

EAST HERTS COUNCIL

LICENSING COMMITTEE – 14 MARCH 2018

REPORT BY HEAD OF HOUSING AND HEALTH

PROPOSED CHANGES TO EAST HERTS COUNCIL HACKNEY CARRIAGE
AND PRIVATE HIRE FEES

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To consider consultation responses to the revised Taxi Licensing fees and charges for the financial year 2018/19.

<u>RECOMMENDATIONS FOR LICENSING: That</u>	
(A)	The proposed fees for 2018/19 be considered in the light of the consultation responses; and
	and
(B)	The schedule of taxi fees and charges for 2018/19 included in Essential Reference Paper B of this report be recommended to the Head of Strategic Finance and Property for approval.

1.0 Background

1.1 East Herts Council has not varied its taxi licensing fees since 2013.

1.2 The Local Government (Miscellaneous Provisions) Act 1976 gives a Local Authority the power to determine the fees for Hackney Carriage and Private Hire drivers licences (section 53(2)) and for Vehicles and Operators licences (section 70(1)).

- 1.3 The Drivers fees must be set 'with a view to recovering the costs of issue and administration'.
- 1.4 The Vehicle and Operator fees 'may be sufficient in the aggregate to cover in whole or in part:
 - (a) The reasonable cost of carrying out...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 carriage and private hire vehicles.
- 1.5 Any variation in the fees for vehicles and operators has the additional requirement that:
 - (a) A notice is published in at least one local newspaper circulating in the area specifying specific information; and
 - (b) That a copy of the notice referred to in the newspaper advert shall be displayed in the council offices for 28 days from the date of publication of the notice in the newspaper.
- 1.6 If no objection is made to the variation or if all objections are withdrawn the new fees will come into effect on the expiration date specified on the notice or when the last objection is withdrawn, whichever is later.
- 1.7 If objections remain then a further date, not later than two months after the first specified date shall be set when the new fees come into force, with or without modification.
- 1.8 On the 1st February 2018 the required notices regarding the proposed variations to the vehicle and operator fees were published in both the Observer and the Mercury. On the same

day notices were placed in both the Bishops Stortford and Hertford Council offices.

1.9 In addition to the statutory requirement for consultation an email (or letter where an email address has not been supplied) was sent to all licensed drivers and operators detailing the 28 day consultation period and containing all the proposed variations to the fees.

1.10 The proposed fees for the financial year 2018/19 can be found at **Essential Reference Paper 'B'**.

2.0 Report

2.1 The statutory framework for taxi licensing fee allows the Local Authority to recover the reasonable costs for administering taxi licensing.

2.2 The fees are calculated using the known costs of issuing licences but some assumptions have to be made regarding numbers of applications expected to be received so fee setting is not an exact science.

2.3 As a result taxi fees operate in a three year cycle. The fees set for the financial year 2018/19 are set based on comprehensive work carried out with colleagues in the finance team. The accuracy of the fees will not be known until the start of the financial year 2019/20 so any adjustment to the fees will not be made until 2020/21.

2.4 As a result the legislation allows and authority to make a surplus or a deficit in a financial year and carry this over to the following year. Where a surplus is made then it should then be applied to the fees, essentially lowering the fees until the surplus is gone. Where a deficit is made the authority can vary the fees to recover this amount.

- 2.5 During the 28 day consultation 4 responses were received. These were all from members of the licensed taxi trade and can be found at **Essential Reference Paper 'C'**. Only 2 of the 4 responses were objections.
- 2.6 Response 1, from the holder of a Dual Driver licence, refers to the increasing numbers of drivers and operators meaning that there is less work. It additionally refers the effect that Uber drivers being in the area has had and that taxi fares have not been increased for a number of years.
- 2.7 The amount of work that is available within the District does not directly impact on the level at which fees are set. As the variation in the fees is set at cost recovery level then any shortfall would need to be funded from elsewhere to subsidise the taxi trade. This would be similar to the Council subsidising any other type of business that was not able to make a profit.
- 2.8 The hackney carriage trade has complained that there are too many licensed vehicles in East Herts for a number of years. As a result of this it is planned to carry out an unmet demand survey later in 2018 which is required if the number of hackney carriage vehicle licences is to be limited. The cost of this survey is recovered from hackney carriage vehicle licence fees and forms part of the proposed increase.
- 2.9 Officers agree that the hackney carriage fares tariff has not been changed since 2011. As a result of this a separate report is before Licensing Committee seeking to recommend a variation of the table of fares to the Executive which would then be formally consulted upon.
- 2.10 Response 2, from the holder of a Dual Driver licence, mentions the changes to the vehicle inspection regime that came into effect on the 1st January 2018. This places more responsibility on the approved testing stations and means that ultimately less vehicle inspections will be carried out by licensing officers at renewal of a vehicle licence. This has been taken into

consideration when setting the fees but the benefits from the change in regime will not be fully realised until the financial year 2019/2020. If at this point the fees have resulted in a surplus then the fees will be adjusted accordingly.

- 2.11 Response 3, from the holder of a Dual Driver licence, simply stated 'Approved'.
- 2.12 Response 4, from a private hire operator, stated 'No problems from this side with the proposed revisions'.
- 2.13 It should be noted that the fees and charges attached to this report slightly differ from the draft fees and charges put before full council on the 1st March 2018. These initial figures were based on some financial modelling which has now been updated to accurately reflect cost recovery. The income projections for the 2018/19 financial year have been based on the fees enclosed in this report and consulted upon.
- 2.14 Officers would suggest that none of the responses receive should result in the proposed fee levels being amended.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None.

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