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<b>SUBJECT:</b>	<b>Implications of the Deregulation Act 2015 in relation to the Taxi and Private Hire trade</b>
<b>REPORT OF:</b>	Acting Chief Executive – Bob Smith
<b>RESPONSIBLE OFFICER</b>	Head of Healthy Communities – Martin Holt
<b>REPORT AUTHOR</b>	Nathan March, 01494 732249, nmarch@chiltern.gov.uk
<b>WARD/S AFFECTED</b>	All

### **1. Purpose of Report**

- 1.1 To advise Members of changes to legislation that will affect the licensing and regulation of the Hackney Carriage and Private Hire trade.
- 1.2 In particular, to advise Members of changes to legislation that will affect the standard duration of Hackney Carriage and Private Hire Drivers Licences and Private Hire Operators Licences so that required actions can be agreed and changes to Private Hire Vehicle sub-contracting can be noted.
- 1.3 To provide Members with proposed fees for the licensing of Private Hire Operators so that these can be considered and the proposed fees can be agreed ahead of the required consultation.

### **2. RECOMMENDATIONS**

- 2.1 To approve the proposed changes to the fees for Private Hire Operator Licences as set out in paragraph 4.9 of this report and to authorise the Head of Healthy Communities to advertise the proposed fees for 28 days.
- 2.2 If no objections are received, the increases to the fees set out in paragraph 4.9 of this report to become effective on 1<sup>st</sup> October 2015 allowing time for the consultation to take place as required.
- 2.3 That the setting of the fees be delegated to the Head of Healthy Communities in consultation with the Chair of the Licensing & Regulatory Committee if objections are received during the consultation, such fees to come into effect on 5<sup>th</sup> October 2015 with or without variation having had regard to objections received.
- 2.4 To cease the issue of standard annual Hackney Carriage and Private Hire Drivers licences and Private Hire Operators Licences with effect from 1<sup>st</sup> October 2015 unless exceptional circumstances apply on a case by case basis.
- 2.5 To note the changes to sub-contracting by Private Hire Operators.

### **3. Reasons for Recommendations**

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- 3.1 The Deregulation Act 2015 (in amending the Local Government (Miscellaneous Provisions) Act 1976) requires that operator's licences should last for a standard duration of 5 years instead of the current standard annual licence so this option should be withdrawn for future applications. Also, a new fee is required to be approved subject to consultation.
- 3.2 These amendments come into effect on 1 October 2015 and in order for the approved fees to take effect as soon as possible following the consultation and consideration of any objections it is recommended that if objections are received the setting of the fees be delegated to the Head of Healthy Communities in consultation with the Chair.
- 3.3 The Deregulation Act 2015 requires that driver's licences last for a standard duration of 3 years. The Council currently has an option for 1 or 3 year licences, but the legislation will no longer allow a standard 1 year licence so this option should be withdrawn for future applications.

#### **4. Content of Report**

- 4.1 The Deregulation Act 2015 ("The Act") received Royal Assent on 26 March 2015 with the aim of reducing burden resulting from legislation for businesses or other organisations or for individuals.
- 4.2 The Act brings in several changes that affect the Licensing and regulation of the Hackney Carriage and Private Hire trade 2 of these require action to be taken by the Council to ensure that the requirements of the legislation are met.

##### **Sub-contracting by operators**

- 4.3 Currently, operators are not permitted to subcontract (i.e. pass their bookings on to another operator) to operators based outside of the district within which they are licensed. As of 1<sup>st</sup> October 2015, operators will be legally able to subcontract to any other operator, provided the sub contracted operator is licensed by the relevant authority.

##### **Drivers Licence Duration**

- 4.4 The Act requires that all drivers Licences are issued with a duration of 3 years. The Council currently provide 1 and 3 year options for applicants.
- 4.5 Due to the changes brought about by The Act, 1 year licences will cease to be offered as of 1<sup>st</sup> October 2015 and applicants will only be offered the option of a standard 3 year licence at the current fee that was set earlier this year.
- 4.6 The Act allows for the Council to offer licences 'for such lesser period, specified in the licence, as the district council think appropriate in the circumstances of the case' but stipulates that there must be no 'blanket policy'. If a licence for a lesser period is granted the fee would be pro rata.

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**Duration of Private Hire Operators Licences**

- 4.7 The Act requires that all operators' licences are issued with a standard duration of 5 years unless a lesser period is considered appropriate by the Council as referred to in paragraph 4.6 above. The Council currently only provides annual licences for operators and therefore a new fee structure needs to be agreed so that 5 year licences can be made available in place of the current annual licences.
- 4.8 When the fees were set earlier this year the cost of licences was estimated and the fees were then set at a level which brought the Council closer to recovering its costs for Hackney Carriage and Private Hire licensing generally, whilst avoiding the potential for surpluses to be made. However it was recognised that to fully recover costs would negatively impact on the trade.
- 4.9 The fees cover the cost of admin required to process the licence and also the costs involved with monitoring compliance with the conditions once a licence has been issued. It is estimated that the cost of processing these licences is on average £28 per application (40 minutes processing time); moving to 5 year licences will mean this is only required once, and a saving of 4 years processing will be achieved which is £112 per licence. The size of the operator does not affect this saving as the processing time is no different. The saving has been accounted for in the price of each of the proposed fees, with an additional reduction of £3 to ensure the fees are practical, as shown in the table below. If a licence was granted for a lesser period then the fee would be pro rata.

<b>Size of Operator</b>	<b>Current Annual Fee</b>	<b>5 x Current Fee</b>	<b>Reduced Admin</b>	<b>Proposed Fee</b>
1 Vehicle	£155	£775	-£115	£660
2-4 Vehicles	£205	£1025	-£115	£910
5-10 Vehicles	£255	£1275	-£115	£1160
11+Vehicles	£305	£1525	-£115	£1410

- 4.10 As is the case with drivers licences a licence may be granted for a period of less than five years but only in the circumstances of an individual case, not because of a blanket policy.
- 4.11 As the 5 year fees will have to be new fees that are introduced, the Council will have to go through the statutory process of consultation prior to setting these fees. The fees will be advertised in the local press for a period of 28 days and will come into effect the day after this consultation if no objections are received or at a later date if objections are received, as these objections would have to be considered prior to the fees finally being set. The proposed fees will also be on the Council's website and current Licence Holders will also be informed of these legislative changes.
- 4.12 It is proposed that the consultation be arranged so that the fees can be introduced as close to 1<sup>st</sup> October as possible, although a delay will be unavoidable if objections are received due to the required process for fee setting.

## **5. Options**

1. Proposed fees could be agreed for consultation.
2. Members could consider changes to the proposed fees prior to the consultation

## **6. Corporate Implications**

### 6.1 Financial

The cost of the consultation including advertising costs will involve staff time and resources which will be met by existing budgets.

The 5 year fee for each operator's licence will mean a small reduction of income of around £1065 per year due to the reduced administration required being reflected in the new fees.

The 3 year drivers licences do provide a slight saving to applicants and therefore the move away from offering the standard 1 year option will slightly reduce the level of income that the council receives.

### 6.2 Legal

Due to the Deregulation Act 2015 it is a requirement that the standard duration of licences is as described in this report, therefore the Council must only grant these licences on this basis unless it is appropriate to grant a licence for a lesser period depending on the circumstances of that individual case

The fees are currently lower than the estimated cost of recovery and therefore the risk of challenge in relation to setting the operators fees at the proposed levels is considered to be low.

## **7. Links to Council Policy Objectives**

There is a link between an effective licensing regime for Hackney Carriage and Private Hire Vehicles and Operator and the Council's policy objective for safe communities.

## **8. Next Step**

As of 1<sup>st</sup> October there will no longer be standard 1 year licences available to Drivers or Private Hire Operators.

The proposed fees for operators will be advertised for 28 days. If no objections are received the fees will come into effect on 1<sup>st</sup> October 2015. If objections are received and Members agree to the delegation, these will be considered by the Head of Healthy Communities in consultation with the Chair of the Licensing & Regulatory Committee and fees will come into effect on 5<sup>th</sup> October 2015 with or without variation.

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If the delegation is approved the Head of Healthy Communities in consultation with the Chairman of the Licensing Committee will make the necessary changes to the Hackney Carriage and Private Hire Licensing Policy to reflect these legislative changes.

<b>Background</b>	The Deregulation Act 2015
<b>Papers:</b>	Licensing and Regulation report re Hackney Carriage and Private Hire Fees – 23 <sup>rd</sup> October 2014