



<u>Committee and Date</u>	<u>Item</u>
Strategic licensing Committee	11
21 st March 2012	Public

Fees and Charges for Hackney Carriage and Private Hire Licences

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Summary

To consider representation made by the trade on the proposed fees and charges for Hackney Carriage and Private Hire licences and determine a fee for 2012/13

Recommendations

That the Strategic Licensing Committee set the fees laid out in Appendix 1 to this report to come into effect at midnight on 31 March 2012, and in relation to hackney carriages, that the fees apply across zones 1, 2, 3, 4 and 5.

REPORT

Risk Assessment and Opportunities Appraisal

Increased fees will affect a number of businesses and may lead to complaints and dissatisfaction. Taxi and PHV drivers and operators may take more radical action such as boycotting. This would affect Shropshire Council's 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.

Financial Implications

The Council's aim is to move towards full cost recovery, however, it is recognised that in doing this, it would have a major impact on the trade if implemented in one step. The Strategic Licensing Committee took this into consideration at its meeting on 17th January 2012, when determining the fees and charges for 2012/13.

Background

- 5.1 In determining the level of licence fees a Council must take into account the considerations set out in the appropriate legislation as follows:-
- 5.2 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.
- 5.3 Section 53 of the Act states that a council may grant to any person a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, and charge such a fee as they consider reasonable with a view to recovering the costs of issue and administration.
- 5.4 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.
- 5.5 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.
- 5.6 These factors were taken into consideration with the figures that were presented to the Strategic Licensing Committee meeting on 17th January 2012. At the meeting it was proposed to increase the fees and charges for hackney carriage and private hire licences by RPI + 4% in line with Council policy.

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 Strategic Licensing Committee 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 Committee must consider the objections, it is not obliged to vary the proposal as a result of them).
- 6.1 A statutory notice was placed in the Shropshire Star on 31st January 2012. The notice stated that representations should be made by 28th February 2012.
- 6.2 During the consultation, 3 representations to the proposals on fees were received.
- 6.3 Two of the representations were submitted at the last Strategic Licensing Committee on 17th January where it was agreed that they would be taken into consideration during the consultation process. These representations were received from Richard Price on behalf of the Shrewsbury Drivers Action Group and the other from Mark Higgins, Chairman of the Oswestry Taxi Association. The first representation requested that the Council consider a stepped increase in fees if the full cost recovery option was taken. The second representation requested that “fees remain unchanged until 2013 when more accurate figures could be compiled.” An additional representation has been received from Mark Higgins objecting to the proposed fee for ‘replacement of plate due to loss or damage’ being increased to £27.50. His concern is that the fee is being raised from £10 to £27.50. However the present fee (2011/12) is actually £25,
- 6.4 None of the objections have been withdrawn.

7. Calculation of expenditure

- 7.1 At the Strategic Licensing Committee on 17th January 2012, an analysis of licensing expenditure was given in the fees and charges report. This set out, as requested, a breakdown of the expenditure on hackney carriage and private hire licensing per licence type. An undertaking was given by the Group Manager at this meeting that the figures would be reworked and as a result of this some refinement has been made to these costs. All reworked figures show a marked increase on the present (2011/12) fees and charges and are higher than the proposed fees as set out in Appendix 1.
- 7.2 In considering the objection that has been made on the proposed fee for , ‘Driver badge replacement for damage or loss’, members will need to be aware that the full cost recovery for that procedure has been calculated as £32 which is greater than the advertised figure of £27.50.
- 7.3 For clarification purposes the advertised ‘transfer of licence’ fee relates to the transfer of licence for a change of vehicle. The full cost recovery figure calculated for this procedure is £29 which is greater than the advertised figure of £27.50.

8. Proposed Fees

- 8.1 The proposed fees are set out in Appendix 1. The Driver's licence fees are exclusive of CRB and DVLA checks, which are now included separately.

Conclusion

Appendix 1 shows the proposed increase in fees and charges for hackney carriage and private hire licences agreed by the Strategic Licensing Committee on 17th January 2012 and consulted upon through advert in the Shropshire Star. The Committee must consider the objections, but it is not obliged to vary the proposal as a result of them. It is recommended that the Committee set the fees to come into effect at midnight on 31st March 2012.

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

Cabinet Member (Portfolio Holder)

Councillor Steve Charmley

Local Member

Covers all areas of Shropshire

Appendices

Appendix 1 – Proposed fees for Hackney Carriage and Private Hire licences

APPENDIX 1

Proposed Fees

Licence Fees:	Proposed 2012/13
Driver's Badge (1 st Year) (excluding CRB, DVLA and Driver Assessment checks which are additional costs)	£87
Driver's Badge (3 Year) (excluding CRB and DVLA checks which are additional costs)	£87
Private Hire Vehicle (Per annum)	£143
Private Hire Door Signs (per pair)	£16
Hackney Carriage Vehicle (Per annum)	£143
Private Hire Operator (1 year)	£121
Private Hire Operator (3 Year)	£165
Driver's Knowledge Test (re-sit)	£62
Plate Replacement for damage or loss	£27.50
Driver Badge Replacement for damage or loss	£12
Transfer Licence	£27.50