

AGENDA ITEM 9

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

29th OCTOBER 2014

REPORT OF HEAD OF REGULATORY SERVICES

HACKNEY CARRIAGE AND PRIVATE HIRE DRIVER LICENCES

1.0 PURPOSE OF REPORT

- 1.1 To report to Committee the relative merits of the proposal to change Hackney Carriage and Private Hire Drivers' licences from one year to three years.

2.0 RECOMMENDATIONS

- 2.1 **It is recommended that a decision regarding three years licensing regime for Hackney Carriage and Private Hire Drivers be postponed until either the Deregulation Bill or wholesale reforms of the Taxi legislation are made law.**
- 2.2 **It is further recommended that the Committee instructs that options for the reduction in the cost of the service commensurate with the loss of income associated with the 3 year licence (see Appendix 1) proposals are devised and the issue is considered further in the light of these.**

3.0 BACKGROUND

- 3.1 Consideration to change Drivers' Licences from one year licences to three year licences and Private Hire Operators from two years to five years has been brought about following a response to the recent consultation in respect of a new Hackney Carriage and Private Hire Policy.
- 3.2 Melton Borough Council issues Hackney Carriage and Private Hire Drivers' licences for one year then renewed annually thereafter. This has been seen as good practice to ensure that Drivers still meet the 'fit and proper' requirements of holding a licence. The drivers are required to complete an application form and to sign to say they have no further Criminal Convictions or pending investigations. Should it come to light at any time that a driver had undeclared matters action would be taken against that person, either in the form of disciplinary action or referral to Licensing Sub Committee.
- 3.3 The Government has introduced a Deregulation Bill as part of its drive to reduce the overall administrative burden of regulation on business and individuals and cut 'red tape'. One of the measures in that bill is to make the standard duration of all Hackney Carriage and Private Hire Drivers' licences three years and Operator licences five years. Shorter duration licence will only be issued on a case by case basis. This Bill is currently at Committee Stage in the House of Lords, as there are contentious matters and a General Election in May 2015 it is not known how long it will be before this Bill receives Royal assent.
- 3.4 Three year licensing could result in a period of up to three years when a Driver could continue working without Melton Borough Council being aware of any offences committed, if they fail to inform the Council.
- 3.5 This would have been mitigated somewhat by the Notifiable Occupations scheme. This scheme was to ensure that Police would notify the relevant Licensing Authority of any convictions or other information that would indicate that the person poses a risk to public safety, therefore giving Licensing Authorities another source of this information other than a declaration by the driver themselves or the Disclosure and Barring service report which is requested every three years. However, the Notifiable Occupations scheme has recently

changed and there now needs to be an '**urgent pressing social need**' to inform Licensing Authorities of offences. There are, therefore, many relevant offences that we would not be informed about.

- 3.6 The Department for Transport Best Practice Guidance states that it is not necessarily good practice to licence drivers every year, thus imposing an unnecessary burden to drivers and licensing authorities. However, they note this may not be preferred by all drivers, especially where the fee is greater. Drivers may not be able to easily pay for a three year licence or may have plans only to work as a Taxi driver for a shorter period than three years.
- 3.7 In the light of these points, especially where the three year fee would be greater than a one year fee, the Department for Transport advises that it would be good practice to offer a choice to drivers.
- 3.8 The charging regime for Taxi Licensing does not include any enforcement costs at present and therefore it would be difficult to justify a very much greater fee for three years than for one year. The legislation requires full justification of fees based on cost recovery only. This would have financial and other resource implications.
- 3.9 If Hackney Carriage and Private Hire Drivers' licences were renewed three yearly at the same costs with a regular yearly increase there would be very little change in overall income over three years. The savings would be in administration costs for Melton Borough Council and less 'red tape' for the taxi trade (See Appendix 1).

4.0 **POLICY & CORPORATE IMPLICATIONS**

- 4.1 Amendments would need to be made to the Hackney Carriage and Private Hire Policy.

5.0 **FINANCIAL & OTHER RESOURCE IMPLICATIONS**

- 5.1 Financial implications are set out in Appendix 1. The change to 3 year licences is likely to result in significant reductions in income received by the Council but may also result in cost savings in terms of staff time.

6.0 **LEGAL IMPLICATIONS/POWERS**

- 6.1 The Local Government (Miscellaneous Provisions) Act 1976 section 53 (1) (a) allows for the licensing of Drivers for a period of three years or less

7.0 **COMMUNITY SAFETY**

- 7.1 There are no direct links to community safety arising from this report.

8.0 **EQUALITIES**

- 8.1 There may be an impact on those Drivers who have medical conditions or who are over 65. These Drivers require medicals every year, this is currently done at renewal. If a Driver had a three year licence and failed his medical for any reason the Council would have to take action to revoke the licence rather than fail to renew it. If a decision was made to licence those drivers over 65 or with a medical annually they would be subject to the fee every year rather than every three years. These Drivers may consider this an unfair additional cost due to age or medical fitness.

9.0 **RISKS**

- 9.1 The risk to the Council would be in a challenge to the licence fee.

Very High A				
High B		1		
Significant C				
Low D				
Very Low E				
Almost Impossible F				
	IV Negligible	III Marginal	II Critical	I Catastrophic

Risk No.	Description
1.	Legal challenge to fees

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 This matter has arisen in respect of previous consultation. If three year licensing for Drivers is approved it is proposed that there would be a short consultation period.

12.0 WARDS AFFECTED

12.1 All wards are affected.

Contact Officer: Elaine Holdsworth

Date: 13 October 2014

Appendices: Appendix 1 – 3 year fee income forecast

Background Papers: Report to Committee 'Taxi Licencing Enforcement Policy' 5th March 2014

Reference: X:/Cttee, Council & Sub Cttees/REEA