

**Report of the Head of Regulatory and Supporting Services**

**HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE LICENCE FEES AND CHARGES FOR VEHICLES, DRIVERS, AND PHV OPERATORS**

**1. Background**

- 1.1 At its meeting of 4<sup>th</sup> March 2014 the Committee resolved to authorise the Head of Regulatory & Supporting Services to carry out the public notice procedure in respect of proposed changes to the hackney carriage/private hire licence fees and charges. The changes were proposed partly as a consequence of the judicial review proceedings of which the Committee has previously been informed, and partly by way of annual review.
- 1.2 In response to the public notice, an objection to the proposed changes has been received from a member of the Trade. The Committee must now consider the objection and decide whether or not it wishes to implement, modify or withdraw the proposed fees and charges. The Committee must also revise the date for any proposed new fees to come into force.
- 1.3 Figures showing the basis for the proposed fees were detailed in Public Protection Committee report of 3<sup>rd</sup> March 2014.

**2. Details.**

- 2.1 The proposed fees reported to Committee on 4<sup>th</sup> March 2014 were as follows:

Licence:

	<i>New Fee</i>	Existing Fee (£)
<i>Private Hire Vehicles Grant</i>		
Annual	<i>140.00</i>	104.00
6 Months	<i>98.00</i>	69.00
<i>Hackney Carriage Vehicles Renewal</i>		
Annual	<i>163.00</i>	303.00
6 Months	<i>104.00</i>	168.00
<i>Private Hire Vehicles Renewal</i>		
Annual	<i>102.00</i>	97.00
6 months	<i>69.00</i>	62.00

<i>Hackney Carriage/Private Hire Driver</i>		
Grant	249.00	108.00
Renewal	43.00	37.00
<i>Private Hire Operators</i>		
	143.00	66.00

- 2.2 A public notice detailing the proposed fees was displayed in the Western Mail and Echo and at the Public Carriage Office.
- 2.3 The consultation period ran from 12<sup>th</sup> March 2014 for a period of 28 days. During that time only the following response was received on 25<sup>th</sup> March 2014 from Premier Taxis:

*Dear Claire*

*Please treat this as our official objection to the proposed increases to both Private Hire licences and Private Hire Operators Licences in Cardiff.*

*Whilst we were pleased with the decision last June to re-assess the fees, we feel that to introduce a new rate within such a short period of time and one which appears to be far above the national rate of inflation to be unacceptable and unfair.*

*Would you please acknowledge receipt of our objection.*

*Many thanks*

*Tim Mahoney*

### **3. Consultation**

- 3.1 The trade consultation procedure in relation to this report (in addition to the public notice procedure) was undertaken in accordance with the consultation procedure on any policy matters. The draft reports intended for consideration were made available at the licensing offices for any interested party to provide written submissions.

### **4. Legal Implications**

- 4.1 Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 allow the Council to charge fees for the grant of licences in respect of hackney carriage and private hire drivers, vehicles, and operators. The Council must set the fees for these licences on the basis that it only recovers costs which it is entitled statutorily to recover.

In respect of vehicle and operators' licences the Act states that the Council may charge such fees as may be sufficient in the aggregate to cover in whole or in part:

- The reasonable cost of inspecting Hackney Carriages and Private Hire vehicles to ascertain whether any such licence should be granted or renewed.
- The reasonable cost of providing Hackney Carriage stands
- Any reasonable administrative or other costs in connection with the above and with the control and supervision of Hackney Carriages and Private Hire vehicles

The Act, which dates from 1976, also states that the fee for vehicle and operator licences shall not exceed £25 or such other sum as the Council may from time to time determine. In the light of current costs £25 is not seen as a realistic fee.

In respect of drivers' licences the Act states that the Council may charge:

- Such a fee as it considers reasonable with a view to recovering the costs of issue and administration associated with the grant of Hackney Carriage and Private Hire drivers' licences

It is thus the case that enforcement costs in relation to drivers' licences cannot be recovered through the licence fee.

- 4.2 Case law has established that when the Council makes a surplus in respect of licence fees it should give account for that the next time that the fees are set; and if it makes a deficit, it may also take that into account. The calculations in respect of each type of licence issued by the Council should be kept separate. However in this case the Committee will recollect that when it set the proposed fees on 4<sup>th</sup> March 2014 it resolved that any overpayments from 1<sup>st</sup> May 2009 to 31<sup>st</sup> March 2014 be re-imbursed to licensees if they have not already received refunds in respect of the fees that they have paid.
- 4.3 Section 70 of the 1976 Act sets out the position if objections are received to a proposed variation of the fees for vehicle and operators' licences within the time limits set out in the statute. If the objections are not withdrawn the Council must consider them and set a further date on which the variation shall come into force with or without modifications. It is suggested that a suitable date would be 1<sup>st</sup> June 2014.
- 4.4 There is no statutory requirement for a similar procedure in respect of a proposed variation in the fees for drivers' licences. In practice the Council has given public notice of proposed increases in those fees at the same time as proposed increases in the fees for vehicle and operators' licences, invited objections, and set a date for implementation in the same way.

**5. Financial Implications.**

- 5.1 The report sets out the proposed fee structure which may take effect from 1st June 2014 if the Committee so resolves. The methodology adopted in calculating the fees was reported to the Committee at its meeting of 4th March 2014, all relevant costs having been included. No costs have been included in relation to Taxi Marshals and no surplus is assumed within the fee structure because the Committee has authorised re-imbusement of overpayments made from 1<sup>st</sup> May 2009 to 31<sup>st</sup> March 2014, insofar as licensees have not already received refunds.
- 5.2 The deferred implementation of the new fees and any modification to the proposed fee structure will impact on the surplus or deficit for the forthcoming year which will be reflected in the fee calculations in future years.

**6. Recommendations**

- 6.1 It is recommended the Committee consider the objections and decide whether to implement the proposed fees, make modifications or withdraw the proposed fees.
- 6.2 Should the Committee decide to implement or modify the proposed fees, it is suggested that a suitable date for them to come into force would be 1<sup>st</sup> June 2014.
- 6.3 Whatever the Committee resolves, the reasons for that resolution must be determined.

**Dave Holland**

**22<sup>nd</sup> April 2014**

**HEAD OF REGULATORY AND SUPPORTING SERVICES**

This report has been prepared in accordance with procedures approved by Corporate Managers

Background Papers: Financial Calculations