



AGENDA ITEM: 7

SUMMARY

Report for:	Licensing Health & Safety Enforcement Committee
Date of meeting:	26th November 2013
PART:	1
If Part II, reason:	

Title of report:	Licensing arrangements for Private Hire Operators
Contact:	Ross Hill – Licensing Team Leader, Legal Governance
Purpose of report:	To set out proposed changes to the Council’s licensing arrangements for private hire operators, following consultation.
Recommendations	To adopt the proposed changes to the licensing of private hire operators, with effect from the 1 st April 2014.
Corporate objectives:	<p>Safe and Clean Environment</p> <ul style="list-style-type: none"> • Maintain a clean and safe environment <p>Dacorum Delivers</p> <ul style="list-style-type: none"> • Efficiencies
Implications:	<p><u>Financial</u> The proposed application fee (set out in a separate report in the agenda) of £350 would reduce the Council’s application fee revenue by around £2,000 annually, when averaged over a 6-year period and assuming current licence numbers remain stable. This reflects the reduced administrative cost due to less frequent applications.</p> <p><u>Value for Money</u> Although each application would take longer to process due to more checks being carried out, the frequency of applications would decrease from annual to 2- or 3-yearly, reducing the administrative burdens on both council officers and business.</p> <p><u>Risk / Health & Safety / Equalities Implications</u> None</p>

Consultees:	Consultation was carried out between the 29 th August and the 1 st November 2013, by way of a newsletter article and direct mail to all licensed operators. No responses were received.
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	

1. BACKGROUND

- 1.1. The Council is responsible for the licensing of private hire operators under section 55 of the Local Government (Miscellaneous Provisions) Act 1976. Operators play a key part in the function of private hire vehicles, as the Act requires that these may only accept bookings for journeys which have been invited and accepted through a licensed operator. A licensed operator maintains a fleet of vehicles and drivers, licensed by the same authority, to which any bookings received are allocated.
- 1.2. For the majority of pre-booked journeys, operators are the initial point of contact with the public, and hold personal details (including in some cases financial details) about their customers. They are ultimately responsible for the fulfilment of the booking and safe carriage of their customers, as well as the employment or engagement of drivers and other staff. To ensure that this position of trust is not abused, the Council is required to satisfy itself that applicants for licences are 'fit and proper persons', and may refuse applications or revoke or suspend licences if this is found not to be the case.
- 1.3. As the law stands, a wide variety of businesses require operator's licences. In addition to the 'general' private hire companies providing minicab services to the public, a number of chauffeurs, stretch limo operators, courtesy car providers and other transport services must hold licences.
- 1.4. At the time of writing, the Council has issued a total of 49 private hire operators licences. 37 of these indicated on their most recent application that they operated 5 or fewer vehicles, with a significant proportion of these representing self-employed drivers with a single vehicle, particularly in the executive/chauffeur sector. Operator's licences are currently issued for one year at a time.
- 1.5. Every operator's licence is subject to a number of standard conditions, set by the Council, which stipulate the content of records to be retained by the operator, set the service standards to be followed, restrict the vehicles and drivers which may be employed, and require operators to declare any convictions they receive.
- 1.6. Until March of this year, the Council charged application fees for operators licences in 3 bands – reflecting the operation of 1-5 vehicles, 6-20 vehicles, and 21+ vehicles. From the start of this financial year, the upper two bands were merged. Fees are required to be set to account for the administrative costs of processing the application for the licence, and for a proportion of the costs of ensuring control and supervision of the licensed private hire trade.

2. PROPOSED CHANGES

- 2.1. The initial report on this matter, from the meeting on the 27th August 2013, set out the faults with the current system and the proposed changes in detail, but by way of summary it is proposed to reinvigorate the licensing procedures for operator's licences. The key aspects of the proposal are:
- Adoption of a published policy (draft attached at Annex A) providing guidance for applicants, officers and the Committee, to assist in providing consistency and transparency in decision making;
 - A revised application form, giving details on a greater range of matters while eliminating some irrelevant questions currently contained therein;
 - Requiring applicants to submit Basic Disclosure certificates, listing any unspent criminal convictions, unless they have previously been vetted to a higher level during a recent driver's licence application;
 - Additional financial/insolvency checks on applicants;
 - A single application fee, replacing the current 'banded' approach;
 - Longer duration licences, reducing cost and bureaucracy for businesses, with a greater length for the smallest businesses and startups;
 - Updated standard licence conditions, dealing with a number of defects previously identified affecting the council's regulatory work.
- 2.2. The legislation stipulates that licence must not be issued unless the Council is satisfied that the applicant is a fit and proper person to hold a licence of this type. By requiring a statutory declaration from each applicant, in addition to a criminal record certificate from any applicant who has not previously been vetted by the Council, and by carrying out searches in respect of any previous adverse financial proceedings, it is believed that a firmer picture of applicant's fitness and propriety will be established, leading to better and more proportionate decision-making. The proposed guidelines also refer to the powers of suspension and revocation of licences, and it is proposed that these guidelines would be applied to interim sanctions against licensed operators for misconduct during the period of a licence, again bringing greater clarity over the likely actions that will be taken.
- 2.3. Operator's licences may be issued for a maximum of 5 years. It is believed that the proposed 2- or 3-year licences will offer the best balance between reduced bureaucracy for businesses and fulfilling the Council's public safety duty by verifying that operators are fit and proper for the type of work they are undertaking.
- 2.4. A single application fee of £350 has been proposed for the new longer licences. Although this fee is higher than that currently charged, the licence duration will be longer, resulting in a net saving for most operators. The separate report in this agenda relating to licence fees for the next year gives further details of the criteria by which fees are assessed.
- 2.5. Consultation was carried out between the 29th August and the 1st November 2013, by way of a newsletter article and a direct mailshot to all licensed operators outlining the proposed revisions. No responses were received.
- 2.6. It is therefore recommended that the proposed revisions to the licensing scheme be adopted, with effect from the 1st April 2014. This delay has been

proposed to allow sufficient time for operators to prepare for the amendments, particularly in respect of the records to be retained. The revised licence conditions will apply from the next renewal of the licence.

3. ATTACHED DOCUMENTS

3.1. The following documents are attached to this report:

- Annex A** – Draft Private Hire Operators Licensing Policy
- Annex B** – Draft Private Hire Operator’s licence application form
- Annex C** – Draft guidance notes for completion of PHO application form
- Annex D** – Proposed standard conditions applying to PH operator’s licences

4. RECOMMENDATIONS

4.1. To enact the revised licensing scheme for private hire operator’s as set out in this report, it is recommended that the Committee resolve:

- a) That the draft ‘Private Hire Operators licensing policy’ shown at Annex A be adopted and published with immediate effect, and its provisions implemented in full in respect of licences commencing from the 1st April 2014;
- b) That all private hire operator’s licences issued by the Council with effect from the 1st April 2014 shall be valid for a period of 2 years, or 3 years if the licence permits the operations of no more than 3 vehicles;
- c) That the draft ‘Private Hire Operator’s licence application form’ shown at Annex B, and the particulars therein required, be adopted and utilised for all applications made after the 1st April 2014 or for licence renewals commencing from that date;
- d) That a Basic Disclosure certificate shall be required from any applicant for a private hire operator’s licence (or every director of a limited company applicant) with effect from the 1st April 2014, issued in the relevant individual’s name not more than 3 months prior to the date of application, unless that individual holds a current hackney carriage or private hire driver’s licence issued by the Council.
- e) That the proposed standard conditions for private hire operator’s licences shown at Annex D be adopted and applied to all licences commencing from the 1st April 2014 onwards;