

BIRMINGHAM CITY COUNCIL

**REPORT OF THE SERVICE DIRECTOR REGULATION AND ENFORCEMENT
TO THE LICENSING AND PUBLIC PROTECTION COMMITTEE**

16 SEPTEMBER 2015
ALL WARDS

MODERNISATION OF LICENSING APPLICATION PROCESSES

1. Summary

- 1.1 This report details some of the actions that the Licensing Service is taking to reduce costs and make better use of officer time in line with Service Review recommendations.
- 1.2 It explains the first stages of a channel shift process, the move towards card-only payments for customers, leading ultimately to online applications and renewals. It encompasses a move to new offices and the introduction of a new licensing computer system.

2. Recommendation

- 2.1 That the report be noted.

Contact Officer: Chris Neville, Head of Licensing
Telephone: 0121 303 6920
E-mail: chris.neville@birmingham.gov.uk

3. Background

- 3.1 The hackney carriage and private hire licensing team currently employs 14 full and part-time members of staff. With the exception of a full time officer employed to prepare reports for Licensing Sub-Committee and appeal files and a part time officer employed to prepare and conduct the knowledge tests, the non-managerial staff are predominantly engaged in frontline service delivery, answering telephone calls, covering reception, or working at the counter transacting licence applications.
- 3.2 A Licensing Officer's duties are not restricted to processing applications and dealing with enquiries from licensees; additional administrative work is associated with the booking process for driving tests, medicals, Disability Awareness Training (DAT) and Disclosure and Barring Service (DBS) applications. These additional administrative tasks would seem to be obvious opportunities for channel shift.
- 3.3 The Licensing Service is also responsible for processing the payments for these pre-application requirements and consequently carries all the costs associated with taking credit and debit card payments and banking cash.
- 3.4 When a driver requires any of the services identified in paragraph 3.2 the Licensing Service must set up records so that we can take payment and issue receipts. Consequently, we create records long before an application is ready to be processed. In many cases, the application will be abandoned and never progress to the stage where it can be processed.
- 3.5 The Licensing Service faces challenges in the short to medium term in respect of its IT system and an imminent move from Crystal Court to Birmingham City Council owned premises at Ashted Lock on Aston University Science Park. This was a recommendation that came directly out of the Service Review process.
- 3.6 The most significant IT issue is the requirement to replace the Sopra Licensing System; a bespoke IT package used to process and record all hackney carriage and private hire transactions as well as much of the work undertaken by General Licensing. The need to replace it is driven by the fact it is based on comparatively old technology, which is no longer compatible with modern servers. The existing server running SOPRA will not meet revised government security standards for IT systems, hence the need to replace the system.
- 3.7 Service Reviews have identified channel shift as a priority for the Licensing Service, in particular a move to online applications and a more streamlined application process. To this end, the Licensing Service has started to identify necessary requirements for online applications, such as the obvious need to move away from accepting cash payments.

4. Identifying Opportunities for Channel Shift

- 4.1 For channel shift to work effectively officers must address the pre-application processes and tests referred to above in paragraph 3.2. To streamline the application process officers are designing a system in which applicants must have completed all the pre-application processes and tests before the Licensing Service can consider their application.
- 4.2 Transferring those administrative tasks online and/or to the direct service providers would save time, money and have a significant effect on the number of personal callers and telephone enquiries dealt with by the Licensing Service. From a trade perspective, it would reduce the number of personal callers to the office, reduce the pressure on car parking and significantly reduce the volume of telephone enquiries to the service that are not directly related to licensing matters.
- 4.3 The Birmingham City Council Occupational Health Service undertakes all driver medicals under a Service Level Agreement (SLA), however, the Licensing Service books those medicals and takes payments on behalf of Occupational Health. Consequently, the administrative costs associated with making the bookings, taking payments, processing credit and debit cards and banking cash are borne by the Licensing Service. Additionally much officer time is spent dealing with enquiries about medicals and cancelling or rearranging appointments, all of which carries an administrative cost and serves to tie up officers and telephone lines. During 2013/2014, Licensing Officers conducted 1993 payment transactions to a value of £129,545.00 on behalf of the Occupational Health Service.
- 4.4 Similarly, Fleet and Waste Management (F&WM) undertake all driving assessments for new applicants under another SLA, but Licensing undertakes the administrative task of referral and taking test and re-test fees on behalf of F&WM. The Licensing Service took 79 driving test fees during 2013/2014, to a value of £3,750.00.
- 4.5 The Disability Resource Centre delivers Disability Awareness Training (DAT) under contract to Birmingham City Council, however, once again the administrative burden of booking courses and processing payments falls on the Licensing Service, which took 66 DAT fees during 2013/2014, to a value of £3,300.00. In total, the Licensing Service undertook a minimum of 2,042 transactions on behalf of those three organisations, as well as dealing with all associated enquiries, cancellations and re-bookings.
- 4.6 As we develop systems and technology to move applications on-line we will inevitably need to move to a card-only payment system. It will be necessary to withdraw the option for customers to pay with cash. Taking cash carries with it consequential costs around security and cash collections. The Crystal Court office has been designed with high security screens for the counters, similar to those found in high street banks. We have to meet the audit requirements of a controlled cash-handling environment, carry out daily cash reconciliation and pay for regular cash collections to bank the money.

Officers are, therefore, using the move to the new Licensing office at Ashted Lock (in October/November 2015) as an opportunity to stop taking cash payments and move to card-only payments. This will deliver on-going savings and will reduce the cost of the new accommodation, which will not require the same levels of security at the counter. It will also improve staff safety overall as the office will no longer be seen as a potential target for robbery if it is known that it does not have cash on the premises.

5. Implementation

- 5.1 The Licensing Service has started negotiations with the Occupational Health Service and Fleet and Waste Management, with a view to their taking responsibility for booking their own appointments and taking the associated payments. The Occupational Health Service has made provision to take card only payments and is liaising with the Licensing Service to agree the details of necessary changes to procedure.
- 5.2 The Licensing Service made similar arrangements with the Disability Resource Centre as part of the 2015 contract negotiation and the next DAT course to be held in September 2015 will be the last one booked by licensing officers. For subsequent courses, the provider will take payments and arrange bookings directly.
- 5.3 The Licensing Service proposes to cease processing cash transactions upon moving to the new premises at Ashted Lock. We are now taking more money through cards than through cash, so it would appear that the majority of drivers have access to bank accounts with cards. For those who do not have access to a bank account there are cards available which can be pre-loaded with cash. Taking that shift in payment preference into consideration alongside the requirement to move away from cash transactions in anticipation of a move to online applications, it makes sense to make the change now.
- 5.4 Although primarily affecting Hackney Carriage and Private Hire Licensing, General Licensing does handle a small amount of cash and consequently has to abide by the audit requirements applicable to a cash-handling environment, as well as arranging for cash collection. Senior Officers from the General Licensing Team advise a move to card only payments would not be problematic.
- 5.5 In the medium to long term, the Licensing Service will engage with Service Birmingham to implement an online application process tied in with the introduction of new licensing software.

6. Consultation

- 6.1 The initiatives detailed above are internal administrative arrangements designed to address issues raised in the service reviews. We have informed

taxi trade representatives of our modernisation proposals and that the Licensing Service will refuse cash payments when our new office accommodation opens. We will write to all drivers and customers individually to tell them of the same and the cash payment change before it is introduced.

7. Implications for Resources

- 7.1 There will be direct cash savings associated with these initiatives, most obviously the £12.15 daily charge for cash collection (cash is collected three days a week), but also transaction and banking charges and transferring budgets between departments or making payments to external organisations.

8. Implications for Policy Priorities

- 8.1 The issues addressed in this report relate to the City Council priorities associated with providing excellent services and help to deliver the recommendations of previous service reviews.

9. Implications for Equality and Diversity

- 9.1 There has been a perception historically that the taxi trade in particular prefers to deal in cash and is reluctant to use other payment methods. Daily transaction figures tend to show this is no longer the case. However, it is possible there are members of the trade who do not have credit or debit cards to make card payments.
- 9.2 Officers have undertaken research and identified a wide range of pre-paid cards available to the public. Although some providers do charge for their use, most charges are modest and indeed some cards do not carry a fee at all for the first year. Cards can be pre-loaded with cash at many places, including but not limited to, banks, Post Offices and any premises belonging to the Pay Point network. Many of these cards can be managed using a smart phone application for convenience. Accordingly, it should be possible even for a driver who does not have a bank account to make card payments and unlike credit cards, the pre-paid nature of the cards means the card holder is in no danger of getting into debt as a result of using it.

SERVICE DIRECTOR REGULATION AND ENFORCEMENT

Background Papers: Nil