

# Taxi Licensing Committee



Date of meeting:	05 September 2024
Title of Report:	<b>Hackney Carriage and Private Hire Licence Fees</b>
Lead Member:	Councillor Sally Haydon (Cabinet Member for Community Safety, Libraries, Events, Cemeteries & Crematoria)
Lead Strategic Director:	Ruth Harrell (Director of Public Health)
Author:	Nicola Horne
Contact Email:	nicola.horne@plymouth.gov.uk
Your Reference:	Taxi Fees 24-25/NH
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 provisions which allow licence fees to be charged. The budgets for taxi licensing are operated as two trading accounts, one for Private Hire and one 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 there is no change to the fees and that they remain the same as set for the financial year 2022 to 2023 and as shown in Appendix I.

## Recommendations and Reasons

That Members consider the report and resolve to:

- I. Agree that the fees will remain the same and not have any changes for the financial year 2024/25.

## Alternative options considered and rejected

- I. Alternative options considered and rejected

## Relevance to the Corporate Plan and/or the Plymouth Plan

All trade accounts, for both Private Hire and Hackney Carriage (Taxis), are due to remain in credit by the end of the financial year 2024/25, however it would not be wise to reduce any of the fees at this stage given the economic uncertainty.



**Sign off:**

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Originating Senior Leadership Team member: Ruth Harrell

Please confirm the Strategic Director(s) has agreed the report? Yes  
Date agreed: 20/08/2024

Cabinet Member approval: *Approved by Councillor Sally Haydon by e-mail*  
Date approved: 20/08/2024

## 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 one for Hackney Carriage. Within each account, the elements are separated into driver licence and vehicle licence fees, with an added operator element for the private hire account.
- 1.2 A review of the fee structure and levels was last undertaken on 2<sup>nd</sup> March 2023 and the fees have not been increased since April 2020. This year is the first year after the completion of the five year process to ensure the Hackney Carriage Vehicle accounts are out of deficit and remain out of deficit by the end of the financial year 2023/24 (subject to further increases in subsequent years). This process did achieve its aim.
- 1.3 At the time this report has been written both the Hackney Carriage accounts are in a surplus position. All accounts for Hackney Carriage and Private Hire are on track to be in in this position by the end of 2024/25.
- 1.4 Appendix I contains the current fees, which are proposed to remain from 01/04/2024 to 31/03/2025.

### 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 was allocated for the financial year 2021 to 2022 on a 32% (Hackney Carriage) and 68% (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 reflect the reduction in licences for the Hackney Carriage trade during the 2022 to 2023 financial year and be set at Hackney Carriage 24% and Private Hire 76% based on the average of all licence administrative functions, see Table 1 below:

Licence Type	Number	Licence Type	Number	Split HC	Split PH
Hackney Carriage Vehicles	224	Private Hire Vehicles	536	29	71
Hackney Carriage Drivers	225	Private Hire Drivers	556	29	71
Private Hire Operators			42	0	42
<b>Split of licences in 2022 (as at 31.03.23)</b>			Total	242.00	
			Numerical Split	58	184
			<b>% Split</b>	<b>24</b>	<b>76</b>

## Licence Administration

In financial year 2022/23, a total of 2082 applications were received for new licences or for the renewal, transfer, change of addresses, amendments, cancellation or surrender of existing licences. Of these 29% (594) were related to the hackney carriage trade and 71% (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 2022/23, the two Taxi Enforcement Officers undertook a total of 152 vehicle inspections. Of these vehicle inspections, 31 (20%) were Hackney Carriage vehicles (HCV's) and 121 (80%) were Private Hire vehicles (PHV's).
- 12 stop notices were issued for HCV's and 4 stop notices for PHV's. Vehicle Defects Notices were issued for 6 HCV's and 16 PHV's. Where there were no faults found these are also recorded and 13 HCV's and 101 PHV's had no defects on inspection.
- Officers investigated a total of 269 Taxi Licensing complaints. 119 complaints were regarding HC drivers and 92 complaints were regarding PH drivers. There were 225 HC drivers and 556 PH drivers in the last year so we are getting complaints regarding 29% of the HC drivers compared to 71% of the PH drivers.
- Officers also investigated 18 complaints regarding HC vehicles, 10 complaints regarding PH vehicles; 30 complaints regarding PH operators and 3 general taxi licensing complaints.
- Seven HC drivers and six PH drivers going to committee based on the complaints received. 2 new Private Hire Driver applications were required to go to committee. Please refer to Table 2 below for the decisions that resulted at committee.

**Table 2: Committee Decisions**

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

- One Hackney Carriage Driver appealed to the Magistrates Court as a result of a suspension and the appeal was dismissed by the Magistrates Court.
- One Private Hire Driver had their appeal against a Committee refusal of their drivers private hire drivers licence dismissed at Magistrates Court.
- Overall in the financial year 2022/23, 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

currently in a small surplus and it is proposed that there is no increase in fee to the Hackney Carriage Drivers Licence or Vehicle Licence fees this year.

It is not recommended to reduce the fees for 2024/2025 due to the current economic uncertainty and resultant rise in costs to deliver the Taxi Licensing Service for example 13% rise in associated consumables (vehicle plates/badges etc) and to fund service improvements including IT and digital development.

Please refer to the summarised accounts in Appendix 2, table 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.

As with the Hackney Carriage account, it is not recommended to reduce the fees for 2024/2025 due to the current economic uncertainty and resultant rise in costs to deliver the Taxi Licensing Service for example 13% rise in associated consumables (vehicle plates/badges etc) and to fund service improvements including IT and digital development.

Please refer to the summarised accounts in Appendix 2, table 1.

## 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 this year**

- 7.1 The following savings/costs against expenditure in the Taxi accounts have been made:
- There have been senior management changes meaning slightly less management support in 24/25 but increased officer level support, including plans to replace the third Taxi Enforcement Officer,
  - We have increased the administration support this year meaning processing functions have increased.
  - The legal costs have also been significantly reduced during this period.

## 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 as set for the financial year 2023-2024. The fees are shown in Appendix I. It is intended to review the fees again in February 2025, to bring

them in line with other Council fee and charges reviews.

- 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 2024/25 will remain the same.**

**Table I: Hackney Carriage current and proposed fees (no change).**

<b>Hackney Carriage</b>	
<b>Type</b>	<b>Proposed Fees (as current)</b>
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
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

**Table 2: Private Hire current and proposed fees (no change).**

<b>Private Hire</b>	
<b>Type</b>	<b>Proposed Fees (as current)</b>
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
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

\*Removed this requirement as of 1<sup>st</sup> April 2024

**APPENDIX 2****Summarised accounts for 2022/23****Hackney Accounts 2022/23 Outturn - Summary**

<b>Expenditure or Income</b>	<b>Groupings</b>	<b>Sum of 2022/23 Hackney Driver</b>	<b>Sum of 2022/23 Hackney Vehicle</b>	<b>Sum of Total 2022/23</b>
Expenditure	Staffing	£35,741	£70,663	£106,404
	Other Staff costs	£208	£659	£867
	Vehicle Costs	£0	£441	£441
	Supplies and services	£2,403	£4,718	£7,121
	Legal Internal	£9,734	£1,261	£10,995
	Driver Training	£323	£0	£323
<b>Expenditure Total</b>		<b>£48,408</b>	<b>£77,742</b>	<b>£126,150</b>
Income	Other Income	(£873)	(£1,119)	(£1,992)
	Vehicle Licence	£0	(£99,705)	(£99,705)
	Driver Licence	(£40,949)	£0	(£40,949)
	Test Fee	(£52)	£0	(£52)
<b>Income Total</b>		<b>(£41,874)</b>	<b>(£100,824)</b>	<b>(£142,698)</b>
<b>Grand Total</b>		<b>£6,534</b>	<b>(£23,082)</b>	<b>(£16,547)</b>

Please Note: Income and Surpluses are shown in (brackets)



**Private Hire 2022/23 Outturn - Summary**

Please note: Income and Surpluses are shown in (brackets)

<b>Expenditure or Income</b>	<b>Groupings</b>	<b>Sum of 2022/23 Private Driver</b>	<b>Sum of 2022/23 Private Vehicle</b>	<b>Sum of 2022/23 Private Operator</b>	<b>Sum of Total 2022/23</b>
<b>Expenditure</b>	Staffing	£58,957	£114,044	£4,930	£177,931
	Other Staff costs	£638	£9	£17	£663
	Vehicle Costs	£0	£670	£0	£670
	Supplies and services	£10,519	£16,636	£72	£27,227
	Legal External	£333	£0	£648	£981
	Legal Internal	£4,569	£22	£1	£4,592
	Driver Training	£6,887	£0	£0	£6,887
<b>Expenditure Total</b>		<b>£81,903</b>	<b>£131,381</b>	<b>£5,667</b>	<b>£218,952</b>
<b>Income</b>	Other Income	(£8,473)	(£7,316)	£0	(£15,789)
	Vehicle Licence	£0	(£127,719)	£0	(£127,719)
	Driver Licence	(£91,818)	£0	£0	(£91,818)
	Test Fee	(£13,645)	£0	£0	(£13,645)
	Operator Fee	£0	£0	(£18,220)	(£18,220)
<b>Income Total</b>		<b>(£113,936)</b>	<b>(£135,035)</b>	<b>(£18,220)</b>	<b>(£267,191)</b>
<b>Grand Total</b>		<b>(£32,033)</b>	<b>(£3,654)</b>	<b>(£12,552)</b>	<b>(£48,239)</b>