

BABERGH DISTRICT COUNCIL

From: Corporate Manager – Open for Business	Report Number: R113
To: Regulatory Committee	Date of meeting: 8 April 2016

HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING – FEE SCHEME REVISION

1. Purpose of Report

- 1.1 This report refers to fee setting for Hackney Carriage and Private Hire licensing functions pursuant to Town Police Clauses Act 1847 and Local Government (Miscellaneous Provisions) Act 1976. At its meeting on 12 February 2016, the Committee resolved to set new fee levels, being the first revisions since 2010, subject to the prescribed notice period and opportunity for stakeholder/public objections.
- 1.2 Now that process has been concluded, the matter is reported back accordingly to the Committee for its consideration of whether any modifications are necessary to the fees proposed and to determine the fee levels that will apply in the Babergh District Council area.

2. Recommendation

- 2.1 That the Committee set a further date, not later than two months after 11 April 2016, on which the revised fees shall come into force with or without modifications as decided by the Committee on behalf of Babergh District Council after consideration of the objections.

The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 This is a statutory function, and the legislation provides for recovery of the reasonable costs of administration, inspection and supervision of the licensing scheme. Different fees can be levied for the different types of licence.
- 3.2 The impact of any increase upon the livelihood of those affected has to be taken into account, as does the scale of the increase itself. Consultation has taken place with interested parties and results of that consultation are attached as **Appendix B** and must be considered by the local authority before the decision is finally made.
- 3.3 The control of hackney carriage and private hire vehicles, drivers and operators is a time-consuming, complex and costly exercise. The authority normally reviews the costs and activity of the regime every three years, in accordance with national guidelines. It is important that local taxpayers should not be subsidising private enterprise - in the event that the Council's costs are not fully recovered by the levying of reasonable fees.

4. Legal Implications

- 4.1 Failure to set appropriate fee levels based on reasonable costs, or failure to consult correctly/follow prescribed processes, may result in legal challenge.

5. Risk Management

- 5.1 Failure to regularly review costs and activity, and revise and consult upon fee levels, may result in a deficit or surplus being created in respect of the licensing functions which may impact negatively on local taxpayers (deficit) or licence-holders (surplus).

6. Consultations

- 6.1 Those parties likely to be affected by the proposals have been suitably consulted, with their views reported back to the Regulatory Committee for consideration and a decision.
- 6.2 There is a (28-day) statutory notice requirement under the Local Government (Miscellaneous Provisions) Act 1976 in respect of fees set for taxi and private hire licence fees. This has been published in a local newspaper and deposited at the council offices.

7. Equality Analysis

- 7.1 There are no equality implications arising directly from this report. This is a revision to an existing licence fee scheme. The council recognises its obligations under the Equality Act 2010, in the exercise of its licensing functions, and shall have due regard to any comments received during the consultation, or individual applications, on equality issues.

8. Shared Service / Partnership Implications

- 8.1 Each District Council is a separate 'controlled zone' for taxi and private hire purposes, and may also create sub-zones within its own area. The service methodology across Babergh and Mid Suffolk is consistent, given the integrated shared service supporting these functions.

9. Links to Joint Strategic Plan

- 9.1 These licensing functions most closely align with -
- supporting businesses to thrive and grow, with a particular emphasis on smaller and start-up concerns;
 - encouraging employable skills (local transport and public service standards);
 - supporting safe and active communities; and
 - co-ordinating our approach to regulation with Suffolk County Council to minimise the burdens on local business (particularly through the safety and suitability arrangements the District/Boroughs have with the County with regard to school transport and social service contracts).

10. Key Information

- 10.1 The statutory powers to levy fees for the Hackney Carriage and Private Hire licensing function are contained within the Local Government (Miscellaneous Provisions) Act 1976 - specifically section 53 relating to drivers and section 70 relating to vehicles and operators.
- 10.2 Fee levels for taxi and private hire licences in the Babergh District have not increased since 2010.
- 10.3 It will be an operational decision for each operator/proprietor whether any fee increases are in due course passed on to customers or contract providers in terms of higher fares. The hackney carriage fare maximum tariff has not increased since 2010 and officers continue to seek hackney carriage proprietor feedback on whether any changes to the tariff are now due. The Council does not regulate or control private hire fares.

11. Appendices

Title	Location
A. Proposed hackney carriage and private hire licensing fees for 2016/17	Attached
B. Objections received during consultation period	Attached

12. Background Documents

12.1 None

Authorship:

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Table of Taxi and Private Hire Fees

Proposed as effective from 11 April 2016 (or as determined)

Fee Element	Fees (£)
DRIVERS (COMBINED HC and PHV)	
Annual licence fee (including badge and initial knowledge test)	£104.50
DBS disclosure (enhanced)	£44.00 *
DVLA check	£5.00 *
Replacement badge (lost or stolen)	£12.00
Knowledge test re-sit	£20.00
Medical examination	Variable. Payable to medical practitioner direct
DSA HC/PHV Driver Assessment or equivalent (if required)	Payable to DSA or provider direct
PRIVATE HIRE VEHICLES	
Annual licence fee (including plates and vehicle test)	£334.50
Vehicle re-test (where required e.g. following repair)	£50.00 *
Replacement rear plate	£22.00
Replacement internal plate	£8.00
Bracket and fittings (re-usable) – optional	£20.00
Temporary replacement vehicle (3 or 6 months) – including plates and vehicle test	£121.00 (3 month) £192.00 (6 month)
HACKNEY CARRIAGE VEHICLES (TAXIS)	
Annual licence fee (including plates and vehicle test)	£344.50
Vehicle re-test (where required e.g. following repair)	£50.00 *
Replacement rear plate	£22.00
Replacement internal plate	£8.00
Bracket and fittings (re-usable) – optional	£20.00
Taximeter re-check	£25.00
Temporary replacement vehicle (3 or 6 months) – including plates and vehicle test	£124.00 (3 month) £197.00 (6 month)
PRIVATE HIRE OPERATORS	
Annual licence fee (single vehicle)	£151.50
Annual licence fee (2-3 vehicles)	£225.00
Annual licence fee (4-9 vehicles)	£352.50
Annual licence fee (10+ vehicles)	£435.00
SUPPLEMENTARY INFORMATION	
* Third party checks and tests are subject to periodic amendment. Testing stations may charge a separate MoT fee or incorporate the test inspection with MoT (at their discretion)	
Minor licence, register, maintenance and process issues, and compliance and monitoring costs, are incorporated into the above fee structure	
Significant changes (e.g. business and licence transfers) will be charged at the appropriate officer hourly rate plus production/copy/postage costs	

Babergh District Council

From: Sean Fox of Fox Cars (Sudbury)
Subject: VARIATION OF LICENCE FEES OBJECTION

FOX CARS

01787 881212

www.foxcars.org

Wellesley House. 96 East Street, Sudbury, Suffolk. CO10 2TP

Dear Licencing Team

I am officially registering my objections to the proposed variations to the licence fees for Hackney carriage and private hire vehicles in Babergh District.

The increase in renewals of a private hire vehicle licence from £266.00 per year to £334.50 is outrageous this increase will hit the larger companies who already have higher expenses due to office, admin, controllers etc.

**Now Babergh and Mid Suffolk are merged how can it be justified that a licence cost more in one part of the district than the other?
A HC/PHV licence in....**

Forest Heath	£176.00 / £154.00 respectively	at present
Ipswich Borough	£335.00 / £233.00 respectively	at present
Braintree	£336.00 / £279.00 respectively	at present
Babergh	£344.50 / £334.50 respectively	proposed
Mid Suffolk	£339.50 / £264.50 respectively	proposed

I understand that we have a large area in Babergh to cover but as for major towns we are rather limited. We should be being supported no penalized for trying to offer a competitive and reliable service in this area. A lot of our costs are for dead miles running around the District between Jobs. Fuel costs always reside with the operator, with the increase in fees as well I am sure the larger operators will have to consider reducing the number of vehicles and staff and therefore the level of service they can provide.

I have previously put forward in writing a letter with my suggested increases, I would like to hear your views and objections to the figures I have submitted.

The largest renewable asset is driver licences. The bulk of the increases should be targeted in this area and not shoved on to the operators.

Thank you.

Sean.

Fox Cars

Elite Private Hire

01787 881212

Q1: Tell us about your business sector Other (please specify)
Hackney Carriage and Private Hire operator

Q2: Please enter your details as a respondent to the consultation (non-verifiable responses may carry less weight)

Name Sean Fox
Company/Business name Fox Cars
Address Wellesley House
Town Sudbury
Post Code CO10 2TP
Email Address Foxcars@outlook.com
Phone Number 01787881212

Q3: Do you agree with the proposed spread/levels of fee increases across different types of licence?
NO

Q4: If you answered NO to Q3, what adjustments would you consider to be more appropriate and why?

An increase of 4% or 5% across the board not 17% or in my case 19% as proposed. A single fee for PH operators fees of £151.50 per year as My operators licence takes no more work, time or energy to produce than that of a single vehicle operator.

Q5: Would the proposed fee increases have any significant impact on your business to the extent that you may recruit less drivers or licence less vehicles?

the increase in fees will on their own make it even more difficult to get more drivers. If I can not get more drivers it is only reasonable to assume I will not need as many cars.

Q6: Which element of the hackney carriage and private hire licensing scheme (driver, vehicle or operator) would you prefer to see proportionately higher increases in and why?

Why would any need to be increased more than either of the others ?

Q7: If you are a hackney carriage proprietor do you want the existing tariff (maximum) changed and if so what changes would you like to see and to which elements?

A small increase to the minimum fare with an increase per mile

Q8: Any other comments / suggestions regarding the proposed taxi and private hire fee scheme?

PHV licencing. With the new proposal the charge for renewing one of my private hire cars is going to increase from £266.00 per year to £334.50 per year (a 26% increase !!) in my case this is going to cost me an extra £822.00 pa What for ? I think these increases are unreasonable and that as one of the larger companies I feel that I am being penalized for Working harder and investing more money to provide a better service. It has always been hard to get new drivers and now you are also proposing a "knowledge test" ! How is this going to help ? Who is going to set the test and run the test? How much is the resit fee, and is this really necessary ?

I suggest that you rethink the proposed increases, by my quick calculations the increases will produce an extra income to the council of Nearly £20,000.00 per year bring it up to around £90,000.00 a year we are paying. These figures do not include the revenue from the Mid Suffolk operators and drivers whom I assume will be brought in line as well. What are we getting for this ? How about an in person meeting with those who are involved and those who come up with these ridiculous proposals ?

From: Jacqui Wheeler of Sudbury Town Taxis
Subject: Increase in taxi licensing fees 2016/17

In response to the letter dated 15th February notifying of an increase to licensing fees.

I have to say that I feel the fee increase is quite high both for drivers and operators....and I understand that the fares can be increased but as the one car license holders who have no office/controller outgoings will carry on undercutting the bigger companies therefore making it almost impossible for us to increase the fares without losing customers, so I can only say that I feel the increase will only damage the bigger companies who have much higher overheads than the smaller ones, as the paperwork for the operators license is the same whether there is one car or ten cars in the fleet.

I think it may help to put a tariff on the private hire fares making it more difficult for them to undercut the hackneys, not sure if thats possible but it brings everyone in line and hopefully gives everyone a fair shot when quoting for jobs.

Regards

Jacqui Lawrence
Company Manager
Sudbury Town Taxis

From: Stuart Armstrong of AAA Cabs
Subject: RE: Complaints from Mr Stuart Armstrong

Mr Carvell,

I thank you for your tentative agreement for a meeting with regard to the proposed licence fee increases in the Babergh District. I now formally request such a meeting. I am eager to hear how the council can justify a 25.7% increase in the fee payable whilst the workload appears to be decreasing through longer lasting licenses.

I believe you have had a request in for a meeting of all operators to discuss the above and would be happy to be involved in such. Maybe at the same meeting you could address the issue of the new taxi and private hire law and Babergh District Council's changes to the regulations, to which all operators were proposed a meeting last year.

As for the discrepancies between the figures you/your team presented to the Regulatory committee. You stated in paragraph 10.2 in report number R98 for the regulatory committee that you have determined an additional requirement for £12,000 per annum, to safeguard the cost-neutrality.

Licence type	Number	Current Renewal	Proposed Figure	Increase	% Increase	Additional Revenue Raised
Private Hire Vehicles	125	£266	£334.50	£68.50	25.7	£8,562.50
Hackney Carriages	36	£266	£344.50	£78.50	29.5	£2,826.00
Drivers	220	£85	£104.50	£19.50	22.9	£4,290.00
Operators	38	(various rate increase from 15.6% to 46.9%)				£1357.50
Total Projected increase						£17,036.00

So your cost-neutrality is under projected by a revenue gain of over £5,000.

To end, it is our frustration levels at what seems to be a non level playing field that has led to the involvement of the council, whereby, when we are in breach of the rules and these are pointed out to us they are swiftly rectified, whereas it would appear that this form of enforcement does not have the same level of impact with all operators.

Regards,

Stuart Armstrong
AAA Cabs

Q1: Tell us about your business sector Other (please specify)
Both Hackney and private hire

Q2: Please enter your details as a respondent to the consultation (non-verifiable responses may carry less weight)

Name Stuart Armstrong
Company/Business name AAA Cabs Ltd
Address Unit K10 Drury Drive
Town Sudbury
Post Code CO10 1WH

Q3: Do you agree with the proposed spread/levels of fee increases across different types of licence?
NO

Q4: If you answered NO to Q3, what adjustments would you consider to be more appropriate and why?

Leave the drivers fee alone. It is difficult enough to attract new drivers.

Q5: Would the proposed fee increases have any significant impact on your business to the extent that you may recruit less drivers or licence less vehicles?

See previous answer

Q6: Which element of the hackney carriage and private hire licensing scheme (driver, vehicle or operator) would you prefer to see proportionately higher increases in and why?

None. No need

Q7: If you are a hackney carriage proprietor do you want the existing tariff (maximum) changed and if so what changes would you like to see and to which elements?

Increase in flag drop to £5.00 but that would cover the first 1.5 miles.

Waiting time increase to £20 per hour as the companies with Hackney vehicles split fare income on a 40/60 basis.

Current level of £12 per hour gives driver just £4.80 per hour, well below minimum wage.

Q8: Any other comments / suggestions regarding the proposed taxi and private hire fee scheme?

Respondent skipped this question