. The Committee will appreciate more information about plans and so on. Can you furnish us with that?

**Mr Duffy:** Yes, I am happy to do that.

**Mr Beggs:** I have a quick supplementary question. When we visited Translink, we saw their wonderful new-built system, which has specialist pits and jacks for lifting busses. Yet, they have to ignore all their pits and transfer all their busses to the under-pressure MOT centres. What needs to be done so that excellent public facilities, such as that one, can be used to improve the number of vehicles that can receive an MOT in the other DVA centres? Can a DVA official go to the likes of Ulsterbus and inspect the vehicles there?

**Mr Duffy:** At the moment, the legislation states that the MOT must happen on a departmental site, so it does not allow examiners to go to other locations to conduct the test. There are other issues around that, on an operational level, such as how you get that data back and into the system. Those are not insurmountable, but there is a legislative issue.

**Mr Beggs:** How easy is it to change the legislation? We are in quite a crisis at the moment.

**Ms Thompson:** It is back to the contingency options and the full exploration of everything that we can possibly do. That is certainly something that we will continue to look at. Our early advice is that it would be quite complex to do something like that, but, as the Minister said, we are exploring all possible options to try to make sure that we have contingencies in place and that the centres are up and running as soon as possible.

**The Chairperson (Miss McIlveen):** My final question is about the number of MOTs currently being carried out. I know that you are prioritising four-year-old vehicles and that you are looking at three-year-old vans and taking those through HGV lanes, in addition, obviously, to opening up additional lifts. Will you give an idea of what percentage you are now operating at?

**Mr Duffy:** The latest figures that I can think of are to do with cars. I think that, on Monday, we processed around 1,500 cars, whereas, normally, we would do about 3,500. Overall, since the issue arose on 21 July, we have conducted around 24,500 tests.

**The Chairperson (Miss McIlveen):** There is also discussion about increased hours. Has that taken place, or are you still in the process of doing that?

**Mr Duffy:** We have moved to Sunday opening. Last Sunday, we opened at a number of centres, and we opened them for longer than normal for a Sunday. We are engaging with trade union side (TUS) at the moment on alternative shift patterns and evening openings.

**The Chairperson (Miss McIlveen):** So there are still opportunities for that to happen.

**Mr Duffy:** We are engaging with TUS and staff on that issue.

**The Chairperson (Miss McIlveen):** OK. Thank you very much for your time this morning. The Committee would appreciate receiving regular updates on the ongoing situation.