

**Report to:** Licensing and Environmental Regulation  
Committee (LERC) 12 January 2016 and  
Executive Cabinet Member Environmental  
Services 25 January 2016

**Date:** January 2016

**Report of:** Director of Place

**Report No:** LERC/04/16

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**Report Title:** Licensing Service Development 2015-2017

**Non Confidential:** This report does not contain information which warrants its consideration in the  
absence of the press or members of the public.

**Purpose:** The report informs members of proposed developments for the Licensing  
Service

**Recommendations:** The Executive Cabinet Member for Environmental Services and Licensing and  
Environmental Regulation Committee (LERC) are asked to approve the  
proposed developments to the Licensing Service together with proposals in  
relation to locally set Licensing fees.

**Decision**

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**SUMMARY OF REPORT:**

This report contains proposals for developments to the Licensing Service together with appropriate proposals for the locally set Licensing Fees.

The proposals reflect feedback from Staff, Elected Members and License holders in relation to the Provision of Service Regulations 2009, the Hemming v Westminster judgement and The Deregulation Act 2015

The proposals reflect the Council's aspirations to improve digital access to services and reduce burden on businesses.

**Background Doc(s):****BACKGROUND INFORMATION**

Licensing Act 2003  
Gambling Act 2005  
Local Government (Miscellaneous Provisions) Acts 1976 and 1982  
Provision of Services Regulations 2009  
R (Hemming and others) v Westminster City Council judgement.  
LGA Guidance on locally set fees 2013: Open for business.  
Working papers – fee calculations.  
Bolton Council Internal Audit Report : Licensing Fee Calculation ref 02/14/AH/ES  
Proposals for increased period of validation of Private Hire and Hackney Carriage Vehicles ECME/49/14  
Deregulation Act 2015  
Licensing Fees Review 2015-2016 LERC/01/15

**Signed:**

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Leader / Executive Member

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Monitoring Officer**Date:**

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## 1.0 Background.

- 1.1 The Licensing Unit is responsible for the administration of a wide range of functions where statute requires a licence, permit or consent to be issued and for discharging the related enforcement functions.
- 1.2 The functions include private hire and hackney carriage licensing, alcohol and entertainment licences; casino and betting licensing together with street trading, charity collections and sex shops etc.
- 1.3 Most, but not all, of the functions carried out by the unit permit the Council to charge a fee. In each case the circumstances, in which a fee can be charged, and sometimes the fee itself (or maximum fee) is dictated by statute.
- 1.4 The last review of fees was carried out during 2015 and a number of decisions were taken to:
  - Introduce a new fee structure for locally set fees
  - Phase the introduction of fees for existing license holders
  - Introduce new license periods for vehicles, drivers and private hire operators
  - Introduce a policy for shorter licenses to be issued where appropriate
- 1.5 A number of proposals are set out within this report to reflect the Council's aspirations to improve digital access to services and reduce burden on businesses.
- 1.6 Due to the wide nature of the proposals these matters are to be considered by the Executive Member for Environmental Services and Licensing and Environmental Regulation Committee (LERC).

## 2. Proposals

### 3 Year Driver License

- 2.1 The Deregulation Act 2015 has introduced a requirement for Licensing Authorities to issue a 3 year license to hackney and private hire drivers. 3 year licenses are only available to drivers who meet the approved policy criteria.
- 2.2 In order to reduce the burden on business and reduce costs to the Council, the service wishes to encourage as many drivers as possible to apply for a 3 year license. There is no financial impact of applying the subsidy to both the 1 year and 3 year License option.
- 2.3 The fee for a 3 year driver license is **£321** for private hire drivers **and £231** for hackney drivers. It is proposed to offer the same cost phasing to 3 year licenses as currently applies to 1 year licenses.

The value of phasing 1 year licenses is **£74** for Private Hire Drivers and **£40** for Hackney Drivers.

To encourage the take up of 3 year licenses it is proposed to offer a phased fee of **£247** to existing private hire drivers and **£191** to existing hackney drivers who make their first 3 year renewal application.

- 2.4 In line with the LGA guidance on fee setting, fees should be reviewed annually and fine tuned to allow for any variation in actual costs. Bolton Council will continue to review fees to ensure any variations are passed on to License holders in future years. Fees will be reviewed and amended by 1<sup>st</sup> October of each financial year.
- 2.5 Bolton Council has already approved a range of policy criteria for license periods and no changes are proposed to the current policies in relation to license periods.

## **Digital Developments**

- 2.7 It is proposed to develop further online facilities to reduce the costs for the Council and License applicants. Bolton Council already has online Alcohol licensing services which are relatively straightforward. However, online developments for hackney and private hire licensing is much more complex and will involve significant development work across a number of Council areas. The relevant services have agreed to prioritise this development to facilitate a greater take up of 3 year driver license renewals. It is anticipated that an online facility could not be available prior to 1<sup>st</sup> April 2016. There are a number of early steps that can be introduced during the development of the online renewal facility. It will be important to drive these early steps to ensure drivers begin to self serve in advance of a mandatory online renewal system.
- All drivers to provide a valid email address and mobile telephone number
  - Driver profiles to be established and activation codes utilised
  - Renewal Letters to be issued by email only
  - Application forms and relevant forms available to be downloaded from the web only
  - Introduction of online notifications including "change of address"; "accident notification" and "notification of convictions".
  - Online appointment booking.
- 2.8 Trade representatives are keen to support the Council and Drivers with the introduction of self serve facilities and have given a commitment to support the drivers with the proposed system.

## **OnLine Disclosure and Barring (DBS) Application and Update Services**

- 2.9 A number of Licensing Authorities have introduced online DBS application and update services as a mandatory requirement for hackney and private hire drivers. There are a number of providers of these services which offer a much quicker turnaround for applications and also notify the Licensing Service of any issues which may arise during the period of the license. The Licensing Service are currently evaluating the available services and will consult the trade representatives on the preferred systems.
- 2.10 As a minimum the service will be looking for DBS applications to be provided through the Council's corporate online system or by an external provider. These DBS application systems are much quicker than the existing paper based system and cost between £44 and £46. The current system is £44. A separate update service that can be checked for any DBS status changes costs approximately £13 per year.
- 2.11 All DBS fees are separate fees that are payable by drivers and are not included within the license fees.
- 2.12 Members are asked to delegate authority to the Director of Place in consultation with the Executive Cabinet Member and Chair of Licensing and Environmental Regulation Committee to select the most advantageous system for DBS application and Update services and if appropriate, to introduce a mandatory system during 2016.

## **Cost Saving & Impact on Fees**

- 2.13 As outlined in the Provision of Services Regulations 2009, the Council can only recover reasonable costs associated with the Licensing regime. It is anticipated that there will be significant savings with on line and self service in this area as the One Stop Shop and Licensing appointment times will be significantly reduced. The cost saving to the Council is estimated to be £22.30 and this will be reflected in a reduced fee for all online applications.
- 2.14 It is important to highlight that a reduction of £22.30 will only apply to drivers that self serve on line.

## **Payment Plans**

- 2.15 Feedback from the trade has suggested that drivers are more likely to apply for a 3 year license if a payment plan is available. The Licensing Service have consulted Finance and Legal and it is proposed to offer a payment plan option on a trial basis.
- 2.16 The proposal in relation to 3 year License Payment plans is for 25% payment to be made on application. The remaining balance to be paid by 11 Direct Debit payments so that the full balance is paid within 12 months.
- 2.17 It is important to clarify that direct debit is the recommended system and that there can be no variation within the payment plan system. Longer payment plans would increase the likelihood of payment failure which will cause significant problems for both drivers and the Licensing Authority.
- 2.18 The payment plan trial will be evaluated on a monthly basis and reported back to Members.

## **Failure to Pay**

- 2.19 A draft procedure for failure to pay is shown at Appendix 1
- 2.20 Should Members be minded to approve the payment plan trial, it is important to clarify how 'non payment' will be dealt with. The Council must not enter into lengthy payment chasing as this would increase costs which would be reflected within future License fees.
- 2.21 Failure to make the direct debit instalments on time will result in the licence being "suspended" or "revoked" after a period of 21 days.
- 2.22 The full payment will be due if the direct debit is not maintained. A £25 administration charge will also be applied to drivers who fail to maintain direct debit payments. Drivers who have their licences revoked (or expire) will be required to make a full new driver application. Payment plans will not be available to drivers who have failed to keep up payment on previous licenses.

## **Review of Licensing Fees**

- 2.23 It is proposed that Licensing Fees be reviewed and updated on an annual basis in October each year. This will allow for the end of year accounts to be finalised in May and the costs of each License type to be recalculated in time for the October review. This will allow for the fine tuning of fees as suggested by the Local Government Association guidance on locally set fees. The fees agreed for 2015/16 will therefore remain until they are updated in October 2016.

## **License Processing Times**

- 2.24 The Licensing service together with the One Stop Shop have significantly improved the service levels in relation to all Licenses. Drivers are sent reminder letters in good time and are encouraged to make renewal applications in advance of expiry dates. An appointment system was introduced to avoid large numbers attending at peak periods. This has worked well for most visit types.
- 2.25 The Council has received constructive feedback from the trade in terms of timescales for new cars (first grant applications). Where drivers purchase a new car and need this to be licensed the appointment system can mean they are unable to work for several days. The One Stop Shop has opened up a desk to deal with these visits without an appointment. Where drivers attend in the morning and applications are complete, the back office are aiming to turn around the plates for collection at 4pm the next working day. The trade have been advised that there may be days when the timescale cannot be achieved due to other workloads and we are currently monitoring performance.

## **12 Month Vehicle License – Mid year vehicle inspection**

- 2.26 Members have previously approved the introduction of a 12 month vehicle license to be introduced following the publication of the refreshed licensing fees. The decision allowed for the frequency of inspections to stay at two per annum with drivers paying for both tests up front. The service is currently rolling this out to drivers and have agreed with the approved garages that a 50% deposit rather than full payment could be paid for the second test.
- 2.27 This approach will reduce the financial outlay for drivers whilst ensuring that vehicles are presented for the 6 monthly inspection and reduces the likelihood of appointments being missed. Members are asked to endorse the proposal for vehicle owners to pay a 50% deposit for the second test.

### **3. Equality Impact Assessment:**

An initial assessment has been undertaken and concludes that there will be no differential impact from this proposal, in respect of race, gender or disability.

### **4. Recommendations.**

The Executive Cabinet Member for Environmental Services and Licensing and Environmental Regulation Committee (LERC) are asked to approve the proposed developments to the Licensing Service together with proposals in relation to locally set Licensing fees.

Flow Chart for DD payment options



