

Subject: Proposal to introduce:

- Annual Driver Licence (Hackney Carriage/Private Hire)
- Annual Statutory Declaration
- New Fee Structure

Status: For Publication

Report to: Council

Date: 29th January 2008

Report of: Linda Fisher – Monitoring Officer

Portfolio

Holder: Well Managed Council

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To consider a referral from the Overview and Scrutiny Committee to reconsider the decision taken by Cabinet on the 14th November 2007 to increase the fees for hackney carriage and private hire vehicles / introduce an annual fee and annual statutory declaration.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.
- Delivering Quality Services to Customers (Customers, Improvement)
 - Well Managed Council (Improvement, Community Network)

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 The taxi trade have indicated verbally that they intend to judicially review the decision taken by the Cabinet in November 2007. By reconsidering the matter in light of all relevant information and having regard to the consultation responses received ensure the Council makes a robust decision to defend any judicial review.

4. BACKGROUND

4.1 **Cabinet decision 14th November 2007**

The decision of Cabinet was as follows:-

That an annual licence and application fee of £120 for new applications and £85 for renewals of applications be agreed and that they both be reviewed annually by the Executive Director Regulatory Services in consultation with the Portfolio holder for a well managed Council.

That an Annual Statutory Declaration be introduced.

A copy of the report presented to Cabinet is attached at Appendix 1.

4.2 **Call in**

The grounds for the call in were as follows:

“That the decision taken by Cabinet was not in line with the authority’s budget. The increase that is being levied has not taken into consideration the financial impact on drivers.

Most taxi drivers are over the age of 45 they will therefore need to have a medical every three years, this will cost £100 -£155 (£33.50 per year), in addition to the other additional costs that are being requested.

Concern was raised that the liaison process has broken down, the trade associations were not given details of the proposed increase at their last meeting nor were plans to remove time and half provision after midnight properly discussed.“

The introduction of the annual declaration was welcomed.

4.3 **Overview and Scrutiny Meeting 8th January 2008**

The Overview and Scrutiny Committee considered that the only issue for the call in was the increase in fees. References to fees associated with medicals while giving the overall fee structure were not the subject matter of the call in, neither was the issue of time and a half provision after midnight.

The issue for consideration is to be the increase in the renewal fee from £50 to £85 and £120 for new licences. The current fee for a hackney carriage drivers licence or private hire drivers licence is £150 for 3 years.

The Committee agreed that the call in was appropriate and concluded that as the decision was not wholly in accordance with the Council’s budget framework it should be referred to Council. This being to ensure members consider the matter further. Particular reference was made to the omission of detailed financial information justifying the fee increase and consultation responses.

4.4 **Decision for Council**

In accordance with the Constitution, Council may:

Endorse the decision or proposal of the Cabinet as falling within the existing budget framework.

Amend the Councils financial regulations to encompass the decision and agree to the decision with immediate effect.

Where Council accepts that the decision was not wholly in accordance with the budget and does not wish to amend the budget framework to accommodate it, require Cabinet to reconsider the matter.

4.5 **Additional Information not presented to Cabinet**

At the request of the Overview and Scrutiny Committee a request for further information on the financial justification was requested this is attached at Appendix 2.

At the Overview and Scrutiny Committee the taxi trade made the following comments on the proposals.

Anne Kenyon and Mr. Bulcock – The trade were informed that there would not be much of an increase. At the time the Taxi Liaison Group was consulted, the matter the figures were not available. The trade raised a general concern regarding the lack of information on the increases. The Licensing Unit has grown over the years and it could not be seen how the Unit was subsidising the trade. The cost of medicals was also causing concern.

It should further be noted that the consultation process did not include the proposed fees; however the taxi trade were clear at the meeting of the Licensing Committee on 8th October 2007 and the meeting of the Cabinet on 14th November 2007 that they are opposed to the proposed increases.

4.6 **Proposed Arrangements**

The report considered by Cabinet in November 2007 proposed in the interest of public safety and in order to assist the Licensing Unit on keeping up-to-date information relating to any convictions, cautions and/or fixed penalty notices received by hackney carriage/private hire drivers and to better determine the suitability of a hackney carriage/private hire driver

- To introduce an annual hackney carriage / private hire driver licence.
- An annual statutory declaration.

4.7 Under this proposed procedure for an annual hackney carriage and private hire driver licence with the introduction of an annual statutory declaration for renewals, the application process was considered to be streamlined as only one appointment will be required to renew. Currently all drivers are required to have two appointments to renew.

4.8 It should be noted that following a consultation process, there is full support from the taxi trade regarding the proposal to introduce an annual hackney carriage/private hire driver licence and annual statutory declaration.

FEES

4.9 The current fee for a hackney carriage/private hire driver's licence is £150.

4.10 Under the current arrangements, the licence is issued for a period of 3 years.

4.11 At present, the total income for taxi licensing does not cover the costs of processing the application.

4.12 Section 53(2) of the Local Government (Miscellaneous Provisions) Act 1976, enables a local authority to recover such a fee as they consider reasonable with a view to recovering the cost of issue and administration in respect of driver's fees.

4.13 An analysis by Financial Services shows that a fee of £120 for an initial application and an annual renewal fee of £85 thereafter would enable the Licensing Unit to move towards a cost – neutral position in respect of taxi licensing.

4.14 The higher initial application fee is justified by the fact that two appointments are necessary for the grant of a driver's licence – the first to receive the application for a CRB disclosure and conduct all the required verification checks and the second for the full application inclusive of further required verification procedures.

Additional Information on fee increases over the years.

4.15 The last increase in fees for hackney carriage and private hire driver licences was agreed at a meeting of the Licensing Committee 29th January 2003. At this meeting the Chief Administration submitted a report to increase fees in order to fund additional enforcement hours. It was resolved to increase hackney carriage and private hire driver licence fees from £138 to £150 for a 3 year licence – an increase of £4 a year.

4.16 Records have been located detailing increases in hackney carriage and private hire driver licence fees back to 1999. These increases were annual up to the last increase highlighted at 4.15.

4.17 Details of the annual increases for a hackney carriage and private hire driver licence from 1st April 1998 to 1st April 2003.

Period	Licence Length	Cost of Licence (£)	Increase
1 st April 1998 to 31 st March 1999	3 years	116.00	Not known
1 st April 1999 to 31 st March 2000	3 years	122.00	£6.00
1 st April 2000 to 31 st March 2001	3 years	128.00	£6.00
1 st April 2001 to 31 st March 2002	3 years	134.00	£6.00
1 st April 2002 to 31 st March 2003	3 years	138.00	£4.00
1 st April 2003 to 31 st March 2004	3 years	150.00	£12.00

Further information

- 4.18 Following requests from elected members and concerns raised from the taxi trade, I have compiled details relating to the ages of taxi drivers currently licensed by Rossendale Borough Council, overall comparative cost data, and details relating to the number of current drivers living within the Borough of Rossendale – Appendix 3.
- 4.19 Further information is also available as background documents to this report as listed at the back of this report.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 The proposed fee increase to £85 pa will reduce the current cost to the tax payer by c. £5,400, compared to the 2007/08 forecast. In order to produce a break-even (ie cost neutral) position Members would have to increase all fees by a further 59% on those currently proposed.
- 5.2 With regard to this matter not being “wholly” in line with the budget, one could argue that the use of the word “wholly” is far reaching and does not take into account the concept of materiality or other considerations within the constitution. Certainly the proposed changes are not material to the overall budget of £11.3m, yet there does remain a financial business case for the proposed fee changes (subject to the fact that they still do not bring the service area to a break-even position). In addition:
- the constitution does allow budgets to be vired,
 - current forecasts indicate an overall year end surplus.
- 5.3 For the avoidance of future doubt, future changes to the constitution should consider the removable of the word “wholly”.

6. HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 6.1 There are no direct human resource implications

7. CONCLUSION

- 7.1 To introduce an annual hackney carriage and private hire driver licence and an annual statutory declaration would be in the best interest of public safety whilst assisting the Licensing Unit in assessing (and being satisfied) that an individual is a 'fit and proper person' to hold a hackney carriage/private hire driver licence - Local Government (Miscellaneous Provisions) Act 1976, Section 59(1).

8. RECOMMENDATION(S)

- 8.1 That an Annual hackney carriage and private hire driver licence be introduced.
- 8.2 That an Annual Statutory Declaration be introduced.
- 8.3 That Council consider whether to ratify the Cabinet decision in light of the new information and decide a date to implement any changes.
- 8.4 That should a hackney carriage and/or private hire driver licence expire, it will be treated as a first application should the applicant subsequently decide to re-apply

9. CONSULTATION CARRIED OUT

- 9.1 Lancashire Constabulary, Taxi Trade, Legal Services, Financial Services

10. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required Yes

Is an Equality Impact Assessment attached Yes

11. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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<u>Background documents</u>	
Document	Place of Inspection
Current arrangements – first time applicants	Licensing unit
Current arrangements – renewal applicants	Licensing unit
Note on CRB Disclosures	Licensing unit
Note on medical requirements	Licensing unit
Investigation of Convictions - Findings	Licensing unit
Statutory Declaration	Licensing unit
Explanation - Statutory Declaration	Licensing unit
Proposed arrangements – first time applicants	Licensing unit
Proposed arrangements – renewal applicants	Licensing unit
Equality Impact Assessment	Licensing unit / Democratic Services