

Report to: **Licensing Committee**  
Date: **11 January 2018**  
Title: **Review Proposed Licensing Charges in Relation to Taxi Licensing**  
Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **y**

Date next steps can be taken: Following a public consultation adoption of the proposed fees by Full Council.

Author: James Kershaw Role: **Senior Specialist**

Contact: **Tel: 01803 861287**  
**email: james.kershaw@swdevon.gov.uk**

---

**Recommendations:**

- 1. That, having reviewed the proposed Fees Table, the Committee APPROVE a period of public consultation in accordance with s.70 of the Local Government (Miscellaneous Provisions) Act 1976.**
- 2. That the Committee RECOMMEND to Full Council that the proposed fees be adopted with effect from 1 April 2018, subject to the outcome of the public consultation.**

**1. Executive summary**

- 1.1 Local authorities may issue licences to both taxi drivers and the owners of vehicles to allow them to be used as a hackney carriage or private hire vehicle.

- 1.2 The Council may charge fees for the grant of both driver, vehicle licenses, and private hire operator licences. The legislation stipulates what this fee may cover which varies depending upon the type of licence.
- 1.3 Section 70 stipulates where we are seeking to vary the maximum chargeable fee in relation to vehicles and operators we must undertake a period of public consultation, prior to those fees coming into force.
- 1.4 Following the adoption of a new taxi policy it was an opportune moment to review our fees, to ensure that they are legally compliant. The proposed fees reflect the revised burden to the licensing team, which is lessened by the requirement that taxi owners get their vehicles inspected by a third party garage.

## **2. Background**

- 2.1 The Local Government (Miscellaneous Provisions) Act 1976 (the Act) legislates how the Council issues taxi licences and how we set the fees for these licences.
- 2.2 In relation to taxi driver licences, the Council may charge a fee to cover "such a fee as they consider reasonable with a view to recovering the costs of issue and administration".
- 2.3 In relation to Vehicle and Operator licences section 70 of the Act states that;

*"a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—*

*(a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;*

*(b) the reasonable cost of providing hackney carriage stands; and*

*(c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.*

*(2) The fees chargeable under this section shall not exceed—*

*(a) for the grant of a vehicle licence in respect of a hackney carriage, twenty-five pounds;*

*(b) for the grant of a vehicle licence in respect of a private hire vehicle, twenty-five pounds; and*

*(c) for the grant of an operator's licence, twenty-five pounds per annum;*

*or, in any such case, such other sums as a district council may, subject to the following provisions of this section, from time to time determine.”*

- 2.4 Having amended the taxi licensing policy in 2017, a review of the costs of delivering the taxi licences in accordance with the legislation stated above was undertaken. Based on this, and relevant guidance issued by the Local Government Association, the below proposed fees have been produced:

Licence Type	Current Licence Fee	Licence Fee Proposed
1 Year Driver	£135	<b>£105</b>
3 Year Driver	£360	<b>£266</b>
New Driver Fee excluding knowledge test	N/A	<b>£109</b>
Knowledge Test	£47	<b>£50</b>
DBS Check inc. admin fee	£44	<b>£60</b>
1 Year Hackney Carriage Vehicle	£228	<b>£181</b>
1 Year Private Hire Vehicle	£216	<b>£160</b>
Application for exemption of displaying a Private Hire Plate	N/A	<b>£60</b>
1 Year Reduced Fee Vehicle Licence	£110	<b>£20</b>
1 Year Trailer Fee	N/A	<b>£32.50</b>
1 Year Private Hire Operator	£118	<b>£125</b>
5 Year Private Hire Operator	£470	<b>£472</b>

- 2.5 There will be a reduction in income based on these figures, however legally it is not believed that we can charge more than proposed. There have recently been a number of cases where local authorities have been successfully challenged by the taxi trade for overcharging (Cummings v. Cardiff City Council) and the impact has been that the Councils have had to repay all or a part of the fees gathered since a point determined by the Courts.

### 3. Outcomes/outputs

- 3.1 In order to adopt the proposed fees we need to commence a period of public consultation in accordance with section 70(3) of the Local Government (Miscellaneous Provisions) Act 1976.
- 3.2 The public consultation will involve advertising the proposed fees in a local newspaper, and placing a notice at the Council offices. This advert must stipulate how the notice can be inspected, and how the proposals can be objected to.
- 3.3 If an objection is received the committee will need to consider these objections and whether the fees should be amended accordingly. Full Council will then need to ratify the proposed fees. With a proposed implementation date of 1<sup>st</sup> April 2018.

### 4. Options available and consideration of risk

- 4.1 Members may consider that the fees should not be amended as proposed, especially in relation to subsidising the cost of wheelchair accessible vehicles and ultra-low emission vehicles. We are however trying to promote the uptake of these types of vehicles through the policy.
- 4.2 The committee should be mindful of the legislative requirements of the Local Government (Miscellaneous Provisions) Act s.53 & s.70, and the successful challenges by the taxi trade in cases such as Cummings v. Cardiff City Council. If we fail to set a fee that is lawful we may face a challenge from the trade, should this be successful the Council may have to pay out substantial costs to the trade to recompense them.

### 5. Proposed Way Forward

- 5.1 Committee should approve the suggested fees in relation to the licensing of taxis, and allow a public consultation to commence with a formal adoption date of the 1<sup>st</sup> April 2018.

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		In relation to Vehicle and Operator licences section 70 of the Act states that; "a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part— (a)the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the

		<p>purpose of determining whether any such licence should be granted or renewed;</p> <p>(b)the reasonable cost of providing hackney carriage stands; and</p> <p>(c)any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.</p> <p>(2)The fees chargeable under this section shall not exceed—</p> <p>(a)for the grant of a vehicle licence in respect of a hackney carriage, twenty-five pounds;</p> <p>(b)for the grant of a vehicle licence in respect of a private hire vehicle, twenty-five pounds; and</p> <p>(c)for the grant of an operator’s licence, twenty-five pounds per annum;</p> <p>or, in any such case, such other sums as a district council may, subject to the following provisions of this section, from time to time determine.”</p> <p>Section 53 (2) of the same act covers the legal basis for recovering the costs of a driver licence and states;</p> <p>“(2)Notwithstanding the provisions of the Act of 1847, a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.”</p> <p>There have been a number of cases where Councils have been successfully challenged for over charging for taxi licences most notably is the case of Cummings v. Cardiff City Council. Having reviewed the cost of licensing taxis it is believed that the suggested fees are appropriate.</p>
Financial		<p>By reducing the maximum fees charged there is a forecasted reduction in income of £11,151. This however reflects the reduced cost of delivering the service due to no longer inspecting the vehicles ourselves, and other efficiencies made through process reviews.</p>
Risk		<p>Should the Council fail to set lawful fees they could be challenged by the taxi trade. In previous cases this has led to significant pay outs having to be</p>

		made to licence holders to reimburse them for the over payment.  The reputational risk of overcharging would be quite high, as it could damage the relationship we have with the taxi trade.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None foreseen.
Safeguarding		None foreseen.
Community Safety, Crime and Disorder		None foreseen
Health, Safety and Wellbeing		None foreseen
Other implications		None foreseen

### **Supporting Information**

#### **Appendices:**

None

#### **Background Papers:**

Local Government Association: Open for business: LGA guidance on locally set licence fees