

EAST HERTS COUNCIL

EXECUTIVE – 6 OCTOBER 2015

REPORT BY EXECUTIVE MEMBER FOR ENVIRONMENT AND THE
PUBLIC SPACE

DEREGULATION ACT 2015 – DURATION OF LICENCES

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The purpose of this report is to provide details of the new legislation and approve the new fees.

RECOMMENDATION FOR COUNCIL: That:

(A)	the proposed licence fee levels, as set out at Essential Reference Paper B of the report submitted, be approved.
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1.0 Background

1.1 The Deregulation Act 2015 has amended the Local Government (Miscellaneous Provisions) Act 1976 (LG(MP)A1976) in relation to the minimum durations of the following licences:

- Hackney Carriage Drivers
- Private Hire Drivers
- Private Hire Operators

East Herts currently issue a “Dual Drivers” badge (a combined Hackney Carriage and Private Hire Drivers badge) rather than solely a Hackney Carriage Drivers badge.

1.2 This has implications regarding the fees to be charged for the licences. We are only allowed to charge enough to recover our costs so any savings must be reflected in the fee set for the longer durations.

2.0 Report

2.1 Section 53(1)(a) & (b) of LG(MP)A 1976 (drivers' licences for hackney carriages and private hire vehicles) allowed a District Council to grant a drivers licence for up to three years or for such lesser period as the District Council saw fit. East Herts Council chose to issue drivers licences for a maximum period of one year.

2.2 Section 10(2) of the Deregulation Act amends section 53 of LG(MP)A 1976 and this has the effect of requiring a licensing authority to issue a drivers badge for a minimum of three years unless a shorter period is "appropriate in the circumstances of the case".

2.3 Section 55 of LG(MP)A 1976 allowed a District Council to grant a private hire operator's licence for up to five years or for such lesser period as the District Council saw fit. East Herts Council chose to issue operators licences for a maximum period of one year.

2.4 Section 10(3) of the Deregulation Act replaces section 55 of LG(MP)A 1976 and this has the effect of requiring a licensing authority to issue a private hire operators licence for a minimum of five years unless a shorter period is "appropriate in the circumstances of the case".

2.5 The Deregulation Act 2015 does not detail what an authority can consider "appropriate" in the circumstances of the case. Officers would interpret this to mean that, after the transitional period, only three and five year licences would be granted. However, should there be any doubt as to an applicant's fitness a shorter licence period could be granted to allow the applicant an opportunity to prove themselves. This would be at the discretion of a Licensing Sub-Committee as there is no proposal to amend the scheme of delegations.

2.6 In setting fees, the council has to have regard to the Provision of Services Regulations 2009 and any case law. Surpluses and deficits from one year may be carried forward to the following year and adjustments made where appropriate.

2.7 Driver licence fees

The checks that applicants have to go through will remain the same, requiring the same amount of officer time to process documents. The only cost savings that could be applied for the

longer licence would be having to produce only one drivers badge every three years rather than one every year. The cost of a renewal is less than a new application so a fee for a three year “New” application and a three year “Renewal” application must be set.

2.8 Operator licences fees

The checks that applicants have to go through will remain the same but unlike the drivers licences there are no additional checks carried out during the duration of an operator’s licence. Therefore the fee for processing a five year licence will be the same as the cost of processing a one year licence. On average private hire operators receive two compliance visits in a five year period, the cost of which is divided between the annual fees. The cost of these visits has been added to the five year operator’s licence cost to ensure cost recovery. The operator’s licence fee is the same for both new applications and renewal of an existing licence.

2.9 The proposal is to continue issuing one year driver badges, alongside the three year licences required by the Deregulation Act, until the start of the next financial. This will allow the trade a transitional period rather than those renewing before April 2016 having to find three times the expected fee immediately.

2.10 As the increase in the price of the operator’s licence is only minimal it is not proposed to have a similar transitional period and we will move straight to five year duration licences.

2.11 The proposed fee for three year driver’s licences and five year operator’s licences can be found in **Essential Reference Paper B**.

2.12 The proposed fee changes will not form part of the finance and business planning process as the changes are required to be in place in October 2015. In the future they will be reviewed, along with the other taxi licensing fees, as part of the finance and business planning process to ensure cost recovery is achieved.

2.13 There are financial implications in relation to issuing longer duration licences, particularly in relation to cost recovery. By April 2017 all drivers will have moved to three year licences concentrating the income in that financial year with a significant drop in income the following years before renewals take place. By September 2016 all the private hire operators will have renewed

meaning that there will only be income from new applications until they are due for renewal in 2020. Finance has advised that through phasing the income can be distributed over the intervening years.

2.14 **Essential Reference Paper C** contains a comparison of estimated income from the changes in duration of the licences against the estimated income the authority would have received had it been able to continue to issue licences of one year duration.

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

Deregulation Act 2015 –

<http://www.legislation.gov.uk/ukpga/2015/20/introduction/enacted>

Local Government (Miscellaneous Provisions) Act 1976 -

<http://www.legislation.gov.uk/ukpga/1976/57>

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