

Telford & Wrekin Council

Licensing Committee 27th June 2012

Hackney Carriage and Private Hire Licence Fees Review

Report of the Service Delivery Manager – Public Protection

1. Purpose

- 1.1 For Members to consider a proposed increase in the levels of Licence Fees and charges affecting the Hackney Carriage and Private Hire trades in light of representations received by the Principal Licensing Officer.

2. Recommendations

- 2.1 Having considered the representations to the proposed increase in fees and charges, it is recommended that Members approve the level of proposed fees for the Financial Year 2012/13, at Column F of Appendix A to this report, to come into force on 1st August 2012.

3. Summary

- 3.1 The level of fees and other charges for Hackney Carriage/Dual and Private Hire Licences were last reviewed in 2009/2010 and new fees and charges were implemented on 1st March 2011.
- 3.2 An annual review has been carried out and proposed new fees and charges were advertised in the Shropshire Star on 22nd March 2012.
- 3.3 Representations have been received regarding the proposed increase in fees.

4. Previous Minutes

- 4.1 LC-19- Licensing Committee 13th March 2012.

5. Information

5.1 Background

- 5.1.1 The level of fees and other charges for Hackney Carriage/Dual and Private Hire were last reviewed by the Licensing Authority in 2009/2010.
- 5.1.2 It is quite legitimate for a local authority to recover as much of their costs as they are able to when administering

Hackney Carriage and Private Hire licences. A Council, when setting fees, should have regard to the impact that any increase may have upon the livelihood of licence holders. However, the regulation of hackney carriage and private hire vehicles, drivers and operators is a time-consuming and costly exercise. The overriding aim must be to protect the public and to provide an efficient and effective service to licence holders and stakeholders.

- 5.1.3 The setting of fees and charges must be calculated and reasonable. It must be limited to an amount that recovers the costs of carrying out the functions of the Local Authority under the Acts of Parliament listed at paragraph 7 of this report.

Section 53(2) of the Local Government (Miscellaneous Provisions) Act 1976 [LG(MP)A1976] allows a Local Authority to “demand and recover for the grant to any person of a licence to drive a hackney carriage or a private hire vehicle ...such a fee as they consider reasonable with a view to recovering the costs of issue and administration....”. This means that for the purpose of charging licence fees for a Private Hire or Hackney Carriage driver, the Council may recover administrative costs only.

Section 70 LG(MP)A1976 allows a Local Authority to “charge such fees for the grant of vehicle and operators’ licences as may be resolved by them from time to time...” These charges may be sufficient to cover entirely or partly the reasonable costs of carrying out inspections of hackney carriages and private hire vehicles for the purpose of determining whether the vehicle is fit for purpose; the costs of providing hackney carriage stands; any reasonable administrative or other costs in relation to the above and in relation to the control and supervision (enforcement) of hackney carriages and private hire vehicles.

- 5.1.4 On 13th March 2012 Members of the Council’s Licensing Committee approved proposed fees and charges for Hackney Carriage and Private Hire Licences for the Financial Year 2012/13 to take effect from a specified date not less than 28 days from the date on which a notice was to be published in the press. Column E of Appendix A attached to this report.
- 5.1.5 Following the publication of a notice on 22nd March 2012 in the Shropshire Star, advertising the proposed increase in fees and charges, the Principal Licensing Officer has received representations on behalf of the Telford Hackney Carriage Association and Private Hire Operators. The

representations are attached at Appendix B and Appendix C respectively.

- 5.1.6 The Hackney Carriage Association's response compared Telford & Wrekin Council's fees with Shropshire Council's fees and said that another increase would lead to more drivers and vehicles being licensed by Shropshire Council.
- 5.1.7 The objection on behalf of three Private Hire Operators is because the proposal would result in "the Council charging fees that were not set within the statutory constraints of sections 53(2) and 70 of the Local Government (Miscellaneous Provisions) Act 1976." The report which was considered by Members on 13th March 2012 states that the setting of fees and charges must be limited to an amount that recovers the costs of carrying out the functions of the Local Authority under the Local Government (Miscellaneous Provision) Act 1976 and Town Police Clauses Act 1847. However, for clarification this has been further explained in this report at paragraph 5.1.3 above.

Fees were calculated on the amount of time taken to deal with each type of licence by individual officers and these figures are attached at Appendix D to this report. Each officer was asked to complete a template (attached at Appendix E to this report) which detailed the average time over a 12 month period each officer spent on each licence and instructed officers as to what costs could and could not be recovered.

"PH/Dual/HC Driver" fees fall within section 53(2) LG(MP)A1976 and "HC/PH Vehicle" and "PH Operator" fees fall within s70 LG(MP)A 1976.

- 5.1.8 Following representations received, the Service Delivery Manager has amended the proposed fee for a 3 year Private Hire and a 3 year Dual Driver Licence. The amended proposed Hackney Carriage and Private Hire fees and charges are shown at Column F of Appendix A attached to this report. Although this amended fee for a three year badge falls below the current cost of administering the licence, it is anticipated that a decrease in the proposed licence fee will lead to an increase in the numbers of licences applied for.
- 5.1.9 Likewise, although the recommended proposed fee for vehicles falls below the current cost of administering the licence and the control and supervision of licensed vehicles, it is similarly anticipated that a decrease in the proposed licence fee for vehicles will lead to an increase in the

numbers of licences applied for. This will, in turn, lead to an increase in the numbers of licences issued and by economies of scale will so reduce the costs of administering the licences.

5.1.10 Improved efficiencies already undertaken within the Licensing Service have been passed on to the drivers as reported to Members on 13th March 2012 and further efficiencies have now been passed on to Private Hire Operators as shown at Appendix A. The proposed fee for cost recovery for Private Hire Operators shown in column F is lower than the proposed licence fee for cost recovery which Members considered on 1st December 2010 and is shown in column C.

5.1.11 A further review of Hackney Carriage and Private Hire licence fees will be undertaken by the Service Delivery Manager in December 2012.

5.2 **Equal Opportunities**

5.2.1 A draft Community Impact Assessment has been carried out on the review of Hackney Carriage and Private Hire Licence fees and charges review. A copy is attached at Appendix F.

5.3 **Environmental Impact**

5.3.1 Not applicable for the purposes of this report.

5.4 **Legal Comment**

5.4.1 Hackney carriage and private hire licence fees are at the discretion of the authority but should be reasonable and proportionate.

5.4.2 Section 53(2) Local Government (Miscellaneous Provisions) Act 1976 deals with licence fees. A council may demand and recover for the grant to any person of a licence to drive a hackney carriage or a private hire vehicle such a fee as they consider reasonable with a view to recovering the cost of issue and administration.

Section 70 Local Government (Miscellaneous Provisions) Act 1976 deals with fees for vehicle and operators' licences. A council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in aggregate to cover in whole or in part

a) the reasonable cost of carrying out by or on behalf of

the council inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

- b) the reasonable cost of providing hackney carriage stands; and
- c) any reasonable administrative or other costs as above and with the control and supervision of hackney carriages and private hire vehicles.

5.5 Links with Corporate Priorities

5.5.1 This report has links to community protection and cohesion.

5.6 Financial Comment

5.6.1 At the end of 2011/12 there was an income shortfall of £92k against the licensing budget. The reduction in income from taxi licenses represented a significant proportion of this shortfall.

The license fees detailed in appendix A have been calculated on the basis of full cost recovery. This has been based on the budgeted cost of delivering the service for 2012/13 assuming that the number of licenses would be at similar levels to 2011/12. Should the number of licenses increase above 2011/12 levels the additional income will contribute to the shortfall in income for licensing.

The costs of issuing licenses and associated administrative tasks were allocated between the different license types as shown in Appendix A in order to calculate the individual license fees. This included allocating individual time per licensing officer against the different types of license. The fees for plates, fixing kits, badges and vehicle testing have been set based on actual costs.

MLB 30.05.12

5.7 Risks and Opportunities

5.7.1 In proposing this action the Corporate Risk Management Methodology has been complied with. This approach is not intended to eliminate risks but to identify the risks and manage them. However not all risks can be managed all of the time and some risks may not have been identified.

5.7.2 The following key risks and opportunities associated with this action have been identified and assessed and arrangements will be put in place to manage them.

- (i) a failure to publish Licence Fees as prescribed by Regulation could give rise to a judicial review of the process leading to that failure.
- (ii) The level of fees set being unreasonable arising to a challenge by judicial review.

5.7.3 Having identified this risk, processes and procedures have been put in place to ensure that Regulations are complied with.

6. Ward Implications

6.1 This report has Borough wide Implications.

7. Background Papers

- 7.1 Local Government (Miscellaneous Provisions) Act 1976
- 7.2 Town Police Clauses Act 1847
- 7.3 Transport Act 1981
- 7.4 Equality Act 2010

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