

Meeting: General Purposes Committee

Agenda Item: 5

Portfolio Area: Safer and Stronger

Date: 22nd October 2013

HACKNEY CARRIAGE AND PRIVATE HIRE FEES AND CHARGES

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1. PURPOSE

- 1.1. That Members review the Hackney Carriage and Private Hire fees and charges set by this authority.

2. RECOMMENDATIONS

- 2.1. That Members agree the revised schedule of fees and charges (at appendix 1) and that a consultation period with the trade is undertaken for a period of 28 days.

3. BACKGROUND

- 3.1 Officers have reviewed the costs of taxi licensing in line with the Council's Fees and Charges Group as part of a Council wide review of fees and charges. This is in order to ensure that the Council is recovering all the costs of providing the service that it is entitled to under the legislation.
- 3.2 The Council has power to charge for licences subject to statutory provisions. The costs of hackney carriage and private hire administration and enforcement that can be recovered through the fees and charges applied to drivers, vehicle proprietors and operators are defined in sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976. These are:
 - The reasonable costs of administration and issuing of driver licences
 - The reasonable cost of the carrying out inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed
 - The reasonable cost of providing hackney carriage stands
 - Any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.
- 3.3 There are some non-recoverable costs such as those for hearings, for the suspension or revocation of drivers' badges and other enforcement costs for

drivers, which have been taken into account in calculating the difference between income and expenditure.

- 3.4 A comprehensive review of all the activities involved in running the taxi licensing section has been carried out to ensure the full cost of each activity is being recovered.
- 3.5 Before introducing any new fee structure the Council is required to advertise the increased fees in a local newspaper and allow 28 days for objections. If any objections are received within the 28 day period the Council must consider the objections before introducing the changes to the fee structure.
- 3.6 Any shortfall in the taxi licensing budget is ultimately a burden on the General Fund.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The current schedule of fees and charges for hackney carriage and private hire licensing has been operating since the last review took place in 2009.
- 4.2 The proposed fees for the licensing of hackney carriage and private hire vehicles are recommended following extensive work by officers to calculate the actual costs of processing and administering licences in accordance with legislation. The current fee structure does not fully fund the licensing of the taxi trade and council tax payers are in effect subsidising the service.
- 4.3 The process used to calculate the revised fees has taken into account all staffing costs together with all the associated costs of providing the taxi service. Time spent by individual members of staff was calculated for each process. Accordingly the revised fees more accurately reflect the true cost of providing the service.
- 4.5 Not all the fees need to be changed; the vehicle licence will remain the same and the drivers' licence fee will decrease and there will be no higher rate fee for larger operators as this is not permissible through the cost recovery process. It takes the same amount of time to produce an operator's licence regardless of the number of vehicles the operator has in a fleet.
- 4.6 Any increases are solely based on the amount of time it takes for staff to deal with applications and all associated other costs. It is felt that it is fair and appropriate to set fees and charges based on these costs to seek to ensure that the Council no longer subsidises the costs of running and administering the service.
- 4.7 It is generally considered good practice to review fees and charges on a 3 year rolling basis and it is apparent that over the last 2 years and in this financial year that the budget has been running at a net cost to the Council. The expected cost for the current year will be circa £5900 (see table 1).

Table 1

| | Revised Projections 2013-14 (£) | Actuals 2012-13 (£) | Actuals 2011-12 (£) |
|---|---------------------------------|---------------------|---------------------|
| Expenditure Total | 137,620 | 137593 | 142752 |
| Income total | -126813 | -129406 | -132049 |
| Difference | 10807 | 8187 | 10703 |
| | | | |
| Non recoverable costs | | | |
| Hearing Costs of £951 per hearing | -2853 | -951 | -3804 |
| Miscellaneous non recoverable enforcement costs | -2068 | -2068 | -2068 |
| | | | |
| Net recoverable cost of service | -5886 | -5168 | -4831 |

- 4.8 Miscellaneous non recoverable enforcement costs include some funding for investigating complaints against drivers where it appears that an offence has been committed which does not result in a prosecution (where there may be an opportunity to recover costs). This is assumed for the purposes of the review to be the same each year.
- 4.9 In order to ensure that the Council does not subsidise fees and charges in this area the following changes are proposed:

Table 2 Proposed changes

| Fee type | Current (£) | Proposed (£) |
|---------------------------------|--------------------------|--------------|
| Drivers' badges | 110 | 105 |
| Operators | 200/500 | 250 |
| DBS (inc Administration Charge) | 44 | 69 |
| Change of vehicle | 55 | 110 |
| Transfer of vehicle | 55 | 62 |
| Replacement plate | 25 | 50 |
| Knowledge test | 1st attempt 50, Resit 30 | 75 |
| Spoken English test | 25 | 45 |
| Temporary vehicle | 55 | 110 |
| Compliance test | 45 | 55 |

- 4.10 The future income projections have been based on average annual actuals since 2009 per activity. Whilst there can be no guarantee that the predicted levels of demand will occur, the figures used are a best estimate of income from applying the proposed changes.
- 4.11 The Committee may decide to approve an alternative schedule of fees or to make no changes to the existing levels. However if Members chose to adopt the latter option tax payers would continue to subsidise the taxi licencing service.
- 4.12 Bench marking with neighbouring authorities is not relevant in this process because we relate the charges to actual SBC expenditure.
- 4.13 The proposed fees will be tabled at the taxi forum to be held on 16th October 2013. Any initial feedback from the trade will be reported orally to the Committee. All licence holders will be formally consulted on any changes the Committee is minded to make.

- 4.14 If there are no objections to the proposed fees they would come into effect on 1st January 2014.

5. IMPLICATIONS

5.1. Financial Implications

The legislation enables this authority to recover the costs of taxi licensing. Any unrecovered expenditure is inevitably subsidised by the General Fund.

5.2. Legal Implications

There is a statutory procedure for setting fees and charges within the Local Government (Miscellaneous Provisions) Act 1976. When a district council makes any changes to taxi fees and charges the changes must be advertised for at least 28 days in at least one local newspaper. If no objections are made, the variation to the fees schedule is duly made and will come into effect. If any objection is made and not withdrawn it will be considered at a further meeting of the General Purposes Committee when the Committee will decide whether or not the fees should come into effect within a further 2 months with or without modification.

5.3. Risk Implications

If taxi licence fees are not raised sufficiently the tax payer will continue to subsidise the cost of the taxi licensing service.

The proposed changes to the fee schedule may cause disquiet in the taxi trade but this may be mitigated by clear communication and consultation.

6. BACKGROUND DOCUMENTS

- Local Government (Miscellaneous Provisions) Act 1976

7. APPENDICES

- Appendix 1 List of all current and proposed taxi fees and charges

Hackney Carriage and Private Hire Licence fees

| Licence Type | Current Fee £ | Proposed Fee £ |
|---|----------------------|-----------------------|
| Vehicles (Hackney Carriage and Private Hire) | 230.00 | 230.00 |
| Drivers (Hackney Carriage and Private Hire – Dual Licence) | 110.00 | 105.00 |
| Private Hire Operator (up to 10 vehicles) | 200.00 | 250.00 |
| Private Hire Operator (10 vehicles or more) | 500.00 | 250.00 |

All of the above are for a one year period

| Licence Type | Current Fee £ | Proposed Fee £ |
|-------------------------------|----------------------|-----------------------|
| Replacement paper licence | 10.00 | 10.00 |
| Change of name and/or address | 10.00 | 10.00 |
| Change of vehicle | 55.00 | 110.00 |
| Replacement vehicle bracket | 15.00 | 15.00 |
| Replacement vehicle plate | 25.00 | 50.00 |
| Transfer of vehicle licence | 55.00 | 62.00 |
| Door sign (each) | 8.00 | 8.00 |
| Internal vehicle plate | 5.00 | 5.00 |
| Windscreen pouch | 2.00 | 2.00 |
| Docu-dash | 3.00 | 3.00 |
| Replacement drivers badge | 25.00 | 25.00 |
| Language test | 25.00 | 45.00 |
| Knowledge test (initial) | 50.00 | 75.00 |
| Knowledge test (re-sit) | 30.00 | 75.00 |
| DBS disclosure | 37.00 | 69.00 |
| DVLA disclosure | 5.00 | 5.00 |
| Temporary vehicle | 55 | 110.00 |
| Vehicle Compliance Test fee | 45.00 | 55 |