



Belfast City Council

Report to:	Development Committee
Subject:	The Future of Bus Operator Licensing in Northern Ireland
Date:	11 August 2010
Reporting Officer:	John McGrillen Director of Development ext 3459
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Relevant Background Information

The Department of the Environment (DoE) is currently seeking views on proposals to introduce a new Bus Operator Licensing system in Northern Ireland. Currently the DoE through the Driver and Vehicle Agency (DVA) is responsible under the Transport Act (NI) 1967 for granting a Roads Service License (RSL) to passenger transport operators who wish to carry passengers by road for reward. The RSL applies to a vehicle (buses and minibuses) designed or adapted to carry nine or more passengers for hire or reward.

The Roads Service License is composed of two elements: fitness to operate within the industry and the routes or services operated by approved licence holders. Currently DoE and the Department for Regional Development (DRD) share responsibility for this area of Transport Policy.

The current Transport Act also provides for a permanent exemption from licensing through the 10B permit system. This system was introduced for voluntary groups carrying out a range of activities associated with education, religion, social welfare and other activities that benefit the community whereby permits can be issued by a range of designated bodies. District councils along with Education and Library boards and Health and Social Services Boards are among the designated bodies that are entitled to grant permits in relation to the use of small buses under Section 10B of the Transport Act.

Under the current shared responsibility the DoE has the powers to regulate the bus services industry in terms of the criteria that must be met to enter the industry (i.e. those applicable to the bus operator).

The responsibility for controlling the routes and services that an operator can provide is carried out in consultation with the DRD.

Under public transport reform it is proposed to separate the current powers over operators and the routes or services. The consultation document proposes that the DoE will retain the policy and legislative responsibility to license bus operators, based on their suitability, with the DRD taking over responsibility for the policy and legislation relating to the routes or services. Whilst the DRD intend to bring forward new legislation on services, it should be noted that it does not form part of this consultation.

Key Issues

The consultation outlines proposals by DoE to replace the existing Roads Service License system. The Department aims to create a more modern bus operator licensing regime, which is flexible, transparent and supports fair competition.

The Department has a number of options:

Option 1 – Do nothing

The DRD reform of public transport will remove the responsibility from DoE for the route/service element of bus licensing leaving the operator element and the 10B permit scheme to continue.

Option 2 - A single licensing Regime

Create a single licensing scheme for all. The existing operator licensing regime would be extended to cover all bodies currently operating under 10B.

Option 3 – New 3 Tier Licensing Regime

Tier 1 would be full bus operator licensing and would essentially take the same form and have largely similar requirements as the existing operator element to the roads service license. A full license would cover a bus operator for all potential commercial bus transport services.

Tier 2 would make greater use of restricted operator licenses. An applicant would have to meet the same standards for operator 'repute', vehicle and driver licensing requirements necessary for a full license but less stringent financial and competence requirements. The Tier 2 license would restrict the operator to minibuses (9-16 passenger seats). These operators would be able to pay their drivers and cover their operating costs.

Tier 3 would be a scheme with similar aims and objectives as 10B permits but would take the form of a license rather than an exemption. The applicant would be responsible for ensuring that repute requirements are met. The Department suggests that Groups operating appropriately within the 10B permit would be unlikely to notice any difference. Transport would be an ancillary activity for the group, not the main function.

The Department has in the consultation document indicated that it would consider Option 3 to be the preferred solution.

The consultation documents provide further detail in relation to Tier 3 – Voluntary Groups Operator License

- Repute – an applicant would be responsible for ensuring that repute requirements are met.
- Operating centre – operators must have a suitable operating centre to keep vehicles when they are not in use (vehicles are not permitted to be parked overnight on public roads)

Vehicles requirements must:

- have an appropriate vehicle test certificate
- have a bus vehicle excise duty disc (TAX)
- have appropriate insurance for their type of operation; and
- be properly maintained.

Drivers will also be required to have the appropriate category of driving license. Under the permit/license the voluntary groups can only transport their own members and cover the running costs.

The draft Council response to Bus Operator Licensing is outlined in Appendix 1 and a summary is outlined below:

- The Council welcomes proposals to improve the bus licensing regime in Northern Ireland. This review should form part of a clear process to ensure effective regulation and enforcement of bus operations and services
- The Council has concerns in relation to tour bus operators in Belfast City Centre. Currently there are a number of operators in the city offering tours and the apparently unregulated activity is contributing to a negative impression for city visitors. As part of the review of licensing both the number and operations of these service providers should be reviewed and monitored particularly in relation to parking and drop off and pick up.
- The Council consider that district councils should be consulted on new bus operator licensing, routes and services within their council area
- The Council does not support the proposal for the Department to be the only body with the power to issue permits. Currently designated bodies can issue 10B permits, and District council along with Education and Library boards and Health and Social Services Boards are among the designated bodies that are entitled to grant permits in relation to the use of small buses under Section 10B of the Transport Act. The Council would request that this flexibility with appropriate guidance and processes remains an element of the system.
- The Council would request clarification on the license cost and competency requirements for the voluntary group licensing permit. The Council would request that measures are in place to ensure that school, church and community groups are not adversely affected by the proposed Tier 3 option.
- The Council would support proposals for enforcement action to be taken where an operator no longer fills the statutory requirements for holding a license; contravenes the conditions of the license; fails to keep any undertakings; uses an unauthorised operating centre; or incurs convictions or prohibitions

Recommendations

Members are requested to consider and if appropriate endorse the content of the suggested response to the proposed bus operator licensing set out in Appendix 1.

Decision Tracking

Further to agreement, that, if appropriate a response be submitted to the Department of Environment.

Timeline: 28 August 2010

Reporting Officer: Shirley McCay

Key Abbreviations

Department of the Environment (DOE)
Driver and Vehicle Agency (DVA)
Roads Service License (RSL)
Department for Regional Development - DRD

Documents Attached

Appendix 1 – Draft Response