

# AGENDA ITEM 9

## RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

8<sup>th</sup> JUNE 2016

### REPORT OF THE HEAD OF REGULATORY SERVICES

#### FEES FOR TAXI LICENCES 2016/17

#### 1.0 PURPOSE OF REPORT

1.1 To consider representations received and determine the fees for the taxi vehicle, driver and operators licences for 2016/17, and to present the costs and income for 2015/16 as separate accounts for vehicles, drivers and operators. This follows the resolution of this committee on 17<sup>th</sup> March to that effect, following representations received and recent case law.

#### 2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (i) Notes the separate accounts produced for 2015/16 for taxi vehicle, driver and operators licences (as attached at Appendix A).
- (ii) Approves the level of fees, as set out in Appendix B to this report, with effect from 13<sup>th</sup> June 2016.

#### 3.0 KEY ISSUES

##### 3.1 2015/16 Methodology

3.1.1 2015/16 costs were presented to the Committee at the meeting of 17<sup>th</sup> March on the basis of expenditure to date (end of Feb 2016), supplemented by estimates for the remainder of the financial year 2015/16. We are now able to present the accounts incorporating the actual expenditure for the entire 2015/16 financial year and these are attached as Appendix A.

3.1.2 The accounts continues to show a deficit but this has increased slightly from forecast position (£14,293) once the final accounts have been prepared and all costs taken into consideration.

##### 3.2 Fees for 2016/17

###### 3.2.1 Deficit and surpluses

As outlined in Appendix A the 2015/16 calculations for Melton reveal the following deficits for each Licence respectively and these have been included in the calculation of costs stated at 3.2.2 below:

- Drivers Licences: £9,526
- Vehicle Licences:£4,710
- Operators Licences:£1,004

This varies slightly from the figures which were presented to this Committee in

March, which was based on an estimate of the year end situation :

- Drivers Licences: £9,187
- Vehicle Licences:£4,244
- Operators Licences:£862

3.2.2 Members will recall that at the meeting of 17<sup>th</sup> March 2016, fees were set based on the use of a toolkit which was recommended by the MMTA and referred to elsewhere as good practice. These were as follows:

- Drivers Licences: £363 (3 year)
- Vehicle Licences: £156 (1 year)
- Operators Licences:£779 (5 year)

These fees were published for consultation following the meeting of 17<sup>th</sup> March 2016, the results of which are reported in Appendix C alongside consideration of their content.

Members will recall that these fees incorporate the deficits from the previous year for each licence type. Using actual year end figures in place of estimates (see para. 3.2.1 above) has altered the costs from the figures which were reported to Committee as follows:

- Drivers Licences: £368 (3 year)
- Vehicle Licences: £163 (1 year)
- Operators Licences:£794 (5 year)

It is recommended that these fees are adopted with effect from Monday 13th June 2016.

3.3 Licensing practices and resource allocation continue to develop and further time recording will be carried out in order to inform fees for future years. This will include a wider scope of recording to include activity not captured by the 2016 exercise and any changes made to working practices, including any arising from the comments made to the consultation (see Appendix C).

#### 4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 The fees proposed are accommodated within the corporate charging policy which recognises that discretion is limited because some fees are set by legislation (either directly or through disciplines such as 'cost recovery' requirements).

#### 5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 Local Government funding continues to be reviewed and there is great uncertainty surrounding funding in later years although almost certainly will be reduced. This is reflected in the Council's MTFs and places a greater onus on the Council to seek to maximise its income from other sources and ensure where necessary relevant services are operating on a cost recovery basis.

5.2 Members should also note that the provisions of the Deregulation Act took effect on 1<sup>st</sup> October 2015 and that many driver and operator applications now have a lifespan of 3 and 5 years respectively. The affect of this will impact on

income levels in 2016/17 and future years which are likely to see fluctuating income levels compared to those in previous years. Officers will look at remodelling these as part of the future budget setting and MTFS processes.

## **6.0 LEGAL IMPLICATIONS/POWERS**

- 6.1 The legislation relating to such licences is found in the Local Government (Miscellaneous Provisions) Act 1976. Both relevant aspects of the legislation describe the scope to make charges as “reasonable with a view to recovering the costs of issue and administration” of the licences concerned.
- 6.2 S53. provides that “a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.”
- 6.3 S70. provides that “a district council may charge such fees for the grant of vehicle and operators’ licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part— .  
(a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed; .  
(b) the reasonable cost of providing hackney carriage stands; and .  
(c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles..

Part (b) above is not applicable as the Council has no such stands; such matters are the responsibility of the Highways Authority.

## **7.0 COMMUNITY SAFETY**

- 7.1 While community safety is at the heart of licensing issues there are no direct links to community safety arising from this report.

## **8.0 EQUALITIES**

- 8.1 There are no equalities implications associated with this report.

## 9.0 RISKS

Risk No	Risk Description
1	Charges are challenged by judicial review or Audit procedures

L I K E L I H O O D	<b>A</b>	<b>Very High</b>				
	<b>B</b>	<b>High</b>				
	<b>C</b>	<b>Significant</b>				
	<b>D</b>	<b>Low</b>				
	<b>E</b>	<b>Very Low</b>		1		
	<b>F</b>	<b>Almost Impossible</b>				
			<b>Negligible</b> 1	<b>Marginal</b> 2	<b>Critical</b> 3	<b>Catastrophic</b> 4
			<b>IMPACT</b>			

9.1 The background to the risks described above are also referred to in the Legal Implications section of this report and (Section 6) and its wider content. Contact has been made with the originators of the toolkit and they have advised that they use of it has developed in successive years based on a better understanding of inputs and responding to criticism lodged at various stages.

## 10.0 CLIMATE CHANGE

10.1 There are no climate change implications associated with this report.

## 11.0 CONSULTATION

11.1 Consultation was carried on the proposed increase in fees, including a meeting with taxi drivers and their representatives on 12<sup>th</sup> May 2016. Appendix C is a summary of the three responses which were received. These are two from the Melton Mowbray Taxi Drivers Association (MMTDA) and one from an individual driver.

11.2 The individual points raised in consultation are addressed by the comments column in Appendix C.

11.3 It should be noted that there is a request from the MMTDA that the increase in

drivers licence fees should be delayed until 1<sup>st</sup> October 2016 to allow all existing drivers to obtain their first 3 year licence at the same cost. Members may wish to consider this suggestion.

## 12.0 **WARDS AFFECTED**

12.1 All wards may be affected as applications could come from anywhere in the Borough.

Contact Officer P Reid Regulatory Services Manager

Date: 26<sup>th</sup> May 2016

Appendices :

Appendix A : proposed fees for 2016/17  
Appendix B : cost calculations 2015/16  
Appendix C: summary of representations

Background Papers: Report to Committee plus Appendices A and B 3rd June 2015; Report to Committee 2<sup>nd</sup> September 2015 , 4<sup>th</sup> November 2015 and 17<sup>th</sup> March 2016