

Licensing & Regulatory Committee

25 August 2015

**Name of Cabinet Member:**

Not applicable

**Director Approving Submission of the report:**

Executive Director of Place

**Ward(s) affected:**

Not applicable

Title:

**Hackney Carriage and Private Hire Licensing Fee Review 2015 – Three yearly drivers' licences & five-yearly private hire operators' licences**

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**Is this a key decision?**

No

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**Executive Summary:**

On the 1 October 2015 the Deregulation Act 2015 requires local authorities to generally issue drivers' licences for a three year period and private hire operators' licences for a five year period. Coventry City Council currently issues drivers' licences annually and has the option for private hire operators to either be issued an annual licence or a five-yearly licence.

**Recommendations:**

It is recommended that the Licensing & Regulatory Committee approve the proposed fee structure detailed in Appendix A for three yearly driver's licences and five-yearly private hire operator's licences subject to statutory consultation and the further consideration of any objections received.

**List of Appendices included:**

**Appendix A – Proposed fee structure for three yearly drivers' licences and five-yearly private hire operators' licences.**

**Other useful background papers:**

None

**Other Useful documents**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**

**Hackney Carriage and Private Hire Licensing Fee Review 2015 – Three yearly drivers' licences & five-yearly private hire operators' licences**

**1. Purpose of Report**

This report seeks approval for the adjustment and re-structuring of some of the fees for hackney carriage and private hire licensing.

**2. Recommendation**

It is recommended that the Licensing & Regulatory Committee:

- 2.1 approve, subject to consideration of any comments received, the proposed fee structure detailed in Appendix A;
- 2.2 authorise the Director of Place to make the necessary arrangements to advertise the applicable proposed fee variations;
- 2.3 note that if any formal objections are received in response to the statutory notice that a further report will be presented on the 29 September 2015.

**3. Information/Background**

- 3.1 The Local Government (Miscellaneous Provisions) Act 1976 provides that the City Council may charge as fees the reasonable cost of administering and enforcing the hackney carriage and private hire licensing function. The fees charged by the Taxi Licensing Office are intended to enable the service to operate on a self-financing basis.
- 3.2 A review of fees was carried out in 2009, which involved assessing the resources used for each activity represented by a fee. Any increased costs to taxi licensing since 2009 have been managed within available resources.

**4. Proposal and Other Option(s) to be Considered**

- 4.1 The cost of the current annual renewal of a drivers licence is £110 which over a three year period is a cost to the driver of £330. It has been calculated that moving forward the cost of a three yearly licence, taking into consideration the application process and inflation increases will be £170 (a saving to the driver of £160 over a three-yearly period).
- 4.2 The costs of a current annual first grant licence (when a new applicant driver is initially granted a licence) is £90 which over a three year period is a cost to the driver of £310 (2 x £110 plus £90). It is proposed that the cost of an initial three-yearly licence is £170 (a saving to the driver of £140 over a three-yearly period).
- 4.3 The costs of a current annual re-grant licence (within a six month period after a driver's licence has expired thus not requiring the applicant to undertake all the requirements of a new applicant) is £130 which over a three year period would have been a cost to the driver of £350 (2 x £110 plus £130). It is proposed that the cost of an initial three yearly re-grant licence is £190 (a saving to the driver of £160 over a three-yearly period).
- 4.4 It is City Council policy that a Disclosure & Barring Service (DBS – previously the CRB) enhanced application and also a DVLA check is carried out every three years for existing drivers. In order to tie these three-yearly checks with the three-yearly driver's licence renewal it is proposed that on renewal the driver will have to undertake a three-yearly DBS enhanced application and a DVLA check. This will incur additional charges for drivers who last completed a DBS enhanced application and DVLA check one year and two years ago.

- 4.5 In 2009 the City Council gave a private hire operator the option to opt for a five-yearly licence rather than an annual licence. The cost of the five-yearly licence renewal in 2009 was £1625 and this amount has not been adjusted for inflation since 2009. It has been calculated that a typical private hire operators' renewal will now cost £1668.
- 4.6 The cost of a current five year first grant licence (when a new applicant operator is initially granted a licence) is £1700. It has been calculated that a typical private hire operator's first grant licence will now cost £1668 (a saving to the operator of £32).
- 4.7 The cost of a current five year re-grant licence (within a one month period after an operator's licence has expired) is £1725. It is intended to reduce this fee to £1708 (a saving to the operator of £17).
- 4.8 Currently a private hire operator is not entitled to a surrender refund for their licence. In order not to penalise a private hire operator who may want a licence for a shorter period of time than five years it is intended that an operator will be entitled to a private hire operator's licence surrender refund of £167 per complete six month period remaining on their licence.
- 4.9 The above changes are summarised in Appendix A.

## **5. Financial implications**

The proposed fee structure has been designed to enable the continued operation of the Taxi Licensing Office on a self-financing basis. It is not intended to alter staffing levels in the short term whilst the changes are implemented but fee revisions and staffing levels will be routinely re-evaluated. Any shortfall in licensing income during the implementation period will be managed within existing resources. Fee revisions are explained in section 4 with a detailed list of proposed fees shown in Appendix A.

## **6. Legal implications**

- 6.1 Under the Local Government (Miscellaneous Provisions) Act 1976, the City Council can only charge a level of fees which is sufficient to cover the reasonable costs of administering and enforcing the hackney carriage and private hire licensing function.
- 6.2 The 1976 Act lays down a statutory procedure for varying fees for Hackney Carriage Proprietors (i.e. vehicle) licences, Private Hire vehicle licences and Private Hire Operators' licences. This procedure involves giving public notice of the proposed changes and a 28 day objection period. If objections are made, these must be considered by the Committee before the proposed fees, relating to those types of licences, can be implemented.
- 6.3 The above statutory procedure does not apply to varying fees for Hackney Carriage and Private Hire drivers' licences. However, it is considered simpler and fairer if the whole proposed fee table including drivers' licence fees, is advertised and the trade or public are given an opportunity to object to any item on the proposed fee table.
- 6.4 The issue of Hackney Carriage/Private Hire licences and the amount of any charge for their issue is excluded from being an 'executive function' by Regulation 2(6) and Schedule 1 of the Local Authorities (Functions and Responsibilities)(England) Regulations 2000.
- 6.5 Section 10 of the Deregulation Act 2015 requires (from 1<sup>st</sup> October 2015) Hackney Carriage/Private Hire drivers' licences to be normally issued for a 3 year period and Private Hire Operators' licences to be normally issued for a 5 year period. Shorter licence periods can exceptionally be applied on a case-by-case basis where there are regulatory concerns.

## **7. Timescale**

- 7.1 If this report is approved, the proposed 2015 changes in drivers' and private hire operators' licence fees will be advertised in the Coventry Telegraph on 27 August 2015. Any objections received can be considered at your meeting on the 29 September 2015. If no objections are received, the proposed fees will come into force on the 1 October 2015. Any licence renewals received in September but expiring from the 1 October onwards (applicants are allowed to renew their licence

up to one month in advance of expiry date) will be given a month's extension to their existing licence at no charge which will be then renewed three/five yearly accordingly.

**8. Other implications**

None

**8.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint or Coventry Sustainable Community Strategy**

Ensuring that the public are safe by assessing drivers are fit and proper.

**8.2 How is risk being managed?**

Ensuring that established procedures are followed.

**8.3 What is the impact on the organisation?**

None

**8.4 Equalities / EIA**

Not applicable

**8.5 Implications for (or impact on) the environment**

None

**8.6 Implications for partner organisations?**

None

**8.7 Human Rights Act Implications**

None

**Report author(s):**

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Place Directorate

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**Hackney Carriage/Private Hire Licensing Proposed Fee Structure 2015 – Drivers’ Licences and Private Hire Operator’s Licences**

<b>CURRENT LICENCE TYPE</b>	<b>ANNUAL CURRENT FEE</b>	<b>THREE YEARLY PROPOSED FEE</b>
<b>Drivers</b> (Hackney Carriage and Private Hire)		
First Grant Licence Issue	£90	£170
Renewal of Licence	£110	£170
Re-Grant of Licence	£130	£190
<b>CURRENT LICENCE TYPE</b>	<b>FIVE-YEARLY CURRENT FEE</b>	<b>FIVE YEARLY PROPOSED FEE</b>
<b>Private Hire Operators</b>		
First Grant Licence Issue	£1700	£1668
Renewal of Licence	£1625	£1668
Re-Grant of Licence	£1665	£1708
Private Hire Operator Licence Surrender Refund (£167 per complete six months remaining on licence)	N/A	N/A