



Consultation Paper on Licensing of Taxi/Private Hire Car Booking Offices

Response from the Federation of Small Businesses in Scotland

Introduction

The Federation of Small Businesses is Scotland's largest direct-member business organisation, representing over 18,000 members. The FSB campaigns for an economic and social environment which allows small businesses to prosper.

The Federation represents a number of taxi/private hire car businesses across Scotland and has been involved in discussions to update the Civic Government (Scotland) Act 1982, including participating in the steering group that submitted a report to the Scottish Executive on the Act.

At this stage we would strongly urge the Scottish Executive to progress to the development of a Regulatory Impact Assessment to aid further discussion on the proposed regulations. We believe that it is not possible to make decisions on exemptions (or indeed assess the impact of introducing regulations) without better statistical data on the industry and costs involved.

Questions

Q.1 Do you agree that it is in the public interest for local authorities to be allowed to license taxi and private hire car booking offices?

The Federation is disappointed that this issue was not considered as part of a wider discussion on updating the Civic Government (Scotland) Act 1982. We acknowledge that this discussion focused primarily on currently-regulated activities however certain new activities were considered as part of this exercise and we therefore cannot understand why licensing of booking offices was not considered alongside general reform of taxi licensing.

We believe it would make more sense to bring forward proposals to license taxi booking offices at the same time as wider reform to the Civic Government (Scotland) Act 1982. This would result in a more efficient and more streamlined changeover to any new legislation, rather than an ongoing period of upheaval which would be the result of bringing forward legislative change in the coming year, followed by further reform post-2007 (following the Scottish Executive's recent announcement that there would be no legislative changes brought forward during the current parliamentary term).

We acknowledge that there may a case – in very specific circumstances – to introduce some form of tighter control on booking offices. We note that only a small number of local authorities have made the case for the introduction of regulations. We therefore do not believe that there is a case to introduce licensing for all booking offices across Scotland.

Q.2 Should any regulations a) apply to all booking offices; b) specify exemptions; or c) leave exemptions to individual licensing authorities to determine?

As outlined above, we do not believe that regulations should apply to all booking offices. It seems clear that the problems outlined by local authorities arise in a minority of booking offices and in a small number of geographical areas. We therefore see no justification for introducing an unnecessary licensing system to all booking offices. If regulations are to be introduced it would therefore be desirable to have exemptions. Our discussions with taxi businesses suggest that further work will be required to find appropriate and workable exemptions.

Since the need for licensing is likely to depend upon the geography of the local authority, it may be appropriate in this instance to allow local authorities a degree of flexibility regarding exemptions. There are, however, inherent problems (in terms of consistency across Scotland) in allowing this flexibility and strict conditions would have to be outlined in the regulations.

Q.3 If you support b) what are your views on:

- *setting numerical thresholds*
- *exempting places of residence*
- *other method*

Setting thresholds in relation to the number of cars operating in the business would seem the most appropriate way to operate exemptions but there are difficulties with this option. We are aware of a number of businesses operating in rural areas with only one or two cars. We were therefore originally minded to suggest a limit of five cars. We have since discussed the matter further and have concluded that this would still unnecessarily 'snare' a number of rural taxi firms, mainly due to the high number of cars operated in areas where school transport contracts are operated by relatively small firms. Rural taxi firms have made clear their concern that they would not welcome any further burdens at a time when they are struggling to survive the impact of high fuel prices and increasing council licensing charges.

Businesses operating from the home should be exempted but this again could still see some small businesses unnecessarily caught by the regulations. Our evidence suggests that many taxi businesses divert telephone calls from a booking office to the business owner's home or mobile phone and whether or not these businesses would be exempted under an 'operating from home' exemption, should be considered.

We would advise against basing exemptions on the number of employees.

We would strongly advise that further discussions on appropriate exemptions are required before this issue is progressed. To aid these discussions, a Regulatory Impact Assessment (RIA) should be carried out by the Scottish Executive to better gauge the effect of the proposed regulations on businesses and to assess which options would be most effective with least impact.

Q.4 What are your views as to the merits of a license restricting the premises from where bookings can be accepted?

This would represent difficulties to businesses which currently operate flexibly by diverting calls from the booking office, though there is again a clear problem with regulating booking offices but allowing bookings to be taken from elsewhere. We would therefore suggest that this issue must be considered alongside exemptions.

Q.5 Should any proposed licensing requirement be extended to incorporate employees?

No. This would prove an ongoing bureaucratic difficulty for many small businesses and we do not consider that the 'threat' posed by taxi booking offices necessitates such a move, particularly when employees in other industries (e.g. licensed trade) are not individually licensed.

Q.6 Do you agree that the introduction of any licensing requirement for booking offices should be left to the discretion of individual licensing authorities?

As outlined above, we are generally in favour of consistent application of regulations across Scotland as the application of existing discretionary powers to license (e.g. window cleaners) could be seen as confusing. However, since we do not believe that licensing is required in all local authorities in Scotland this issue should be given further consideration. If flexibility were allowed there would have to be strict guidance regarding the circumstances in which licensing could be adopted by local authorities.

Q.7 Do you agree that mandatory conditions along the lines of those outlined above should be included in any regulations introduced?

If regulations are to be introduced then the details of such a licensing scheme should be included clearly in the regulations particularly if there is to be a degree of flexibility in application by local authorities. The impact of any mandatory conditions should be considered as part of the RIA though we are concerned that some of the conditions suggested may be overly restrictive.

Q.8 If you agree that there should be certain mandatory conditions are there any other conditions that you would wish to see made mandatory?

See Q.7.

Q.9 Do you agree that any licensing scheme for booking offices should continue to allow such businesses to use vehicles/drivers from any licensing authority?

Yes.

Q.10 n/a

Q.11 Views are sought on whether there is justification for separate provisions to be introduced for licensing authorities to recover the costs relating to the licensing of booking offices, or, whether these should be incorporated within the general pool?

It is difficult to consider this issue in isolation as proposed changes relating to taxi licensing (in the report on the Civic Government (Scotland) Act 1982) will undoubtedly have an impact on costs and charges. There is concern amongst businesses about the current lack of transparency in local authority charging however, charging on a pure cost-recovery basis has implications for charges in many areas (particularly those in smaller, rural authorities). Much would depend on the extent of booking office licensing and the subsequent additional costs to the local authority (e.g. only in a few authorities and number of exemptions) as if the majority of booking offices are covered by the licensing regime it would certainly make more sense to include the costs as part of a general pool of costs for taxi licensing. Alternatively, if only a few

businesses are covered, then it may be either that these businesses alone should pay additional costs, or that the additional costs are so low as to be absorbed in a general pool.

Q.12 Consultees are invited to give their views on the implications of the introduction of regulations in particular identifying any potential benefits and also cost implications having regard in particular to costs or administering the scheme, compliance and enforcement of regulations.

It is crucial that a RIA is carried out at the earliest opportunity to help ensure that regulations are targeted and effective, rather than a blunt and unnecessary burden to many businesses. The RIA should assess, for example, how many businesses would be affected (and the size businesses affected), current charging schemes and charge levels and the extent of paperwork required by regulations.

For further information on any of the points raised in this submission, please contact Susan Love, Policy Development Officer, on scotpu.policy@fsb.org.uk or 01259 723713