

Agenda Item No: 4
Report To: LICENSING AND HEALTH & SAFETY COMMITTEE
Date: 27 January 2004
Report Title: REVIEW OF THE HACKNEY CARRIAGE AND PRIVATE HIRE DRIVER, VEHICLE AND OPERATOR FEES
Report Author: Environmental Services Manager



Summary: The report reviews the budgetary projections for the Hackney Carriage and Private Hire Service for the financial year 2004/05 and recommends proposed fees for 2004/05

Key Decision: NO

Affected Wards: Not applicable

Recommendations: **That the Committee resolve to approve the Hackney Carriage and Private Hire Vehicle, Driver and Operator Licence fees at Appendix A as a basis for public consultation**

Policy Overview: The process of reviewing the Hackney Carriage and Private Hire budget is essential to ensure that operational costs are largely recovered and that Council budgetary objectives are met.

Financial Implications: The annual review is necessary to ensure that fees are set at a level that will enable the authority to recover the costs associated with the service provision.

Other Material Implications: Members should note generally that hackney carriage and private hire licences are considered possessions and therefore Article 1 to Protocol 1 of the Human Rights Act 1998, the peaceful enjoyment of possessions, is relevant.

Exemption Clauses:

Background Papers: Minutes of taxi trade meeting 13/11/2003

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Purpose of the Report

1. The report reviews the budgetary projections for the Hackney Carriage and Private Hire Service for the financial year 2003/04 and sets out proposed fees for the 2004/05 period.

Issue to be Decided

2. Whether to approve the Hackney Carriage and Private Hire Vehicle, Driver and Operator Licence fees at Appendix A as a basis for public consultation.

Background

3. Under Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 the Council is permitted to be self-financing as regards hackney carriage & private hire licensing.
4. Case law relating to fee levels in various licensing areas has agreed a general principle that licensing fees should not be used as a method of creating revenue. For example,
 - *R v Manchester C.C. ex parte King 1991* – established that local authorities may only charge reasonable fees for licences and not use them to raise revenue
 - *R v The Greater London Council ex parte The Rank Organisation 1985* - advised the total fee income should not exceed the cost of the licensing system.
5. Since 1992/93, the Borough Council has made efforts which have now ensured the service is largely self-financing. Fees during this period have been increased as follows:

| | |
|--------------------|------------------|
| ➤ 1993/1994 - 10% | ➤ 1999/2000 - 3% |
| ➤ 1994/1995 - 5% | ➤ 2000/2001 - 3% |
| ➤ 1995/1996 - 4% | ➤ 2001/2002 - 3% |
| ➤ 1996/1997 - 3.5% | ➤ 2002/2003 - 3% |
| ➤ 1997/1998 - 3% | ➤ 2003/2004 - 0% |
| ➤ 1998/1999 - 4% | |
6. Last year it was agreed that licence fees would be maintained at the 2002/03 level for 2003/04. This decision was made for three reasons:
 - The trade had two additional costs placed upon it during the year in relation to licensing (for Police Checks and Medicals)
 - The service income was predicted to exceed expenditure for the year 2002/03
 - The Financial Services Manager confirmed that if fees were maintained at the 2002/03 levels the service would break even in 2003/04.

Proposed changes in fee structure

7. The fee structure given at Appendix A has been produced for the following reasons:
 - Whilst the fees were held steady in 2003/04 the service has shown an increased income due to the growing number of clients requiring licences. This growth is part of an ongoing trend, with the number of new drivers growing by approximately 30-50 each year over the last 3 years. The past two years have also seen a small increase in the number of Private Hire Operators working within the Borough.

Given that the increased workload is being handled within existing staffing resources the Council must ensure that income levels do not rise to a level that would open the service to legal challenge.

- On 15 January 2003 the Executive recommended to Council a move to annual drivers licences (currently these are three year licences). The reasons for this change were given in the report to the Executive.
 1. On the assumption that this is finally approved by Council there would be a financial impact on licensees in that viewed over three years there would be an increased cost to drivers of £21.00. This increase is being kept as low as possible by maintaining vehicle fees at their current level.
 2. Due to this change the Council income over three years would increase at a level which, it may be safely predicted, would ensure that the service would continue to be self-financing in the longer term.
- With the recommended fee structure the Financial Services Manager has confirmed that the service would break even in 2004/5.
- Other fees have been increased by £1.00 to allow for general increases in costs to the service (representing an increase of between 3 - 11%).

Other Options Considered

8. Given the increased demands on the service and the move to annual drivers licences it is not possible to simply increase fees by an inflationary factor and remain within the legislative guidelines.

Consultation

9. The proposed change to driver and vehicle fees was discussed at a meeting in November 2003. The discussion at this meeting has heavily influenced the fee structure given at Appendix A.
10. A letter was sent to all the hackney carriage and private hire vehicle licensees on 2 December 2003 informing them of the intention to set fees at the levels given at Appendix A. There was no response.
11. If an increase in fees is approved a Public Notice must be placed in the local press in accordance with Section 70 of the Local Government (Miscellaneous Provisions) Act 1976.

Implications Assessment

12. As previously stated the recommendation does not represent a key decision. The consideration assessment indicates low impact in terms of human rights, the environment, legal and staffing implications. The recommendation does not suggest a change in policy (although it is founded on a change of policy) or a new approach to an issue. Note that the recommendation has been made with reference to key stakeholders.

Handling

13. If no objections are received in response to the Public Notice placed in the Kentish Express the fee structure at Appendix A would be adopted from 1 April 2004.
14. If relevant objections are received in response to the Public Notice placed in the Kentish Express, these would be reported back to this Committee. During this meeting Members would decide a final fee structure for adoption from 1 April 2004.

Conclusion

15. Given the relevant factors (the move to annual driver licences, the requirement to be self-financing and to act within legislative provisions and the results of consultation with the trade) the proposed fee structure offers a sensible approach to the Hackney Carriage and Private Hire budgetary provisions. Members are asked to approve the Officer recommendation given on the summary page for the purposes of public consultation.

Portfolio Holder's Views

16. No comment.

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**APPENDIX A: PROPOSED HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING FEES
2004/2005**

| | 2003/04 | | 2004/05 |
|--|-------------|-------------|--------------------|
| | £ | | £ |
| Private Hire & Hackney Carriage Drivers Licence | 29.00/43.00 | for 3 years | 25.00 for 1 year |
| Second drivers licence held (Joint Drivers licences) | 24.00 | | 25.00 |
| Hackney Carriage Knowledge Test & Re-test | 24.00/16.00 | | 25.00 |
| Replacement badge | 11.00 | | 12.00 |
| Vehicle Licence - New or Renewal (including vehicle plate) | 375.00 | for 1 year | 375.00 for 1 year |
| Vehicle Plates or Brackets | 13.00 | | 14.00 |
| Internal Vehicle Plate | 9.00 | | 10.00 |
| Transfer of Vehicle Licence (including vehicle plate) | 34.00 | | 35.00 |
| Vehicle Inspection - Re-test Fee | 22.00 | | 23.00 |
| Vehicle Inspection - Missed Appointment | 33.00 | | 34.00 |
| Private Hire Operators Licence - New or Renewal | 101.00 | for 5 years | 104.00 for 5 years |
| Replacement Licence | 10.00 | | 11.00 |
| Transfer of any Licence (without plate or badge) | 24.00 | | 25.00 |
| Fee for Returned (Bounced) Cheques | 10.00 | | 11.00 |