

FOR PUBLICATION

Review of Taxi Licensing Fees for Private Hire Operators and Hackney Carriage/Private Hire Drivers (A410)

MEETING: APPEALS AND REGULATORY COMMITTEE

DATE: 22nd July 2015

REPORT BY: LICENSING OFFICER

WARD: ALL

COMMUNITY FORUM: ALL

FOR PUBLICATION

1. PURPOSE OF REPORT

1.0 To inform members of changes to Taxi Licensing under the Deregulation Act 2015 that comes into force from the 1st October 2015;

- Section 10 of the Act extends the standard duration of a hackney carriage/private hire driver's licence to three years whilst a Private Hire Operators licence is extended to 5 years.
- Section 11 of the Act allows private hire operators to sub contract bookings to each other across licensing boundaries.

1.1 To request members approve the associated fees.

2. BACKGROUND

2.1 The Deregulation Act provides for the removal or reduction of burdens on businesses.

The Act also provides for a duty on those exercising specified regulatory functions to have regard to the desirability of promoting economic growth. The extension of the length of licences will reduce administrative burden and lower costs, whilst the sub-contracting gives the ability for businesses to work more flexibly.

2.2 Currently Chesterfield Borough Council issue an annual combined hackney carriage/private hire driver's licence and private hire operator's licence. The extension in licence years requires the licence fees to be re-calculated.

2.3 The Council currently has 533 combined hackney carriage/private hire vehicle drivers and 31 Private Hire Operator's. The application must be accompanied by a fee.

2.4 The Local Government (Miscellaneous Provisions) Act 1976 sets out how a Council may calculate the fee;

- s 53 (2), sets out that the fee for a Hackney Carriage/Private Hire driver's licence can be any that the Council considers reasonable with a view to recover the costs of issue and administration of the licence application.
- S 70 sets out that the fee for a vehicle licence or private hire operator's licence can be any that the Council considers reasonable for ;
 1. Carrying out inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;
 2. The reasonable cost of providing hackney stands;
 3. Any reasonable administrative or other costs in connection with the ongoing control and supervision of hackney carriages and private hire vehicles.

2.5 Since the 1st April 2015 the fees for the annual hackney carriage/private hire drivers licence and private operators licence are;

Drivers Licences/Badges	Grant - £79.00 Renewal - £79.00
Private Hire Operators Licence (core fee plus cost per vehicle)	Core Fee - £136.00 Cost Per Vehicle - £25.00

The fee cannot include the cost of investigating unlicensed activity which remains at a cost to the Council.

2.6 The existing fees have been recalculated to take into the account the extension of the years of licence and calculated based on the table below;

2.6.1 Drivers – Proposed 3 years Licence Fee.

Process of Application	1year Drivers licence/badge	2 year Drivers Licence/badge	3 rd Drivers Licence/badge	Total for 3 year badge
Process Application (issuing renewal form, , check DBS form, review any medical issues, update records, check right to work, issue licence)	£31.70	31.70	31.70	95.10
Administration Costs Licence for driver Badge(x2) Dash card badge holder Lanyard	£13.00 £4.00 £1.00 £1.00	No admin costs for 2 nd year	No admin costs for 3 rd year	19.00
Referral to Committee (20% possibility)	£23.08	23.08	23.08	69.24
Legal Advice (20% possibility)	£5.98	5.98	5.98	17.94
Total	£79.76 (rounded down to £79.00)	£60.76 (rounded down to £60.00)	£60.76 (rounded down to £60.00)	£199.00 (rounded down)

The cost of a 3 yearly Hackney Carriage/Private hire driver's licence is £199.00

2.6.2 Operators – Proposed 5 Yearly CORE licence fee

Process of Application	1 year Grant/Ren Operators CORE fee	2 year Grant/Ren Operators CORE fee	3 year Grant/Ren Operators CORE fee	4 year Grant/Ren Operators CORE fee	5 year Grant/Ren Operators CORE fee	Total for 5 year Operators licence.
Process Application (issuing renewal form, , check DBS form, review any medical issues, update records, check right to work, issue licence)	£35.60	35.60	35.60	35.60	35.60	178.00
Administration Costs Licence	13.00	No admin cost	No admin cost	No admin cost	No admin cost	13.00
Referral to Committee (20% possibility)	23.08	23.08	23.08	23.08	23.08	115.40
Legal Advice (20% possibility)	5.98	5.98	5.98	5.98	5.98	29.90
Compliance Annual operator checks, Review of vehicle numbers when necessary	57.53	57.53	57.53	57.53	57.53	287.65
Total	135.19 (rounded down to £135.00)	122.19 (rounded down to £122.00)	122.19 (rounded down to £122.00)	122.19 (rounded down to £122.00)	122.19 (rounded down to £122.00)	623.95 (rounded down to £623.00)

The cost of the 5 yearly Private Hire Operator's Core Licence Fee would be £623.00.

2.6.3 Cost per vehicle within Operators licence.

Cost per vehicle	
Compliance of vehicles (vehicle checks, drivers, signage, complaints)	27.21 (rounded down to 27.00)

2.6.4 The number of vehicles per operator's base varies. Although there is no statutory provision within the legislation to allow payment by instalments, it is proposed that private hire operators should be allowed to pay the vehicle element of their licence every 12 months.

On the first year of the 5 year licence the operator pays the entire core fee and the number of cars that he/she has for the first year only. On the anniversary of the licence each year, the operator would pay the vehicle fee for the number of vehicles they have that year;

e.g. Core fee for 5 years = £623.00
Per vehicle 1st year @ (125 cars x £27.00) = 3375.00) + £623.00
=
£ 3998 for the first year of operator's licence

2nd year anniversary with a reduction of cars to 100 = 100
x£27.00 = £2700. Operator would pay £2700.

Appendix 4, of Schedule 3 of the Hackney Carriage and Private Hire Licensing Policy would be amended to introduce 12 points +Committee for non-payment of the annual vehicle fee for Private Hire Operators.

2.6.5 Currently the legislation only allows a private hire operator to subcontract bookings to a private hire firm licensed by the same Licensing Authority or based within the same area. The change in Section 11 of the Deregulation Act allows private hire vehicle operator's to sub contract to each other across licensing boundaries. This will allow operators to work more flexibly and potentially grow their businesses. Passengers will be able to rely on their local operator, rather than being turned away when the operator cannot directly fulfil the booking. The triple licence requirement, that private hire operators are licensed within a district and must only use vehicles and drivers licensed by the same local authority as granted their operator's licence, remains.

3.0 **Taxi consultative**

3.1 The next meeting of the Taxi Consultative meeting is to be held on the 15th July 2015 and it is intended that the taxi trade are advised of the future changes to the legislation.

4.0 **Recommendation**

4.1 That the members consider the changes to drivers licence and Private Hire Operators fees.

4.2 Should the fees be approved for the three yearly and 5 yearly licence amendments, they would be subject to advertisement giving a period of 28 days for objections. If any objections are made then the committee will have to consider them at a further meeting. If no objections were received, the newly amended fees would take immediate effect on the date of expiration specified in the advertised notice.

4.3 That approval is given to Officers to amend the Hackney Carriage and Private Hire Licensing Policy in respect of changes due to the Deregulation Act 2015.

July 2015

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