

# AGENDA ITEM 9

## RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

11<sup>th</sup> JANUARY 2017

### REPORT OF THE HEAD OF REGULATORY SERVICES

#### FEES FOR TAXI LICENCES 2017/18

#### 1.0 PURPOSE OF REPORT

1.1 To determine the fees for the taxi vehicle, driver and operators licences for 2017/18

#### 2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (i) Notes the separate account produced for the 2016/17 forecast year end position 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 1<sup>st</sup> April 2017, (subject to statutory notifications and consideration of any objections arising);
- (iii) Delegates authority to the Head of Regulatory Services to consider any representations received and determine whether there should be further consideration by Committee prior to setting the fees on the basis of Appendix B.

#### 3.0 KEY ISSUES

#### 3.1 2016/17 Methodology

3.1.1 Fees for 2016/17 were set the Committee at the meeting of 8<sup>th</sup> June 2016 on the basis of a new approach to assessing cost, based on a toolkit initially suggested by the Melton Mowbray Taxi Association

3.1.2 This approach was based on time recording which identified the average time and cost associated with each type of licence. It also incorporated provision for deficits and surpluses from previous years and resulted in fees set as follows:

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

#### 3.2 Deficit and surpluses

The details outlined in Appendix A provide a forecast trading account for the 2016/17 financial year across each of the Licences respectively. This has resulted in the following calculations which are forecasting a deficit across all licence type and these have been included in the calculation of costs stated at

3.2.2 below:

- Drivers Licences: £ 6,829.41 (deficit)
- Vehicle Licences: £ 2,745.62 (deficit)
- Operators Licences: £ 372.87 (deficit)

In line with the new methodology these forecast surpluses / deficits have been built into the fee modelling for 2017/18 to ensure the fees are set on fair and equitable basis. The same approach is proposed for applications for renewal as applied in 2016/17: 90% of the cost of anew application. At the financial year end a final account will be produced and any variances will be adjusted in the calculations for the 2018/19 fee setting process.

### 3.2.2 Fees for 2017/18

The same toolkit has been used to establish costs and fees for 2017/18 but this is based on a revised time recording exercise undertaken from October – December 2016. This is a longer period that in previous years and also made greater distinction between types of licence applications, reducing the need for assumptions and estimates. This has also enabled officers to further refine the time recording methodology to ensure the inputs to the model are accurate and capture a wider range of relevant activity data. Taking into account the forecast trading position outlined in para 3.2 and incorporating the revised time recording and costs data and the new fees for each licence type for 2017/18 have been calculated at the following rates:

- Drivers Licences: £318
- Vehicle Licences: £104
- Operators Licences: £845

It is recommended that these fees are adopted with effect from 1<sup>st</sup> April 2017, subject to the receipt of responses to consultation and consideration of their content.

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.

## 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.

## 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

<b>L I K E L I H O O D</b>	<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 1</b>	<b>Marginal 2</b>	<b>Critical 3</b>	<b>Catastrophic 4</b>

**IMPACT**

<b>Risk No</b>	<b>Risk Description</b>
1	Charges are challenged by judicial review or Audit procedures

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 is required following an initial proposal to vary the fees. This will be arranged following this meeting of the Committee and the results will be reported to a future meeting

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> Dec 2016

Appendices :

Appendix A : Trading account for 2016/17  
Appendix B: Proposed fees for 2017/18

Background Papers: