

**Manchester City Council**  
**Report for Information and Resolution**

**Report to:** Licensing and Appeals Committee – 10 September 2018

**Subject:** Taxi licensing Service Update

**Report of:** Head of Planning, Building Control and Licensing

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**Summary**

The report seeks to update the Committee on key issues affecting service delivery, and how the Unit is responding to challenges and demand.

**Recommendations**

The Committee are asked to instruct officers as below:

1. To prepare further reports on:
    - Private Hire Operator Conditions - November 2018
    - Private Hire Operator Accreditation Scheme - December 2018
    - Driver Test review - June 2019
  2. To conduct additional consultation on the HCV Policy and report back to Committee in December 2018.
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<b>Manchester Strategy Outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	The Taxi Licensing Service aims to continuously evolve and improve to support Manchester residents who wish to work in these industries. In order to continue to create jobs and opportunities, the Council must also now seek to build an effective business model that will enable the Council to compete with other Authorities offering the same service.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Not applicable to the content of this report
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The current Hackney Carriage Vehicle Policy is one of the most equitable in the country, supporting consistency of full accessibility within the entire fleet, ensuring that no users have to make special arrangements.

A liveable and low carbon city: a destination of choice to live, visit and work.	<p>The Taxi Licensing Service seeks to support those who wish to work within the Taxi and Private Hire industries to do so in partnership and pride with Manchester, where the corresponding policies and standards are high in order to protect and safeguard our communities and visitors.</p> <p>Vehicle policies seek to establish low carbon emissions and contribute to better air quality in the City.</p>
A connected city: world class infrastructure and connectivity to drive growth	The Taxi Licensing Service aims to utilise all possible technological opportunities to make processes quicker, easier and more accessible to customers.

**Full details are in the body of the report, along with any implications for:**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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**Financial Consequences – Revenue – None**

**Financial Consequences – Capital – None**

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**Contact Officers:**

Name: Ann Marku  
Position: Principal Licensing Officer (Taxis)  
E-mail: a.marku@manchester.gov.uk

Name: Danielle Doyle  
Position: Licensing Unit Manager  
E-mail: d.doyle@manchester.gov.uk

**Background documents**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Taxi Licensing Service Update Report to Licensing and Appeals Committee - March 2018

## **1.0 Introduction**

- 1.1 Further to the previous general service update in March 2018, the Committee are aware of the changing nature of the taxi and private hire industries. De-regulation has increased cross border hiring and provided a national market for drivers and proprietors to effectively shop for licences. This has inevitably led applicants to seek out authorities where they can get their licences issued cheaper and quicker, with fewer requirements and restrictions upon the grant of that licence. The proliferation of out of town vehicles and drivers operating in our City, undermines our local licensing standards and puts public safety at risk.
- 1.2 This report seeks to update the Committee on the work taking place, including that at a GM level, to meet these challenges and address some of the issues the Licensing Unit are facing.
- 1.3 The report will also update the Committee on other general service updates.

## **2.0 The Challenges**

- 2.1 Manchester adheres strictly to all regulatory requirements, and implements policies that seek to ensure that all checks are carried out fully, recorded properly and that our determination of a driver being 'fit and proper' is to a standard that means drivers should have to demonstrate that they:
  - have good local knowledge;
  - have good comprehension of English language & numeracy;
  - are of high behavioural standards; honest persons who would not take advantage of their employment to abuse or assault passengers (convictions policy and the strict way it's applied);
  - have good driving records;
  - are mentally and physically well (determined by someone who has access to their medical records);
  - have the right to live in the UK and the specific right to work in the UK as a taxi or private hire driver.
- 2.2 The Unit does not rely on applicants honestly telling us about any offences they have been charged with, or the circumstances of those offences. We are fairly unique as an authority in the way we proactively conduct regular checks on the status of our drivers DBSs, and the way in which we work closely with GMP to obtain relevant offence information and prepare detailed reports for Sub-Committees in relation to driver and applicant conduct, to ensure public safety as far as is possible.
- 2.3 Manchester also has a clear and proactive approach to wider enforcement, and is in the minority of authorities who have a dedicated taxi enforcement team who work both in the day and night time economy, proactively conducting checks on vehicles, drivers and operators, detecting criminal offences and working hard to prevent illegal activity, not simply being reactive

to complaints. (Further details of this work is contained within the compliance quarterly report).

- 2.4 This approach to our determination of applications, and monitoring of issued licences, aimed at ensuring high standards of public safety, in turn means that our service delivery is more expensive than some other authorities.
- 2.5 The changing industry also means that Manchester based Operators are now using more and more vehicles and drivers licensed by other authorities, and that non-Manchester based Operators are sending vehicles into the City to await or pick up legitimate work more frequently. This in turn, provides an environment where illegal activity is less conspicuous. It also means that many of our local policies are undermined, as vehicles of any colour, make, model, age, emissions standard, and bearing any type or no identification stickers are able to pick up residents and visitors to the City.

### **3.0 Our Approach – internal improvements**

- 3.1 The Committee will be aware that a new set of fees were determined by the Chair of Licensing and Appeals, in consultation with the Head of Planning, Building Control and Licensing for 1 May 2018. These new fees were set following a comprehensive review of the fee model, to ensure it was fit for purpose and the Unit's full costs could be accurately recovered. The new fees are higher than the trade in Manchester experienced in recent years. Some members of the Committee will be aware that the Unit refunded the trade a previous surplus in the accounts (from 2014 – 2016) by way of a reduction in fees which meant that the set fees during those years was artificially low. Many trade members as a result perceive that Manchester's costs have increased considerably, when this is not the reality.
- 3.2 In conjunction with the fee review, the Unit also embarked on a programme of service improvements to streamline processes and plan changes to ensure that costs remained as reasonable and comparable as possible.
- 3.3 To date, a number of processes have been updated with time efficiencies being found in delivery, along with a full review of all letters (which are now sent via email to customers to save time and cost) to ensure content is clear and correct, and work is ongoing on ensuring the website also assists customers effectively through the process.
- 3.4 The Committee heard in March 2018 about ways in which the service is working to reduce costs and improve customer service. Below are some updates on those work streams:
- 3.5 Online solutions

All our application forms and related documents are now available online. The Unit has significantly reduced its use of paper, and related processing of post by shifting customer access and communication predominantly online. However, we are still experiencing a significant number of customers failing to

properly notify the Unit of their up to date email address or checking emails or the website regularly. This causes additional processing time dealing with queries or chasing customers. This will be discussed again with representatives at the next Trade Meeting. Better online customer interaction has already significantly reduced processing time over the past 12 months, enabling the Unit to prepare for the anticipated spike in activity from October 2018 to October 2019 (when the anniversary of the first 3 year driver licences is due) without significantly increasing the structure to meet that demand.

3.6 A system upgrade to enable data from online application forms to be automatically uploaded into the business system, and payments to be made at the point of application (currently we have to send a payment link to the customer once the application is received and validated) are planned to go live by 1 November 2018, if not sooner. This will make the process even more efficient, enabling further cost savings going forward in the next financial year.

### 3.7 Enquiries

The Unit recognised that customers previously experienced frustration contacting officers or receiving a response to enquiries in a timely manner. The Unit is pleased to report that the service inbox is now cleared almost daily, and we are regularly exceeding targets to respond to enquiries within 5 working days. The contact centre have also reported over a 30% reduction in calls relating to taxi enquiries, compared to 2016/17, indicating that customer service has improved significantly.

### 3.8 DBS processing

The Unit went live using an online DBS application provider; CBS Ltd. This has reduced the processing time of a DBS application stage to 10 working days (in most cases and sometimes less) instead of an average of around 6 weeks (and often longer), as it had been previously.

### 3.9 Application processing times

The Unit have been aware for a while that previous backlogs of applications, and the length of time taken to process applications has been an issue for our customer base, hence the programme of service improvements.

Table 1 below shows the current service delivery which is greatly improved from the position over the past 12 months:

Table 1: Processing times:

<b>Licence Type</b>	<b>Service Targets</b>	<b>Current performance:</b>	<b>Comment</b>
Driver Renewal	1. Begin to process within 48 hrs of receipt	Meeting service targets – processing upon receipt into the service and all	Delays will only be experienced by applicants who: <ul style="list-style-type: none"> <li>• have not paid</li> </ul>

	2. Issue within 10 working days of receipt of application	renewals completed on time	<ul style="list-style-type: none"> <li>do not have the right documentation</li> </ul> <p>We require applications to be submitted at least 20 working days in advance of expiry for applicants who also have any related documents that need renewing (i.e. DBS, medical)</p>
New Driver Application	<ol style="list-style-type: none"> <li>Begin to process within 48hrs of receipt</li> <li>Refer to Stage 4 of the process (knowledge test) within 10 working days</li> <li>Issue within 6 weeks</li> </ol>	<ol style="list-style-type: none"> <li>We are currently processing applications received on or before 10 August 2018 (just over 2 weeks behind our service target)</li> <li>This data is not yet available but will be monitored and reported in future</li> <li>This data is not yet available but will be monitored and reported in future</li> </ol>	<p>We are still in the process of clearing a previous 6 month backlog but expect to be meeting Service Target 1 by the beginning of September.</p> <p>Progress through the New Driver application process is dependent on:</p> <ul style="list-style-type: none"> <li>applicants providing the right documentation and completing their next steps</li> <li>whether applicants have to attend before panel or sub-committee due to DBS/DVLA issues</li> <li>how long the applicant wants to prepare for the knowledge test</li> <li>how long it takes for the applicant to pass the test</li> </ul>
Vehicle Renewal	<ol style="list-style-type: none"> <li>To process applications within 5 working days of receipt</li> <li>To provide a test appointment within 7 working days</li> <li>To be processing renewals up to 6 weeks in advance of expiry</li> </ol>	<ol style="list-style-type: none"> <li>Currently exceeding service target and processing applications within 2 working days of receipt into service</li> <li>Currently exceeding in most cases</li> <li>We are currently processing vehicle renewals</li> </ol>	<p>Vehicle renewal reminders are sent up to 6 weeks in advance</p> <p>Delays will be encountered where applicants do not put their renewals in, in good time or action the payment link</p> <p>Further delays will be encountered where proprietors are not maintaining their vehicles</p>

		which expire in October 2018	adequately in between tests
New Vehicle Application	<ol style="list-style-type: none"> <li>1. To process applications within 5 working days of receipt</li> <li>2. To provide a test appointment up to a maximum of 10 working days of application being validated</li> </ol>	<ol style="list-style-type: none"> <li>1. Currently exceeding service target and processing applications within 2 working days of receipt into service</li> <li>2. Currently exceeding target and providing new vehicle tests within 3 working days</li> </ol>	<p>Applications (and booking of test appointments) will be delayed where documentation or payment is awaited</p> <p>Renewal and existing fleet test appointments will take priority, but we aim to provide a new vehicle test appointment within 10 working days maximum</p>
General email enquiries	To respond within 5 working days	Currently exceeding target for majority of customers	Customers should continue to self resolve wherever possible to reduce demand on the service, by checking all relevant documentation and website information.

### 3.10 Driver Tests

3.11 As previously reported, following feedback from the public and trade alike, the Driver Skills Test was revised earlier this year aimed at improving the standard of Driver communication and interaction with passengers. This went live on 16 July 2018, testing applicant's numeracy, literacy, comprehension and understanding of the Highway Code. Whilst the test is still delivered in house, it is now conducted via an online test which can be delivered to several applicants at once; increasing the capacity to deliver more tests, which in turn reduces the waiting time for a skills test.

3.12 An early review shows that the pass rate for the Skills part of the overall Driver test has fallen from over 90% to around 40% on average. The test content will be regularly revised to ensure it is suitable and relevant. Further assessment on the impact of passenger complaints will be undertaken in the future.

3.13 The new Driver Knowledge Test (the data for which is currently being updated by Manchester College) is not yet available due to delays with change in staffing at the College, but is hoped to be tested during September with a planned go live for October 2018.

3.14 Following the embedding of the revised test provision, consideration needs to be given to how the change to online Coaching sessions has impacted on the Knowledge Test pass rate and a full review of driver training delivery, including post licence issue training for new drivers and refresher training for existing fleet drivers is scheduled during summer 2019.

## **4.0 Our Approach – Policy**

### **4.1 Private Hire Operator Conditions Review**

The Committee will be aware that officers presented a proposed set of new Private Hire Operator Conditions which were approved for consultation on 4 December 2017. However, due to the policy work taking place at a GM level, alongside a number of matters arising through recent case law, the consultation on this proposal was postponed. Officers have also sought to conduct additional research on how other local authorities have used these conditions to try to control the negative impacts of deregulation and cross border hiring, and sought additional legal advice. Agreement is sought from the Committee for a new set of proposed conditions to be presented by officers for consideration.

### **4.2 Private Hire Operator Accreditation Scheme**

Officers convened a workshop with Private Hire Operators in April 2018, seeking feedback on the use of out of town vehicles, to discuss the Council's strategic aims, gain informal feedback on the previously proposed conditions and gauge views on the possible introduction of a Private Hire Accreditation Scheme. Feedback was constructive from the Operators that attended, and was supportive of an Accreditation Scheme. If the Committee are in agreement, Officers will prepare a further report detailing proposed criteria for such a scheme.

## **5.0 Our Approach – GM level and nationally**

5.1 Some Members will already be aware that the challenges to regulation of an outmoded taxi and private hire legislative framework, have been acknowledged by the GMCA and AGMA Wider Leadership Team. GM's Licensing Authorities have agreed to adopt a two-track approach to dealing with the most pressing challenges:

- i. To develop, agree and implement a common set of minimum standards for Taxi and PH Licensing. The intention is that by gradually raising these minimum standards across GM, a stronger voice will be provided to Government on the possibility and need for national minimum standards.
- ii. To work with TfGM, other city regions and local authorities to urge Government to take appropriate action to reform the legislative framework to ensure it is fit for purpose.

5.2 GM Executive Members and Licensing Committee Chairs have attended two briefing sessions in February and June 2018 on the scope and development of the work stream. Leaders have also had oversight on the proposals and progress.

5.3 A trade liaison meeting hosted by the Greater Manchester Mayor, Andy Burnham, in July 2018, was well represented by Manchester trade

representatives who were able to feed their concerns into the process, with further engagement agreed by the Mayor.

- 5.4 GM Licensing Managers have met as a group to benchmark current standards, identify the areas where common minimum standards are required and develop a suite of detailed policies. This work is due to conclude autumn 2018 before a wider public consultation on the plans (coordinated by TfGM).
- 5.5 GM authorities, TfGM, TfL, LGA, Institute of Licensing, Urban Transport Group and other local authorities have been urging the DfT to consider regulatory reform that reinstates the principle of effective local licensing. Specifically to inhibit the increasingly prevalent practice of cross border operations in the context of passenger safety by requiring in statutory guidance that all taxi and PHV journeys must either start or end in the area in which they are licensed.
- 5.6 The DfT created a Task and Finish Group in September 2017, convened by the former DfT minister John Hayes. No local authorities were represented on the group, but the LGA were included. TfGM and GM Licensing Managers sent a submission via the LGA. The Task and Finish Group's report to the new minister Nusrat Ghani has been delayed, and although expected soon, no specific date has yet been provided.

## **6.0 National Register of Taxi Licence Revocations and Refusals**

- 6.1 The register was commissioned and coordinated by the Local Government Association (LGA) and is now available to use. The register is hosted by the National Anti-Fraud Network (NAFN) and the LGA issued guidance in August 2018. Use of the register is on a voluntary basis to all local authorities at present. A bill presented to Parliament by Daniel Zeichner MP to make use of a register mandatory received a second reading in February 2018, but was only part heard and is scheduled to resume in October 2018.
- 6.2 The purpose of the register is to enable better determination of whether an applicant (new or renewal) is a fit and proper person, and prevent individuals from remaining in the industry through deception or non-disclosure. The register will apply to Driver applicants only who have been refused or revoked. Suspensions will not be recorded.
- 6.3 Authorities must not simply rely on the decision made by another authority, but must consider applications still on their own merit, although careful consideration should be given before taking a different view to another authority (having regard for the fact that the driver had a right of appeal to the Magistrates' Court against a previous decision).
- 6.4 Historical data can be uploaded onto the register, and data will be held for up to 25 years from the date of decision.
- 6.5 Implementation of this register within the Unit's practices will require considerable work including:

- Review of our existing data retention and data governance policies in view of this new guidance
- Updating of all applications, letters, guidance and website information to inform applicants how their data may be used in the future
- New procedures for formally requesting data from other authorities, recording all disclosures made, and providing responses within 10 working days of requests
- Additional provision for Subject Access Requests resulting from the register
- Writing to all existing drivers (c.4500 individuals) advising how their data may be used in the future (to enable historical data to be uploaded) and providing a mechanism for representations to be made in respect of this proposal
- Provision for all applicants to lodge a complaint with the Information Commissioner
- Training of staff to upload data onto the system, conduct checks and ensure data is shared appropriately

6.6 Work to prepare for the use of the register is in the early stages and further updates will be provided to the Committee in due course.

## **7. Hackney Carriage Vehicle Policy**

7.1 In March 2018, a public consultation was conducted on the Hackney Carriage Vehicle Policy which lasted for 12 weeks and closed on 29 May 2018. The consultation consisted of an online questionnaire outlining the conditions of fitness within the Policy that were non-negotiable (required by law) and those on which we were seeking respondents' views on whether the condition should remain as is, or whether it should be amended or removed and the reasons for that amendment or removal.

7.2 Views were sought from the Trade, wider industry including vehicle manufacturers, partner agencies, relevant groups (i.e. disability groups) and the wider public, with acknowledgement that some sections or questions may not hold much relevance to some individuals/bodies. Respondents were invited to express views on sections that they understood and were relevant to them, and to note 'no comment' if they did not understand anything.

7.3 Unfortunately, responses to the questionnaire have been very narrow, and wholly from within the trade itself. Officers did not have access to responses until the consultation had closed and have since spoken with stakeholders and colleagues in other services to understand why feedback was not forthcoming. It has been fed back, particularly from disability group representatives that the format of the questionnaire was too technical and difficult to understand and officers are concerned that the format of the consultation could undermine its legitimacy and any subsequent decisions. Officers acknowledge that this was a weakness of the consultation and have since spoken with colleagues in the Corporate Communications Team, who have offered different solutions to facilitate a more user friendly form of consultation that could be provided to other stakeholders, and publicised more widely on the Council's media

- channels. Disability Groups have also requested that officers meet with them to talk them through the meaning of the different conditions and policy points.
- 7.4 In order to ensure that the consultation provides a comprehensive enough representation of stakeholders to enable the Committee to make an informed and cognisant decision, officers propose that the consultation on this policy is extended to enable a broader representation of views to be garnered, and that this be scheduled to be reported back to Committee in December 2018.

## **8. Legal Considerations.**

- 8.1 The Deregulation Act 2015 allows a private hire operator licensed in a district to sub contract any booking to another operator. This applies whether or not the second operator is licensed in the same district or another district.

## **9.0 Key Policies and other considerations**

- 9.1 (a) Equal Opportunities  
There are no equal opportunities issues arising from this report.
- 9.2 (b) Risk Management  
As with any such decision made by the Council it can be challenged by way of 'Judicial review'.
- 9.3 (c) Legal Considerations.  
There are no additional legal considerations to those already highlighted within this report.

## **10.0 Conclusion and recommendations**

- 10.1 The report seeks to update the Committee on key issues affecting service delivery, and how the Unit is responding to challenges and demand.
- 10.2 It is recommended that the Committee instruct officers to prepare further reports on:
- Private Hire Operator Conditions
  - Private Hire Operator Accreditation Scheme
  - Driver Test review
- 10.3 It is recommended to the Committee that Officers conduct additional consultation on the HCV Policy and report back to Committee in December 2018.