

**ITEM 6 (h)(ii)(d)****Title: City Region Taxi  
and Private Hire  
Regulation Body****North Tyneside Council  
Report to Cabinet  
Date: 14 May 2012****Portfolio(s): Regulatory Services****Cabinet Member(s): Cllr G Westwater****Report from Directorate: Chief Executive's Office  
(Regeneration, Development and Regulatory Services)****Report Author: Ken Wilson Tel: (0191) 643 6091  
Head of Regeneration, Development  
and Regulatory Services****Colin MacDonald Tel: (0191) 643 6620  
Consumer Protection Group Manager****Wards affected: All****PART 1****1.1 Purpose:**

The purpose of this report is to update Cabinet on investigations that are being undertaken into the viability of establishing a City Region Taxi and Private Hire Regulation Body. This report is submitted to this meeting of Cabinet in accordance with the Implementation Plan in relation to the Council Strategic Plan 2012/15 and Budget 2012/13 agreed by Cabinet on 28 March 2012.

**1.2 Recommendation(s):**

It is recommended that Cabinet:

- (a) Note the steps already taken and the work that is underway in relation to exploring closer working arrangements with neighbouring local authorities in connection with the regulatory framework for hackney carriage and private hire licensing and the Council's approach as outlined in this report; and
- (b) Instruct the Head of Regeneration, Development and Regulatory Services, in consultation with the Cabinet Member for Regulatory Services, the Chair of the Regulation and Review Committee and the Head of Legal, Governance and Commercial Services, to continue investigating the viability of establishing a City Region Taxi and Private Hire Regulation Body.

### **1.3 Forward plan:**

The report is listed on the Forward Plan for the period 1 May 2012 to 31 August 2012.

### **1.4 Council plan and policy framework**

This report relates to an item included in the 2012/15 Council's Strategic Plan and 2012/13 Budget Implementation Plan.

### **1.5 Information:**

#### **Background**

1.5.1 At the Extraordinary meeting of Cabinet held on 28 March 2012, an Implementation Plan was agreed in relation to the 2012/15 Council Strategic Plan and 2012/13 Budget. The Implementation Plan required a report to be submitted to Cabinet in May 2012 regarding investigating the potential establishment of a City Region Taxi and Private Hire Regulation Body and the legal powers required to set up such joint arrangements.

#### 1.5.2 Local Regulation of Taxis and Private Hire

Hackney carriages (more commonly known as taxis) and private hire vehicles play an important part in local transport. Outside of London the industry is regulated locally by virtue of the Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847. The licensing functions of local authorities include:

- The power to license hackney carriages and private hire vehicles;
- The power to license drivers of hackney carriages and private hire vehicles; and
- The power to license operators of private hire vehicles.

The Council carries out these functions by administering the licensing scheme and enforcing the legislative provisions.

To aid decision-making a Policy has been developed which sets out the standards required of applicants and licensees (for example, in relation to medical fitness and criminal record checks) together with standard conditions of licence and information about the Council's taxi licensing processes. The Policy, although non-statutory, has nevertheless been developed as best practice to ensure that the Council meets the principles of better regulation in accordance with Part 2 of the Legislative and Regulatory Reform Act 2006 whereby the Council must ensure that its regulatory activities are carried out in a way which is transparent, accountable, proportionate and consistent. Case law supports the lawfulness of councils adopting non-statutory policies.

#### 1.5.3 Proposals for Regulatory Reform

The legislation that applies to licensing of the hackney carriage and private hire trade is acknowledged to be complex and outdated, with some of the provisions dating back to 1847. In 2011 the Parliamentary Transport Committee undertook an inquiry into taxi licensing and recognised the need to overhaul current legislation. The Law Commission (an independent body with a statutory remit to modernise and simplify the law) has been charged with carrying out a root and branch review of the legislation with a view to providing recommendations and a draft Bill. The review is underway, with the aim of

publishing proposals for reform in May 2012. This will be followed by a three month public consultation period the result of which will lead to the publication of a final report outlining recommendations and draft Bill by late 2013.

#### 1.5.4 Recent Legislative Difficulties with Local Control

In recent years the Council's Licensing Service noted an increase in the use by private hire operators of hackney carriage vehicles and drivers licensed by other local authorities, to undertake private hire bookings. Those vehicles and drivers fall outside of North Tyneside Council's regulatory control.

On 8<sup>th</sup> March 2012 the Council's Regulation and Review Committee instructed officers to:

- (a) Liaise with neighbouring authorities and the police to encourage regular checks of vehicles and drivers working in the area and to explore standardisation of vehicle and driver standards where appropriate;
- (b) Put forward views to the Law Commission expressing dissatisfaction with the situation and urging change in any new legislation;
- (c) Liaise with officers from neighbouring authorities regarding the potential for them to authorise North Tyneside Council officers to undertake enforcement checks on 'out of area' vehicles; and
- (d) Liaise with Northumbria Police to ensure they remain aware of the Council's regulatory limitation in respect of 'out of area' vehicles and drivers and to request that they undertake checks.

Officers are currently addressing the matters arising from the resolution. In particular, dialogue has commenced with neighbouring authorities to explore standardisation of policies and conditions and the viability of cross-border authorisation of licensing officers to improve enforcement. A working group is being established to enable this work to progress. Initial discussions have taken place with Northumbria Police regarding the current limitations upon the Council's enforcement powers in relation to 'out of area' vehicles and drivers. The Council will respond to the Law Commission's consultation regarding proposed changes to the licensing regime.

#### 1.5.5 A City Region Taxi and Private Hire Regulation Body

The proposal to establish a City Region Taxi and Private Hire Regulation Body would require the agreement of neighbouring licensing authorities regarding their participation and the extent of standardisation of policies, procedures and any delegation or joint discharge of licensing functions.

Section 101 of the Local Government Act 1972 enables local authorities to arrange for their functions to be discharged by another local authority, or for two or more local authorities to discharge their functions jointly (usually by appointing a joint committee).

As discussions progress, further legal advice will be sought as to how those provisions can be applied to any proposed arrangement with neighbouring authorities.

#### 1.5.6 Views of the Member Working Group of the Regulation and Review Committee

The Council is committed to keeping its Hackney Carriage and Private Hire Licensing Policy under review. A cross-party member working group has been established by the Regulation and Review Committee to assist officers in preparing a revised draft Policy for

consultation. On 18<sup>th</sup> April 2012 the Group met and considered the matters outlined in this report including the investigation into having a City Region Taxi and Private Hire Regulation Body as proposed by the 2012/15 Council Strategic Plan.

Members noted that the current Policy has been amended by the Regulation and Review Committee on a number of occasions since it was approved in April 2009 to ensure that changes to the Council's regulatory approach are appropriately made. The Group noted that officers had already commenced the process of addressing both the resolution made by the Regulation and Review Committee on 8<sup>th</sup> March 2012, in particular in relation to standardisation and the proposal within the 2012/15 Council Strategic Plan. Members advised officers to continue with this work which together with Law Commission proposals would have a material bearing on how the Council would refresh its current Policy and what its general approach to taxi licensing will be going forward.

## **1.6 Decision options:**

Cabinet has the option to:

### Option 1

- (a) Note the steps already taken and the work that is underway in relation to exploring closer working arrangements with neighbouring local authorities in connection with the regulatory framework for hackney carriage and private hire licensing and the Council's approach as outlined in this report; and
- (b) Instruct the Head of Regeneration, Development and Regulatory Services, in consultation with the Cabinet Member for Regulatory Services, the Chair of the Regulation and Review Committee and the Head of Legal, Governance and Commercial Services, to continue investigating the viability of establishing a City Region Taxi and Private Hire Regulation Body.

### Option 2

- (a) Note the extent of the work that is currently taking place in relation to the regulatory framework for hackney carriage and private hire licensing and the Council's approach as outlined in this report; and
- (b) Not instruct the Head of Regeneration, Development and Regulatory Services to investigate a City Region Taxi and Private Hire Regulation Body.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Cabinet are recommended to agree Option 1 to allow officers to undertake the additional work required in accordance with the proposal in the 2012/15 Council Strategic Plan.

## **1.8 Appendices:**

There are no appendices to this report.

### **1.9 Contact officers:**

Ken Wilson – Head of Regeneration, Development and Regulatory Services  
(Tel: 0191 643 6091)

Colin MacDonald – Consumer Protection Group Manager (Tel: 0191 643 6620)

Joanne Lee – Principal Licensing Officer (Tel: 0191 643 6901)

Louise Watson – Manager - Environment, Housing & Employment Legal Team  
(Tel: 0191 643 5325)

Alison Campbell - Finance Business Manager (Tel: 0191 643 7038)

### **1.10 Background information:**

The following background papers have been considered in the preparation of this Report and are available for inspection at the offices of the authors.

North Tyneside Council 2012/15 Council Strategic Plan

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

There are no financial implications arising directly from this report. The licensing of the hackney carriage and private hire trade is funded by a ring-fenced account and the fees and charges are reviewed annually. Any financial implications identified by an investigation into a City Region Taxi and Private Hire Regulation Body will be reported back to Cabinet.

### **2.2 Legal**

The legal implications are included in the report. Proposals for implementation of any changes to the regulatory approach will be reported to full Council with recommendations for members to consider.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

Consultation on the Council's approach to hackney carriage and private hire licensing is ongoing with relevant elected members including the Elected Mayor, the Cabinet Member for Regulatory Services, the Chair of the Regulation and Review Committee and the Member Working Group established to review the Council's Hackney Carriage and Private Hire Licensing Policy.

#### **2.3.2 External Consultation**

In addition to internal consultation the Council is at this stage consulting with neighbouring authorities and intends to consult informally with the trade and other partners via the Hackney Carriage and Private Hire Forum established under the current Policy. The Council awaits the proposals on regulatory reform expected to be announced by the Law Commission in May 2012 and will respond to their public consultation. Decisions on any public consultation that the Council should lead will be taken in due course.

### **2.4 Human rights**

There are no direct human rights implications directly arising from this report.

### **2.5 Equalities and diversity**

There are no equalities and diversity implications directly arising from this report.

### **2.6 Risk management**

Risks associated with the Council's Licensing function are managed via the Chief Executive's Office Operational Risk Management Group.

## 2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

## 2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this report.

### PART 3 - SIGN OFF

- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager for Policy and Partnerships

**Report author** Ken Wilson, Head of Regeneration, Development and Regulatory Services.