

**Telford & Wrekin Council**

**Licensing Committee 13<sup>th</sup> March 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 an increase in the levels of Licence Fees and charges affecting the Hackney Carriage and Private Hire trades.

**2. Recommendations**

- 2.1 It is recommended that Members approve the level of proposed fees for the Financial Year 2012/13, at Column E of Appendix A to this report, to come into force on a specified date not less than 28 days from the date on which a notice is to be published.

**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 1<sup>st</sup> March 2011.
- 3.2 An annual review has been carried out and new fees and charges are now proposed for consideration by Members.

**4. Previous Minutes**

- 4.1 LC-39- Licensing Committee 1<sup>st</sup> December 2010.

**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. This will include the costs of the issue of the licence and associated administrative tasks.
- 5.1.4 On 1<sup>st</sup> December 2010 Members of the Council's Licensing Committee approved an increase in the level of fees based on actual cost recovery via a staged increase over a period of time.
- 5.1.5 Following the publication of a notice advertising the proposed increase in fees and charges, which resulted in no representations being made to the Council, 50% of the proposed increase was duly implemented on 1<sup>st</sup> March 2011 (Column B in the table at Appendix A). The remaining 50% of the increase to be implemented on 1<sup>st</sup> April 2012, (Column C in the table attached at Appendix A).
- 5.1.6 At the December 2010 Licensing Committee Hearing, Members were advised by Officers that in future Licence fees would be reviewed on an annual basis. A further review has, therefore, now been carried out by the Public Protection Service Delivery Manager and the Council's Finance Officer (Appendix B) and the resulting fees and charges on a cost recovery basis is shown at Column D in the table at Appendix A.
- 5.1.7 The review of Licence fees has been carried out following a restructure of Public Protection where efficiencies have been made, but also where there has been a reduction in vehicle licences from approximately 450 licensed vehicles in 2010 to 132 vehicles currently licensed by Telford & Wrekin Council.
- 5.1.8 The fees which are proposed at Column E of Appendix A, are the same or, in some cases, lower than the full cost recovery fees proposed in the report which was considered by Members of the Licensing Committee in December 2010. However, because of the significantly reduced numbers of vehicles now licensed by the Council, the vehicle licence fee which recovers costs has increased from the December 2010 report. The Licensing Service is committed to implementing the proposed fees shown at Column E in the table at Appendix A which for vehicle licence fees is not at

cost recovery for the Financial Year 2012/13. We are, however, also committed to taking measures to address the shortfall by reviewing our efficiency in delivering the Licensing Service over the forthcoming Financial Year and will re-evaluate costings.

- 5.1.9 Improved efficiencies already undertaken within the Licensing Service have been passed on to the drivers as shown in lower proposed licence fees for the 3yr driver licence and the six and twelve month dual driver licences than those proposed in the December 2010 report .
- 5.1.10 The Licensing Service will never be able to fully recover the costs of delivering driver licences as the law does not allow the recovery of costs for driver enforcement.
- 5.1.11 Compliance testing of Hackney Carriages and Private Hire Vehicles is carried out by Telford & Wrekin Services as part of the hosting contract. The fee payable by proprietors is a direct charge made to the Licensing Service. There are separate fees listed for compliance testing for Private Hire Vehicles and for Hackney Carriages because Hackney Carriage compliance tests also include the testing of the meter on the measured mile and this increases the time taken for the test.
- 5.1.12 The Licensing Service has carried out a bench marking exercise with the Council's family group, in relation to licence fees for Hackney Carriage and Private Hire Licences. The full details of licence fees are attached at Appendix C and driver, vehicle and private hire operator fees summarised in charts attached at Appendix D (red = TWC current fee, pink = TWC proposed fees for the Financial Year 2012/13).

## 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 E.

## 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 The charging of fees is provided within the relevant legislation.

## 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 The full cost recovery includes direct staffing hours, supplies & services and central establishment costs charged to the Licensing Service to support current license numbers. These numbers have reduced in 2011/12 which have given rise to a £93k shortfall against an overall Licensing income budget of £352k.

5.6.2 The private vehicle fee proposal will underachieve full cost recovery by £191 per vehicle and a total of £29k.

5.6.3 Paragraph 5.1.8 commits the Service to address this shortfall through efficiencies over 12/13. Due to lead in time for delivering efficiencies the shortfall against income target for 12/13 is projected at £122k.  
(A. Massey 8<sup>th</sup> March 2012)

## 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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