

Agenda Item No: 4

Report To: LICENSING & HEALTH AND SAFETY
COMMITTEE



Date: 9th January 2012

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

Report Author: Licensing Manager

Summary:	The report recommends the proposed fees for the hackney carriage and private hire service for the financial year 2012/13.
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Key Decision: NO

Affected Wards: Not applicable

Recommendations: That the Licensing & Health and Safety Committee recommends to the Cabinet the hackney carriage and private hire vehicle, driver and operator licence fees structure as given in Appendix A.

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

Equality Impact Assessment The setting of fees in relation to this statutory function is not considered to cause any discrimination. The fees are set in accordance with Government guidance. The Council's hackney carriage and private hire licensing policy is subject to a separate Equality Impact Assessment.

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

Contacts: james.hann@ashford.gov.uk – Tel: 01233 330721

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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 2011/12.

Issue to be Decided

2. Whether to recommend to the Cabinet the proposed hackney carriage and private hire vehicle, driver and operator licence fees at Appendix A as a basis for public consultation. The report recommends changes to some fee levels for 2011/12.

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 and 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. 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.
6. In 2007/8 and in 2008/9 the fees were increased by 3%, which was below the relevant rate of inflation. The fees for 2009/10, 2010/11 and 2011/12 were unchanged, due to an increase in the number of drivers, ensuring that inflationary costs were covered by increased income.
7. Licensed drivers and proprietors have up to four additional costs to pay in relation to the annual licensing process; Criminal Record Bureau checks (every three years and currently £42), Compliance Checks (two per year and currently £28) and Medicals (upon application, every five years at 45 years of age and every year for drivers over 60).

Fees and Income

8. On the basis of estimated expenditure for 2012/13 the following licence fee recommendations are presented to Members in Appendix A.
9. The Council is currently consulting on changes to the Taxi Policy and the proposed changes have implications for driver fee levels. The Council is proposing to issue licensed driver licences for up to 3 years, instead of a maximum of one year. A three year licensed driver application fee of £75 is therefore proposed. If the revised Taxi Policy is approved there will be a transition period of one year and some drivers will be required to apply for one year licences during this transition period. It is proposed that the one year driver's licence fee will remain at £49.
10. The current application fee for a new vehicle licence is £290 and the same fee is payable for a vehicle proprietor renewing their vehicle licence. As there is less administrative work involved in the renewal process, it is proposed to create a new lower fee of £270 for vehicle proprietors renewing their vehicle.
11. The licensing section receives over 50 applications per year to transfer vehicle licences, due to proprietors changing the vehicle during the period of the licence. Requests are often received with short notice and an analysis of the time taken and the costs of the materials used have resulted in a proposed increase in the transfer fee from £25 to £40. Small increases have been made to the cost of replacement badges to reflect the actual costs.
12. The revised Taxi Policy also seeks to allow operators to increase the number of vehicles they are licensed to operate during the duration of their Operators Licence and a fee for this increase is proposed.
13. There was a significant increase in support costs attributed to the hackney carriage and private hire budget for 2011/12, as some costs associated with delivery of the taxi licensing service were previously held in general expenditure codes (Environmental Services Management and Environmental Health Central Costs). However income has remained above budget and a surplus has been generated in previous years, so reduced income from applications fees can be accommodated within the taxi budget.

Risk Assessment

14. 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.
15. 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

16. It was hoped that the fees could be reduced for 2011/12 and the hackney carriage and private hire trade were informed of the proposal to either reduce or to maintain the fees at the current level at the Taxi Forum in November 2010. Fee levels were not changed in 2011/12 and it is believed granting driver licences for a maximum of three years, reducing the overall cost of

driver applications over a three year period and reducing the vehicle renewal application fee will be welcomed by members of the taxi trade.

17. The fee proposals have not been discussed with the taxi trade, but the Taxi Representatives will be invited to the Licensing and Health & Safety Committee Meeting, so that Members can hear their views.

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.

Handling

19. The recommendations of the Licensing Committee will be brought before the Cabinet on 9th February for recommendation to the Council on 16th February 2012.
20. If any changes are made to the current fees 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 2012.
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 and Health & Safety Committee in April 2012.

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. The reduction in fees 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.

Portfolio Holder's Views

25. The views of the Portfolio Holder will be reported at the meeting.

Contact:	James Hann
Email:	james.hann@ashford.gov.uk

APPENDIX A: PROPOSED HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING FEES 2012/13

	CURRENT FEES	PROPOSED FEES
	2011/12	2012/13
Private Hire & Hackney Carriage Drivers Licence (for 1 year)	£49.00	£49.00
Private Hire & Hackney Carriage Drivers Licence (for 3 years)	N/A	£75.00
Additional driver's licence (adding a licence)	£16.00	£20.00
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 – New £270.00 - Renewal
Vehicle Plates or Brackets	£17.00	£20.00
Internal Vehicle Plate	£15.00	£15.00
Transfer of Vehicle Licence (including vehicle plate)	£25.00	£40.00
<i>Vehicle Inspection - Test Fee (set by contract)</i>	<i>max £32.00</i>	<i>Max £28.00</i>
<i>Vehicle Inspection - Missed Appointment (set by contract)</i>	<i>No charge</i>	<i>No charge</i>
Private Hire Operators Licence - New or Renewal (for 3 years)	1-3 vehicles : £73 4-10 vehicles : £310 11-20 vehicles : £620	1-3 vehicles : £73 4-10 vehicles : £310 11-20 vehicles : £620
To increase number of vehicles licensed during duration of Operators Licence		Differences between the categories (£237 & £310)
Replacement Licence	£16.00	£20.00
Transfer of any Licence (without plate or badge)	£16.00	£20.00
Fee for Returned (Bounced) Cheques	£16.00	£16.00