

REPORT TO LICENSING COMMITTEE

DATE	20th November 2019
PORTFOLIO	Community & Environmental Services
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Taxi Licence Fees and Charges 2020**PURPOSE**

1. To determine the level of taxi licence fees effective from January 2020.

RECOMMENDATION

2. To agree to advertise the proposal to vary taxi fees from January 2020, at the levels outlined at Appendix A.

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. This year it is anticipated that those costs will exceed £15k. As budget pressures increase it is important that where there is provision for service costs to be borne by service users those costs are fairly recovered from them.
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or if all objections are withdrawn, the fees come into effect at the end of the 28-day period. Where objections are not withdrawn, the Council must consider the objections before determining the fee level and setting a further date, not later than two months after the first specified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. Whilst there are no formal advertising requirements for driver licences, these will nevertheless be advertised too. The advertisement will be placed following Committee's decision.

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.
7. It is recognised that the cost of obtaining the necessary licences to work is a concern to those within the taxi trade and the Council is committed to minimising costs via the appointment system within the Contact Centre, increasing the availability of online forms and improvement of back office processes. All efficiency, savings are passed on to the trade. It is true that a disproportionate amount of time is afforded to the minority of licence holders who fall foul of vehicle spot checks, ply for hire enforcement and other regulatory activities. Taking action, either by Officers, Committee or through the Courts, generates considerable work and cost, for example, writing letters, undertaking follow up investigations, visiting booking offices and checking paperwork, carrying out and transcribing interviews, producing statements, reports and files etc. Improved compliance will reduce costs and benefit the trade through reduced fees. Efforts to raise awareness, raise standards, reduce non-compliance and the inevitable associated costs are ongoing.
8. In previous years Officers have worked closely with the trade representatives via the Taxi Task Group (TTG) to develop the cost analysis framework used to apportion costs between the various licensing regimes as required by the legislative framework.
9. The proposed fees for 2020 have been assessed by the utilisation of the existing agreed framework for cost analysis. Timesheet studies have taken place within the Licensing Team to determine the apportionment of costs against each licence type. This information has been used and taken from timesheet data obtained from previous years, together with actual direct costs from invoices, and mapped against each specific licence type to apportion costs between the five licensing regimes to determine average costs over the period. Please see Appendix B.
10. Licence fees have been proposed for the statutory duration, i.e. operators 5 years and drivers 3 years. 'Special circumstances' licences for a period of 1 year have been retained allowing drivers or operators to make a case for an annual licence on hardship, medical or other grounds. Where special circumstances cases are rejected, applicants will be able to take the matter to Licensing Committee for further consideration.
11. Over recent years there has been a steady growth in the number of new licences that have been granted within the Private Hire Driver & Vehicles categories. This is contrasted by a decline in hackney and operator licences. Costs associated with private hire licences have increased, whilst operator and hackney costs have reduced. Despite the increase in private hire driver & vehicle numbers the cost per licence have remained similar.
- 12.. The Taxi Reserve is currently in surplus by £4,179. The detailed cost analysis work indicates that private hire operators and hackney carriage vehicles have generated this surplus. In line with the R v Cardiff City case law the reserve fund will be used to

subsidise these fees. It is proposed that the existing holders of these licences will be subject to a discount when their application is next due for renewal. See Appendix A.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

13. The proposed fees seek to recover permitted costs.

POLICY IMPLICATIONS

14. None.

DETAILS OF CONSULTATION

15. Trade consultation via Operators & Hackney Proprietors – November 2019 and via the Taxi Task Group Meeting in November 2019.

16. Councillors Lishman, Towneley, Sumner and Payne.

BACKGROUND PAPERS

17. None

FURTHER INFORMATION

PLEASE CONTACT:

Karen Davies

ALSO:

Nadeem Ukadia

TABLE OF FEES

	PROPOSED Jan 20	CURRENT
Private Hire Operator	5 year: £2156 ¹ 1 year ¹ (special circumstances):£447	5 year: £2660 1 year (special circumstances):£543
Private Hire Operator (Single vehicle at Private Address)	5 year: £1010 ² 1 year (special circumstances): £213	5 year: £1250 1 year (special circumstances): £261
Private Hire Driver	3 year: £146 1 year (special circumstances -): £71	3 year: £144 1 year (special circumstances -): £64
Private Hire Vehicle	£70	£77
Hackney Carriage Driver	3 year: £366 1 year (special circumstances): £144	3 year: £372 1 year (special circumstances): £140
Hackney Carriage Vehicle	£117 ³	£155
New Driver Additional Fee - Knowledge Test	£42	£41
Vehicle Transfer of Ownership	No additional charge	No additional charge
Operator change of address	No additional charge	No additional charge
Change of Operator	No additional charge	No additional charge
Insurance 3 rd Party Letters	£25.00	£18.20
Dual Driver Licence Discount (only applies when both applications are made at the same time)	£45 (Admin & DVLA checks)	£45 (Admin & DVLA checks)

¹ Private Hire Operator renewal applications: First renewal post implementation to be discounted by £100.

² Private Hire Operator (SV/PA) renewal applications: First renewal post implementation to be discounted by £10.

³ Hackney Carriage Vehicle renewal applications: First renewal post implementation to be discounted by £30.

APPENDIX B

Taxi Licensing - Licence Cost Calculation w.e.f. 1st Jan 2020

	Private Hire Operators	Private Hire Drivers	Private Hire Vehicles	Hackney Carriage Drivers	Hackney Carriage Vehicles	Additional New Driver Licence	Direct Costs	Non Recoverable	Total
	£	£	£	£	£	£	£	£	£
Allocated Costs									
Equipment & Materials							13,000	-	13,000
Printing costs, toner etc	5	53	132	2	11	-		-	203
Software	119	1,325	3,292	48	283	-		-	5,067
Buildings	25	280	696	10	60	-		-	1,072
Postages	28	307	763	11	66	-		-	1,175
Legal & Professional Services								6,685	6,685
Advertising, Marketing & Publicity	7	80	198	3	17	-		-	305
Refunds	-	-		-	-	-		3,000	3,000
Other Special Items	-	-	1,842	-	158	-		-	2,000
Other Service Units - CCTV	71	784	1,948	28	167	-		-	2,998
Legal Services	149	1,655	4,110	60	353	-		4,222	10,548
Customer Services	250	2,650	6,289	135	442	4,107		-	13,874
Accountancy Services	67	749	1,859	27	160	-		-	2,862
Licensing Support	12,212	39,102	19,108	4,009	5,080	-		-	79,511
	12,934	46,985	40,237	4,333	6,796	4,107	13,000	14,416	142,299
						98			
Estimated no. of licences p.a.	30	333	827	12	71				1,273
Variable Cost per licence	2,156	141.10	48.65	361.10	95.72	41.91			
Direct Costs									
Plate Platform			2.76		2.76				
Flexi Plate			2.60		2.60				
PH Plate			4.13						
HC Plate					4.13				
Buttons			1.38		1.38				
HC Stickers					0.00				
HC Roundels					9.76				
PH Roundells			9.76						
Badge		0.80		0.80					
DVLA Electronic Checks		3.50		3.50					

Total Direct Costs	0.00	4.30	20.63	4.30	20.63	0.00			
Total License Cost (Round £s)	2,156	146	70	366	117	42			
Special Circumstances									
Duration (years)	5	3		3					
annual proportion	432	49		122					
plus extra admin	14	14		14					
plus extra direct costs	1	8		8					
To Be Paid Annually	447	71		144					