

Agenda Item

Executive Board

12 April 2006

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Private Hire and Hackney Carriage Licensing – Proposed Fee Increases

Summary

This report shows the current fee structure in respect of Private Hire and Hackney Carriage licensing fees charged by East Devon District Council and seeks authority to increase those fees from 1 June 2006.

Recommendation

That the proposed licensing fees set out in Appendix A for Hackney Carriages and Private Hire Licences be recommended for approval by the Full Council and

- 1. that the proposed scale of fees be introduced from the 1 June 2006 for both private hire and hackney carriage licences;**
- 2. (a) that notice be given in accordance with Section 70(3) of the Local Government (Miscellaneous Provisions) Act 1976 of the proposed variation of licence fees determined by the Council for this year;**
 - (b) that should objection be received resulting from the notice and not withdrawn delegated authority be granted to the Chief Executive in consultation with the Leader of the Council**
 - (i) to consider the objection(s) as provided by Section 70 and;**
 - (ii) to set a further date not later than two months after the first specified date on which the variation shall come into force with or without modification.**

a) Reasons for Recommendation

To enable the District Council to recover the cost of carrying out its responsibilities concerning the licensing of Hackney Carriage and Private Hire vehicles, drivers and operators.

b) Alternative Options

To leave the charging structure unchanged so those fees increase in line with the Retail Price Index or to adopt a different scale of fees.

c) Risk Considerations

None known

d) Policy and Budgetary Considerations

e) Date for Review of Decision

N/A

1 Main Body of the Report

- 1.1 Under the provisions of current legislation the District Council has a statutory responsibility to administer the Private Hire and Hackney Carriage licensing process. The legislation permits the District Council to recover the costs of issue, administration, control and supervision of that licensing process but not to raise additional funds.
- 1.2 The projected cost for carrying out the Council's Private Hire and Hackney Carriage licensing role for 2006/2007 is approximately £92,000. (This figure includes the cost of the Criminal Records Bureau checks which total over £4,000 per annum. These fees which the council has no control over are collected by the authority and paid to the CRB and for that reason have not been referred to in Appendices A & B [See Paragraph 1.12]). Based on the numbers of applications made during the current financial year, if no increase in fee revenue is made there will be a deficit of approximately £27,000 between the fee income and the cost to the Council of undertaking its statutory responsibilities for Private Hire and Hackney Carriage licensing.
- 1.3 All Private Hire Licences issued by this Council expire annually on the 31 May and all Hackney Carriage Licences issued by this Council expire annually on the 31 October. Renewal notices are normally posted in April and September respectively to allow applicants adequate opportunity to compile and submit the necessary documentation.
- 1.4 A review of the fees charged by this Council has been undertaken with a view of recovering the cost to the Council of undertaking its statutory responsibilities for Private Hire and Hackney Carriage licensing. As part of that review fees currently charged by this Council were compared to those levied in **2005/2006** by other Councils within our family group. A member of the Fees and Charges Task and Finish Forum has questioned the value of comparing fees in this manner as there is little certainty that those fees are correct at the time of comparison.
- 1.5 The councils used for comparison are Caradon District Council, Carrick District Council, Lewes District Council, North Cornwall District Council, North Devon District Council, North Norfolk District Council, Rother District Council, South Hams District Council, Teignbridge District Council, and Tendering District Council. Although not within the family group the fees to be charged by Exeter City Council are also included for comparison purposes at the request of the Fees and Charges Task and Finish Forum. I understand however that Exeter City Council have not undertaken a detailed review of their taxi licensing fees for sometime and are due to do so during the next financial year.
- 1.6 With the intention to recover the costs of issue, administration, control and enforcement of the Private Hire and Hackney Carriage licensing process it is recommended that the fees be amended in the following manner. Applications for the grant or transfer of licences for drivers, vehicles and operators be increased by approximately 50% with the exception of the driver's licence badge deposit of £15 which is unchanged. The proposed changes to the current fees are detailed at **Appendix A**.
- 1.7 By increasing the fees as shown in **Appendix A** it is anticipated that the total income from Private Hire & Hackney Carriage Licences will increase by approximately £25,000.
- 1.8 Over the past two years the Accountancy Section have undertaken a review of the Council's budget in respect to recharges and this is partly responsible for this large increase. It means that costs within the Council are distributed to the correct costs centres at the correct levels. For example the recharge to the licensing budget from Legal Services and IT has increased considerably over the past two years. These increases would have occurred proportionately even without the extra work taken on by the Licensing Section.

- 1.9 The Board agreed an increase of 24% in March 2005 which was intended to increase the income by £10,000. Unfortunately having revisited the figures for 2005/06 the increase needed to recover the full cost of providing the Private Hire and Hackney Carriage licensing service at that stage should have been 40%. This in part explains the need for such a large increase now. This meant that the taxi licensing fees for 2005/06 have not been sufficient to cover the true cost of the service.
- 1.11 The Board may wish to introduce this increase in stages. An option could be to increase the fees this year by 30% only and carry over the rest of the increase to the 2007/08 financial year. The fees, if this option is considered, are set out in **Appendix B**. It is recommended that a further review should be undertaken before the proposed suggested second increase in this option took place next year.
- 1.12 The Criminal Records Bureau has announced that the cost of all their checks are to increase on the 1 April 2006. The Enhanced check for taxi drivers will increase from £34 to £36. This does not affect the fee changes proposed in **Appendix A** as the CRB fee is charged separately and we merely pass on the fee increase.
- 1.13 On the 1 March 2006 I presented a report to the Fees and Charges Task and Finish Forum on licensing fees including those for taxis. The Forum supported the principle of full recovery of the cost of operating the taxi licensing service and recommended that the following charges be levied for 2006/07 and that future charges rise by at least the retail price index inflation rate or 2% whichever is the greater:

Vehicle Licence	£200
Vehicle Licence (where licence commences within 6 months of the annual expiry date)	£115
Drivers Licence	£75
Drivers Licence (where a HC drivers licence is already held with EDDC)	£55
Private Hire Operators Licence	£100
Vehicle Ownership Transfer	£60
Vehicle Transfer	£60
Drivers Licence Badge Deposit	£15
Replacement Plate	£35
Criminal Records Bureau Check Administration Charge	£25

- 1.14 Since the Fees and Charges TAFF sat further work has been done on the figures which have necessitated an amendment to the detail provided at that meeting. As a result it is recommended that that the suggested driver licence fees of £75 and £55 be increased to £80 and £60 respectively. Alternatively the same amount would be raised if the vehicle licence fee was increased to £210 instead of £200. The latter choice would mean that the greater increase would be placed on the vehicle costs rather than the individual driver.
- 1.15 If the Board approves the licensing fees as shown in either **Appendix A or B**, the proposed fees will then go forward to full Council for approval. Following approval there is a legal requirement for the proposals to be advertised. Should there be representations received against the increases there is a further requirement for the proposed fees to be reconsidered in the light of those representations.
- 1.16 It is recommended that should any objections be received and not withdrawn that delegated authority be granted to the Chief Executive in consultation with the Leader of the Council to consider those objections as provided by the Local Government Miscellaneous Provisions Act 1976 Section 70(3)

Legal Implications

There are no apparent legal implications

Financial Implications

These recommendations if approved will ensure full cost recovery for the taxi licensing service

Appendices

- Licensing Fees Proposed Increase Appendix A
- Comparison of Charges with other Local Authorities Appendix B

Background Papers

- Documentation from other authorities listing their fees and charges

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