

**Meeting: GENERAL PURPOSES**

Agenda Item:

**Date: 11 March 2009**

**4**

## **HACKNEY CARRIAGE AND PRIVATE HIRE FEES AND CHARGES**

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### **1 PURPOSE**

To decide whether to implement changes to the Hackney Carriage and Private Hire licence fees that were approved by the General Purposes Committee on 20 January 2009.

### **2 RECOMMENDATIONS**

1. That the objections received during the consultation period are considered
2. That a decision is made on whether any changes should be made to the approved Hackney Carriage and Private Hire fee structure as a result of those objections
3. That any modification to the existing fee structure comes into effect from 1 April 2009

### **3 BACKGROUND**

Certain aspects of the costs of hackney carriage and private hire administration and enforcement can be recovered through the fees and charges applied to drivers, vehicle proprietors and operators. The parts that may be charged for are defined in Part II, sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 and are:

- The costs of administration and issuing of driver licences
- The 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 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

Any shortfall in the taxi licensing budget is ultimately a burden on the General Fund. 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, the budget is running at a substantial deficit.

The schedule of fees and charges for hackney carriage and private hire licensing was last amended in 2004. Historically, any fee increase has followed an increase in the hackney carriage tariff. In 2004, a 4 tier banding structure was introduced for private hire operators' fees to place the larger financial burden on the bigger operators. Only 3 of the 4 bands apply to the current profile in Stevenage, and 89% of licence holders fall into the smallest category having less than 20 vehicles.

Analysis of the last 5 years published accounts demonstrates that since 2006 Stevenage Borough Council has subsidised the taxi licensing regime by up to £24,579 per year (Appendix 1). For this financial year it is projected that this budget will be £37,000 in deficit. Detailed analysis of the current year confirms that approximately £15,000 could be recovered by increasing fees and charges as permitted by the Local Government (Miscellaneous Provisions) Act 1976. The fee structure approved by General Purposes Committee on 20 January 2009 (Appendix 2) would increase income by approximately £15,000 which is the amount that could be recovered justifiably under the Local Government (Miscellaneous Provisions) Act 1976. The Committee also took into account the benchmarking information for Hertfordshire in making that decision (Appendix 3). The scheme went out to consultation for 28 days as required by the Act with a deadline for responses of 26 February 2009. Three objections were received and these are included as Appendices 4a, 4b and 4c. The issues raised and brief responses to them are summarised below:

1. **Any rises should be aligned with inflation. How can we justify such a large increase especially in light of the current economic climate?** Any fees for taxi/private hire licensing must meet the criteria in the Act i.e. to recover the specified costs associated with administering and enforcing the legislation; it is not legal to simply align fees with inflation. The justification for the increases is based on analysis of the budgets that demonstrates a substantial supplement in recent years.
2. **That the increases for vehicles and operators licences are extortionate, have we thought of cutting staff/hours?** Yes we have, but to continue to enforce and administer the licensing regime as we have done we must retain the current level of staffing/hours.
3. **Why did we advertising the wrong figure for the current Hackney Carriage Driver Licence?** The current fee is £110 as was advertised in the Comet. An additional £5 is paid for a Driver Vehicle Licensing Agency (DVLA) check.
4. **Why was the Operator fee increased to £500 rather than the £300 put forward as an option to the Taxi Forum in November?** The Committee decided that it would rather the larger fee burden fall on the largest companies.
5. **Is the new vehicle fee the largest in Hertfordshire?** No, please see the benchmarking information at Appendix 3 (Stevenage will be at the Hertfordshire average if the new fee is introduced).
6. **Why the increase for vehicle change applications and transfer applications?** To recover the costs associated with these activities.
7. **Why are the fees increasing for replacement brackets and plates, has the**

**cost to produce them gone up?** Yes it has; the supplier charges more for these than we currently recover.

8. **Have you set your own price for the door signs?** No, we obtained quotes from the supplier.
9. **Queries on 5yr accounts provided; the yearly central charge is higher than the income plus the additional £15,000 needed. Are the figures wrong?** No they are not wrong. We cannot charge for all expenditure and the Act defines clearly what we can and can't charge for. Even with the increased income, we will not recover the entire amount that we spend on the taxi licensing function.

#### **4 REASONS FOR RECOMMENDED COURSE OF ACTIONS AND OTHER OPTIONS**

The General Purposes Committee decided to amend the Hackney Carriage and Private Hire fees and charges in a meeting on 20 January 2009. This change was advertised in the Comet newspaper on 29 January 2009.

The objections to the changes in the fee structure must be considered and any modifications made to the advertised fees as the Committee sees appropriate. A date must then be set, no more than two months after the end of the consultation period, when the fees come into effect.

#### **5 IMPLICATIONS**

##### **5.1 Financial Implications**

The legislation enables this authority to recover the costs of licensing in relation to the enforcement and administration of vehicle 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 fee's 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 is duly made. If any objection is made and not withdrawn, the district council must set a further date no more than 2 months after the first date specified, on which the increase shall come into force with or without modification.

#### **BACKGROUND PAPERS**

- Local Government (Miscellaneous Provisions) Act 1976

#### **APPENDICES**

- Appendix 1 - 5 year published accounts for Taxi Licensing
- Appendix 2 - Fee structure approved 20 January 2009
- Appendix 3 - Benchmarking information

- Appendices 4a, 4b, 4c - Objections received