

REPORT TO LICENSING COMMITTEE

DATE	26th October 2017
PORTFOLIO	Housing & Environment
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Taxi Licence Fees 2018**PURPOSE**

1. To determine the level of taxi licence fees effective from January 2018.

RECOMMENDATION

2. To agree to maintain current fees for the following licences:
Private Hire Driver, Hackney Carriage Driver, Private Hire Vehicle, Hackney Carriage Vehicle and Private Hire Operator.

REASONS FOR RECOMMENDATION

3. To set fees to recover those costs which are permitted by legislation from the holders of taxi licences. The costs include issuing and administering all taxi licences, together with the costs of supervision and control of vehicle and operator licences, and the costs of inspection and provision of hackney ranks.

SUMMARY OF KEY POINTS

4. Taxi licence fee setting is a function of the Licensing Committee. Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 permit the Council to set driver, vehicle and operator licence fees to recover certain specified costs. The effect of the legislation is that the service must not generate a profit to the Council. There are some costs which cannot legally be recovered from fees and are borne by the Council's general fund.
5. Whenever it is proposed to vary vehicle and operator fees so that they exceed £25, the legislation requires that a 28 day public notice of the proposed fee must be advertised within which time any person may object to the variations. Where no objections are made, or if all objections are withdrawn, the fees come into effect at the end of the 28 day period. Where objections are not withdrawn, the Council must consider the objections before determining the fee level and setting a further date, not later than two months after the first

specified date, on which the new fees shall come into force. As no variation is proposed at this time, no advertisement is required.

6. In Burnley the vehicle test element is payable direct to one of the five testing stations approved to carry out taxi testing, each setting their own charges within a competitive marketplace. This fee is payable in addition to the licence fee. New drivers are required to sit a knowledge test at an additional cost.
7. Following an extensive review in 2015, which took into account the emerging legal precedent and audit guidance, this year's review has sought to ensure that fees are still in line with expenditure.
8. In accordance with the framework agreed with the trade, via Taxi Task Group, costs are apportioned to each taxi licence regime (ie operators, private hire vehicles, private hire drivers, hackney proprietors & hackney drivers), and the costs of each licence type are recovered solely through fees for that particular regime. Any surplus or deficit is then applied to that regime. Driver licences are issued for three years and in order that there is some fairness to drivers through that period, fees will be maintained at the same level for three years unless there is a substantial indication to the contrary. In the third year fees will be reviewed to take account of the previous three years costs.
9. There is no indication of a need to vary fees at this time.
10. As budgets are built up from zero, with costs that reflect work-streams within a relatively short period of one year, there will inevitably be significant year on year variations in the allocated costs depending on where time has been spent. This may lead to fee fluctuations in future years. As there are comparatively few hackney drivers and vehicles to bear the costs associated with each of these regimes this inevitably has a disproportionate effect on fees for hackney licences. Similarly the small number of operators must bear the costs of supervising & controlling their businesses arising from enforcement activities. By contrast, because the pool of private hire drivers is much larger, the costs of administering this regime are spread across the larger group.
11. The Taxi Reserve is anticipated to be in surplus by £6767 at the end of this financial year. Following the detailed review it was agreed to refund the surplus generated from the private hire driver regime with effect from January 2016. The reserve has been used to provide a £45 discount per private hire driver renewal since then. This will continue until Dec 2018 when it is expected that the surplus will have been fully refunded.
12. For information, last year's actual spend, together with this years revised expenditure and next year's estimated expenditure are provided at Appendix A (which also includes the surplus/deficit accounted for in the reserve).

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

13. The proposed fees seek to recover permitted costs in accordance with the Council's taxi fee policy.

POLICY IMPLICATIONS

14. None.

DETAILS OF CONSULTATION

15. Taxi Task Group Meeting October 2017.

16. Councillors Townsend, Ishtiaq, Royle and Frayling.

BACKGROUND PAPERS

17. None

FURTHER INFORMATION

PLEASE CONTACT:

Karen Davies

ALSO:

Peter Henderson

3 YEARS BUDGET

Cost Code		Actual 2016/17 £	Estimated Out-turn 2017/18 £	Estimate 2018/19 £
	<u>Expenditure</u>			
	<u>Supplies & Services :</u>			
R6160/1811	Operational Equipment	10,194	11,000	11,000
R6160/1904	Stationery - General	1,088	300	300
R6160/1952	Legal and Professional Services	8,657	4,500	4,500
R6160/1977	Private Wires	-	-	-
R6160/2032	Advertising	-	-	600
R6160/2053	Training	6,984	-	-
R6160/2039	Refunds	3,622	1,500	3,000
	Lalpac Software	-	4,000	4,000
		30,545	21,300	23,400
	<u>Agency & Contracted Services</u>			
R6160/2101	Other Council Committees	2,696	2,998	2,998
	<u>Support Costs</u>			
R6160/2329	Gov & Legal Services	9,713	15,000	15,000
R6160/2330	Customer Services	13,675	17,008	13,675
R6160/2333	Accountancy Services	1,172	1,418	1,418
R6160/2352	BTH Postages	1,046	1,175	1,175
R6160/2375	EH & Licensing Support*	88,263	74,311	75,000
			-	-
		113,869	108,912	106,268
	<u>Special Items</u>			
R6160/2702	Safety / Seasonal Initiatives	3,034	2,500	2,500
		150,144	135,710	135,166
	<u>Income</u>			
	<u>Fees and Charges</u>			
R6160/3331	Licences	129,997	130,000	130,000
	Use of Reserves	10,372	4,710	5,066
		140,369	134,710	135,066
	Grants & Contributions	5,500	-	-
R6160/3527	Fees for Search Information	-	-	-
R6160/3542	Court Costs	4,275	1,000	100
		150,144	135,710	135,166
	Net Expenditure/ (Income)	-	-	-
	Less - Transfer (From) / To Taxi Licensing Reserve	(10,372)	(4,710)	(5,066)
	Taxi Reserve Fund Balance	11,477	6,767	1,701
	* 2016/17 includes Lalpac costs			