

BABERGH DISTRICT COUNCIL

From: Corporate Manager - Licensing	Report Number: R98
To: Regulatory Committee	Date of meeting: 12 February 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 & Private Hire licensing functions pursuant to Town Police Clauses Act 1847 and Local Government (Miscellaneous Provisions) Act 1976. It is proposed that following a recent cost and activity review of the taxi and private hire licensing functions undertaken by the Authority, and subject to a prescribed notice period and stakeholder consultation, the local licensing fee scheme be revised and updated in accordance with the fee table produced as Appendix A.

2. Recommendations

- 2.1 That the Committee approve a proposed revised fee scheme attached as Appendix A and instruct the Corporate Manager – Licensing to proceed with a suitable period of consultation with stakeholders and interested parties and give notice of the proposed changes in accordance with statutory requirements.

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 must take place with interested parties and results of that consultation 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 will need to be 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 must be 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 approach across Babergh and Mid Suffolk is consistent, given the integrated shared service supporting these functions, and proposed fee levels are comparable with similar Licensing Authorities including those in Suffolk.

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. Following the latest periodic review, the authority has determined that additional income from the functions to the order of £12,000 per annum is now required to safeguard the cost-neutrality of the service and ensure that there is no onward burden to local taxpayers.
- 10.3 Having reviewed the costs and activity in the service for the latest three year period, and considered intended changes to the scheme, officers have made relevant calculations which are projected to realise this additional income and also, subject to the relevant consultation and notice period, attempt to reasonably and equitably adjust individual fee types to mitigate any negative impacts on business and individuals in the licensed sector. It is anticipated that, notwithstanding any unforeseen significant impacts, the new proposed fee structure should be appropriate for the next three year period which should give the trade and new applicants a degree of assurance and enable them to plan ahead with their business costs. Licence fees should not be set so as to pose any deterrent to new or expanding businesses.
- 10.4 It should also be noted that during 2016/17 the council intends to implement a new paper-based 'knowledge test' for new driver applicants, to promote licensing objectives, public service standards and awareness and give some increased assurance to operators and proprietors who are taking on new drivers. Further, whilst central government has recently required driver licences to last for three years and operators for five, the council has already taken the decision to allow staggered annual payments of licence fees so as to assist local licence holders and businesses - albeit this does in itself create additional administration and cost for the authority.
- 10.5 The new fees proposed in Appendix A are broadly consistent with other similar local authorities, albeit local taxi and PHV activity and requirements are very variable authority to authority as is local authorities fee-charging and testing methodology.
- 10.6 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 December 2010 and officers will 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.
- 10.7 Once the consultation and notice period has been completed, any responses will be collated and reported back to the Regulatory Committee for its further consideration and determination.

11. Appendices

Title	Location
A. Proposed hackney carriage and private hire licensing fees for 2016/17	Attached

12. Background Documents

12.1 None

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Table of Taxi and Private Hire Fees

Proposed as effective from April 2016

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

TABLE SHOWING EXISTING FEE LEVELS (2010) AND PROPOSED FEE LEVELS (2016)
HACKNEY CARRIAGE AND PRIVATE HIRE LICENSING (BABERGH DISTRICT)

Licence Type	Fee Set (2010)	Fee Proposed (2016)	Increase p/annum	Increase p/month	Quantity (average)	Projected additional income
Vehicle (Private Hire Vehicle)	£297.00	£334.50	£37.50	£3.13	125	£4,687.50
Vehicle (Hackney Carriage/Taxi)	£297.00	£344.50	£47.50	£3.96	36	£1,710.00
Driver (Combined)	£85.00	£104.50	£19.50	£1.63	220	£4,290.00
Operator (1 vehicle)	£130.00	£151.50	£21.50	£1.79	15	£322.50
Operator (2-3)	£190.00	£225.00	£35.00	£2.92	10	£350.00
Operator (4-9)	£305.00	£352.50	£47.50	£3.96	10	£475.00
Operator 10+	£365.00	£435.00	£70.00	£5.83	3	£210.00
					TOTAL	£12,045.00

PROJECTED

- Notes:
- (a) All fees shown above are per annum equivalent. Activity and volume by type may fluctuate.
 - (b) Driver fees are shown without the DBS/DVLA/Medical (which are subject to third party amendment)
 - (c) Vehicle fees include test inspection and plates. Testing stations may periodically review their charges.

Other fee scheme proposed revisions

TEMPORARY VEHICLES (ACCIDENT REPLACEMENTS, REPAIR etc.)

PRIVATE HIRE

3 month licence = £121.00

6 month licence = £192.00

HACKNEY CARRIAGE (TAXI)

3 month licence = £124.00

6 month licence = £197.00

1. That the existing fee differential between new and renewal/change of vehicle be removed, with the same fee to be payable whether new or renewal or permanent change, as the costs are substantially the same. The fee will continue to incorporate the vehicle test inspection and licence plate elements.
2. Hackney carriage vehicle licence applications to be increased proportionately higher than PHV due to the additional cost elements of the hackney carriage licensing scheme. A separate income accounting code will be used for hackney carriages in accordance with good practice.
3. A new set fee for 3 or 6 month temporary vehicles (accident replacements, temporary changes) – see above. This will provide flexibility and keep costs down for businesses rather than paying for a 12 month licence for a temporary vehicle (e.g. insurance provided)
4. A proportionately higher fee for larger operators, based upon number of vehicles linked to their business. A smaller operator fee for single vehicle operators preserves previous councillor set methodology (promoting small business start-ups)
5. Removal of the 4-6 operator tier band now incorporated within a 4-9 vehicle category
6. For simplification - minor licence, register, maintenance and process issues will be incorporated within the above fee structure
7. Replacement plates, badges, vehicle re-tests, business transfers etc. will be charged separately at the appropriate admin hourly rate plus production/postage costs

