

**TAXI FEE INCREASE**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY**  
**DIRECTION)**



**WARDS AFFECTED: 'ALL WARDS'**

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1. PURPOSE OF REPORT

- 1.1 To inform the Council of the need to raise the fee for hackney carriage and private hire driver licences following legislative changes.

2. RECOMMENDATION

- 2.1 That the Council approves the proposed fee increase shown at Appendix A.

3. BACKGROUND TO THE REPORT

- 3.1 The Deregulation Act 2015, which received Royal Assent on 26th March 2015, amends numerous Acts of Parliament including the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA) with regards to hackney Carriage and private hire licensing.
- 3.2 There is provision in the Local Government (Miscellaneous Provisions) Act 1976 to allow for hackney carriage and private hire drivers licences to be granted for a period of up to three years. At Hinckley & Bosworth Borough Council driver licences have always been issued for a one year period. From October 2015 the Deregulation Act will see the three year driver licence becoming the norm.
- 3.3 Section 53 (2) of the Local Government (Miscellaneous Provisions) Act 1976 states that the Council may demand such a fee as they consider reasonable to recover the costs of issue and administration of hackney carriage and private hire driver licences.
- 3.4 Following the amendment to the legislation officers undertook a comprehensive review of the taxi licensing service costs, looking in detail at the administration aspects of driver licensing. This included a more accurate calculation of the percentage of the officers', managers' and support staff time spent on taxi licensing.
- 3.5 It is considered necessary therefore, to increase licence fees with immediate effect so as to ensure, as far as can be reasonably anticipated, that the total fee income will more accurately reflect the cost of the taxi licensing service and to look for full cost recovery.
- 3.6 In setting our fees we have had regard to the requirements of the European Union Services Directive and any licensing case law, of which the recent case in the Court of Appeal of Hemming v Westminster City Council is especially relevant.

In calculating our fees we have taken into account the LGA's Guidance to Local Authorities 'Open For Business' :

- all the activity required with processing and granting a licence such as considering applications and assessing the suitability of the applicant.
- staff costs associated with supporting the service.
- support provided by other parts of the council to the licensing team such as legal, Finance, I.T. and associated recharges.
- admin costs associated with consulting other agencies and bodies when

considering if an applicant is a suitable person.

- making and reviewing any administration policies in relation to the operation of the licensing service.
- issuing the licence and any officer time spent providing information for inclusion in the public register.
- resources from processing driver licenses every three years instead of annually will be reallocated to other Environmental Health/ Licensing administration functions.

#### 4. FINANCIAL IMPLICATIONS [AG]

- 4.1 Under our current arrangement the Hackney carriage & private hire drivers licences are renewed every year. A total numbers of 186 licences are renewed each year. If the term of these licences are increased from one to three years, the numbers of licences due and the income from licence fees are summarised in the table below:

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Number of Licences</b>	<b>186</b>	<b>111</b>	<b>0</b>	<b>75</b>	<b>111</b>	<b>0</b>
Fee @ £76 Per Licence for 111 Licences	£8,436					
Fee @£142 Per Licence for 75 Licences	£10,650					
Fee @£142 Per Licence		£15,762	0	£10,650	£15,762	0
<b>Total Fees under 3 years arrangement</b>	<b>£19,086</b>	<b>£15,762</b>	<b>0</b>	<b>£10,650</b>	<b>£15,762</b>	<b>0</b>
<b>Total Fees under current 1 year arrangement</b>	<b>£14,136</b>	<b>£14,136</b>	<b>£14,136</b>	<b>£14,136</b>	<b>£14,136</b>	<b>£14,136</b>
<b>(Increase)/Decrease in net Fees</b>	<b>(£4,950)</b>	<b>(£1,626)</b>	<b>£14,136</b>	<b>£3,486</b>	<b>(£1,626)</b>	<b>£14,136</b>

- 4.2 There will be surplus income from licence fees of £4,950 and £1,626 for 2015/16 and 2016/17 respectively. For the current licences issued there will no income in 2017/18 and 2020/21. The overall impact between 2015/16 and 2020/21 is a loss of income of £23,556.

- 4.3 In accordance with European Union Services Directive and any licensing case law the service is not allowed to make a surplus but reasonable costs can be recovered. The estimated cost for issuing a licence is £142. The estimated cost of running the new process will depend the numbers of licences becoming due for renewal each year.

- 4.4 If approved the budget implications will be built into the next update of the MTFs. Current year budgets will require approval in accordance with financial procedure rules.

#### 5. LEGAL IMPLICATIONS [MR]

- 5.1 Set out in the report.

#### 6. CORPORATE PLAN IMPLICATIONS [RP]

- 6.1 The licensing of drivers by the Council contributes to the Corporate Plan objectives of supporting individuals and creating a vibrant place to work and live.

7. CONSULTATION

7.1 No consultation is required under section 53 (2) of the Local Government (Miscellaneous Provisions) Act 1976 regarding the licence fee increase.

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Driver licence fees are not raised sufficiently and the tax payer subsidises the cost of the taxi licensing service thereby affecting council tax etc. or else affecting the provision of council services elsewhere	The Council agree to the proposed increase in licence fee.	Mark Brymer

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 The fee increase will not have any effect on the existing equality impact assessment and will not impact rural areas of the borough.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

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Background papers: Local Government (Miscellaneous Provisions) Act 1976  
The Deregulation Act 2015

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