

**Agenda Item No:5**

**Report To: LICENSING & HEALTH AND SAFETY COMMITTEE**



**Date: 25<sup>th</sup> January 2008**

**Report Title: REVIEW OF THE HACKNEY CARRIAGE AND PRIVATE HIRE DRIVER, VEHICLE AND OPERATOR FEES**

**Report Author: Head of Environmental Services**

<b>Summary:</b>	<b>The report recommends the proposed fees for the Hackney Carriage and Private Hire Service for the financial year 2008/9.</b>
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**Key Decision: NO**

**Affected Wards: Not applicable**

**Recommendations: That the Licensing & Health and Safety Committee recommends to the Executive the Hackney Carriage and Private Hire Vehicle, Driver and Operator Licence fees structure as given in 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 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.**

**Risk Assessment YES**

**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: Not applicable**

**Background Papers: None**

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**Purpose of the Report**

1. The report recommends the proposed fees for the Hackney Carriage and Private Hire Service for the financial year 2008/9.

**Issue to be Decided**

2. Whether to recommend to the Executive the proposed 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. Fees from 1992/3 until 2003/4 were increased on average by 3.5% per year. In 2004/5 the fees were revised to reflect the introduction of annual driver's licence. In 2005/6 there was a significant increase in fees (8%) due to the costs associated with the unmet demand survey that was required if hackney carriage numbers were restricted.
6. In 2006/7 the fee structure was revised, due to the removal of the limitation on hackney carriage plates and the drivers paying the vehicle test costs direct to the MOT garage. This resulted in a fall in the combined driver and vehicle licensing costs from £432 to £317, a reduction of £115 in licence fees.
7. Last year the fees were increased by 3%, which was below the relevant rate of inflation.
8. The trade has up to three additional costs to pay in relation to licensing; Criminal Record Bureau checks (every three years and currently £36), Compliance Checks (two per year and currently £32) and Medicals (upon application, every five years at 45 years of age and every year for drivers over 60).

## **Fees and Income**

9. On the basis of estimated expenditure for 2008/9 the following licence fee recommendation are presented to Members in Appendix A.
10. The fees in general represent a 3% increase, which is below the current rate of inflation (4.1% RPI in November 2007). Keeping the increase below inflation has been made possible through careful monitoring and control of expenditure.
11. It is however proposed to increase the fee for processing an application to transfer a vehicle plate from one vehicle, by five pounds and clearly this represents an increase is well above the current rate of inflation. This increase is necessary to cover additional plate costs and to more accurately reflect the administrative time spent dealing with transfers.
12. In addition there is a proposal for a £5 increase in the application fee for a driver's licence, which will fund a DVLA driver data subject check. This is part of the proposals in the draft Taxi Licensing Policy, requiring applicants for new or renewal of driver license applications, to ensure that the information held by the DVLA is in accordance with the information submitted by the applicant.
13. After research into other local authority licence fees, it is recommended that the private hire operator fees be amended to reflect the number of vehicles covered by the licence. It is believed that this represents a more proportionate fees structure with those running less vehicles paying less for their licence.
14. As the fee is payable on application, a new fee would be due for the new applications and no refund would be payable by the authority for any obsolete licences.

## **Risk Assessment**

15. The process of reviewing the Hackney Carriage and Private Hire budget is essential to ensure that operational costs are recovered and if no decision is taken, the Council budgetary objectives are unlikely to be met.
16. As noted above 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 and so setting a fee level that would result in an excess of revenue would leave the authority open to a prosecution.

## **Consultation**

17. In October the Taxi Enforcement Officer, the Licensing Manager and representatives from the trade met to discuss taxi related issues including the 2008/9 fee proposals.
18. A letter was sent to all members of the trade at the end of October 2007 stating that a 3% increase was being proposed for the 2008/9 fees, with an additional charge of £5 added to the driver's application fee. Comments regarding the draft Taxi Licensing Policy, fares and fees were requested by 1<sup>st</sup>

December 2007 and seven letters were received. Two letters were received regarding fees and these are provided at Appendix B.

19. The proposed fees were presented to members of the trade at a meeting of the Taxi Forum on 4<sup>th</sup> December 2007.

### **Comments on fees recommendations**

20. In response to questions/comments at the Taxi Forum, the Licensing Manager agreed to consider a move from one year vehicle licences to two or three year licences on the basis that certain safety elements would still be checked annually. It was agreed that a report would be presented for consideration at the next meeting of the Forum in spring 2008 and considered for the 2009/10 fees.
21. At the Taxi Forum meeting in January 2007 the proposal to check all applications for driver's licences with the DVLA was discussed. The benefits of this check was to ensure that all drivers are entitled to drive on UK roads and that any endorsements had been correctly recorded on the driving licence that was presented to the Council as part of the application procedure. There was general agreement at the meeting that this was a positive step to ensure that all drivers were eligible to drive on the roads and no banned drivers could operate a licensed vehicle.

### **Implications Assessment**

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

### **Handling**

23. 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.
24. If no objections are received in response to the Public Notice placed in the Kentish Express the fee structure would be adopted from 1<sup>st</sup> April 2008.
25. If relevant objections are received in response to the Public Notice placed in the Kentish Express, these would be reported back to the Licensing Committee in March 2007.

### **Conclusion**

26. The impact on income to the Council of these changes must be carefully monitored and annual reviews of fees must be continued to ensure that the service remains self-financing but avoids raising excessive revenue.
27. The fee increases have been kept below the rate of inflation through a combination of the selected delimitation of Hackney Carriages, which has increased income and removed the necessity for further unmet demand surveys and careful monitoring of costs.

28. The fee recommendations as presented have received few objections from the trade, although comments have been raised about the necessity for the DVLA check.

**Portfolio Holder's Views**

29. None received.

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**APPENDIX A**

**PROPOSED HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING FEES  
2008/9**

	<b>CURRENT FEES</b>	<b>RECOMMENDATI ONS</b>
	<b>2007/8</b>	<b>2008/9</b>
	£	£
Private Hire & Hackney Carriage Drivers Licence (for 1 year)	43.00	49.00
Joint Drivers licences	59.00	60.00
Hackney Carriage Knowledge Test & Re-test	30.00	30.00
Replacement badge	15.00	15.00
Vehicle Licence - New or Renewal (including vehicle plate) for 1 year	283.00	290.00
Vehicle Plates or Brackets	16.00	17.00
Internal Vehicle Plate	12.00	15.00
Transfer of Vehicle Licence (including vehicle plate)	20.00	25.00
Vehicle Inspection - Re-test Fee	max 32.00	max 32.00
Vehicle Inspection - Missed Appointment	32.00	32.00
Private Hire Operators Licence - New or Renewal (for 3 years)	1-3 vehicles : £70	1-3 vehicles : £73
	4-10 vehicles : £300	4-10 vehicles : £310
	11-20 vehicles : £600	11-20 vehicles : £620
Replacement Licence	15.00	16.00
Transfer of any Licence (without plate or badge)	15.00	16.00
Fee for Returned (Bounced) Cheques	15.00	16.00

## **APPENDIX B: LETTERS FROM THE TRADE**