



Licensing and Regulatory Committee

12 March 2024

Name of Cabinet Member:

Not Applicable

Director Approving Submission of the report:

Director of Law and Governance

Ward(s) affected:

Not applicable

Title:

Hackney Carriage and Private Hire Licensing Fee Review 2024 - 2025

Is this a key decision?

No - although the proposals affect more than two electoral wards, the impact is not expected to be significant.

Executive summary:

This report is for members to consider objections, following a 28-day public consultation to the recent proposed increase in fees & charges for Hackney Carriage and Private Hire licensing.

The proposed fee changes were approved by the Licensing & Regulatory Committee on 23rd January 2024, subject to a 28-day public consultation and consideration of the objections received. The proposed fees will come into force on 1st April 2024.

Recommendations:

It is recommended that the Licensing & Regulatory Committee:

- (a) Approve, subject to consideration of objections at Appendix B of the report, the proposed fee changes detailed in Appendix A of the report to commence on the 1st April 2024.

List of Appendices included:

Appendix A – Proposed fee changes

Appendix B – Consultation Responses

Appendix C – Fees Comparison with Neighbouring Local Authorities 2023 - 2024

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 2024

1 Background

- 1.1 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.
- 1.2 In relation to driver's licence fees, Section 53(2) states; A district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration.
- 1.3 Section 70 states; A district council may charge such fees for the grant of vehicles and operators licences as maybe resolved from time to time and as may be sufficient to cover the cost of :
- Carrying out inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;
 - The reasonable cost of providing hackney carriage stands; and
 - Any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.
- 1.4 The last fee review was undertaken on the 5th December 2022, to address proposed charges made for the processing and issuing of licences to drivers and operators to reflect the changes and associated costs. These charges were implemented on the 8th February 2023.
- 1.5 Fees should be reviewed on a regular basis, and as such a cost analysis has been carried out to review the current fees and overall costs to provide the service. The review included carrying out officer time recording exercises, regarding all administrative and enforcement activities associated with running the taxi licensing service. Costs of running this service include (but are not exhaustive):
- Staff costs, this includes frontline staff and also staff from other departments, which the licensing service collaborate with such as finance, governance and legal services who are involved in the implementation of the taxi licensing service when executing its functions; and
 - Any on-costs, which include overheads in relation to Council offices;
 - Materials such as stationery and items required to produce badges

and plates;

- 1.6 All of the above costs are subject to annual inflationary rises. Consequently, it is recommended that fees for the next financial year 2024 – 2025, be adjusted to accurately reflect the cost of running the service.
- 1.7 A benchmarking exercise of licence fees from neighbouring local authorities has taken place as detailed in Appendix C of the report. Whilst comparison can be made with other authorities, each local authority provides a different level of service and costs, and these are reflected in their fees. This is dependent on each local authorities licensing policy requirements.
- 1.8 The Licensing & Regulatory Committee on the 23rd January 2024 approved the proposed fee increases (Appendix A of the report) subject to consideration of any objections received. The public notice has been advertised for 28 days in a local newspaper; displayed in a Council building and on the Council website. Furthermore, a text message was also sent to all the trade. The last date for objections was the 24th February 2024.

2. Options considered and recommended proposal.

- 2.1 It is recommended that the Licensing & Regulatory Committee:
 - (a) Approve, subject to consideration of representations at Appendix B of the report, the proposed fee changes detailed in Appendix A of the report to commence on the 1st April 2024.

2.2 It is proposed to increase charges for the fees as indicated in the tables below:

Licence Fee	Current Charge		Proposed Charge		Increase	
	Hackney Carriage	Private Hire	Hackney Carriage	Private Hire	Hackney Carriage	Private Hire
	£	£	£	£	£	£
New Applicant Driver Licence	675	595	715	630	40	35
Driver Renewal	315		335		20	
Additional Driver Licence	315		335		20	
Driver Re-Grant	335		352		17	
New Vehicle	255		270		15	
Vehicle Renewal	20		240		10	
Vehicle Re-Grant	240		250		10	
Vehicle Transfer	30		32		2	
Vehicle Registration Change	40		42		2	
New & Renewal Operator	2200		2300		100	
Operator Re-Grant	2240		2350		110	

Ancillary Fees	Current Charge	Proposed Charge	Increase
	£	£	£
DBS/DVLA Enquiry	65.00	70.00	5.00
Hackney Carriage Road Knowledge Test	55.00	60.00	5.00
Driver Training Course (initial applicants only)	110.00	115.00	5.00
3 Yearly Driver Refresher Training (Mandatory)	55.00	60.00	5.00
Vehicle MOT Inspection	60.00	65.00	5.00
Vehicle MOT Inspection (re-test)	30.00	32.50	2.50

2.3 The proposed fees have been set in accordance with the Council's budget strategy. Local authorities will review and consider adjusting fees based on actual costs, surplus/deficit on a three-year cycle. The increase in fees is necessary for the following reasons:

- Since 2015 - 2016 the service has been running at a loss. The fee for a three-year licence was fixed at £170 for approximately five years from October 2015 to until April 2020, and annual fee for a vehicle licence was also fixed at £170 during these years. Initially this loss was funded by using reserves held within the service. By 2018 -2019 all of these reserves had been used up and the service was being supported by general Council funds.
- During the pandemic COVID grants were provided to support and fund the service.

- The financial review indicates that the licence fees need to increase to ensure the service breaks even.

2.4 Failure to increase fees in line with costs and to keep pace with inflation will result in a financial loss to the Council and an increase in the Council's subsidy of the Taxi and Private Hire Licensing Service. These fees will continue to be reviewed annually.

3. Results of consultation undertaken

3.1 The results of the consultation are attached at Appendix B of the report.

The proposed variation to fees has received 56 representations. In summary, those that objected to the fee increase made the following comments:

- Increased fees are unfair due to challenges the trade are facing in the current economic climate due to the cost-of-living crisis and inflation rises.
- There is increased competition due to non-Coventry app-based firms being able to operate in the city.
- Imposition of drivers having to acquire costly new vehicles.
- There is a lack of collaboration with drivers; and
- The Taxi Licensing office is inadequate as it is by appointment only.

3.2 There were 2 representations that agreed with the proposed fee increase, in summary the following comments were made:

- The fees are ok in light of the economic climate (but 1 yearly MOT's would be helpful); and
- Agree with the fee increase and it is justified. Taxi trade are making a good living and small increase won't make a difference.

4. Timetable for implementing this decision

4.1 The proposed fees will come into force on the 1st April 2024.

5. Comments from Director of Finance and Resources (Section 151 Officer) and Director of Law and Governance

5.1. Financial Implications

The proposed fee structure has been designed to enable the continued operation of the Taxi Licensing office on a self-financing basis. Future fee revisions and staffing levels will be routinely re-evaluated in line with any further legislative changes and financial considerations. Fee revisions are explained in paragraph 2.2 of this report, with a detailed list of proposed fee changes shown in Appendix A.

5.2. Legal Implications

- 5.2.1 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.
- 5.2.2 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.
- 5.2.3 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 and public are given an opportunity to object to any item on the proposed fee table.
- 5.2.4 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. Other implications

- 6.1. How will this contribute to the One Coventry Plan?

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

- 6.2. How is risk being managed?

Ensuring that established procedures are followed.

- 6.3. What is the impact on the organisation?

None

- 6.4. Equalities / EIA?

Not Applicable

- 6.5. Implications for (or impact on) climate change and the environment?

None

- 6.6. Implications for partner organisations?

None

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