

## PART A

**Report to:** Licensing Committee  
**Date of meeting:** 19 March 2012  
**Report of:** Head of Environmental Services  
**Title:** Driver and Vehicle Action Plan

### 1.0 SUMMARY

- 1.1 This report is supplementary to the one about the demand for taxi services within the Borough which is being considered at the same meeting. It sets out an Action Plan of policy decisions intended to improve the quality of both drivers and vehicles.
- 1.2 Although there are a number of recommendations in this report, the Committee may exclude any of them where there is good reason to do so. However, because the recommendations have been subject to public consultation, the Committee cannot introduce new requirements or significant variations to these proposals without further consultation with those who may be potentially affected.

### 2.0 RECOMMENDATIONS

- 2.1 That officers implement the proposals in Action Plan as summarised at paragraph 3.21 of this report.
- 2.2 That hackney carriage vehicle and private hire vehicle licences be amended to include the following condition:
- “The holder of this licence shall ensure that the driver of the vehicle offers to each passenger (or, if there are more than one passengers, at least one of those passengers) at the termination of their journey a receipt which shall contain at the least the following information:
- (1) the date
  - (2) the fare for that journey
  - (3) the number of the badge issued by Watford Borough Council to that driver
  - (4) other information that may be specified in writing to the licence-holder by Council officers.”
- 2.3 That officers, in consultation with the Chair of the Licensing Committee, may make minor amendments to the wording of the above condition as may prove necessary.
- 2.4 That the existing policy for hackney carriage vehicles being licensed for the first time be amended so that the DVLA vehicle age identifier (eg “58” or “08” on a licence plate) is not less than four years old when first licensed by the Council in the case of London-style and purpose-built hackney carriages; and no less than three years old in all other cases.

**Contact Officer:**

For further information on this report please contact: Jeffrey Leib, Licensing Manager, telephone extension: 8429, email: jeffrey.leib@watford.gov.uk.

**Report approved by:** Alan Gough, Head of Environmental Services

**3.0 DETAILED PROPOSAL**

- 3.1 The Licensing Committee is considering this report because the unmet demand survey commissioned by the Council identified the need for quality improvements in the local trade and that an Action Plan would raise those standards. As a result of this officers, in consultation with Watford Hackney Carriage Association, developed policy proposals for public consultation. This report sets out those proposals and consultation responses for members consideration.
- 3.2 The demand survey is clearly in relation to hackney carriage services, although there are some implications for the town's private hire vehicle trade. All hackney carriage drivers are also issued with private hire vehicle drivers' licences, and accordingly all drivers (and private hire vehicle operators) have been consulted about the proposals. For these reasons, unless specifically stated otherwise, it is intended that these proposals would apply equally to both sides of the trade.
- 3.3 Details of how the consultation exercise was conducted are set out at paragraphs 3.13 – 3.16 of the previous report from 19.3.12 - Hackney Carriage Vehicle Policy Review. The Department for Transport Best Practice Guide<sup>1</sup> suggests it is good practice to consult about any significant proposed change to licensing rules.
- 3.4 It will be noted in the action plan below that not all of the consultation responses add up to 100%. This is firstly because of the design of the online survey where not all respondents answered all of the questions. Secondly, the majority of paper based responses did not specifically address each individual policy proposal in the action plan. The majority just indicated a general support for a particular option in relation to limitation and the introduction of an action plan. Some did detail explicit support for particular proposals, some gave support for a proposal but suggested some changes, and some made additional policy suggestions that were not being consulted on. Not many indicated that they explicitly didn't agree with particular proposals.

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<sup>1</sup> Taxi and Private Hire Vehicle Licensing – Best Practise Guide (*Department for Transport, 2010*)

<b>Consultation responses to proposals consulted on</b>				
	<b>What do we want to do</b>	<b>When we want to start</b>	<b>Why do we want to do it and comments</b>	<b>Responses</b>
1	Review the knowledge test to extend the requirements in relation to licence conditions, customer care, disability awareness and communication skills	November 2012	This will ensure the quality of new drivers entering the trade. It may also deter some drivers, reducing competition and enabling increased income for existing drivers, enabling investment in vehicles and confidence in business development.	Support: 36.28% Do not support: 4.42%
2	Introduce an <i>upper</i> age limit for hackney carriages of 13 years for cars and 15 years for purpose-built London-style cabs	March 2013 To be implemented at the time of renewal of the vehicle	This will improve the quality of the fleet and increase business opportunities. It should be noted that the Department for Transport Best Practise Guide <sup>2</sup> does not recommend upper age limits providing vehicles are properly maintained and tested.	Support: 73.8% Do not support: 26.2%
3	Review taxi fares	end of 2012 and end of 2014	Introducing a bi-annual review of taxi fares will help ensure they remain competitive with taxis from neighbouring areas. This could consider a minimum £5 charge as proposed by drivers (see below).	Support: 37.16% Do not support: 5.30%
4	Remove the requirement for 6-monthly vehicle tests for vehicles more than 10 years old	March 2012	<p>We would implement more random spot-checks where defects result in penalty points and failure to attend results in licences being suspended. This would reduce the costs of drivers of older vehicles whilst continuing to ensure the safety of vehicles, and giving encouragement to drivers to maintain vehicles between tests.</p> <p>The Best Practice Guide however suggests that more frequent testing for older vehicles may be more appropriate, such as twice-yearly tests for vehicles more than five years old; the Guide also suggests imposing maximum vehicle age limits may be seen as arbitrary and inappropriate.</p>	Support: 24.66% Do no support: 16.81%

<sup>2</sup> See previous report to Licensing Committee for full details

5	Review taxi rank provision	2015	We will review existing rank provision in 2015 following our review in 2011, and will review the provision around Charter Place once works there are underway.	Support: 69.02% Do not support: 4.42%
6	Introduce refresher training day every two licence renewals (every 6 years). Drivers will have two opportunities included in the licence fee	November 2012	This will include disability awareness, customer care and licence conditions, and to include a topographical test. Complaints of poor customer service and breaches of conditions are affecting the perception of the trade. Licence conditions change and drivers transporting passengers with disabilities will benefit from regular re-training. Attendance at the course will be a pre-requisite of renewing the licence with the cost to be included in the licence fee. Taxi drivers are expected to have an in-depth knowledge of Watford's streets and yet we receive complaints that this isn't always the case. Streets and locations also change over time and so we think it is right that drivers' knowledge is regularly tested. Passing this test will be a pre-requisite of the licence renewal every 6 years. Drivers will have two opportunities included in the licence fee.	Support: 78% Do not support: 22%
7	Drivers to be required to re-take the Driving Standards Agency (DSA) driving assessment if they receive 5 or more endorsements on their DVLA licence	November 2012	Our current policy requires drivers to re-take the DSA assessment if nine or more points are endorsed on their licence, or in other circumstances that we are not proposing should change such as following a conviction by a court for a motoring offence.  Taxi drivers are the only occupational passenger-carrying driving group not subject to further tests or assessments once they have their basic car-driving test. Lorry and bus drivers, for instance, have to renew their licences every five years from the age of 45 and are subject to the continual supervision of the Traffic Commissioners. It is important in our view that regular assessments are made of drivers' competence behind the wheel when they have shown an	Support: 70% Do not support: 30%

			<p>unacceptable level of competence demonstrated through their DVLA licence being endorsed. Drivers will be expected to pay for the assessment, at a cost of between £79 and £112 per driver. Drivers who do not pass the DSA assessment will have their licences revoked.</p> <p>In the light of the consultation, particularly from the paper-based responses, officers suggest that the bar should be set at 6 DVLA points rather than 5.</p>	
8	Review penalty point and criminal conviction policies	By December 2012	<p>These policies were last reviewed in 2007. It is intended that tougher policies would make it clear that drivers who fail to meet our standards will not be considered fit and proper to hold licences.</p> <p>The Licensing Committee would be required to approve any changes to the policies.</p>	<p>Support: 97.6% Do not support: 2.4%</p>
9	Introduce promotion and/or accreditation scheme such as Stars on the Cars or Driver of the Year award	During 2013	To help promote the professionalism of Watford's taxi trade to local residents and encourage higher standards of customer service.	<p>Support: 34.51% Do not support: 4.42%</p>
10	Our Economic Development Officer will work with the taxi trade to develop new markets and opportunities	From March 2012	The Council wants to see a thriving and successful taxi trade and will devote some restricted resources to help sole trader taxi operators develop their businesses.	<p>Support: 39.82% Do not support: 6.19%</p>
11	Providing ICT skills to drivers from late 2012	From late 2012	We intend to help facilitate ICT (internet and email) skills training to drivers without them as part of a deliberate strategy to encourage greater use of electronic licence information and applications. It will help some drivers gain skills to help them look for employment outside of the taxi trade, and from other benefits of being online such as paying for utility bills electronically.	<p>Support: 65.9% Do not support: 34.1%</p>
12	Introduce a requirement for drivers to provide written	April 2012/ April 2013	Allegations of over-charging are difficult to prove and time-consuming to investigate. An advertised requirement to	<p>Support: 87.8% Do not support: 12.2%</p>

	receipts and publicise this <sup>3</sup>		<p>provide a receipt may discourage overcharging and improve the efficiency of investigating allegations. This will be reviewed in April 2013 to see whether there should be a requirement to introduce receipts linked to taximeters.</p> <p>The Licensing Committee needs to resolve whether or not to amend existing hackney carriage and vehicle licence conditions in order to introduce this as an enforceable requirement.</p>	
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<sup>3</sup> The Committee is advised that all taxis licensed by Transport for London in the capital are required to have meters and receipt printers fitted but without an obligation to offer receipts to customers. The receipts have the date and time of issue printed on them, as well as the fare and extras.

### 3.4 Additional proposals

3.5 Sixty-seven licensed drivers (and no members of the public) responded via the paper-based survey, and their individual responses can be viewed via the Democratic Services Officer. Support for proposals in the action plan have been included above as appropriate.

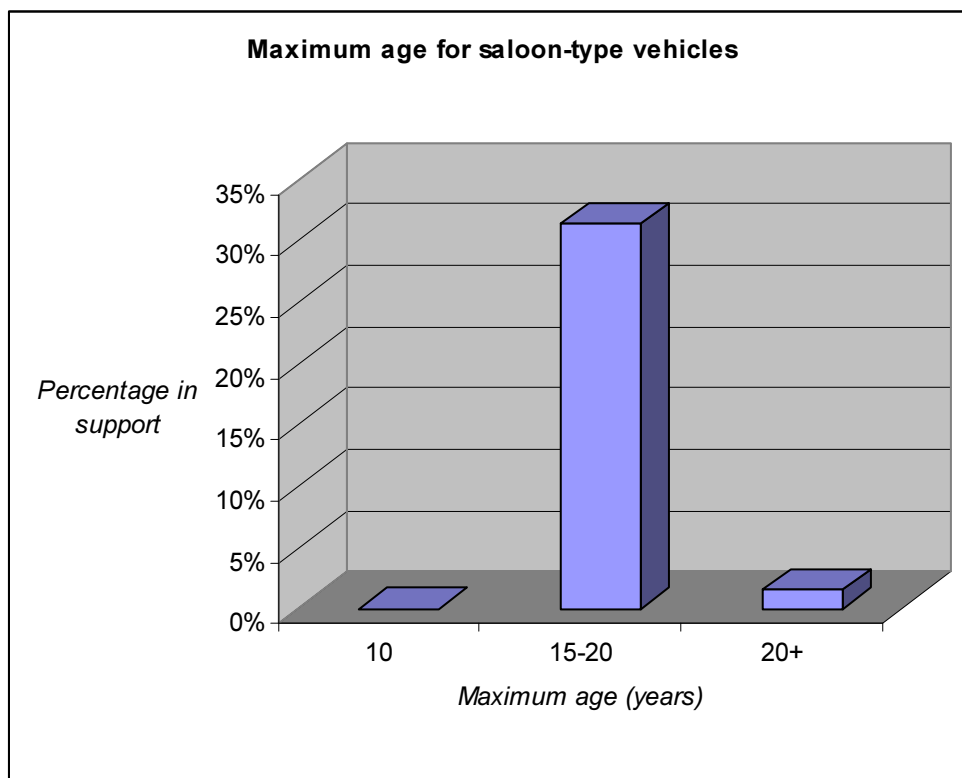
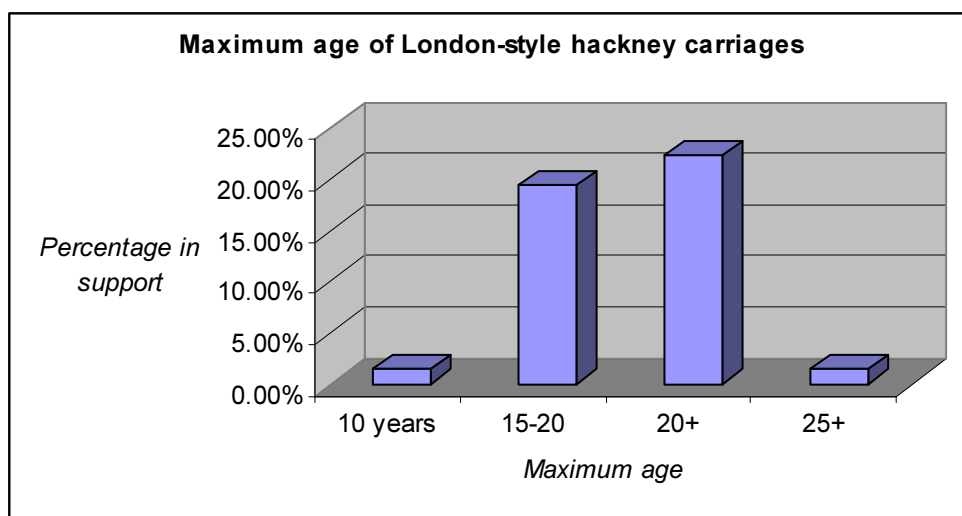
3.6 Drivers also submitted other ideas for consideration, which are set out in the table below:

<b>Other responses from paper-based survey (base = 67)</b>		
	<b>Proposal</b>	<b>Responses in support</b>
<i>Ranks</i>	More/better taxi ranks	59.70%
	Suggesting ranks at specific locations	5.97%
<i>Licence numbers</i>	Immediate cap on licence numbers (separate to option 4)	29.85%
	Cap on licence numbers for 7 years	1.49%
	Cap on licence numbers for 10 years	2.98%
<i>Driver testing</i>	DSA tests to be re-taken every 10 years (as current WBC policy)	20.89%
	DSA test to be re-taken every 15 years	1.49%
	DSA tests to be re-taken following 9 DVLA endorsements (as current WBC policy)	16.41%
	DSA tests to be re-taken following 11+ DVLA endorsements	22.38%
	No driver re-testing	1.49%
<i>Vehicle age limits</i>	Maximum age for London-style taxis to be 10 years	1.49%
	Maximum age for London-style taxis to be 15-20 years	19.4%
	Maximum age for London-style taxis to be 20+ years	22.38%
	Maximum age for London-style taxis to be 25+ years	1.49%
	Maximum age for saloon-style cars to be 15-20 years	31.34%
	Maximum age for saloon-style cars to be 20+ years	1.49%
	Maximum age of 5 years for vehicles on first being licensed	13.43%
<i>Fees and Fares</i>	Introduce a minimum fare of £5	67.16%
	Increase taxi fares	5.97%
	Reduce licence fees	10.44%

<i>Business development</i>	Council to assist drivers with implementing in-cab CCTV or security shields	14.92%
<i>Other proposals</i>	Taxis to be able to use bus lanes	2.98%
	Drivers be have subsidised use of gyms etc	2.98%

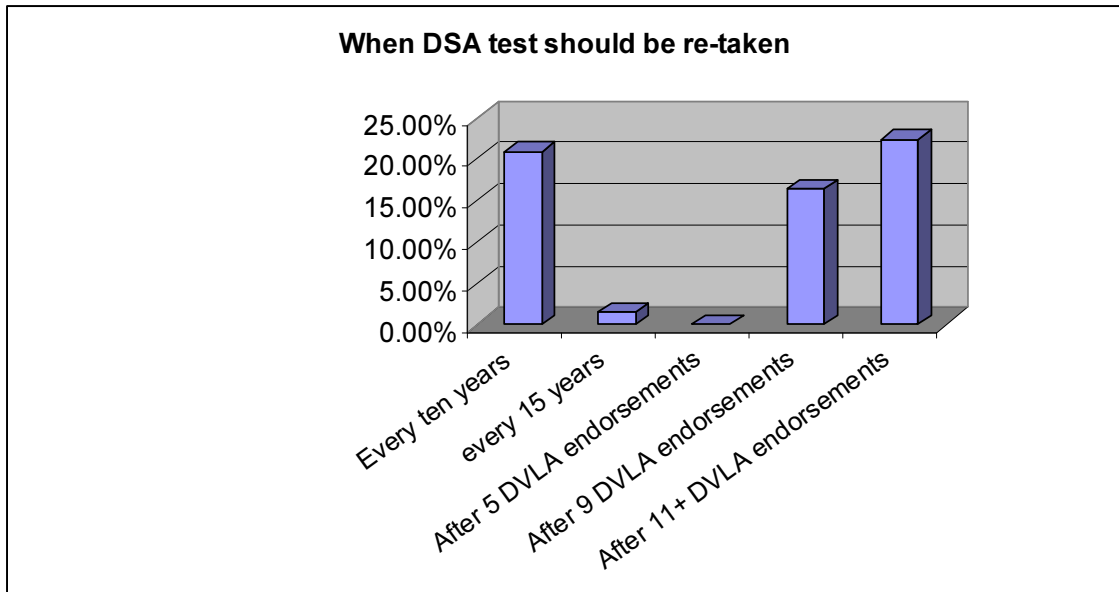
3.7

The tables below indicate the % support of the consultees in relation to the maximum age of vehicles. Note that currently there is no limit on the age of vehicles and the proposal was 15 years for London style hackneys and 13 for saloon type cars.





The table below shows the % support for when the DSA test should be retaken. It is currently on receipt of 9 DVLA points, the proposal was for 5 or more.



### 3.8 Further considerations

As a result of the consultation some changes to the policy proposals have been made to take account of the responses. Details of these can be found in para 3.20. Most of the proposals do not require further consultation or specification by Councillors, however details of the proposals that do are contained below. In addition Councillors may wish to consider other proposals put forward by the consultees shown in para 3.6. Please note however the information contained in para 1.2 in relation to the need to consult further on any specific proposals for policy change not previously consulted on.

### 3.9 Licence conditions for receipts

In order to introduce the change for receipts to be issued to passengers detailed in recommendation 1.2, an additional condition is required to those on hackney carriage and private hire vehicle licences as set out below:

“The holder of this licence shall ensure that the driver of the vehicle offers to each passenger (or, if there are more than one passengers, at least one of those passengers) at the termination of their journey a receipt which shall contain at the least the following information:

- (1) the date
- (2) the fare for that journey
- (3) the number of the badge issued by Watford Borough Council to that driver
- (4) any other such information that may be notified to the licence holder in writing by the Council’s officers.”

### 3.10 Vehicle ages

Members will also be aware that the Council’s current policy is that hackney carriages licensed for the first time must not be more than four years old from the date of first registration for London-style or converted taxis, and no more than three years old from the date of first registration for other vehicles. The strict wording of this requirement has caused a number of difficulties in its interpretation. A licensee may, for example, apply for a vehicle to be licensed on 19 March 2012. The policy would say that the vehicle must

have a “08” or “58” plate. However, the vehicle log-book may show that the vehicle was first licensed by DVLA before 19 March 2009 but after 1 September 2008 – the vehicle is still three years old but the Council’s policy precludes it from being licensed. This causes confusion and occasionally hardship when a licensee pays for the vehicle and then realises that the log-book showing the registration date is just a few months out of time.

- 3.11 To clarify this confusion, officers recommend that the existing policy for hackney carriage vehicles being licensed for the first time be amended so that the DVLA vehicle age identifier (eg “08” or “58” on the vehicle licence plate) is not less than four years old when first licensed by the Council in the case of London-style and purpose-built hackney carriages; and no less than three years old in all other cases. This will avoid the difficulties presented by calculating the age stated on the vehicle log-book.
- 3.12 Members may also like to know that officers will be implementing changes to licensing business procedures which would also help influence delivery of the action plan. Over the next nine months it is hoped this will see various changes such as, for example the introduction of electronic application forms and online payments and therefore the provision of ICT training will help achieve that objective.
- 3.13 **Government guidance**
- 3.14 Regulators’ Compliance Code  
The Code was introduced in 2008 under the Legislative and Regulatory Reform Act 2006 and requires regulators to have regard to it when “determining any general policy of principles”, including HCV licensing.
- 3.15 The duty means regulators must take the Code into account and give it due weight when developing policies or principles or in setting standards or giving guidance. The Code need not be taken into account if the regulator properly concludes that the provision is not relevant or outweighed by another relevant provision which is reasoned and based on material evidence.
- 3.16 The relevant extract from the Code for these purposes is reproduced below with officer’s comments:<sup>4</sup>

3. Economic progress

*Regulators should recognise that a key element of their activity will be to allow, or even encourage, economic progress and only to intervene when there is a clear case for protection.*

*Good regulation and its enforcement act as an enabler to economic activity. However, regulation that imposes unnecessary burdens can stifle enterprise and undermine economic progress. To allow or encourage economic progress, regulators must have regard to the following provisions when determining general policies or principles or when setting standards or giving general guidance about the exercise of regulatory functions.*

3.1 Regulators should consider the impact that their regulatory interventions may have on economic progress, including through consideration of the costs, effectiveness and perceptions of fairness of regulation. They should only adopt a particular approach if the

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<sup>4</sup> Other Code provisions relate to issues such as providing advice for businesses; only conducting risk-based inspections; and not burdening businesses with undue information requirements.

benefits justify the costs and it entails the minimum burden compatible with achieving their objectives.

*Comment:* The proposed action plan only places two direct burdens on licensed drivers: a requirement to attend a refresher training session once every six years at a proportionate cost to them; and to offer written receipts to passengers, again at a relatively minor cost. These are designed to improve the quality and standard of the trade and the costs are outweighed by the benefits.

3.2 Regulators should keep under review their regulatory activities and interventions with a view to considering the extent to which it would be appropriate to remove or reduce the regulatory burdens they impose.

*Comment:* The action plan as a whole is designed to last for three years, after which it time it will be reviewed in the light of Government progress towards any national reforms of taxi legislation.

3.3 Regulators should consider the impact that their regulatory interventions may have on small regulated entities, using reasonable endeavours to ensure that the burdens of their interventions fall fairly and proportionately on such entities, by giving consideration to the size of the regulated entities and the nature of their activities.

*Comment:* The limitation policy and associated action will affect all licence-holders on an equal and proportionate basis.

3.4 When regulators set standards or give guidance in relation to the exercise of their own or other regulatory functions (including the functions of local authorities), they should allow for reasonable variations to meet local government priorities, as well as those of the devolved administrations.

### 3.17 **DfT Best Practice Guide**

3.18 There are no other matters arising from the Best Practice Guide other than those already identified in this report.

### 3.19 **Recommended Action Plan**

3.20 Appendix 2 shows the majority of respondents are in favour of the proposed action plan. There are areas of tension between the proposed action plan (drawn up in consultation with the trade) and the responses from the drivers themselves in these areas:

- (1) *DSA tests:* the action plan recommends that drivers with 5 or more DVLA licence endorsements should re-take their DVLA assessment, with revocation a consequence of not passing. Typically, five DVLA points would arise from two driving offences and the maximum is generally 12 points unless the driver can demonstrate to a court that exceptional hardship would arise from having their DVLA licence suspended or revoked. The current policy is the DSA assessment is re-taken if nine or more points are accrued (which must be current, and not “spent” by virtue of their age). About five or six drivers have to re-take the test each year. Lowering the bar in this respect should increase standards as identified in the on-line survey and the CTS public attitude survey, to which the drivers’ association has not put forward contrary arguments. This measure is a public safety measure that will also have the benefit of raising standards by making drivers more aware of the possibility that they may have

to re-take the assessment for little more than two minor endorsements (eg speeding and failing to observe a road sign) or one major endorsement (such as driving whilst uninsured). Officers do however take note of the comments received and would suggest setting the trigger limit at 6 DVLA points, which is also half-way towards it being suspended or revoked.

- (2) *Maximum vehicle age:* The action plan puts forward a proposal, supported by the online respondents, of a maximum age of 15 years for London-style vehicles and 13 years for other types of vehicles. The majority of the paper-based responses from drivers however would like to see a maximum age for London-style taxis to be 20+ years and for saloon-style taxis between 15 and 20 years. Whilst this idea is generally contrary to the DfT Best Practise Guide it is generally in officers' views, a valid way of enhancing the quality of the trade's offer particularly when there is strong support for removing the 6-monthly examination from vehicles over 10 years old.

Members may wish to note that since January 2012 Transport for London (the licensing authority in the capital) do not licence vehicles more than 15 years old unless exceptional circumstances arise. These are mainly specialist private hire vehicles or vehicles which use alternative fuels to operate.

- (3) *Refresher training and topographical test:* The action plan has a proposal for mandatory refresher training every 2 renewals of a driver's licence ( every 6 years ). This generally has support, and failure to attend will result in failure to renew the licence. However, originally it was intended to include a test of the local area and driving routes similar to the existing knowledge test – this was intended to ensure driver's were keeping updated with new developments. As a result of the consultation officer's have decided to remove the recommendation for a test, and instead propose to include updates in every driver newsletter ( 2x/annum ) of the new developments in Watford. The refresher training is still proposed to include the information too, but no test will be given. If continued complaints are received regarding knowledge of the area this will be reviewed again and further consideration given to regular testing of existing drivers.
- (4) *Minimum fare of £5:* This proposal has come from the drivers and was not part of the original proposals. It has the support of the majority of drivers, and is primarily aimed at securing a decent fare for relatively short journeys such as from Watford Junction to the town centre which, as the CTS report shows, may occur after drivers have been waiting on the rank for up to an hour. (At present the minimum fare is £2.20, and a journey to the Palace Theatre from Watford Junction would be around £4.40). There are a number of competing issues around the suitability of a minimum £5 charge, including whether it would actually deter more passengers from using taxis for short journeys. As a minimum fare has to be approved as part of the fare tariff structure, and it is officer's opinion that this would require further consultation to introduce it, officers would recommend this is considered as part of the proposal to review taxi fares later this year.

### **Final proposals for consideration**

3.21 This paragraph summarises the final proposals for consideration by Councillors. The Committee is asked to formally agree to the introduction of all or any of the following elements of the action plan as more fully outlined above:

- (1) review the knowledge test to extend it's requirements in particular to include customer

- service, disability awareness and communication skills;
- (2) introduce an upper age limit for hackney carriages of 13 years for cars and 15 years for London-style cabs. Note that there is no current limit on vehicle ages, they are just required to get a 6 monthly vehicle test after 10 years of age;
- (3) review taxi fares in 2012 and 2014 including consideration of a minimum £5 charge;
- (4) review taxi ranks in 2015 and ensure consideration is given during the town redevelopment;
- (5) introduce refresher training for drivers every six years, failure to attend will mean the licence can not be renewed;
- (6) require drivers to re-take the DSA driving assessment after accruing 6 or more DVLA endorsements, with revocation a consequence of failing the assessment;
- (7) review criminal conviction and penalty point policies by December 2012 to reinforce the considerations of who is considered a “fit and proper” person. Note that these policies will be presented to Committee for consideration;
- (8) introduce a promotion and/or accreditation scheme for drivers;
- (9) work with the taxi trade to develop new markets and opportunities;
- (10) facilitate ICT training for drivers if external funding can be sought; and
- (11) require drivers to provide written receipts to passengers.

#### 4.0 **IMPLICATIONS**

##### 4.1 **Financial**

The proposals in this report are either at no cost to the Council (such as the proposal for drivers to re-take the DSA driving assessment), or will be self-funding (such as the proposal for drivers to undertake refresher training. Other proposals will be met from within existing licensing budgets

##### 4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 There is no express duty to consult on these proposals, but any consultation must be conducted in a meaningful way whilst the proposals are at a formative stage and in a way in which those potentially affected can understand them and comment on them. The previous report to the Committee outlines the exhaustive consultation process that has been undertaken.

##### 4.3 **Potential Risks**

None identified.

##### 4.4 **Equalities**

No need for an equalities impact assessment has been identified in relation to the following elements of the action plan:

- (1) Upper age limits for vehicles
- (2) Introducing promotion and/or accreditation such as Stars on the Cars or Driver of the Year
- (3) Economic Development Officer assisting drivers finding business opportunities
- (4) providing ICT skills to drivers

- 4.4.1 An equalities impact assessment will be produced as part of the policy development of the following elements of the action plan. It is not possible to produce an EIA at this stage as the fine details of the policies are not yet known:

- (1) reviewing the knowledge test
- (2) reviewing taxi fares
- (3) reviewing taxi rank provision
- (4) reviewing criminal conviction and penalty point policies

4.4.2 An equalities impact assessment for these elements of the action plan have already been produced:

- (1) an initial EIA in relation to the requirement to re-take DSA test;
  - (2) requiring drivers to provide written receipts to passengers.
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### Appendices

Appendix 1 – Responses to policy options

### Background Papers

Taxi and Private Hire Vehicle Licensing – Best Practise Guide (Department for Transport, 2010)

Regulators' Compliance Code (Department for Business, Innovation and Skills, 2008)

Previous reports to Licensing Committee in 2001, 2005, 2006, 2010 and 2011.

### File Reference

HCV Review 2011