

ITEM 4

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Report of: Transport & Parking Business Manager

To: General Purposes Licensing Committee

Date: 13th September 2007 **Item No:** 4

Title of Report : Applications for an Increase in The Fees Charged for Private Hire Operators Hackney Carriage and Private Hire Vehicle and Driving Licences.

Summary and Recommendations

Purpose of report: To seek approval for an increase in the fees charged for Private Hire operators, Hackney Carriage and Private Hire vehicles and driving licences.

Key decision: No

Portfolio Holder: N/A

Scrutiny Responsibility:

Ward(s) affected: All

Report Approved by:

Graham Smith. Transport and Parking Business Manager
Daniel Smith Legal & Democratic Services
Chris Kaye Financial Management

Policy Framework: None

Recommendation(s):

The Committee is RECOMMENDED to:-

approve the increase in the licence fees to commence on 1st November 2007

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Background

1. The Taxi Licensing Office is self-funding through the fees paid by the licence holders. This includes the cost of all staff and accommodation, enforcement, prosecution, and internal support charges. Legislation provides that a district council may recover the costs of issue and administration of a licence.
2. Committee agreed the last increase in licence fees in October 2005, the previous increase having been agreed in 1996.
3. Currently, the Taxi Licensing Office has a staff of one part time and three full time officers.
4. The numbers of licences issued when the calculations were made were 10 operators' licences, 107 hackney carriages, 353 private hire vehicles, 315 hackney carriage driving licences and 414 private hire driving licences.
5. There is a large turnover of drivers with approximately 100 new applicants processed in a year (not all of whom will be licensed) with almost 300 checks made with the Criminal Records Bureau, all charged for outside the licence fees.

Financial implications

6. The table below sets out the actual budget for 2006 2007 and estimated budget for 2008 - 2009.

	2006 – 07 (actual) £	2008 – 09 (estimated) £
Employees	117,060	124,507
Transport	16,713	17,731
Supplies & services	17,245	18,207
Internal support services	52,287	55,471
TOTAL EXPENDITURE	203,305	215,916

7. Expenditure is fully funded from fees paid to the licensing office with no income from the Council and thus is completely dependant upon the numbers of licences issued. Included in the expenditure are internal central support costs. These are reviewed annually and any changes may impact on the Taxi Licensing service.
8. The total income for the year 2006 – 2007 was £185,851 which with an expenditure of £203,305 resulted an overspend of £17,453
9. The taxi licensing account contains a small reserve fund that includes £10,000 to cover the cost of work currently being carried out on behalf of the Licensing Office by the County Council. The total annual income for 2007 – 2008 is estimated as £198,555, the expenditure will be £200,273. If the increased fee is approved, there will still be an overspend of £1,718. After funding the above costs, at the end of the financial year 2007 – 2008, a reserve of £16,605 will remain available for the year 2008 – 2009. It must be taken into account that the accuracy of the budget predictions is, as stated above, dependant upon the numbers of licences being maintained..

Proposed Licence Fees

10. Detailed below are the proposed operator fees and driver and vehicle licence fees. It is intended that the new fees be effective from November 2007 and then reviewed (but not necessarily increased) on an annual basis in line with the Council's budget setting process.

Operator fee

11. The current fee for an Operator is **£700**. The number of vehicles working through each operator varies greatly from 180 vehicles with one operator, to two with another. In order to go some way towards reflecting in the fee the proportion of work, it is proposed that a smaller fee be charged to operators with three vehicles or less. The proposed fee from November 2007 is £980 and £490 for three vehicles or less.

Driver and Vehicle Licences

12. Record has been made of the percentage of time spent in dealing with each category of licence holder and these percentages have been used to apportion the running costs of the service between these licences. There are additional costs associated with hackney licences, legislation, the provision of ranks, setting of tariffs.

13. The current Licence fees are

Hackney Carriage	£309
Private Hire Vehicle	£227
Hackney Carriage Driver	£99
Private Hire Driver	£84

14. The proposed fees are

Hackney Carriage	£351
Private Hire Vehicle	£262
Hackney Carriage Driver	£115
Private Hire Driver	£101

15. The proposed fees represent an annual increase of approximately 8% on existing fees, this is only the second increase in fees since 1996 and unlike the previous increase, the costs of the Taxis Licensing Office will be totally funded from licence fees, the previous increase having partly been funded from reserves.

Procedure+

16. If the committee are minded to increase the fees then the procedure to be followed is set out in **Appendix...1.....**

Letter of objection

17. An E mail has been received from the City of Oxford Licensed Taxicab Association. (**Appendix 2**)
18. As agreed, an additional staff member has been employed for three days to carry out enforcement. Within the constraints of the law and local policies, enforcement has been carried out with a great deal of success, a number of offences having been reported with two court cases pending. The Operator of the rickshaws has been made aware of the legal position and any breaches of legislation will be dealt with. The post holder is currently employed on a temporary contract, which since the post is funded from licence fees it is hoped will be made permanent.
19. It is regarded as essential that the Taxi Licensing Office ensures that licensed vehicles are currently insured and that only original documents are inspected. The frequency of production is largely dictated by the fact that a number of proprietors have only short-term insurance.
20. Agreement has been reached with the County Council and Orders are being prepared to enable vehicles other than hackney carriages waiting on ranks to be dealt with by way of fixed penalty

Appendices

Appendix 1 Procedure

Appendix 2 Letter from COLTA

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Appendix 1

Procedure for Variation of License Fees

1)

a) If a district council determine that a variation in fees is required they shall publish in at least one local newspaper circulating in the district a notice setting out the variations proposed. Drawing attention to the provisions of paragraph (b) of this subsection and specifying the period, which shall not be less than twenty-eight days from the date of the first publication of the notice, within which and the manner of objections to the increase can be made.

b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of twenty-eight days from the date of the first publication thereof be deposited at the offices of the council which published the notice and shall at all reasonable hours be open to public inspection without payment.

2) If no objection to a variation is duly made within the period specified in the notice referred to in section (1), or if all objections so made are withdrawn, the variation shall come into operation on the date agreed by the district council.

3) If objection is duly made as aforesaid and is not withdrawn, the district council can set a further date on which the variation shall come into force with or without modification as decided by the district council after consideration of the objection.

4) A district council may remit the whole or part of any fee chargeable in pursuance of this section for the grant of a licence under Section 48 or 55 of this Act in any case, in which they think it appropriate to do so.

Appendix 2

I am sure that you are aware of the trades feelings with regard to another increase in license fees.

During discussions leading up to the 2005 License Fee increase a particular level of enforcement activity was included in the equation, I am of the opinion that such activity has yet to meet with an acceptable level to have warranted those substantial increases, yet we now face additional fees without having met the goals promised at that round of discussion.

It has to be said that previous promises made to the trade by taxi licensing since the 1980's with regard to charges for additional enforcement have seldom, if ever been met, I fear this may again have been the case.

The perception following the 2005 increases was that two, possibly three days per week was to be set aside for an additional enforcement officer to primarily undertake enforcement duties, I remain to be convinced that these targets have been met over the past two years.

In addition to other incurred costs upon the licensing budget, I have previously voiced my concerns that council employees at reception to Ramsay House are unnecessarily being paid from license fees to inspect & stamp insurance documents from up to 500 licensed vehicles up to four times each per year, those members of staff all too often fail to forward proof of such documentation to yourselves, however, my recent option of emailing and or faxing such documents directly from the authorised insurance representatives to your office has been refused, such initiative would not only reduce the cost incurred through your budget, it could substantially reduce the 2000 or so vehicular visits to St Ebbes Street each and every year?

Legislation requires that my members return to a cab rank upon completing a hiring, increasingly, they watch as private cars are allowed to park on cab ranks, private hire vehicles are permitted to sit next to or near bus stops etc & now rickshaws are permitted to sit outside shopping centres, Hotels & Colleges openly plying for hire & or touting, far from what may be perceived by some as a sign of unmet demand for hackney carriage services, they are proof that effective enforcement is not being carried out & that hackney carriage regulations place operators at a distinct disadvantage over those prepared to openly ignore legislation, the situation is highlighted by the recent situation where an unlicensed & illegally plated vehicle has been allowed to drive around Oxford for five weeks without any fear of enforcement action.

My committee is of the opinion that value for money from the 2005 increases must be realised before further increases are applied.

It has also been stated that prior to any hackney carriage fare review being implemented, supportive evidence has to be provided to the city council, my committee are of the opinion that trade representatives should have the right to inspect similar documentation in the event of license fee increases from the city council.

My committee look forward to your comments.

Regards
Alan Woodward
General Secretary
COLTA

Licence fees 2007
Date 24 August 2007

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