

LICENSING AND REGULATION COMMITTEE

10 JUNE 2010

LICENSING FEES AND CHARGES (TAXI AND PRIVATE HIRE LICENCES)

REPORT OF HEAD OF LEGAL SERVICES

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RECENT REFERENCES:

[LR291](#) – Fees and Charges 2009/10 – 27 January 2009

EXECUTIVE SUMMARY:

This report gives a summary of fees charged by the City Council compared to other authorities in Hampshire in respect of taxi and private hire licences.

It also considers possible options for the future, and invites Members' comments to be taken into account for future fee setting.

RECOMMENDATION:

That Members indicate, in the light of the report, any changes to the basis on which taxi and private hire licence fees are set which they wish to be considered.

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##### DETAIL:

#### 1 Introduction

- 1.1 At its meeting of 27 January 2009, Members agreed revised fees and charges for the Financial Year 2009-10, including an increase of 3%. Members requested that a report be brought back to the Committee at the appropriate point in the budget cycle with a view to bringing fees into line with the average of fees charged across the County.
- 1.2 For the current financial year, no increase of fees was proposed during the budget preparation process, and therefore fees were retained at the 2009-10 levels. As a result, no report was brought back to Committee.
- 1.3 This report therefore seeks to provide information to Members on current fee levels charged across the County, and also reviews how the costs incurred by the Council in administering the licensing function are distributed across the various licensing types.

#### 2 Licensing Fees Across Hampshire

- 2.1 The table in Appendix 1 has been compiled from information published by the 12 authorities in Hampshire. Different approaches are adopted by the authorities on various aspects, such as testing and re-testing requirements, etc., so as with any form of benchmarking data, comparisons should bear these potential differences in mind.
- 2.2 The fee for driving licences for Winchester drivers (especially on renewal) is comparable with those across the County. This is particularly the case on the combined Hackney Carriage/Private Hire Driver's Licence (£107 and £79, compared to an average of £100 for grant and £83 for renewal).
- 2.3 Vehicle licences are higher than Driver Licences, as they usually include a test or inspection fee. Although higher than the average level, Winchester's fee is not the highest, and is comparable with three other authorities' fees.
- 2.4 The Private Hire Operator's Licence fee shows the most marked difference from other authorities. Winchester's charge is on the basis of a basic fee (£210), which includes one vehicle, plus an additional charge per extra vehicle (£27). Most operators have one or two vehicles, and so would pay £210 or

£237 per year. There are three or four larger operators, who have fleets of thirty or more vehicles, and fees for these licences would be in the region of £1,000.

- 2.5 Only Southampton operates a similar system to calculate the Operator's fee, but it charges on the basis of a fee of £50, plus a further £50 for each vehicle, up to a maximum of £1,000. All other Councils charge a flat fee, regardless of how many vehicles are in the operator's fleet. Compared to the average fee, a typical Winchester operator would pay nearly £70 more, and the main operators will clearly pay several times the average fee.
- 2.6 Fees to transfer a vehicle are comparable with the average fee across the County, as are miscellaneous charges such as knowledge tests, missed appointments, and replacement plates.
- 2.7 Winchester does not offer a three year driver's licence, although six of the authorities do so. Discounts given where three year licences are offered vary considerably, but are around 15%.

### 3 Options for Future Changes

- 3.1 Fees are reviewed annually as part of the budget process, between October and January. As noted in the Introduction, no increase was sought for taxi and private hire fees for 2010/11.
- 3.2 The Council is permitted to recover its reasonable administration costs in running this element of the licensing function. The Licensing Team is staffed to a level aimed at dealing with the administration of the licences, as well as inspections and enforcement work, and these costs are therefore recovered through the fees charged.
- 3.3 Clearly, it would be possible to review the distribution of these costs across the various types of licence, taking into account not only the administration and other costs of processing applications, but also the inspection and enforcement which each type of licence might generate.
- 3.4 Introducing three-year licences could also be considered. As noted above, although other authorities give a discount, this is usually modest and reflects the fact that although there may be some savings in officer time processing applications (i.e. one application every three years, rather than three separate annual applications) the enforcement function must continue throughout.
- 3.5 The Department for Transport issued Best Practice Guidance in February 2010 covering all aspects of taxi and private hire licensing. The Guidance recommends that drivers' licences should be issued for the legal maximum period (three years), to avoid imposing an undue burden on drivers and licensing authorities. At the same time the Guidance suggests that an annual licence should be offered for drivers who may not wish to commit themselves to such a long duration.

- 3.6 An annually renewable licence system does require a driver to contact the office more frequently, but this does allow staff to keep in contact with drivers and deal with any issues or concerns they have, as well as ensuring that they are aware of any changes or developments in the licensing function.
- 3.7 One suggestion is that a three-year renewal should be “earned” in some way. Some Councils operate a “points” system (similar to the usual points which can be applied to a normal driving licence when offences occur), which usually operates in respect of vehicles (e.g. where defects are noted, etc). The introduction of such a system could be considered in Winchester, but further work would need to be done to design an appropriate scheme. Officers have concerns in particular about e.g. awarding points for complaints, as the level of complaints may not accurately reflect a driver’s behaviour. Similarly, there is considerable scope for difficulties arising where a three-year licence could only be requested by “good” drivers, in that such a judgment would largely be very subjective.
- 3.8 It has been suggested that initial licence fees should be set at a high level, in order to ensure commitment from entrants to the profession. From the table in Appendix 1, this is not a principle adopted by other authorities, and officers consider it more appropriate to set high standards and ensure that applicants meet these, rather than to impose a higher fee. The introduction and enhancement of the knowledge tests is an example of higher standards being introduced. This approach ensures that applicants must be sufficiently committed to their application to meet the required standards, but does not stop a committed applicant who cannot afford a substantially higher initial fee from obtaining a licence.
- 3.9 Given the comparison of fees set out in Section 2 above, it is considered that there may be an argument to review the basis on which the Operator’s Licence is calculated, bearing in mind the fact that only one other authority factors in the number of vehicles in a fleet. Members may consider it more appropriate for the Licence to be based on a flat fee, at the current basic fee level (£210), removing the additional charge per vehicle. It should be noted, however, that the income generated by these additional charges currently goes towards offsetting the costs of the function, and therefore the levels of other licences would have to be looked at to maintain the required income level.
- 3.10 Some authorities offer a three year operator’s licence. The Best Practice Guidance referred to above suggests that five year licences may be appropriate, with the option of a shorter licence available. As previously indicated, the income generated from these licences would have to be redistributed across other licences to cover the costs of the licensing function.

#### 4 Conclusions

- 4.1 In general, the levels of fees charged by the City Council are not significantly out of step with those charged by other authorities. Consideration could be given to reviewing the basis of the Operator’s Licence fee, and to moving

towards three-yearly licences, provided the costs incurred in dealing with the licensing function could still be recovered.

- 4.2 It is suggested that Members indicate their views on the issues raised in this report, and that these are then taken into account when the fees are next reviewed. The Committee is due to meet on 25 January 2011, at which meeting the level and distribution of fees, and the period of licences, could be considered. This would allow the trade to be consulted on any possible changes before a recommendation on fees is made.

#### OTHER CONSIDERATIONS:

5 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 5.1 The licensing function primarily relates to the outcome of "Safe and Strong Communities".

6 RESOURCE IMPLICATIONS:

- 6.1 The fees are set to recover the costs of administering the service. Changes to the basis of fees would need to take this into account.

7 RISK MANAGEMENT ISSUES

- 7.1 The licensing function does not directly relate to any risks which the Council is exposed to, but clearly plays a major part in ensuring that the public are safe when using taxis and private hire vehicles.

#### BACKGROUND DOCUMENTS:

Correspondence from Winchester Chauffeurs' Group

#### APPENDICES:

Appendix 1 - Table of Fees – other Hampshire Authorities

Table of Fees – other Hampshire Authorities (2010-11 unless otherwise stated)

LICENCE	Winchester	Average fee	Basingstoke	East Hants <sup>1</sup>	Eastleigh	Fareham	Gosport	Hart	Havant	New Forest	Portsmouth	Rushmoor	Southampton	Test Valley
Private Hire Operator (one year)	£210 + £27 per Vehicle	176 <sup>2</sup>	162	150	165	176	239	104	165 <sup>3</sup>	286 (142) <sup>4</sup>	345	215	50 + 50 per vehicle (max £1000)	77
Private Hire Operator (3 year)	N/A	262	372	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50+ 50 per vehicle max of 1000	207 (70pa)
Private Hire Vehicle	£218	180	222	178	180	176	239	208	148 <sup>5</sup>	179	138	170	215 <sup>6</sup>	141 <sup>7</sup>
Hackney Carriage Vehicle	£218	209 (183) <sup>8</sup>	495	178	180	176	239	208	196 <sup>9</sup>	179 <sup>10</sup>	144	200	215 <sup>11</sup>	102 <sup>12</sup>
Hackney Driver Grant	£107	85	DD	DD	DD	76	85	94	112	DD	64	80	n/a	DD
Hackney Driver Renewal	79	69	DD	DD	DD	57	85	73	55	DD	64	80	n/a	DD
Hackney Driver (3 year)	N/A	190 (64 pa)	DD	DD	DD	n/a	217 (72 pa)	200 (66pa)	n/a	n/a	n/a	225 (75 pa)	120 (40pa)	DD
Private Hire Driver Grant	£107	84	DD	DD	DD	76	85	94	112	DD	64	70	n/a	DD
Private Hire Driver (renewal)	79	67	DD	DD	DD	57	85	73	55	DD	64	70	n/a	DD
Private Hire Driver (3 year)	N/A	184(61 pa)	DD	DD	DD	n/a	217 72 pa	200 (66pa)	n/a	DD	n/a	200 (66pa)	120 (40pa)	DD

<b>LICENCE</b>	<b>Winchester</b>	<b>Average fee</b>	<b>Basingstoke</b>	<b>East Hants<sup>1</sup></b>	<b>Eastleigh</b>	<b>Fareham</b>	<b>Gosport</b>	<b>Hart</b>	<b>Havant</b>	<b>New Forest</b>	<b>Portsmouth</b>	<b>Rushmoor</b>	<b>Southampton</b>	<b>Test Valley</b>
Hackney/Private Hire Driver Grant (combined) 1 year	107	100	105	102	73	110	116	104	n/a	67	n/a	80	n/a	147
Hackney/Private Hire Driver Renew (combined) 1 year	79	83	105	47	73	83	116	84	n/a	67	n/a	80	n/a	96
Hackney/Private Hire Driver (combined) – 3 year	n/a	190 (63 pa)	261 (87 pa)	n/a	182 (61 pa)	n/a	296 (99 pa)	n/a	n/a	76 (26pa)	n/a	225 (75 pa)	n/a	207 (165) <sup>13</sup>
Hackney Carriage and Private Hire Knowledge Test	£28 <sup>14</sup>	22			15 <sup>15</sup>		18					35	20 <sup>16</sup>	
Missed appointment test	£52	39				32			37		48			
Replacement Plate	£26		21.50	12		20	20	22	19	18				
Transfer of Licensed Vehicle (including test)	£97	98		89	60	176		73			120	75		

## Notes:-

DD – Dual Driver (only combined licences issued).

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<sup>1</sup> 2009-10 Figures

<sup>2</sup> (average excludes Southampton – no information as to average number of additional vehicles)

<sup>3</sup> + £165 for each additional address

<sup>4</sup> Renewal

<sup>5</sup> Separate £43 fee for vehicle test

<sup>6</sup> Adjusted for estimated plate/test costs (£50) – basic fee is £165

<sup>7</sup> includes £49 test fee

<sup>8</sup> 183 is average excluding Basingstoke

<sup>9</sup> Separate £43 fee for vehicle test

<sup>10</sup> £220 for vehicles over 8 years old)

<sup>11</sup> Adjusted for estimated plate/test costs (£50) – basic fee is £165

<sup>12</sup> Includes Inspection fee of £49 (grant) (£10 on renewal)

<sup>13</sup> Renewal

<sup>14</sup> Re-test figure – initial test included in licence fee

<sup>15</sup> Re-test figure – initial test included in licence fee

<sup>16</sup> Re-test figure – initial test included in licence fee