

CITY OF PLYMOUTH

Subject: Hackney Carriage and Private Hire Fees for 2011/12

Committee: Licensing Committee (Hackney Carriage)

Date: 1 December 2011

Cabinet Member: Councillor Jordan

CMT Member: Director for Community Services

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Ref: PPS/AN

Part: 1

Executive Summary:

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. 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. A new fees structure has been constructed following consultation and legal advice. The recommended fees structure has been designed to achieve: -

- An accurate reflection, in the fee, of the true cost of the administration of different licence types.
- Bringing the accounts into balance by 2013/14

A report was brought before the Committee on the 2 September 2011 where approval was given for the advertisement of the proposed fees and a period for responses was set at 28 days. This was duly undertaken and two responses were submitted objecting to the proposed fee levels.

This subsequent report details the objections and asks the Committee to consider them and approve fees levels for the Hackney Carriage and Private Hire trade.

Corporate Plan 2011 – 2014:

This report links to the delivery of the corporate improvement priorities, in particular:

- Delivering sustainable growth – The trades employ a significant number of people and support local businesses through their activity. Hackney carriages and private hire form part of the successful public transport system and visitor experience.
 - Providing more and better culture and leisure activities – Visitors views of the City may be influenced by a well presented vehicle or driver. These vehicles form an essential part of the public transport system.
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Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The Hackney Carriage and Private Hire accounts have been subject to periods of both excessive surplus and deficit over the last 10 years. This fee report is the third in a series of reviews designed to ensure that both accounts come into an acceptable level of balance by 2013/14.

The fee levels in this report have been set to continue in achieving this aim. Future annual reviews will ensure that any changes in projected income or expenditure are identified and appropriate action taken to adjust fee levels.

Both accounts are separate trading accounts and should have no affect on general fund accounts.

Other Implications: e.g. Section 17 Crime Disorder Act, 1998, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

Section 17 of the Crime and Disorder Act 1998 puts a statutory duty on every Local Authority to exercise its various functions with due regard to the need to do all that it reasonably can do to prevent crime and disorder in its area.

Lower income groups are a significant user of the hackney carriage and private hire trade. Increases in fee levels have an influence on fare levels. Fee levels should be reasonable so as not to adversely affect fares charged.

Recommendations and Reasons for recommended action:

The Committee resolve to -

Approve the new fee structure as set out in the Fees Table (Appendix 1) which is to commence on the 1 January 2012.

Reason

The Hackney Carriage taxi reserve account is in deficit by £129,096. The Private Hire taxi reserve account is in surplus by £184,942. Balancing the accounts by 2013/14 enables the Hackney Carriage trade to absorb the costs of the fees increase over a medium term period whilst addressing the deficit. A shorter period would produce much larger initial fee increase. Increasing the period would reduce the initial fee increases but would extend the period that the account deficit had to be supported by the council.

Alternative options considered and reasons for recommended action:

Consideration was given to a single increase in fees. This was rejected as the single step increase would have produced a larger increase in fee for the trade to absorb in one year. Consideration was given to a recommendation that the accounts be brought into balance over a longer period. This was rejected because the council would not continue to support the deficit over a longer period.

Private hire fees could be reduced to account for the surplus in this account. It is possible that increased central support costs will be allocated to the accounts and reduce the surplus in forthcoming years.

Background papers:

None.

Sign off:

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Originating SMT Member											

1.0 Background Information

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. The budgets for Hackney Carriage and Private Hire licensing are operated as two separate trading accounts.

- 1.1 A proposed new set of fees were brought before the Committee on the 2 September 2011. Approval was given for these fees to be advertised in accordance with the process required under the Plymouth City Council Act 1975 and a period of 28 days was provided for responses. The advert was reprinted on the 14 October 2011 due to an omission in the original public notice.
- 1.2 Two objections were received, which can be found in Appendix 2. The matters raised are discussed below.
- 1.3 Difference in fee levels – Hackney carriage fees are higher than equivalent fees for private hire due to the historical deficit which had accumulated in the hackney carriage trade account. Hackney carriage licence fees therefore reflect the additional costs in recovering the deficit. Once the account comes into balance the difference in fee levels will be reduced.
- 1.4 Cheque Refunds - The Council wishes to reduce the number of cheques issued due to the additional costs associated with this type of payment. The cost differential of £17 has been estimated by the Finance Department to be a reasonable reflection on the additional work required to deal with cheque refunds. These costs should be borne by those incurring the extra work. The cost differential between cheque and BACs refunds has been in place for 2 years.
- 1.5 The transfer fee between the trades reflects the costs of the administering the transfer of a licence between the two trades, including the various transfer of money between the two trade accounts. This ensures that fees are allocated in the correct proportion to the correct trade accounts.

2.0 Conclusion

- 2.1 The proposed fees were advertised in accordance with the statutory requirements where two objections were received. Members will be required to consider the objections and decide whether to amend the fees in line with objections or to continue with the new fees as proposed in Appendix 1.
- 2.2 The impact of fee increases will be reviewed annually and any necessary alterations will be approved as set out in the Council's scheme of delegation.

3.0 Recommendations and Reasons for recommended action:

- 3.1 The Committee resolve to –

1. Approve the new fee structure as set out in the Fees Table (Appendix 1) which is to commence on the 1 January 2012.

- 3.2 Reason

The Hackney Carriage taxi reserve account is in deficit by £129,096. The Private Hire taxi reserve account is in surplus by £184,942. Balancing the accounts by 2013/14 enables the Hackney Carriage trade to absorb the costs of the fees increase over a medium term period whilst addressing the deficit. A shorter period would produce much larger initial fee increase. Increasing the period would reduce the initial fee increases but would extend the period that the account deficit had to be supported by the council.

APPENDIX I

Proposed Fees for Hackney Carriage and Private Hire Licences 2012

Hackney Carriage Fees

Licence	Proposed Fee
Vehicle Licence	£318.75
1 Year Drivers Licence	£164.10
3 Year Drivers Licence	£354.90
Duplicate Licence	£5.00
Vehicle Transfer	£27.00
Drivers Test	£83.00
Competency Test	£60.00
Driver Application Fee	£16.00
Replacement ID Card Fee	£10.00
Replacement Plate	£11.00
DVLA Licence Check	£18.00
Transfer from HC to PH/ Admin fee for refunds by cheque	£37.00
Transfer from HC to PH/ Admin fee for refunds by electronic transfer	£20.00
Temporary licence for replacement vehicle	£39.00
CRB Check	£26.00

Private Hire Fees

Licence	Proposed Fee
Vehicle Licence	£120.00
1 Year Drivers Licence	£91.60
3 Year Drivers Licence	£185.00
Duplicate Licence	£5.00
Vehicle Transfer	£27.00
Drivers Test	£83.00
Competency Test	£60.00
Driver Application Fee	£16.00
Operator Application Fee	£140.00
Operator Fee (per driver)	£4.00
Replacement ID Card Fee	£10.00
Replacement Plate / Door Sticker	£11.00
DVLA Licence Check	£18.00
Transfer from PH to HC/ Admin Fee for refunds by cheque	£37.00
Transfer from PH to HC/ Admin fee for refunds by electronic transfer	£20.00
Temporary licence for replacement vehicle	£39.00
CRB Check	£26.00

APPENDIX 2

Objection Number	Comments
1	<p>I wish to lodge an objection to the council's intention to increase the fees to such a high level.</p> <p>I also very strongly object to the vast differences between the Hackney trade and Private Hire fees, in fact in my opinion it is a very strong case of discrimination.</p> <p>For example the difference H/C P/H Vehicle Licence One years drivers Licence Three year drivers Licence</p> <p>As a Hackney carriage driver of some Thirty four years I find this very difficult to comprehend, as also I'm sure all of my work colleagues are of the same opinion.</p>
2	<p>I am (a) disappointed at the proposed continuation of an administrative charge for refunds payable on transfer from HC to PH (sic); (b) even more disappointed at the proposed continuation of a £17 surcharge/discount between cheques and electronic transfer refund payments. Surely a refund is a refund is a refund ; (c) unable to grasp the circumstances in which transfer from PH to HC (sic) would result in a refund; (d) puzzled why the "above Act" - presumably the Plymouth City Council Act 1975 - is not stated (or. come to that, the notice is not dated).</p>