

LICENSING AND REGULATION COMMITTEE

26 NOVEMBER 2015

ADOPTION OF AN INTERIM 5 YEAR PRIVATE HIRE OPERATOR LICENCE FEE

REPORT OF HEAD OF ENVIRONMENTAL HEALTH AND LICENSING

Contact Officer: David Ingram Tel No: 01962 848479

dingram@winchester.gov.uk

RECENT REFERENCES:

Local Government (Miscellaneous Provisions) Act 1976 as amended by The Deregulation Act 2015. [Deregulation Act 2015](#)

Review of the Private Hire Operator Licence Conditions [LR455](#)

BIS Guidance: The European Services Directive Guidance for Local Authorities
[BIS Guidance](#)

EXECUTIVE SUMMARY:

Local Government (Miscellaneous Provisions) Act 1976 as amended by The Deregulation Act 2015 ('The Act'), now requires that the Licensing Authority issue a Private Hire Operator with a Licence of five years or for a shorter period, as the district council think appropriate in the circumstances of the case.

Winchester City Council as the Licensing Authority currently issues annual Operators Licences, so in complying with this legislative duty, it must be in a position to offer Private Hire Operators with a 5 year licence. This report seeks the interim approval of the Licensing and Regulation Committee for the fees for a five year licence, until such time as a full review of taxi operator licensing fees has been undertaken.

RECOMMENDATIONS:

1. That the Committee agrees to the proposed interim fees as set out within this report.

2. That these fees are advertised in accordance with the Local Government (Miscellaneous Provisions) Act 1976 and that where no objection is received the Head of Environmental Health and Licensing be given approval to adopt the new fees.
3. That where objection is received, the Head of Environmental Health and Licensing present the nature of such objection to the Licensing and Regulation Committee for their determination.

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DETAIL:

1 Introduction

- 1.1 Winchester City Council as the Licensing Authority administers the application and issuance of Private Hire Operators Licences, under powers contained under Section 55 the Local Government (Miscellaneous Provisions) Act 1976.
- 1.2 These licences are currently administered on an annual basis, but a recent amendment to this legislation brought under The Deregulation Act 2015, now requires that as of October 1st 2015, Licensing Authorities shall grant Operators Licences for a period of five years or such lesser period, specified in the licence, as the district council think appropriate in the circumstances of the case.

2 Amendment

- 2.1 In granting a five year operators licence, the Licensing Authority must determine an appropriate fee in keeping with government guidance on the European Services Directive, from the Department of Business Innovation and Skills. Section 7 of this guidance states that the Licensing Authority must ensure that such fees are proportionate to the effective cost of the procedure dealt with and must not be used as an economic deterrent. As such these fees are for cost recovery only and are assessed as an average across that aspect of the Licensing Service only.
- 2.2 The current annual Operators Licence fee is set at £220 and in discussions with the Manager of the Licensing Service it was established that this fee consisted of administrative and regulatory and compliance costs as a ratio of 1:2. That is to say that of the £220,
 - £73.33 covers administrative costs;
 - £146.67 covers regulatory and compliance costs;
- 2.3 Whilst there will clearly be only a single administrative cost for each Operator License application, it is estimated that for a five year licence there will, on average be the necessity for three regulatory and compliance visits.
- 2.4 As such for a five year Operators Licence, it is recommended that the interim fee be set at £514 of which £74.00 covers the administrative costs and £440 is for regulation and compliance visits. This would represent a net saving of £586 to the applicant over the same period.

2.5 It must be noted that this proposal to introduce a five year operator's licence fee, is an interim measure until such time as a full costs review can be undertaken.

3 OTHER CONSIDERATIONS:

3.1 None

4 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

4.1 This report relates to ensuring the safety of the public using taxis and private hire vehicles licensed by the Council.

5 RESOURCE IMPLICATIONS:

5.1 As indicated in section 2.4 above, the five year licence will be offered at a significant discount to Operators compared with purchasing an annual licence.

5.2 On the basis that all existing fifty-six Taxi Operator Licence holders will choose the five year option, there will be a reduction in income of £32,853 over the five year period (or £6,571 per annum).

6 RISK MANAGEMENT ISSUES

6.1 In being required to adopt a five year Operators Licence and in charging an appropriate fee to recover reasonable costs only, will inevitably present a reduction in Taxi Operator license income over the equivalent five year period.

BACKGROUND DOCUMENTS:

None

APPENDICES:

None