



**Rochford District
Council**

REPORT TITLE:	Approval Of Hackney Carriage and Private Hire Drivers, Vehicle And Operators Fees.
REPORT OF:	Eugene Minogue (Interim) Director - Communities and Health

REPORT SUMMARY

Item of note for the members of the Licensing and Appeals Committee following changes to the Rochford District Council Hackney Carriage and Private Hire drivers, vehicle and Operators Fees from 1st April 2024.

RECOMMENDATIONS

R1 - To approve the changes of the Licensing Fees in accordance with legislation

SUPPORTING INFORMATION

1. REASON/S FOR RECOMMENDATIONS

- 1.1 To approve the amendment to the Rochford District Council Hackney Carriage and Private Hire drivers, vehicle and operators fees in accordance with legislation, namely section 70(3)(b) of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.2 The current fees have not been updated since 2017. In accordance with the Local Government Association Best Practice the fees should be reviewed periodically. It is recommended the fees are set for 3 years and reviewed annually.
- 1.3 If we had increase the fees in 2020, the increase between the current fees and this proposal would not have been so significant, however due to the pandemic it was not deemed appropriate to increase the fees at the time.

2 BACKGROUND INFORMATION

- 2.1 In providing the licensing function, the council, under the provisions of the 1976 Act, is entitled to levy fees to recover the reasonable cost associated with:
 - recovering the costs of the issue and administration of drivers' licences
 - the inspection of vehicles for the purposes of determining whether any such licence should be granted or renewed
 - the provision of hackney carriage stands any administrative or other costs in connection with the control and supervision of hackney carriage and private hire vehicles.

With the exception of drivers' licences, the council is required to consult upon the fees it intends to levy through a public notice procedure.

In determining the fees to be charged, it would be reasonable to do so with a view to achieving full cost recovery.

- 2.2 Licensing income from these schemes must therefore be 'ring-fenced' in that licensing fees and charges cannot be spent on other areas of council activity – even other areas of licensing business.
- 2.3 It is important to ensure that applicants and licensees receive value for money.

- 2.4 As outlined within the Councillor Handbook: Taxi and PHV Licensing issued by the Local Government Association it states:

As a councillor you should ensure that your authority's budgets can stand up to scrutiny by the District Auditor and under the Freedom of Information Act, which has been increasingly used in recent years by licensees and trade associations.

- 2.5 There are no statutory timescales or performance measures for taxi/PHV licensing, unlike some other licensing regimes. However, many councils use internal targets to measure the service being provided to applicants and licensees.
- 2.6 A periodic review of the licensing service's processes and procedures can help to improve this.

Rochford District Council Figures on 1st November 2023

- 2.7 The 1st November 2023 date was used as the benchmark date to ensure the driver and operator consultation along with the public consultation met the legal deadlines to approve the changes.
- 2.8 At the time of calculating the fees, the Licensing team within Rochford oversaw; 192 Hackney Carriage (taxi) drivers, 136 Private Hire drivers, 165 Hackney Carriage Vehicles, 118 Private Hire vehicle and 54 Private Hire Operators.

The cost of Running the Licensing Team

- 2.9 Using information provided by the Rochford District Council Finance Team, the average (over 3 year) cost of running the department is broken down by the following:

Direct Staffing Costs	£103 833
Transport	£300
Supplies and Service	£8 788
Support Services	£101 385
Total	£214 306

Officers have calculated that 70% of the officers' time is spent dealing with Taxi and Private hire related enquiries, therefore 70% of the costs should be paid by the trade

The cost of **£132 048** (including £53 003 for support services) needs to be covered by the Licensed Trade.

Why we need to breakdown the costs.

2.10 In R (on the application of Abdul Rehman, on behalf of the Wakefield District Hackney Carriage and Private Hire Association) v The Council of the City of Wakefield and The Local Government Association (Intervening) [2019] EWCA Civ 2166

2.11 The key section of the court case is as follows [24]:
 “We agree with HHJ Saffman that the cost of monitoring and enforcing driver conduct cannot be taken into account in fixing the vehicle licence fee under section 70.

2.12 We consider that the wording of section 70 in the context of the structure of the 1976 Act leads clearly to that conclusion, irrespective of the proper interpretation of section 53. We also consider, however, that such cost can be included in the driver’s licence fee under section 53”.

2.13 The chart below outlines the costs associated with each type of licence:

Licence Type	Cost	Percentage
Private Hire Drivers licence	£22 637	17%
Private Hire Vehicle licence	£37 728	29%
Private Hire Operators licence	£5 659	4%
Hackney Carriage Drivers Licence	£24 523	19%
Hackney Carriage Vehicle Licence	£41 501	31%
TOTAL	£132 048	

2.14 If we remain on the current fees, the income will be as follows:

Licence Type	Cost	Percentage
Private Hire Drivers licence	£5 400	5.91%
Private Hire Vehicle licence	£26 550	29.04%
Private Hire Operators licence	£4 320	4.72%
Hackney Carriage Drivers Licence	£8 960	9.80%
Hackney Carriage Vehicle Licence	£46 200	50.53%
TOTAL	£91 430	

2.15 If we amend the current fees to the new proposed fees, the income will be as follows:

Licence Type	Cost	Percentage
Private Hire Drivers licence	£15 750	12.77%
Private Hire Vehicle licence	£33 040	26.79%
Private Hire Operators licence	£5 933	4.81%
Hackney Carriage Drivers Licence	£22 400	18.16%
Hackney Carriage Vehicle Licence	£46 200	37.46%
TOTAL	£123 323	

2.16 In summary if we continue on the existing fees, Rochford District Council Licensing team are losing £40 618 each year.

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Type of Licence	Current Expenditure	Current Fee Structure	Proposed Fee Structure
PH Driver	22 637	5 400	15 750
PH Vehicle	37 728	26 550	33 040
PH Operator	5 659	4 320	5 933
HC Driver	24 523	8 960	22 400
HC Vehicle	41 501	46 200	46 200
TOTAL	132 048	91 430	123 323

2.17 The chart below outlines the changes from the existing charges to the new charges.

2.18 The fees are in line with the Wales Licensing Expert Panel Template used as best practice to assist with calculating fees.

Vehicles	Current	Proposed
Hackney Carriage (HC) – Grant or renewal	£ 280.00	£ 280.00
Hackney Carriage – Wheelchair accessible – Grant or renewal	£ 230.00	£ 280.00
Private Hire Vehicle (PHV) – Grant or renewal	£ 225.00	£ 280.00
Private Hire Vehicle – Wheelchair accessible – Grant or renewal	£ 175.00	£ 280.00
Vehicle Replacement (Grant)	£ 50.00	£ 60.00
Vehicle Compliance test (Interim Inspection)	£ 30.00	£ 30.00
Drivers 1 Year	Current	Proposed
HC & PHV (combined licence)- Grant	£ 70.00	£ 183.33
HC & PHV (combined licence)-Renewal	£ 70.00	£ 166.67
PHV or HC (only) – Grant	£ 60.00	£ 183.33
PHV or HC (only) - Renewal	£ 60.00	£ 166.67
Drivers 3 Year	Current	Proposed
HC & PHV (combined licence)- Grant of new applicant	£ 140.00	£ 400.00
HC & PHV (combined licence)-Renewal	£ 140.00	£ 350.00
PHV or HC (only) – Grant	£ 120.00	£ 400.00
PHV or HC (only) - Renewal	£ 20.00	£ 350.00
Operators 1 Year	Current	Proposed
Operators with one vehicle	£ 80.00	£ 106.00
Operators with two to five vehicles	£ 120.00	£ 122.00
Operators with six to ten vehicles	£ 200.00	£ 190.00
Operators with eleven to twenty vehicles	£ 200.00	£ 250.00

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Operators with twenty one or more vehicles	£ 200.00	£ 250.00
Operators 5 Year	Current	Proposed
Operators with one vehicle	£ 400.00	£ 280.00
Operators with two to five vehicles	£ 600.00	£ 360.00
Operators with six to ten vehicles	£ 1,000.00	£ 700.00
Operators with eleven to twenty vehicles	£ 1,000.00	£ 1,000.00
Operators with twenty one or more vehicles	£ 1,000.00	£ 1,000.00

3 OTHER OPTIONS CONSIDERED

- 3.1 All alternatives have been considered, however as outlined in the legislation, the licensing team should seek to make reasonable recovery of fees and to ensure the money is ringfenced.
- 3.2 The fees will be subject to a periodic review annual using the rolling 3-year profit and loss figures and a full review will take place again in 2027.

4 RELEVANT RISKS

- 4.1 Prior to the public consultation in accordance with section 70(3)(b) of the Local Government (Miscellaneous Provisions) Act 1976, the licensing team ran a number of workshops with the trade explaining how the fees were calculated.

5 ENGAGEMENT/CONSULTATION

- 5.1 Prior to the legal public notice consultation, the Licensing team held 3 workshops with the licensed trade (drivers and operators) to provide feedback on the proposed fees. The feedback from the trade was they were not happy with the increase, however understood why the fees had to be increased.
- 5.2 A public consultation started on 22nd December 2023 and concluded on 30th January 2024.
- 5.3 An article was placed within the Evening Echo Newspaper on 28th December 2023 in accordance with the legislation.
- 5.4 The Rochford District Council Taxi Licensing page also had the consultation listed during the relevant time period.

5.5 There were no comments made during the public consultation

6 FINANCIAL IMPLICATIONS

- 6.1 As outlined within 2.16 of the report, if the fees remain as they are; Rochford District Council Licensing Team will be losing £40 000 each year.
- 6.2 The new fee structure will not fully recover the lost income, however will have a significant impact reducing the difference to less than £9 000 a year.

7 LEGAL/GOVERNANCE IMPLICATIONS

- 7.1 The legal process has been followed in accordance with Local Government Misc. Provisions Act 1976 and the legal case requirements under R (on the application of Abdul Rehman, on behalf of the Wakefield District hackney Carriage and Private Hire Association) v The Council of the City of Wakefield and The Local Government Association (Intervening) [2019] EWCA Civ 2166

8 EQUALITY & HEALTH IMPLICATIONS

- 8.1 No equality or Health Implications identified.

9 ENVIRONMENT & CLIMATE IMPLICATIONS

- 9.1 No Environment nor Climate Implications identified.

10 ECONOMIC IMPLICATIONS

- 10.1 This will have an impact on the Licensed Trades fees and income and therefore anticipate a fare increase to accommodate these changes.

REPORT AUTHOR:	Name:	Steven Greener
	Title:	Corporate Manager - Licensing
	Phone:	01702 318148
	Email:	steven.greener@rochford.gov.uk

APPENDICES

Taxi Fee Discussion Presentation – 29/11/2023

BACKGROUND PAPERS

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	None

TAXI FEE DISCUSSION

29/11/2023

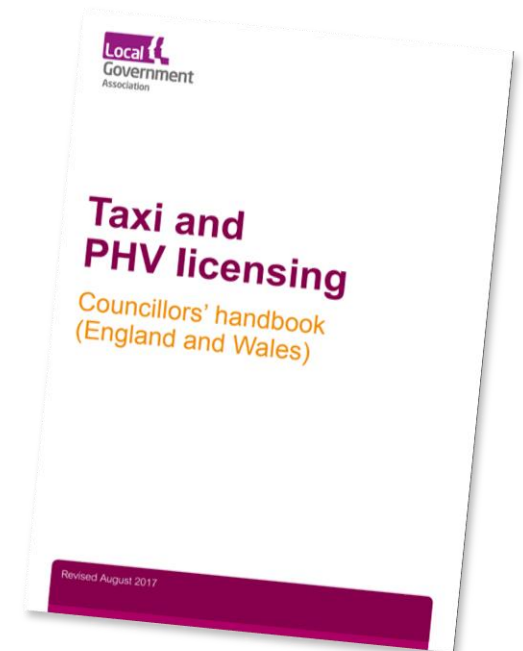


Legislation

Local Government Misc. Provisions Act 1976

In providing the licensing function, the council, under the provisions of the 1976 Act, **is entitled to levy fees to recover the reasonable cost associated with:**

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- the provision of hackney carriage stands any administrative or other **costs in connection with the control and supervision of hackney carriage and private hire vehicles.**
- With the **exception of drivers' licences**, the council is **required to consult upon the fees it intends to levy through a public notice procedure.** In determining the fees to be charged, it would be **reasonable to do so with a view to achieving full cost recovery.**



Source: LGA Taxi and PHV Licensing Councillors Handbook

Legislation

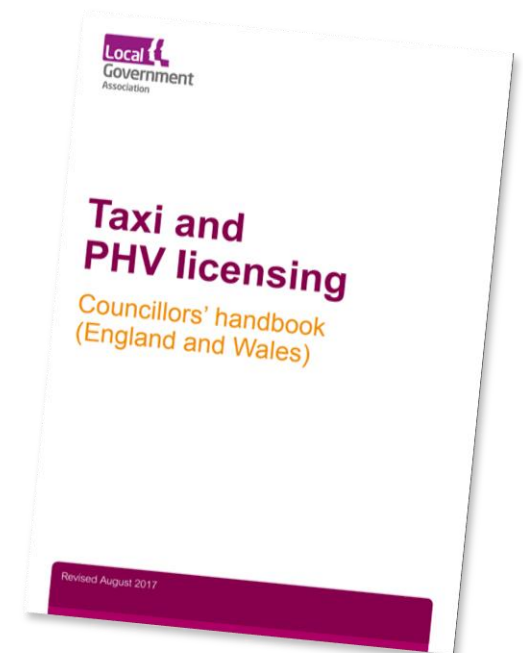
Local Government Misc. Provisions Act 1976

Licensing income from these schemes must therefore be 'ring-fenced' in that licensing fees and charges cannot be spent on other areas of council activity – even other areas of licensing business.

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As a councillor you should ensure that your **authority's budgets can stand up to scrutiny by the District Auditor and under the Freedom of Information Act**, which has been increasingly used in recent years by licensees and trade associations.

There are no statutory timescales or performance measures for taxi/PHV licensing, unlike some other licensing regimes. However many councils use internal targets to measure the service being provided to applicants and licensees. **A periodic review of the licensing service's processes and procedures can help to improve this.**



Source: LGA Taxi and PHV Licensing Councillors Handbook

Rochford District Council figures

Licensed Drivers

- 192 Hackney Carriage (Taxi)
- 136 Private Hire Drivers

Differences between taxis and PHVs

One of the key differences between the vehicles is that a PHV, unlike a taxi, cannot ply for hire, which means that all journeys must be pre-booked in advance through a licensed operator. It is an offence for PHVs to pick up passengers from any location unless pre-booked. Local councils can, if they wish, also regulate the fares charged by taxis, whereas there is no power to do so with PHVs.

	Taxi	Private Hire
Ply for hire	✓	x
Pre booked	✓	✓
Operating from a rank	✓	x
Fare meter required	✓	x
Fare tariff set by council	✓	x
Number of vehicles may be restricted by councils	✓	x
Taxis require two types of licence:		Hackney carriage proprietors (vehicle) licence Hackney carriage drivers licence
The provision of a private hire service requires three types of licence:		Private hire operators licence Private vehicle licence Private hire drivers licence

Licensed Vehicles

- 165 Hackney Carriage Vehicles
- 118 Private Hire Vehicles

Private Hire Operators

- 54 Private Hire Operators Licences

Data on 1st November 2023

Cost of Running the Licensing Department

COST OF RUNNING THE DEPARTMENT

• Direct Staffing Costs	£103 833
• Transport	£300
• Supplies & Service	£8 788
• Support Services	£101 385
TOTAL	£214 306

BREAKDOWN OF RECHARGES

• Assistant Directors	£36, 960.50
• Financial Services	£12, 565.41
• Computer Services	£10, 915.41
• Customer Services	£7, 582.40
• Legal Services	£5, 518.89
• Information	£4, 809.19
• Office Accommodation	£4, 727.19
• Communications	£3, 400.81
• Digital Services	£3, 022.18
• Human Resources	£3, 192.72
• Estates Management	£2, 148.72
• Insurance	£2, 078.22
• Emergency Planning	£1, 219.06
• Health & Safety	£1, 622.62
• Admin Buildings	£1, 622.00

Cost of Running the Licensing Department

COST OF RUNNING THE DEPARTMENT

• Direct Staffing Costs	£103 833
• Transport	£300
• Supplies & Service	£8 788
• Support Services	£53 003
TOTAL	£165 924

Remove the red recharges, these will be covered by other licensing areas.

BREAKDOWN OF RECHARGES

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• Human Resources	£3, 192.72
• Estates Management	£2, 148.72
• Insurance	£2, 078.22
• Emergency Planning	£1, 219.06
• Health & Safety	£1, 622.62
• Admin Buildings	£1, 622.00
10.14 • TOTAL	£53 003.23

Cost of Running the Licensing Department

ALL LICENSING		CALCULATED TAXI EXPENDITURE (70%)	
• Direct Staffing Costs	£103 833	• Direct Staffing Costs	£72 683
• Transport	£300	• Transport	£210
• Supplies & Service	£8 788	• Supplies & Service	£6 152
• Support Services	£53 003	• Support Services	£53 003
TOTAL	£165 924	TOTAL	£132 048

Why we need to breakdown the costs

In R (on the application of Abdul Rehman, on behalf of the Wakefield District Hackney Carriage and Private Hire Association) v The Council of the City of Wakefield and The Local Government Association (Intervening) [2019] EWCA Civ 2166

The key section is as follows [24]:

“We agree with HHJ Saffman that **the cost of monitoring and enforcing driver conduct cannot be taken into account in fixing the vehicle licence fee** under section 70.

We consider that the wording of section 70 in the context of the structure of the 1976 Act leads clearly to that conclusion, irrespective of the proper interpretation of section 53. We also consider, however, **that such cost can be included in the driver’s licence fee under section 53..**

Current Expenditure

• PH Drivers	£22 637	• PH Drivers	17 %
• PH Vehicles	£37 728	• PH Vehicles	29 %
• PH Operators Licence	£5 659	• PH Operators Licence	4 %
• HC Drivers	£24 523	• HC Drivers	19 %
• HC Vehicles	£41 501	• HC Vehicles	31 %
Total	£132 048	Vehicles – 60% Drivers - 36% Operators – 4%	

Current fees for 2023 - 2024

• PH Drivers	£5 400	• PH Drivers	5.91 %
• PH Vehicles	£26 550	• PH Vehicles	29.04 %
• PH Operators Licence	£4 320	• Ph Operators Licence	4.72 %
• HC Drivers	£8 960	• HC Drivers	9.80 %
• HC Vehicles	£46 200	• HC Vehicles	50.53 %
Total	£91 430	Vehicle fees -79% of income (19% over target) Drivers fee - 16% of income (20% under target) Operators – 5% of income (on target)	

Proposed Income for 2024 – 2027*

• PH Drivers	£15 750	• PH Drivers	12.77%
• PH Vehicles	£33 040	• PH Vehicles	26.79%
• PH Operators Licence	£5 933	• Ph Operators Licence	4.81%
• HC Drivers	£22 400	• HC Drivers	18.16%
• HC Vehicles	£46 200	• HC Vehicles	37.46%
Total	£123, 323	Vehicle fees -64% of income (4% over target) Drivers fee - 31% of income (5% short of target) Operators – 5% of income (on target)	

* Based on the 3 year average income – using existing drivers and vehicle figures

Difference in the fees

(based on current number of drivers)

Vehicles	Current	Proposed	% Increase
Hackney Carriage (HC) – Grant or renewal	£ 280.00	£ 280.00	0.00%
Hackney Carriage – Wheelchair accessible – Grant or renewal	£ 230.00	£ 280.00	21.74%
Private Hire Vehicle (PHV) – Grant or renewal	£ 225.00	£ 280.00	24.44%
Private Hire Vehicle – Wheelchair accessible – Grant or renewal	£ 175.00	£ 280.00	60.00%
Vehicle Replacement (Grant)	£ 50.00	£ 60.00	20.00%
Vehicle Compliance test (Interim Inspection)	£ 30.00	£ 30.00	0.00%

Drivers 1 Year	Current	Proposed 1yr	
HC & PHV(combined licence)- Grant	£ 70.00	£ 183.33	161.90%
HC & PHV(combined licence)-Renewal	£ 70.00	£ 166.67	138.10%
PHV (only) – Grant	£ 60.00	£ 183.33	205.56%
PHV (only) - Renewal	£ 60.00	£ 166.67	177.78%

Drivers 3 Year	Current	Proposed 3yr	
HC & PHV(combined licence)- Grant	£ 140.00	£ 400.00	185.71%
HC & PHV(combined licence)-Renewal	£ 140.00	£ 350.00	150.00%
PHV (only) – Grant	£ 120.00	£ 400.00	233.33%
PHV (only) - Renewal	£ 120.00	£ 350.00	191.67%

Operators 1 Year	Current	Proposed 1yr	
Operators with one vehicle	£ 80.00	£ 106.00	32.50%
Operators with two to five vehicles	£ 120.00	£ 122.00	1.67%
Operators with six to ten vehicles	£ 200.00	£ 190.00	-5.00%
Operators with eleven to twenty vehicles	£ 200.00	£ 250.00	25.00%
Operators with twenty one or more vehicles	£ 200.00	£ 250.00	25.00%

Operators 5 Year	Current	Proposed 5yr	
Operators with one vehicle	£ 400.00	£ 280.00	-30.00%
Operators with two to five vehicles	£ 600.00	£ 360.00	-40.00%
Operators with six to ten vehicles	£ 1,000.00	£ 700.00	-30.00%
Operators with eleven to twenty vehicles	£ 1,000.00	£ 1,000.00	0.00%
Operators with twenty one or more vehicles	£ 1,000.00	£ 1,000.00	0.00%

Taxi Other			
Checking and sealing taximeters	£ 20.00	£ 20.00	0.00%
Replacement drivers badge	£ 20.00	£ 20.00	0.00%
Replacement Plate (including accessories)	£ 25.00	£ 25.00	0.00%
Door stickers (each)	£ 7.00	£ 10.00	42.86%
Additional Knowledge test	£ 20.00	£ 25.00	25.00%
DBS	£ 65.00	£ 65.00	0.00%

Summary

Type of Licence	Current Expenditure	Current Fee Structure	Proposed Fee Structure
PH Driver	22 637	5 400	15 750
PH Vehicle	37 728	26 550	33 040
PH Operator	5 659	4 320	5 933
HC Driver	24 523	8 960	22 400
HC Vehicle	41 501	46 200	46 200
TOTAL	132 048	91 430	123 323

We note that we are charging more for the Hackney Carriage vehicle licence than our expenditure.

To counter act this, the overpayment will cover the use of the Taxi Marshals for the month of December each year.

If we continue with the existing fee, the department will be losing £40 618 per year

Thames Corridor Comparison

		Thurrock	Brentwood	Castle Point	Southend	Basildon	Rochford
Driver licences							
Type of licence	Duration	Fee	Fee	Fee	Fee	Fee	Fee
HC and PHV combined licence, new – excludes DBS	1 year	185	160	260		225	£ 183.33
HC and PHV combined licence, new – excludes DBS	3 years	420	404	375	351	297	£ 400.00
HC and PHV combined licence, renewal – excludes DBS	1 year	145	143	178		113	£ 166.67
HC and PHV combined licence, renewal – excludes DBS	3 years	380	354	178	303	195	£ 350.00
HC only, new – excludes DBS	1 year	150	160	260		225	£ 150.00
HC only, new – excludes DBS	3 years	315	404	375	351	297	£ 400.00
HC only, renewal – excludes DBS	1 year	110	143	178		113	£ 150.00
HC only, renewal – excludes DBS	3 years	275	354	178	303	195	£ 350.00
PHV only, new – excludes DBS	1 year	130	160	180		225	£ 183.33
PHV only, new – excludes DBS	3 years	245	404	280	351	297	£ 400.00
PHV only, renewal – excludes DBS	1 year	90	160	140		113	£ 166.67
PHV only, renewal – excludes DBS	3 years	205	354	140	303	195	£ 350.00

		Thurrock	Brentwood	Castle Point	Southend	Basildon	Rochford
Vehicle licences							
Type of licence	Duration	Fee	Fee	Fee	Fee	Fee	Fee
HC – new or renewal	1 year	260	296	450	348	390	£ 280.00
HC, wheelchair accessible – new or renewal	1 year	210	296	450	348	390	£ 280.00
PHV – new or renewal	1 year	325	274	265	310	340	£ 280.00
PHV, wheelchair accessible – new or renewal	1 year	275	274	265	310	340	£ 280.00
Vehicle compliance test	Not applicable	47	0				£ 30.00
Vehicle replacement	Not applicable	42	80	125	58.5	100	£ 60.00
Change of ownership	Not applicable	0	0		62		£ 20.00

Private hire operator licences

Type of licence	Duration	Fee	Fee	Fee	Fee	Fee	Fee
Operators with 1 vehicle	1 year	£ 80.00	105	100	117	110	£ 106.00
Operators with 1 vehicle	Every 5 years	£ 385.00	374	500	1277	300	£ 280.00
Operators with 2 to 5 vehicles	1 year	£ 265.00	305	1000	117	180	£ 122.00
Operators with 2 to 5 vehicles	Every 5 years	£ 1,325.00	1248	5000	1277	750	£ 360.00
Operators with 6 to 10 vehicles	1 year	£ 550.00	405	1000		180	£ 190.00
Operators with 6 to 10 vehicles	Every 5 years	£ 2,740.00	1547	5000	1277	750	£ 700.00
Operators with 11 to 20 vehicles	1 year	£ 845.00	405	1000		300	£ 250.00
Operators with 11 to 20 vehicles	Every 5 years	£ 4,060.00	1547	5000	1277	1250	£ 1,000.00
Operators with 21 or more vehicles	1 year	£ 1,010.00	405	1000		300	£ 250.00
Operators with 21 or more vehicles	Every 5 years	£ 5,050.00	1547	5000	1277	1250	£ 1,000.00

QUESTIONS

TAXI FEE DISCUSSION

PROPOSED START DATE 01/04/2024

PROPOSED REVIEW DATE: 31/03/2027

