

PUBLIC PROTECTION COMMITTEE: 12 April 2016

Report of the Head of Shared Regulatory Services

HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE LICENCE FEES

1. Background

- 1.1 At its meeting of 9th February 2016 the Committee resolved to authorise the Head of Shared Regulatory Services to carry out the public notice procedure in respect of proposed changes to the hackney carriage/private hire fees and charges.
- 1.2 In response to the public notice, objections to the proposed changes have been received from members of the Trade (detailed in Appendix A). The Committee must now consider those objections 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.

2. Proposed Fees.

- 2.1 The table below shows the existing fees compared with the proposed new fees.

	Existing Fee	Proposed Fee
Hackney Carriage 12 month renewal	£163	£154
Hackney Carriage 6 month renewal	£104	£86
Private Hire 12 Month Grant	£140	£103
Private Hire 12 Month Renewal	£102	£85
Private Hire 6 Month Grant	£98	£69
Private Hire 6 Month Renewal	£69	£51

- 2.2 The proposed fees were advertised in the South Wales Echo on 18th February 2016 and the consultation ran for 28 days. During the consultation period, 2 objections to the proposed fees were received.

3. Details of objections

- 3.1 The main focus of the objections (detailed in Appendix A) seems to be the following:
- 1) The validity of the fees and use of the fees toolkit
 - 2) The legality and cost of 6 month vehicle licences
 - 3) The perceived lack of detail regarding the calculations

3.2 Objection point 1: The validity of the fees & use of the fees toolkit

The proposed fees have been calculated using a toolkit developed by the Wales Licensing Expert Panel. The toolkit is being used by all other Welsh local authorities.

An explanation of the method used to calculate the fees is attached in Appendix B of this report and accompanied the initial report in February 2016.

3.3 Objection point 2: The legality and cost of 6 month vehicle licences

The objections query the cost of a 6 month licence compared to a 12 month vehicle licence. The administration process of issuing a vehicle licence is exactly the same regardless of whether it is a 6 month licence or 12 month licence, and therefore the cost of the administrative process is exactly the same for both. However, for a 6 month licence, the additional costs such as enforcement, compliance etc. will be half that of a 12 month licence. With these 2 elements combined it is correct that a 6 month licence will cost more per month than a 12 month licence.

For example, if the cost of the process is £10, and the cost of the other taxi related costs (enforcement etc) is £20:

12 month licence:	$£10 + £20 = £30$
	Per month $£30/12 = £2.50$
6 month licence:	$£10 + (£20/2) = £20$
	Per month $£20/6 = £3.33$

With regards to the validity of a 6 month vehicle licence, the objector refers to section 43 of the Town Police Clauses Act 1847 which states that licences to be in force for one year only.

This has been amended by the Town Police Clauses Act 1889 which states that licences granted under the principal Act may be in force a lesser period than one year. It is therefore legal to grant 6 month licences in respect of hackney carriage and private hire vehicles.

3.4 Objection point 3: Lack of detail concerning the fee calculations

As stated above, an explanation of the fee calculations is detailed in Appendix B. This document shows the proposed expenditure for the new fees and apportion costs based on application numbers for 2014/15.

Since the fees were last set, the structure of the Licensing Section has not changed and the same level of detail regarding the fee calculations has been provided, albeit in a different format.

3. **Legal Implications**

3.1 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 allows the Council to charge fees for the grant of licences in respect of hackney carriage and private hire vehicles. 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 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.

3.2 The Act, which dates from 1976, also states that the fee for vehicle 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.

3.3 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.

3.4 When the Council proposes to set new fees for vehicle licences it is required by Section 70 of the 1976 Act to publish notice of the proposed variation in a local newspaper stating that objections may be made within a period of not less than 28 days. If objections are received and 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 1st May 2016.

4. **Financial Implications**

4.1 The proposed fees are set at a level which fully funds the costs of each type of licence insofar as permissible by statute as highlighted in the above legal implications. Therefore, any amendments suggested in respect of the fee charged or the date from which changes will be applicable need to consider the impact on being able to recover the costs of each type of licence.

5. **Recommendations**

5.1 It is recommended the Committee consider the objections and decide whether to implement the proposed fees and charges, make modifications or withdraw the proposed fees.

- 5.2 To set a suitable implementation date on which the proposed fees and charges will come into effect.
- 5.3 Whatever the Committee resolves, the reasons for that resolution must be determined.

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Background papers: Financial calculations

