

Agenda Item No: 5

Report To: LICENSING & HEALTH AND SAFETY
COMMITTEE



Date: 12th January 2009

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

Report Author: Head of Environmental Services

Summary:	The report recommends the proposed fees for the hackney carriage and private hire service for the financial year 2009/10.
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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 2009/10.

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. In 2007/8 and in 2008/9 the fees were increased by 3%, which was below the relevant rate of inflation.
8. The trade has up to four 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 £36) and Medicals (upon application, every five years at 45 years of age and every year for drivers over

60). Last year we introduced a yearly DVLA driver data subject check costing £5.

Fees and Income

9. On the basis of estimated expenditure for 2009/10 the following licence fee recommendation are presented to Members in Appendix A.
10. The fees in general represent no change in the fees from 2008/9. This has been made possible through careful monitoring and control of expenditure, combined with an increase in the number of applicants for driver's licences.
11. The only change proposed is to significantly reduce the cost of a joint licence by altering the application process for those applying for hackney carriage driver's licences. The proposal is that those applying for hackney carriage driver's licences will automatically be granted a joint licence authorising them to drive both licensed hackney carriage and private hire vehicles. The benefits to the applicant are that drivers currently have to make joint applications in order to receive both a hackney carriage and a private hire driver's licence and this entails a higher fee. At the time of writing eighty-one drivers have applied for joint licences so that they can drive either type of licensed vehicle, which is of practical use to them.
12. The benefits to the Council is that they issue only one licence, hence reducing administration costs and the Council can ensure that drivers are legally entitled to drive both types of vehicles.
13. It is proposed that those wishing to add a private hire driver's licence to their current hackney carriage licence will need to pay the current charge of £16 to cover the cost of the administration, but all new applicants for hackney carriage licences and those seeking renewal of their current licence will be eligible for the automatic joint licence. It is proposed to retain the stand alone hackney carriage licence for a minority that may not wish to have a joint licence.
14. The possibility of automatically issuing a private hire licence whenever a hackney carriage licence is granted was discussed at the May Taxi Forum and it was agreed that this would be an advantage to both the trade and Council. It was agreed that this proposal will be put to the Council as part of the annual review of licence fees with implementation, if agreed, from 1 April 2009.

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. The hackney carriage and private hire trade were been informed of the proposal to maintain the fees at the current level at the Taxi Forum in November 2008 and the proposal for the automatic entitlement of private hire driver's licences to those applying for hackney carriage driver's licences was discussed at both the Taxi Forums in 2008.

Implications Assessment

18. 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

19. The recommendations of the Licensing Committee will be brought before the Executive for recommendation to the Council.
20. A Public Notice must be placed in the local press in accordance with Section 70 of the Local Government (Miscellaneous Provisions) Act 1976.
21. If no objections are received in response to the Public Notice placed in the Kentish Express the fee structure would be adopted from 1st April 2009.
22. 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 2009.

Conclusion

23. 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.
24. If the current level of applications for hackney carriage and private hire licences are maintained then it is expected the service will break even in 2009/10.
25. The lack of increase has been achieved through a combination of the selected delimitation of hackney carriages, which has increased income and removed the necessity for further unmet demand surveys, careful monitoring of costs and an increase in the number of driver applications.
26. The fee recommendations as presented have received no objections from the trade.

Portfolio Holder's Views

27. The views of the Portfolio Holder are being sought and will be presented to members at the meeting.

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APPENDIX A

PROPOSED HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING FEES 2009/10

	CURRENT FEES	RECOMMENDATIONS
	2008/9	2009/10
Private Hire & Hackney Carriage Drivers Licence (for 1 year)	£49.00	£49.00
Joint Drivers licences	£60.00	£49.00
Additional driver's licence (adding a licence)	£16.00	£16.00
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	£290.00	£290.00
Vehicle Plates or Brackets	£17.00	£17.00
Internal Vehicle Plate	£15.00	£15.00
Transfer of Vehicle Licence (including vehicle plate)	£25.00	£25.00
Vehicle Inspection - Test Fee	max £32.00	max £38.00
Vehicle Inspection - Missed Appointment	£32.00	No charge
Private Hire Operators Licence - New or Renewal (for 3 years)	1-3 vehicles : £73	1-3 vehicles : £73
	4-10 vehicles : £310	4-10 vehicles : £310
	11-20 vehicles : £620	11-20 vehicles : £620
Replacement Licence	£16.00	£16.00
Transfer of any Licence (without plate or badge)	£16.00	£16.00
Fee for Returned (Bounced) Cheques	£16.00	£16.00