



Committee and Date
Strategic Licensing
Committee

16 February 2011
10am

Item

6

Public

Hackney Carriage and Private Hire Fees and Charges

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Summary

To consider proposals for fees for Hackney Carriage and Private Hire licences, Drivers Licences and Private Hire Operator licences.

Recommendation.

- A That Committee recommend that Council set the fees laid out in Appendix 2 to this report to come into effect at midnight on 31 March 2011, and in relation to hackney carriages, that the fees apply across zones 1, 2, 3, 4 and 5.

REPORT

1. In determining the level of licence fees a balance must be struck between:-
 - the overriding aim of protecting the public and, within the statutory mechanisms, providing an efficient and effective service;
 - the impact that any increase in fee levels has on the livelihood of those affected by that increase (i.e. existing and potential licensees);
and
 - the Council, where possible, recovering the cost of the service.
2. The Local Government (Miscellaneous Provisions) Act 1976, which governs Hackney Carriage and Private Hire licensing, recognises that although it is legitimate for the licensing authority to recover its costs in this respect, these costs must be reasonable.
3. Section 53 of the Act states that a council may for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, charge such a fee as they consider reasonable with a view to recovering the costs of issue and administration.
4. Section 70 of the Act sets out the statutory mechanism for review and implementation of the fees charged by local authorities for the licences issued in respect of Hackney Carriages and Private Hire vehicles and operators.

5. In respect of section 70, the Act sets out that a local authority may set its fees to charge for -
- (a) the reasonable cost of the carrying out by or on behalf of the district council of 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 in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.

Consultation.

6. Section 70(2) of the Act, states that the following procedure should be followed as part of the fee setting process;
- a notice must be placed in a local newspaper, and at the Council offices, stating the proposed fees and allowing a period of 28 days for objections to be lodged. This must also detail where and how any objections should be made.
 - once the objection period has expired, if no objections have been received, or if any objections made have subsequently been withdrawn, then the new fees may take effect either at the end of the objection period or when the last objection has been withdrawn.
 - if objections are not withdrawn, then the Council must consider the objections and in the light of their consideration set a second date, which cannot be more than two months after the first date specified, when the new fees come into effect. (Although the Council must consider the objections, it is not obliged to vary the proposal as a result of them).
7. A statutory notice was placed in the Shropshire Star on 23 December 2010. The notice stated that the representations should be made by 31 January 2011.
8. A Taxi Forum took place during the consultation period during which views were taken on a range of taxi licensing issues. The primary message from the Forum in relation to fees was that drivers and operators wished to see a further breakdown of the expenditure on licensing.
9. During the consultation, 80 objections to the proposals on fees were received, of which 69 were in the form of a petition.
10. The petition, signed by 69 drivers, expressed a straightforward rejection of any proposed increase in fares. The other responses were:-
- The increases are too high and the cost has not been worked out properly.
 - The increase is over 50%, the Council is non-profit making, is it now having to help make the savings that were not made when the district councils were

disbanded. Will not mind paying if council stops illegal taxis operating in Shrewsbury and Church Stretton.

- Fees can only be increased by 2.5% above inflation by law. (*this is incorrect*)
- Proposed tripling of fees is monopolistic and may consider a referral to the Ombudsman or Monopolies Commission if it goes through. Just because other Councils charge more does not mean that Council should follow suit. Would like to see detailed costing and as much effort put into reducing cost as increasing the charges.
- Are all licensing departments increasing fees by the same percentage – thought that councils were non-profit making
- Cost of living is increasing, especially cost of running a vehicle, and the proposed increases are far too excessive.
- Against the huge hike in fees, but understand a small increase would probably be needed. Fuel prices are high, and the costs of running private hire or taxis would be too high. Increased numbers of hackney vehicles being licensed recently will bring in a large amount of revenue. A breakdown of costs has not been produced despite requests.
- The increase in fees will increase the number of unlicensed people, and reduce the business of licensed individuals. The PHV fee should be reduced for small operators and increased for larger ones.
- Justify the increases of 50%-60% by producing costing of running Private Hire/Hackney licensing.
- High increase in licence fee
- The council can not recover more than the cost of administering licences, and costings have not been available. Consideration should be given as to the impact on the livelihood of licence holders. Taxi drivers are facing great hardship with 30% increase in insurance this year and next, and increased fuel costs. The proposed changes will have enormous consequences to the trade. A healthy cost effective fleet is necessary within a rural area.

11. None of the objections have been withdrawn.

Calculation of expenditure.

12. On 21 January 2011, an analysis of licensing expenditure was placed on the Shropshire Council licensing web pages. This set out, as requested, a breakdown of the expenditure on taxi and private hire licensing per licence type. Further refinement has been undertaken on these costs to reflect emerging circumstances and a revised statement of costs is set out in Appendix 1.

13. The expenditure in Appendix 1 is calculated per licence. An increased number of licence applications would have an effect on the Supplies, Services and Management Costs figure for each licence, but not on the other headings.

14. As the expenditure is estimated per application, in relation to Hackney Carriages it is applicable across all of the existing Zones.

15. Committee should note that the legislation permits only for the recovery of costs in relation to the issue and administration of driver's licences, Administration is

not defined, but for the purpose of this report it is not taken to include inspection or enforcement in respect of driver's licences.

16. The licensing team are seeing an increased number of applications for driver's licences, and expect a corresponding increase in the number of hackney vehicles over the next few months. The impact of these applications will be that taxi-licensing functions will take up a greater percentage of staff time within the licensing team.
17. Following the process set out above, it is now a matter for Council to determine the fees having considered any objections that have been raised. A recommendation from Strategic Licensing Committee to Council may be helpful in guiding Council's deliberations.

Proposed Fees.

18. The proposed fees are set out in Appendix 2. The fees proposed are in most cases lower than those that were consulted on. The revised proposals take into account the further work that was undertaken on costing the expenditure on the individual licences, as requested at the Taxi Forum, and recognise that the number of licence applications may be higher than originally considered. The Driver's licence fees are exclusive of CRB and DVLA checks, which are now included separately.
19. An inspection programme for Private Hire Operators is now in place, and will form part of the core licensing work for 2011/12. A very strong message has been received from Taxi Forums that drivers and operators want to see more enforcement. This view has been taken into account in the construction of an inspection plan to observe the work of private hire and hackney vehicles. Where necessary enforcement action will follow.
20. During 2011 further work will be undertaken to monitor the time devoted to the issue and administration of licences and the inspection and enforcement of vehicles and operators, to take into account any changes that result from improved practices or revised numbers of applications.

Conclusion

21. The proposed fees and charges are within the level of costs as expressed in the analysis of expenditure. The fees take account of the costs of issue and administration, and where appropriate the programmed costs of inspection and enforcement.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights act 1998.

Environmental Appraisal N/A

Risk Management Appraisal

Increased fees will affect a number of businesses and will lead to complaints and dissatisfaction. Taxi and PHV drivers and operators may take more radical action such as boycotting. This would affect Shropshire Councils ability to meet school transport needs.

A complaint may be made to a District Auditor to challenge whether the income from licensing exceeds the expenditure on the individual functions within it.

Community / Consultations Appraisal

Rises in the fees for Private Hire and Hackney vehicle licences, and Private Hire Operator licences are subject to a statutory advertisement period, which has taken place.

Cabinet Member: Councillor Cecilia Motley

Local Members

Appendix 1 Expenditure (including on-costs) on licensing functions

Appendix 2 Proposed fees