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**PART B: RECOMMENDATION TO COUNCIL**

**REPORT TO: LICENSING COMMITTEE**

**DATE: 27 SEPTEMBER 2016**

**REPORT OF THE: HEAD OF ENVIRONMENT, STREETSCENE & FACILITIES  
BECKIE BENNETT**

**TITLE OF REPORT: DEREGULATION ACT 2015  
CHANGES TO HACKNEY CARRIAGE AND PRIVATE HIRE  
LICENSING POLICY INCLUDING REVIEW OF FEES  
2016/17.**

**WARDS AFFECTED: ALL**

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 This report follows a previous report to Licensing Committee on 5 July 2016 which detailed proposed changes to the hackney carriage and private hire fees and policy as a result of the Deregulation Act 2015. This report reviews the results of consultation which has since taken place and puts forward proposals for 2016/17 taking these into account.

### **2.0 RECOMMENDATIONS**

2.1 That the Licensing Committee approves the fees set out in Appendix 1 to this report and they be introduced on 1 December 2016 or within 2 months of that date.

2.2 That a proposed new budget structure of three separate accounts for each licence type (1) dual drivers licence (2) hackney carriage vehicle and (3) private hire vehicle and operators be approved and adopted.

2.3 That a dual hackney carriage / private hire drivers licence be introduced for a period of 3 years and that licensing officers use the Department for Transport Best Practice Guidance when considering whether a licence should be issued for a lesser period and that policy be amended to reflect this.

2.4 That a private hire operators licences be introduced for a period of 5 years and that licensing officers use the Department for Transport Best Practice Guidance when considering whether a licence should be issued for a lesser period and that policy be amended to reflect this.

2.5 That the associated changes affecting school transport licences be phased in linked to the expiry dates of current NYCC contracts.

### 3.0 REASON FOR RECOMMENDATION

3.1 The recommended changes are a response to changes in the law.

### 4.0 REPORT

4.1 The fee change proposals contained within this report have been subject to consultation by placing a public notice in the press giving 28 days for views to be submitted in accordance with the requirements of Section 70 of the Local Government (Miscellaneous Provisions) Act 1976. A copy of the notice is attached at Appendix 2 for information.

4.2 The fees and changes to policy have been published for comment on the Councils website, the trade have been emailed / written to and the matter has been presented to members of taxi businesses.

4.3 All the comments received are attached at Appendix 3 for consideration.

4.4 In summary there is support from existing licensed drivers to the proposed fees for licences which actually present financial savings when compared to the current annual licence fees.

4.5 The changes however do present an increase in costs to 9 school transport providers who are legally required to hold a private hire operators licence which has the potential to impact on current school contracts with North Yorkshire County Council (NYCC).

4.6 Officers are currently in liaison with NYCC to try to coordinate a joint approach to minimise the impact of these changes where RDC phases in the fee increases to licence the school transport providers to expire at the same time their existing school contracts expire.

4.7 There are no proposed changes from the fees presented at the 5 July committee meeting which it is recommended come into effect from 1 December 2016.

Licence Type	2016/17
Driver Grant	£380 three year, £290 one year
Driver Renewal	£249 three year, £192 one year
Vehicle Grant/Renewal	£330 one year
Operator Grant/Renewal	£1100 five year, £270 one year

4.8 Separated accounts - The point is raised in relation to separation of accounts and reference is made to the case of Cummings et al v City of Cardiff which concluded in 2014. This case clarified that:

- 4.8.1 (1) A local authority when determining hackney carriage and private hire licence fees under s53 and 70 of the LG(MP) Act 1974 must take into account any surplus or deficit generated from fees levied in previous years in respect of meeting the reasonable costs of administering the licence fees as provided by s.53 and 70 above.
- 4.8.2 (2) A local authority must keep separate accounts for and ensure when determining hackney carriage and private hire vehicle licences fees under s.53 and 70 of the LG(MP)Act 1976 that any surplus or deficit accrued under each of the hackney carriage and private hire licensing regimes are only accounted for and taken into account within the regime under which they have accrued and a surplus from one licensing regime shall not be used to subsidise a deficit in another.
- 4.8.3 Accounts should be separated as described above. In response it is proposed that the budgets be split into (1) dual drivers licence (2) hackney carriage vehicle and (3) private hire vehicle and operators.
- 4.8.4 In line with established practice fees will be reviewed again in 2017. This will provide an opportunity to assess whether the new proposed fees have been set at the right level and make any adjustments necessary to ensure that the reserve is kept at an appropriate level. Continued annual reviews will also provide the opportunity to assess the long term impact.

## **5.0 IMPLICATIONS**

### **5.1 Financial**

Councils are required to demonstrate in accordance with legislation how they have set an appropriate fee sufficient to cover its costs and the proposed new fees are fully compliant in that they have been calculated to reflect:

- the estimated costs of issue and administration of drivers` licences
- how the Council has estimated its reasonable costs in respect of:
  - vehicle and operators` licences
  - inspection of vehicles
  - the provision of hackney carriage stands
  - the administration and other costs relating to vehicle and operators` licences and
  - control and supervision (enforcement) of vehicle licences.

5.1.1 The current 2016/17 net budget for taxi licensing is a small surplus of £1,330. The proposed new fees are not expected to have a significant impact on the current net budget however it is assumed current number of applications and licence renewals remain constant. As the Council is required to set fees to recover costs the future budget will be compliant in accordance with prescribed legislation.

5.1.2 It is also expected that once the new regime is in place, as processes are streamlined and the use of technology is maximised as part of the T2020 programme there will efficiencies in the administration of licensing in the future however it is difficult to quantify at this stage.

5.1.3 The new licensing regime will be introduced over a 12 month period and the level of fees and associated costs will be carefully assessed and reviewed again in 2017 to ensure future fees are set to fully comply with legislation.

## 5.2 Risk assessment

To set the fees too high risks the Council being challenged in the Courts by those licensed, while to set the fees too low would mean that the Council Tax payer is subsidising local businesses. The proposed fees detailed in Appendix 1 have been calculated based on predicted levels of licence transactions by individual officers involved with the service at a very detailed level ensuring the process to implement the required changes introduced by the Deregulation Act has been as transparent as possible and to ensure the actual costs of administering licences are reflected in the licence fees payable.

## 5.3 Legal

The Council is required to make these changes in accordance with legislation

## 5.4 Other

School transport providers are affected the most by the required changes in legislation and will need to liaise directly with NYCC regarding current contract arrangements and the impact of the changes to the licence fees. Officers will continue to liaise with NYCC to phase in the changes and offer flexibility wherever possible to minimise the impact on the school transport providers.

## **6.0 CONCLUSIONS**

- 6.1 This report follows a previous report to Licensing Committee on 5th July 2016 and provides the outcome of consultations on the proposed changes to hackney carriage and private hire fees and policy for 2016/17 resulting from the Deregulation Act 2015.
- 6.2 This report recommends a change in fee structure and policy taking into account the comments made.

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### **Background Papers:**

Report to Licensing Committee 12 April 2016 and 5 July 2016