

Report of Taxi & Private Hire Licensing Manager

Report to Licensing Committee

Date: 25 May 2018

Subject: Taxi & Private Hire Licensing – 2018 Fees Review

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|--|------------------------------|--|
| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

- 1 This report seeks committee members' awareness for proposed new fees for the council's Taxi & Private Hire Licensing function.
- 2 The council last revised the fees in December 2010, and there have been considerable changes in taxi and private hire licensing in that period. The year-end financial position for 2017/18 was a reduction in the reserve from £314k to just £13k. The service currently forecasts an overspend each month, which without the fee review will restrict the services ability to ensure effective ongoing licensing and enforcement activity in Leeds.
- 3 The decision to advertise new taxi and private hire licensing fees is not a decision for Licensing Committee, but for the Head of Elections, Licensing and Regulation Services. However, it is supplied to give members information before the consultation period starts.

Recommendations

1. That members note the information and schedule of new fees for consultation.

1 Purpose of this report

- 1.1 This report is intended to give information to committee members of the reasons for the fees review.
- 1.2 The decision to advertise and implement new fees is an administrative delegated decision for the Head of Elections, Licensing and Regulation Services. However, it is being shared with committee members at the start of a new committee cycle to give them awareness of the link between licensing fees and service priorities.

2 Background information

- 2.1 The role of the Taxi and Private Hire Licensing service has long been recognised as an important council function in ensuring that the travelling public are safe with professional drivers who have attained good standards, safe vehicles, and a dedicated enforcement team.
- 2.2 In recent years, the spotlight on licensing functions nationally has attracted much media attention, and the deficiencies identified in procedures across the country which led to the shocking effects on a large number of children's lives. Leeds City Council Executive Board initiated a wide-ranging review of its taxi and private hire licensing functions, reporting to the cross-council Safeguarding Group, Licensing Committee, Central and Corporate Scrutiny Boards and to the Executive Board.
- 2.3 The review has resulted in significant changes throughout the service, which started in 2016, and are continuing into 2018. The council has implemented new and strengthened licensing policies, including a strengthened convictions policy, and the introduction of a safeguarding training requirement for all drivers. We have implemented an annual online Disclosure & Barring (DBS) procedure, which has required processing around 6300 individuals. We have changed the shifts of enforcement officers to match their hours of work with the busiest hours of the trade and meet new demands in line with the Deregulation Act 2015. We have taken steps to share information and intelligence better with the police, so concerns can be identified and acted upon. We have also contributed significantly to regional and national service improvements in taxi and private hire licensing.
- 2.4 As part of the service improvements, the report seeks support from the committee for the council to conduct a review of the fees the council charges to the trade, beginning with consultation with the local trade.

3 Main issues

Taxi & Private Hire Licensing funding

- 3.1 The council's Taxi & Private Hire Licensing service is cost neutral to the council, under the provisions of the Local Government (Miscellaneous Provision) Act 1976, which governs licensing fees for authorities in England and Wales. The service is funded through the levying of charges to the local taxi and private hire

trade, and revenue from taxi and private hire licensing cannot be devoted to unrelated purposes.

- 3.2 The council last reviewed the fees charged to the local taxi and private hire trade in December 2010, and last changed the fees in January 2011, see the current fees in **Appendix 1**. Since that date, the expectations on a licensing authority and challenges of licensing, customer service and enforcement have changed considerably.

Fees Review 2018

- 3.3 The Taxi & Private Hire Licensing team is currently operating to a small reserve of around £13k at the end of the financial year, after using £301k in 2017/18. The current expenditure on staff costs, non-staff costs and central costs exceed by around £35k the fee income each month, and, without a fee increase, the service would move into deficit during 2018/19. The team is also planning to reorganise, to address service improvement priorities such as service development, digitisation, email and phone call handling and reviewing decisions, so a review of the fees is required.
- 3.4 The service drew on £301k from its reserves during 2017/18 in order to fund the additional staffing and expenditure costs. The service's approved budget for 2018/19 requires £2.241m annual fee income to cover the projected costs, around £430k more than current income.
- 3.5 The proposed fees for 2018/19 are shown in **Appendix 1**. The main changes to the fees are:
- Introduction of a non-refundable £30 admin fee to be paid by all applicants to cover administrative and verification work before a licence can be issued.
 - Application and renewal fees to be slightly increased, e.g. from £120 to £135, but with first application fees remaining slightly higher than renewal fees.
 - The fees for hackney carriage and private hire to be set at an equal level.
 - Fees for 3 year driver licences and 5 year operator licences to be below the cost of renewing each year for 3 or 5 years respectively.
 - New fees for vehicle retests and inspections set at £45.
 - Graded fees for operators depending on the number of drivers.
 - The timetable for advertising and implementing the proposed fees for 2018-19 is shown in section 4.1.2.

Future Fees Reviews

- 3.6 There is some recent UK case law which will influence the council in future fees reviews.
- 3.7 Cardiff City Council lost a legal challenge against its taxi and private licensing licensing fees (Cummings vs Cardiff City Council, 2014). The council had been spending fee income on activities which were not part of the taxi and private licensing function, notably, on taxi marshalls, and to subsidise other licensing activities by the council.

3.8 The case law resulted in a ruling that each authority should align its fees by the five main taxi and private hire licensing regimes.

- Hackney carriage driver;
- Hackney carriage vehicle;
- Private hire driver;
- Private hire operator; and
- Private hire vehicle.

3.9 Wakefield MDC recently carried out an exercise to align its new fees with these regimes, but it involved a review process of some months, which is not in time for Leeds City Council's fee review. It is therefore proposed that the council conduct the necessary review during 2018-19, and review fees in 2019. In the interim, while a challenge is possible, the local trade are well aware that Leeds taxi and private hire licensing does not carry out any other licensing activity, unlike both Cardiff and Wakefield, and that taxi marshalls are funded by the trade, not the council.

Comparison with other authorities

3.10 The table below shows how the proposed fees would compare with those of neighbouring authorities. For sake of comparison, new drivers' test fees, training, DVLA and DBS fees are included, and new vehicle tests and stickers are included.

| | Bradford | Calderdale | Leeds | Kirklees | Wakefield |
|------------------------------|-----------------|-------------------|--------------|-----------------|------------------|
| Private Hire Driver New | £185.50 | £148 | £335 | £230.47 | £367 |
| Private Hire Driver Renewal | £81 | £148 | £165 | £86 | £226 |
| Private Hire Vehicle New | £165 | £232 | £190 | £232.39 | £267 |
| Private Hire Vehicle Renewal | £165 | £232 | £135 | £179.24 | £299 |
| Hackney Carriage Driver New | £185.50 | £148 | £340 | £230.47 | £339 |

| | Bradford | Calderdale | Leeds | Kirklees | Wakefield |
|---|-----------------|-------------------|--------------|-----------------|------------------|
| Hackney Carriage Driver Renewal | £81 | £148 | £165 | £86 | £179 |
| Hackney Carriage Vehicle New | £165 | £232 | £190 | £232.39 | £326 |
| Hackney Carriage Vehicle Renewal | £165 | £232 | £135 | £179.24 | £246 |
| Operator Licence New (> 10 drivers) | £201.50 | £231 | £380 | £231.50 | £317 |
| Operator Licence Renewal (> 10 drivers) | £201.50 | £231 | £380 | £231.50 | £296 |

3.11 Under the proposed fees, Leeds would be the most expensive authority for licensing fees for three of the licenses, and Wakefield would be the most expensive for seven of the licenses.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The council will advertise the proposed schedule of new fees in the local press and on the council website. It will also share the proposed fees with drivers and operators by email and at face to face meetings.

4.1.2 At this stage, it is possible to highlight the following indicative milestones.

- **May 2018:** Report to Licensing Committee.
- **June 2018:** Proposed fees advertised in local press and on council website.
- **July 2018:** Review of responses and objections by Head of Election, Licensing and Regulation Services.
- **August 2018:** New fees implemented.

- 4.1.3 The schedule of fees proposed by this report follow on from the 2017 consultation on service priorities and fees, which was mixed. Many respondents were critical of the current licensing fees. Some respondents stated that they wished to see more action taken on out of district vehicles working in Leeds.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Equality and Cohesion Screening Assessments are carried out on the policies agreed at Licensing Committee which are used to inform decision making.

4.3 Council policies and City Priorities

- 4.3.1 The Taxi & Private Hire Licensing policies contribute to the following aims:

Best Council Plan

Towards being an Enterprising Council

Our Ambition and Approach

Our Ambition is for Leeds to be the best city and Leeds City Council to be the best council in the UK – fair, open and welcoming with an economy that is both prosperous and sustainable so all our communities are successful.

Our Approach is to adopt a new leadership style of civic enterprise, where the council becomes more enterprising, business and partners become more civic, and citizens become more actively engaged in the work of the city.

Our Best Council Outcomes

Make it easier for people to do business with us.

Our Best Council Objectives

Promoting sustainable and inclusive economic growth – Improving the economic wellbeing of local people and businesses. With a focus on:

- Helping people into jobs;
- Boosting the local economy; and
- Generating income for the council.

Ensuring high quality public services – improving quality, efficiency and involving people in shaping their city. With a focus on;

- Getting services right first time; and
- Improving customer satisfaction.

- 4.3.2 The Taxi & Private Hire Licensing policies contribute to priorities:

- Reduce crime levels and their impact across Leeds;
- Effectively tackle and reduce anti-social behaviour in communities;
- Safeguarding children and vulnerable adults:

- 4.3.3 Leeds City Council has both a moral and legal obligation to ensure the duty of care for both children and vulnerable adults across all of its services. This cannot be achieved by any single service or agency. Safeguarding is ultimately the

responsibility of all of us and depends on the everyday vigilance of staff who play a part in the lives of children or vulnerable adults.

4.4 Resources and value for money

4.4.1 The Taxi and Private Hire Licensing service is cost neutral to the council and by virtue of the Local Government (Miscellaneous Provisions) Act, 1976, raises its own revenue by setting fees to meet the cost of issuing and administering licences. While the Act does not specify enforcement as part of the service, UK law is commonly interpreted to include enforcement in the setting of fees.

4.4.2 These arrangements mean that if proposals are associated with additional costs, they will be funded via licence fees and will not place additional pressure on the council's budget. Conversely, it also means that the council will not run a significant budget surplus.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are possible legal implications arising from this review, but it is not subject to call in or publication.

4.5.2 *Hemmings vs Westminster* (2013), which sets out which costs can be included in licensing fees, including initial non-refundable administration fee.

4.5.3 *Cummings vs Cardiff City Council* (2014), which was discussed in sections 3.8 to 3.10.

4.6 Risk Management

4.6.1 The following risks are identified:

- **Risk of not implementing fees review.** If a new fee schedule is not implemented, the service will be required to hold more posts vacant. This will undermine the service's ability to meet customer demands in the licensing office, meet higher levels of complaints and referrals to the enforcement team, and deliver the service improvements outlined in sections 2.2 and 2.3 of this report.
- **Risk of fewer drivers and vehicles being licensed in Leeds.** If the council raises the fees significantly above those of other authorities, there is a risk that new applicants will opt to get licensed in neighbouring authorities, yet work in Leeds. The committee has discussed cross-border working, and the different licensing rules and fees are, no doubt, an incentive. However, on balance, it is unlikely that an admin fee of £30 and a £15 or £20 increase on licence fees is sufficient incentive for an existing licence holder to apply to be licensed by another authority.

5 Conclusions

5.1 The report has addressed the need to review the current and future costs of the service, and the fees charged by the council to cover those costs. The report has

shown that the service is under significant pressure to meet new challenges and is facing significant financial pressures to maintain and improve the service.

- 5.2 The report has attached details of proposed new fees, and will engage with staff, the local trade, neighbouring authorities and other stakeholders.

6 Recommendations

- 6.1 That members note the information and schedule of proposed fees in this report.

Appendix 1 Leeds City Council Taxi & Private Hire Licensing fees

Links:

Bradford fees: <https://www.bradford.gov.uk/transport-and-travel/hackney-carriages-and-private-hire/driver-and-vehicle-fees/>

Calderdale fees: <https://www.calderdale.gov.uk/v2/businesses/licences/licensing/licence-fees#taxi>

Kirklees fees: <http://www.kirklees.gov.uk/beta/licensing/become-a-licensed-driver.aspx>

Wakefield fees: <http://www.wakefield.gov.uk/Documents/licensing/licensing-fees.pdf>

Appendix 1 Leeds City Council Taxi & Private Hire Licensing fees

| | Current | Proposed |
|---|---------|----------|
| Private Hire Driver application | | |
| Admin fee | No fee | £30 |
| Driver application | £120 | £135 |
| DBS check | £70 | £70 |
| Customer care course | £55 | £55 |
| English Comprehension Test | £25 | £25 |
| Knowledge Training pack | £15 | £15 |
| DVLA check | £5 | £5 |
| Missed driver application appointment | £30 | £30 |
| Seminar re-sit - legislation (1) | £20 | £20 |
| A-Z (4) / Conditions test | £20 | £20 |
| Seminar re-sit - Maps: Districts of Leeds , City centre (2 & 3) | £30 | £30 |

| | Current | Proposed |
|---|----------------|-----------------|
| Re sit Conditions test | £20 | £20 |
| Re sit Customer care | £55 | £55 |
| Re sit English comprehension test | £25 | £25 |
| Private Hire Driver renewal | | |
| Admin fee | No fee | £30 |
| Renewal (1 year) | £115 | £135 |
| Renewal (3 years) | £345 | £345 |
| DVLA check | £5 | £5 |
| DBS | £13 | £13 |
| Private Hire Vehicle application | | |
| Application | £120 | £135 |
| Set of vehicle stickers (no bonnet) | £55 | £55 |
| Set of vehicle stickers (with bonnet) | £70 | £70 |
| Door sticker only | £25 | £25 |
| Rear sticker only | £20 | £20 |

| | Current | Proposed |
|---|----------------|-----------------|
| Bonnet sticker (additional i.e. lost / damaged) | £20 | £20 |
| Private Hire Vehicle renewal | | |
| Vehicle renewal | £115 | £135 |
| Age criteria inspection | £80 | £110 |
| Re-test following inspection | 0 | £45 |
| Hackney Carriage Driver application | | |
| Admin fee | No fee | £30 |
| Driver application | £100 | £135 |
| Local knowledge test | £50 | £50 |
| Customer care course | £55 | £55 |
| DBS | £70 | £70 |
| Re-sit local knowledge test | £50 | £50 |
| Hackney Carriage Driver renewal | | |
| Admin fee | No fee | £30 |

| | Current | Proposed |
|---|----------------|-----------------|
| Driver renewal (1 year) | £115 | £135 |
| Driver renewal (3 years) | £345 | £345 |
| DVLA check | £5 | £5 |
| DBS | £13 | £13 |
| Hackney Carriage Vehicle application | | |
| Vehicle application | £120 | £135 |
| Vehicle Livery | £40 | £40 |
| Rear plate / sticker | £15 | £15 |
| Hackney Carriage Vehicle renewal | | |
| Vehicle application | £115 | £135 |
| Age inspection criteria | £80 | £110 |
| Age inspections missed appointment | £60 | £60 |
| Inspections missed appointment | £30 | £30 |
| HC missed driver application appointment | £30 | £30 |

| | Current | Proposed |
|---|----------------|-----------------|
| Re-test following inspection | No fee | £45 |
| Meter check and seal | £10 | £10 |
| Operator Application | | |
| Admin fee | No fee | £30 |
| Application (includes Executive and Limousine Operator) | £400 | £500 |
| DBS check | £70 | £70 |
| English Comprehension Test | £25 | £25 |
| Operator renewal | | |
| Admin fee | No fee | £30 |
| Operator renewal (1 year) | £300 | £0 |
| 0-10 drivers | | £350 |
| 11-100 | | £450 |
| 101+ | | £600 |
| Operator renewal (5 years) | No fee | |
| 0-10 drivers | | £1500 |
| 11-100 | | £2000 |

| | Current | Proposed |
|-------------------------------------|----------------|-----------------|
| 101+ | | £3000 |
| DBS | £13 | £13 |
| Escort application | | |
| Admin fee | No fee | £30 |
| Application | £100 | £100 |
| Escort renewal | | |
| Admin fee | No fee | £30 |
| Application | £25 | £25 |
| Contract Driver application | | |
| Admin fee | No fee | £30 |
| Contract Driver application | £135 | £135 |
| Contract Driver renewal | | |
| Admin fee | No fee | £30 |
| Application | £50 | £50 |
| Contract vehicle application | | |
| Admin fee | No fee | £30 |
| Application | £65 | £65 |

| | Current | Proposed |
|---|---------|----------|
| Contract vehicle renewal | | |
| Admin fee | No fee | £30 |
| Application | £55 | £55 |
| Other fees | | |
| Vehicle inspection (incl. after accident, or failure to attend) | £30 | £45 |
| Short test | No fee | £25 |
| Vehicle transfer (incl. inspection) | £60 | £75 |
| Vehicle transfer | £30 | £45 |
| Copy of Driver Badge | £10 | £15 |
| Copy of Vehicle Disc | £10 | £15 |
| Copy of licence | £5 | £15 |
| DBS (failure to attend) | £30 | £30 |
| Accident management / hire company (not their vehicles) | £130 | £175 |

| | Current | Proposed |
|---|----------------|-----------------|
| Sundries | | |
| No smoking stickers | £2.00 | £2 |
| Lanyards, badge holders, windscreen disc holder | £1.00 | £1 |