

Taxi Licensing Committee



Date of meeting:	13 January 2022
Title of Report:	Hackney Carriage and Private Hire Licence Fees
Lead Member:	Councillor John Riley (Cabinet Member for Governance, HR, IT & Community Safety)
Lead Strategic Director:	Ruth Harrell (Director of Public Health)
Author:	Rachael Hind
Contact Email:	Rachael.hind@plymouth.gov.uk
Your Reference:	RH/Fees 2022/23
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

Plymouth City Council regulates the Hackney Carriage and Private Hire industry through the licensing framework set out in the Plymouth City Council Act 1975. Fees for licences should be set at a figure which will recover the full cost of the licensing administration including enforcement, in so far as is consistent with the particular provisions which allow licence fees to be charged. The budgets for licensing are operated as two trading accounts, one for Private Hire and the other for Hackney Carriage. A review of the current fees has been undertaken to balance the two trading accounts and ensure there is no cross-subsidy.

It is recommended that the fees remain the same from 1 April 2022.

Recommendations and Reasons

That Members consider the report and resolve to:

Agree that the fees will remain the same and not have any changes for the financial year 2022/23.

Alternative options considered and rejected

All taxi accounts, for both Private Hire and Hackney Carriage, are due to be in credit by the end of the financial year 2023/24, however it would not be wise to reduce any of the fees at this stage as it is uncertain what the next year will bring due to the pandemic and the changes proposed as part of the Taxi Policy consultation.

Relevance to the Corporate Plan and/or the Plymouth Plan

This report links to the delivery of the City and Council priorities. In particular:

Unlocking the city's potential: By ensuring Plymouth: is a clean and tidy city and a green and sustainable city that cares for its environment; has a vibrant economy offering quality jobs and skills; is an exciting, cultural and creative city and has a varied, efficient and sustainable transport network.

Caring for people and communities: By ensuring Plymouth is a friendly, welcoming city, making sure people feel safe in the city, protecting children, young people and adults.

Implications for the Medium Term Financial Plan and Resource Implications:

The Hackney Carriage and Private Hire accounts have been reviewed.

This is the fourth year of a five year process to ensure that all of the Taxi Licensing accounts are out of deficit by the end of the financial year 2023/24 (subject to increases in subsequent years) and we are pleased that this is on track to being achieved. The Private Hire Driver, Vehicle and Operator Accounts all remain in a surplus position (subject to increases in subsequent years). The Hackney Carriage accounts are also in balance (subject to increases in subsequent years).

Financial Risks

Both accounts are separate trade accounts and must be paid for from the licence fees and not from the Council's revenue funding.

Carbon Footprint (Environmental) Implications:

Not applicable.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

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Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		<i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Briefing report title	X						
B	Equalities Impact Assessment (if applicable)							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Rob Nelder											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 22/12/2021											
Cabinet Member approval: Councillor Riley approved via email Date approved: 04/01/2022											

Briefing Report

1.0 Background Information

- 1.1 Plymouth City Council regulates the Hackney Carriage and Private Hire industry through the licensing framework set out in the Plymouth City Council Act 1975. Fees for licences should be set at a figure that will recover the cost of the licensing administration including enforcement, in so far as is consistent with the particular provisions which allow licence fees to be charged. The budgets for taxi licensing are operated as two trading accounts, one for Private Hire and the other for Hackney Carriage. Within each account, the elements are separated into driver licence and vehicle licence, with an added operator element for the private hire account.
- 1.2 A review of the fee structure and levels was last undertaken on 21 January 2021 and the fees have not been increased since April 2020. This would be the fourth year of a five year process to ensure the Hackney Carriage Vehicle accounts are out of deficit by the end of the financial year 2023/24 (subject to further increases in subsequent years) and the Private Hire Driver, Vehicle and Operator Accounts all remain in a surplus position. Last year, because of the uncertainty of the pandemic on the trade, it was also agreed to provide an additional year for the Hackney Carriage Drivers accounts to balance by 2024/25 if needed. However additional savings have been made this year and all accounts for Hackney Carriage and Private Hire are on track to be in a balanced position by the end of 2022/23 and a surplus position by the end of 2023/24.
- 1.3 Appendix I contains the current fees, which are proposed to remain from 01/04/2022 to 31/03/2023.

2.0 Legal Framework

2.1 **Drivers Licences**

The Council may make a charge for the grant of the licences for drivers of Hackney Carriages and Private Hire vehicles by virtue of Section 11(2) of the Plymouth City Council Act 1975. The fees must be considered reasonable with a view to recovering the costs of issue and administration (including compliance) of the licence.

2.2 **Vehicle Licences**

The Council may make a charge for the issue of a vehicle licence for a Hackney Carriage or a Private Hire vehicle by virtue of sections 5A and 28 of the Plymouth City Council Act 1975. These fees can include the:

- Reasonable costs of inspection of vehicles
- Reasonable cost of providing ranks for Hackney Carriage vehicles, and;
- Any reasonable or other costs connected with the administration and compliance of Hackney Carriage and Private Hire vehicle licensing.

2.3 **Operators Licences**

The Council may make a charge for the issue of Private Hire Operators licences by virtue of section 28 of the Plymouth City Council Act 1975. The Operators fee should relate to the costs for grant, renewal and of administering the licensing scheme and should be reasonable.

- 2.4 It is considered that all reasonably incurred legal expenses and professional charges incurred in taking or defending proceedings which are directly related to the control, supervision, administration and / or enforcement of all parts of the Hackney Carriage and Private Hire trade should be charged to the relevant part of the taxi reserve accounts.

3.0 Process to vary fees

- 3.1 To be able to vary the fee structure there is a statutory process required under s.28 Plymouth City Council Act 1975 which is as follows:
1. An advertisement will need to be placed in the local press giving a minimum of 14 days from publication for objections to be received. If no objections are received within that time limit then the date the fee change comes into effect is the date specified in the notice as being the end of the period for objections (which would also be the case if any objections are received but withdrawn before the end of that period)
 2. Any objections received and not withdrawn will be fed back to this Committee for consideration, once the consultation period has elapsed.
 3. At that time Members will be required to consider the objections and decide whether to amend the fees in line with objections or to continue with the changes as proposed.
 4. The earliest any change could be effective, if there were no objections, would be 14 days after the date the advertisement appeared in the press.
 5. The latest any change could become effective would be 2 months after the completion of the period for objections

4.0 Allocation of expenses and income

- 4.1 In setting its fees the authority should seek to recover the total cost of the administration of that licence or process. The fees for the five licence types, Hackney Carriage driver and vehicle, Private Hire driver, vehicle and operator, will be set at a level to recover the costs of all control, supervision, administration and/or compliance associated with the licence type.
- 4.2 The cost of the licensing system can be divided into the processing of individual applications and the general administration and compliance monitoring of the system.
- 4.3 Where specific expenditure can be associated with a particular trade the amount is allocated to that trade budget, e.g. vehicles plate costs etc. Where generic expenditure is incurred, including general costs, this has been allocated on a 31% (Hackney Carriage) and 69% (Private Hire) basis. An example would be printer consumables and stationery.
- 4.4 It is proposed that for this next fee period the split for general costs should be on the basis of **Hackney Carriage 32% and Private Hire 68%**, based on the average of all licence administrative functions:

Split of licences in 2020

Hackney Carriage Vehicles 321 (33%) Private Hire Vehicles 663 (67%)
Hackney Carriage Drivers 324 (31%) Private Hire Drivers 729 (69%)
38 Private Hire Operators.

Current split of licences in 2021 (on 6.12.21)

Hackney Carriage Vehicles 306 (33%) Private Hire Vehicles 627 (67%)
Hackney Carriage Drivers 314 (32%) Private Hire Drivers 673 (68%)
There are currently 39 Private Hire Operators.

Licence Administration

In financial year 2020/21, a total of 2,177 applications were received for new licences or for the renewal, transfer, change of addresses, amendments, cancellation or surrender of existing licences. Of these 32% (689) were related to the hackney carriage trade and 68% (1488) to the private hire trade.

4.5 The costs associated with the general maintenance of the licensing system and enforcement relates mainly to taxi licensing officer staff salaries.

- In financial year 2020/21, the two Taxi Enforcement Officers undertook 205 vehicle inspections. Of these vehicle inspections, 101 (49%) were Hackney Carriage vehicles (HCV's) and 104 (51%) were Private Hire vehicles (PHV's).
- Nine stop notices were issued for HCV's and eight stop notices for PHV's. Vehicle Defects Notices were issued for 11 HCV's and six PHV's.
- Officers investigated a total of 116 Taxi Licensing complaints. 37 complaints were regarding HC drivers and 44 complaints were regarding PH drivers. There were 324 HC drivers and 729 PH drivers last year so we are getting complaints regarding 11% of the HC drivers compared to 6% of the PH drivers.
- Officers also investigated four complaints regarding HC vehicles, 14 complaints regarding PH vehicles; 12 complaints regarding PH operators and five general taxi licensing complaints.
- These complaints resulted in three HC drivers and eight PH drivers going to committee based on the complaints received. Five new Private Hire Driver applications were required to go to committee. Please refer to Table 1 below for the decisions that resulted at committee.

Table 1: Committee Decisions

	NFA	Warning	Suspension	Revocation	Granted	Refused Application
HC Driver licence review	0	0	1	2	0	0
PH Driver Licence review	0	1	3	4	N/A	N/A
PH Driver New Apps	N/A	N/A	N/A	N/A	4	1

- One HC driver appealed to the Magistrates Court as a result of a revocation and the appeal was upheld by the Magistrates.
- Overall in the financial year 2020/21, the enforcement officers spent 40% of their time on the HC trade and 60% on the PH trade.

5.0 Fee Changes

5.1 Hackney Carriage Account

The predicted income and expenditure for the year has been reviewed. The reserve accounts are predicted to balance and, as such, it is proposed that there is no increase in fee to the Hackney Carriage Drivers Licence or Vehicle Licence fees this year.

It would not be wise to reduce any of the fees at this stage as it is uncertain what the next year will bring due to the ongoing pandemic, and the changes proposed as part of the Taxi Policy consultation.

Please refer to the summarised accounts in Appendix 1.

5.2 Private Hire Account

The predicted income and expenditure for the year have been reviewed. The reserve accounts are currently in surplus and it is proposed that there is no increase in fee to the Private Hire Drivers Licence, Vehicle Licence or Operators fees this year.

It would not be wise to reduce any of the fees at this stage as it is uncertain what the next year will

bring due to the ongoing pandemic, and the changes proposed as part of the Taxi Policy consultation. Please refer to the summarised accounts in Appendix I.

6.0 Consideration to the use of Direct Debits

6.1 Last year we offered drivers and vehicle proprietors an option to pay by direct debit in advance for future one year licences. To date, no-one has taken up this offer.

7.0 Cost savings this year

7.1 The following savings against expenditure in the Taxi accounts have been made:

- We have not replaced the third Taxi Enforcement Officer, who left at end of November 2019.
- We have not replaced the NVQ Apprentice Administration officer since the end of February 2021.
- Legal costs have significantly reduced during the pandemic.

8.0 Future Budget Risks and Management

8.1 The Hackney Carriage and Private Hire licensing system is frequently subject to challenges through the court systems, ombudsman and external audit functions. Much of the law is subject to individual interpretation by judges and so officers will continue to monitor challenges to accounting systems in other councils to ensure that we have a defensible accounting system.

9.0 Conclusion

9.1 Having considered legal and financial advice on the fees structure and reviewed projected fee incomes and expenditure officers propose that the fees remain the same for 2022/23. The fees are shown in Appendix I.

9.2 The impact of fee changes will be reviewed annually and any necessary alterations will be approved as set out in the Council's scheme of delegation.

APPENDIX I

Proposed that the fees for Hackney Carriage and Private Hire Licences for 2022/23 will remain the same.

Hackney Carriage	
Type	Proposed Fees (as current)
Vehicle licence (1 year)	£369
1 Year Drivers licence	£190
3 Year Drivers Licence	£500
New Drivers Application Fee	£137
Replacement Plate	£13.50
Duplicate licence	£10
Admin fee for Change of Licence/transfer from HC to PH	£20
Vehicle Transfer	£35
Change of vehicle registration number	£35
Drivers Test	£85
KOP test	£72
Spoken English Test	£33
Replacement ID Card fee	£10
Refund Fee	£15

Private Hire	
Type	Proposed Fees (as current)
Vehicle licence (1 year)	£184
1 Year Drivers licence	£134
3 Year Drivers Licence	£336
Drivers Application Fee	£137
Replacement Plate	£13.50
Replacement Door Sticker	£5.25
Duplicate licence	£10
Admin fee for Change of Licence/transfer from PH to HC	£20
Vehicle Transfer	£35
Change of vehicle registration number	£35
Drivers Test	£85
KOP test	£72
Spoken English Test	£33
Replacement ID Card fee	£10
Refund Fee	£15
Operators annual application fee	£135
Operator fee per vehicle (annual)	£3.80
Operators 5 year application fee	£578
Operator fee per vehicle (5 year)	£19

APPENDIX 2 – Summarised accounts for 2021/22

Hackney Accounts					
Expenditure or Income	Groupings	2020/21 Hackney Carriage Total	Forecast 2021/22 Hackney Driver	Forecast 2021/22 Hackney Vehicle	Total Forecast 2021/22 Hackney Carriage
Expenditure	Staffing	£99,794	£31,569	£64,803	£96,372
	Other Staff costs	£515	£127	£243	£370
	Legal Internal	£4,803	£8,378	£3,048	£11,426
	Supplies and services	£3,800	£1,235	£6,171	£7,406
	Vehicle Costs	£362	£0	£801	£801
	Rank Review	£1,540	£0	£500	£500
	Driver Training	£870	£400	£0	£400
Expenditure Total		£111,684	£41,708	£75,566	£117,274
Income	Driver Licence	(£45,749)	(£46,133)	£0	(£46,133)
	Licence Amendment	(£60)	(£20)	(£140)	(£160)
	Other Income	(£3,740)	(£1,553)	(£889)	(£2,442)
	Test Fee	(£85)	(£870)	£0	(£870)
	Vehicle Licence	(£113,728)	£0	(£105,859)	(£105,859)
	Staffing Recharges to Depts	(£7,401)	£0	£0	£0
Income Total		(£170,763)	(£48,576)	(£106,888)	(£155,464)
Grand Total		(£59,079)	(£6,868)	(£31,322)	(£38,190)

Private Hire Accounts						
Expenditure or Income	Groupings	Total Private Hire 2020/21	Forecast 2021/22 Private Hire Driver	Forecast 2021/22 Private Hire Vehicle	Forecast 2021/22 Private Hire Operator	Total Forecast Private Hire 2021/22
Expenditure	Staffing	£158,517	£59,758	£96,977	£5,083	£161,818
	Other Staff costs	£607	£408	£725	£34	£1,168
	Legal External	£1,598	£1,166	£0	£2,500	£3,666
	Legal Internal	£5,263	£9,649	£1,189	£2,607	£13,445
	Supplies and services	£11,270	£2,175	£11,132	£186	£13,493
	Vehicle Costs	£362	£0	£1,183	£0	£1,183
	Driver Training	£2,030	£1,540	£0	£0	£1,540
Expenditure Total		£179,646	£74,696	£111,207	£10,410	£196,313
Income	Driver Licence	(£70,599)	(£66,432)	£0	£0	(£66,432)
	Licence Amendment	(£2,910)	(£100)	(£2,400)	£0	(£2,500)
	Operator Fee	(£7,565)	£0	£0	(£6,246)	(£6,246)
	Other Income	(£2,125)	(£129)	(£2,152)	(£1)	(£2,282)
	Test Fee	(£2,522)	(£3,140)	£0	£0	(£3,140)
	Vehicle Licence	(£119,215)	£0	(£119,600)	£0	(£119,600)
	Staffing Recharges to Depts	(£11,101)	£0	£0	£0	£0
Income Total		(£216,037)	(£69,801)	(£124,152)	(£6,247)	(£200,200)
Grand Total		(£36,391)	£4,895	(£12,945)	£4,163	(£3,887)