



DERBY CITY COUNCIL

TAXI LICENSING AND APPEALS COMMITTEE 23 April 2008

Report of the Director of Environmental Services

REQUEST FOR RELAXATION OF 'CONTRACT HIRE' EXEMPTION REGIME

RECOMMENDATION

- 1.1 To consider issues highlighted by private hire operators who have been required to licence their activities following the removal of the private hire 'contract exemption'.

SUPPORTING INFORMATION

- 2.1 As Members are aware, the so called 'contract exemption' which relates to vehicles being exempt from the licensing regime when used as a private hire vehicle on a contract for more than 7 days, was repealed with effect from January 2008.
- 2.2 At the meeting of this committee in December 2007, members agreed that vehicles which should be licensed as private hire vehicles would include limousines and chauffeur driven cars. Officers are currently in the process of licensing the operators, drivers and vehicles concerned. It is important for members to remember that there is no longer any legal distinction between private hire vehicles used for 'chauffeur' or 'executive' work and those working on bookings from members of the public.
- 2.3 Two letters have been received from the companies affected by the removal. These are included as Appendix 2. The operators concerned acknowledge the need to comply with the Government's desire to regulate the sector by applying the Council's private hire licensing regime, but note that there are certain parts of the existing regime which do not apply to a 'chauffeur' company. In addition, the Principal Licensing Officer has received a telephone call from another 'executive' or 'chauffeur' car operator who has expressed similar views.
- 2.4 The issues highlighted by the letters concern the following items:
- The existing requirement for private hire drivers to pass a knowledge test
 - The failure of some types of vehicle used for 'chauffeur' or 'executive' work to comply with the Council's current specifications and conditions for private hire vehicles.
 - The requirement for vehicles used by the company to display company signs on doors and a licence plate at the rear of the vehicle.
- 2.5 Members will appreciate that Central Government has required the authority to licence these vehicles under its private hire licensing regime. The sector has been unregulated in the past and it is inevitable that the application of a well-developed

licensing regime to an unlicensed sector will result in anomalies and problems for some parties, who have not been required to comply with such a regime in the past.

2.6 However, to waive or modify the various Private Hire licence conditions and specifications to accommodate the above request is likely to result in a number of issues relating to safety, enforcement issues and parity with the existing private hire licensed trade. Examples are:

- In the event of the requirement for a knowledge test for 'executive' or 'chauffeur' private hire drivers being dropped, there would then be a difficulty for the rest of the private hire trade, Council officers and members of the public in identifying whether a particular driver has a good knowledge of the local area. Once a driver is licensed, they may drive any private hire vehicle; the only current exception being limousine drivers, who drive distinctive vehicles.
- Private hire vehicle specifications and licence conditions have been developed with the safety of the public as a primary consideration. Derby has high standards; evidence of which is that a number of neighbouring authorities have used Derby's conditions and specifications as a basis for their own private hire and hackney licensing regimes.
- The issue regarding the display of licence plates and door signs is not insurmountable in itself, but any relaxation of licensing requirements for this part of the private hire trade may lead to concerns about parity with the existing private hire trade. It is then likely that there will be attempts by existing vehicles to be used on bookings without displaying adequate identification, thereby undermining public safety.

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Background papers:	None
List of Appendices:	Appendix 1 Implications Appendix 2 Letters received from Operators

IMPLICATIONS

Financial

1. None.

Legal

2. The removal of the contract hire exemption earlier this year was a deliberate act by Parliament to subject limousines and other chauffeur driven services to regulation, and to create parity with other licensed drivers/cars. Accordingly, any departures from this intention require clear and necessary justification, and should not be taken lightly. Public safety remains the overriding consideration in licensing matters.

Personnel

3. None.

Equalities impact

4. None.

Corporate priorities

5. The proposal supports the council's corporate priority of **giving excellent services** and **value for money**.