

To: GENERAL PURPOSES COMMITTEE		Subject: RATIONALISATION OF TAXI AND PRIVATE HIRE VEHICLE LICENSING SYSTEMS - TAXI AND PRIVATE HIRE LICENCE FEES AND DURATIONS
From: HEAD OF LEGAL SERVICES		
Date: 29 July 1996	Ref: WBK/MRP	

## 1. INTRODUCTION

In terms of the Civic Government (Scotland) Act, a licensing authority must charge such fees in respect of taxi, private hire vehicle and drivers licences as to ensure that the total amount of such fees is sufficient to meet the expenses incurred in respect of discharging the licensing function. Also in terms of the Act, the maximum duration of any licence is three years, although an authority can grant for such lesser period as they see fit.

## 2. Report

2.1 Present fees from the merging authorities are as per Appendix A, Table 1. Please note that as licence durations are different from the merging authorities, these fees are based on a three year licence. Table 2 of Appendix A outlines the durations of licenses granted by the merging authorities. As can be seen, the durations range from one to three years. The advantage of the shorter licences is that renewals come up more frequently when the suitability of the licence holder can be reviewed in light of any convictions incurred during the currency of the licence. Strathkelvin imposed a condition on the licence holder to report to the Council within 28 days any convictions/offences and were therefore able to deal with any convictions when they arose. The legislation does, however, contain provision for suspension of licences and on appropriate circumstances being brought to the Council's attention, usually by the chief constable, the council may consider suspension of a licence for up to the remainder of its operating period. The disadvantage of licences for less than three years is mainly from the point of view of the licence holder, although it should also be considered that licences of only one year's duration would impose a considerable administrative burden on the Council.

2.2 At this stage it is not possible to state the exact cost of the discharge of the Licensing function and therefore the exact level at which the fees should be set. Indeed the Committee will require at a later date to examine the possibility of enforcement provision which would require additional expenditure. In the meantime however it is desirable to rationalise the fees if only on an arithmetic basis. It is suggested that, if only as an interim measure 3 approaches could be taken: -

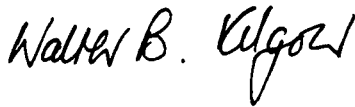
- (i) **Adopt the lowest fees from the merging authorities.**
- (ii) **Adopt the highest fees.**
- (iii) **Adopt a single fee for each type of licence which would maintain the existing level of income.**

Table 3 of Appendix A indicates the relevant fees of options (i), (ii) and (iii) above on the basis of a 3 year licence. It is unlikely that option (i) would come near to meeting the expenses incurred in the discharge of the Licensing function. Since it is only an interim position, it is recommended that the principle of option (iii) be adopted. This option would maintain the cumulative level of income generated from the merged authorities as it takes

into account the volumes of the respective licences from each authority, together with the respective fees. The calculations made are over a three year period and accordingly the Council faces the prospect of a difference in income in each of such three years depending on the volume of renewal business. Any anticipated fluctuations in yearly income could be offset by phasing the future renewal dates if the three year licence option is preferred..

**2.3 Recommendation**

- 1. To adopt the fees as per option (iii) above and as indicated in Table 3, Column C.**
- 2. Insofar as any increase in fees would predominantly effect present Motherwell Licence holders to phase in the increase at perhaps 50% of the increase at next renewal and 50% at the second renewal for those Licence holders only.**
- 3. To fix a duration for the 4 types of Licence. It is suggested that 3 years is the most appropriate duration.**



Head of Legal Services

## Appendix A

### Table 1

#### Current Fees of the Merging Authorities based on a 3 Year Licence

	<i>Motherwell</i> £	<i>Monklands</i> £	<i>CK</i> £	<i>SK</i> £
Taxi	159.00 *	300.00	266.00	250.00
Private Hire Vehicle	159.00 *	225.00	192.00	250.00
Taxi Driver	64.00	120.00	132.00	100.00
Private Hire Driver	64.00	120.00	132.00	100.00

#### **Renewal Fees**

Taxi	84.00	300.00	266.00	250.00
Private Hire Vehicle	84.00	225.00	192.00	250.00
Taxi Driver	54.00	120.00	132.00	100.00
Private Hire Driver	54.00	120.00	132.00	100.00

\* Includes vehicle inspection fee.

**Table 2****Current Duration of Licences from the Merging Authorities**

	<i>Motherwell</i>	<i>Monklands</i>	<i>CK</i>	<i>SK</i>
Taxi	2	3	3	3
Private Hire Vehicle	2	3	3	3
Taxi Drivers	2	1	3	3
Private Hire Drivers	2	1	3	3

**Table 3****Highest and Lowest Fees from the Merging Authorities and Single Fee to Maintain Existing Income Based on a 3 Year Licence**

	<b>A</b>	<b>B</b>	<b>C</b>
	<b>Lowest</b>	<b>Highest</b>	<b>Fee required to maintain existing level of income</b>
	£	£	£
Taxi	159.00	300.00	244.00
Private Hire Vehicle	159.00	250.00	180.00
Taxi Drivers	64.00	132.00	90.00
Private Hire Drivers	64.00	132.00	90.00
<b>Renewal</b>			
Taxi	84.00	300.00	215.00
Private Hire Vehicle	84.00	250.00	180.00
Taxi Drivers	54.00	132.00	90.00
Private Hire Drivers	54.00	132.00	90.00