

11 November 2014

Licensing Committee

Proposed Hackney Carriage and Private Hire Fees and Charges for 2015/16

Report of: *Ashley Culverwell – Head of Borough Safety, Health and Licensing*

Wards Affected: *All*

This report is : *Public*

1. Executive Summary

- 1.1** This report seeks Members agreement on the proposed budget and Schedule of fees and charges for 2015/16 in respect of the Hackney Carriage and Private Hire licensing functions and for publication of the agreed fees and charges in accordance with statutory requirements.

2. Recommendation

- 2.1** That Members agree to the budget and proposed schedule of fees and charges for 2015/16 as shown in Appendix A of this report and for advertisement of the same to appear in a local newspaper in January 2015.

3. Introduction and Background

- 3.1** The Local Government (Miscellaneous Provisions) Act 1976 (the Act) permits the Council to charge such fees for the grant of vehicle and operators licences as may be resolved by them from time to time as may be sufficient in aggregate to cover in whole or in part the reasonable costs associated with these licensing functions.
- 3.2** The Act prescribes either that the maximum fee in respect of the grant of vehicle and operator licences should be set at £25 or that it may be set at “such other sum as the Council may from time to time determine” subject to:
- a) publication of a notice in a local newspaper; and
 - b) retention of a copy of the notice at the offices of the Council for a period of 28 days

- 3.3 Following advertising of any proposed amendment to the fees and charges there is a 28 day period during which objections may be received. In the event that written objections are received the Council are required to consider these and to set either the proposed or a revised fee within a 2 month period from the end of the 28 day consultation.
- 3.4 If no objections are received to the fees and charges these come into immediate effect at the end of the 28 consultation.
- 3.5 By virtue of sections 53(2) and 70(1) of the Act the Council is entitled to recover the cost of administration of the taxi and private hire licensing functions on a cost recovery basis.
- 3.6 With regard to vehicles the recovery of costs may include the costs of control and supervision of those vehicles and in respect of hackney carriages only, this may include costs associated with the provision of stands (ranks).
- 3.7 In relation to hackney carriage drivers and private hire driver and operators licences there is no provision that permits recovery of enforcement costs, therefore such costs are non-recoverable through the taxi trading account and must be met from the Councils' general fund.

4. Issues Options and Analysis of Options

Budget and Fee Setting 2015/16

- 4.1 The taxi account has been split into three specific areas of recoverable and non-recoverable costs for driver, vehicle and operator licences since 9 May 2011. This allows for time recording and structuring of the budgets on an individual basis in respect of each licence type to ensure that fees are set as a reflection of the true cost in each case.
- 4.2 The licensing team continue to record their time on a daily basis in order to feed information into the budget setting process as accurately as possible.
- 4.3 Guidance has been issued to staff on how time recording data should be entered so as to ensure accuracy of the information.
- 4.4 The proposed fees have been calculated in accordance with legislative requirements and are based on the time recording analysis figure and include the appropriate element of central support costs.

- 4.5** The proposed schedule of taxi and private hire fees and charges for the year 2015/16 has been discussed with representatives of the trade at the Taxi Trade Consultative Group (TTCG) on 7th October 2014 and is attached as **Appendix A**.
- 4.6** It is proposed that, if agreed in principle, the increased fees should be advertised in January 2015 in accordance with legislative requirements as highlighted in paragraph 3.2. Advertising in January will avoid any scenario whereby fees come into effect too soon, as these are automatically in force should there be no objections. However, this would also allow time to consider any objections prior to 1 April 2015.

Financial and Budgetary Information

- 4.7** The fees and charges for vehicles are proposed to remain at the level as set for 2014/15. The fees for drivers and operators are proposed to increase by 6% and 2% respectively.
- 4.8** The budget trading accounts that support the fees calculations are attached as **Appendix C**.
- 4.9** The operator fees are running at a deficit. However, these were considerably increased last year along with a reduction in the term of a licence from 5 years to 3 years. Whilst the deficit remains uncorrected by last years increase, this is due to the length of time between renewals meaning that it will take another 2 to 3 years before the effects of the previous increase are fully realised. For this reason a small increase of 2% is advocated in order to keep up with an approximate measure of inflation.
- 4.10** At the TTCG meeting on 7 October 2014, concern was again raised by trade representatives over the level of recharges. They complimented the Council on the reduction of the cost of running the licensing service but maintain their stance that the level of recharges from other services remains high. All costs should be reasonable and in this regard the trade has asked for detail to be provided to identify how the recharges are calculated and allocated to each function.
- 4.11** The Finance Team have provided a breakdown of the various recharges and indicated in the charts attached at **Appendix B** the basis of calculation in each case. Once the overall recharge figure to the licensing section is known (based on the methodologies illustrated in the last column of each chart) these are apportioned across the trading accounts using the percentages from the licensing team time sheets, there being a correlation between the hours spent on each function across departments.

4.12 The recharges in general represent a reduction on last year. It is anticipated that with further planned efficiencies the trend of reduction should continue at least in the short to medium term. There are also planned reductions in overheads as a result of the Town Hall project.

4.13

The licensing processes have recently undergone a review to ensure not only that all statutory functions are being fully met but that bureaucracy and subsequently costs of providing the licensing service are streamlined. Once the new processes are fully bedded into place it is anticipated that efficiencies will improve further.

4.14

Benchmarking of the fees for all Essex authorities has not been provided in this report as the law requires that fees are set purely on cost recovery without consideration to charges levied elsewhere.

5. Reason for Recommendations

5.1 The Council are required to review fees regularly to ensure that the Taxi licensing regime remains cost neutral. Should any surplus accrue this must be adjusted in the follow years licence fees.

6. References to Corporate Plan

6.1 The proposals contained within this report link directly to the following priorities of the corporate plan:

A prosperous Borough – “Safeguarding public safety through a risk based regulation and licensing service.”

7. Consultation

7.1 The process of consulting on fees is laid down in legislations as highlighted in paragraph 3.2, which allows opportunity to any person to object to any increase in fees and charges. Such objections must then be considered by Licensing Committee.

7.2 Consultation also took place with TTCG on 7 October 2014

8. Implications

Financial Implications

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- 8.1 The impact of the revised fees and charges will be incorporated within the Medium Term Financial Plan.

Legal Implications – Monitoring Officer Comment

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- 8.2 There are potential cost implications in the event of failure to calculate or advertise fees in the proper manner, however, the fees proposed in this report have been calculated on a cost recovery basis and will be advertise in accordance with legislative requirements and there are no additional anticipated implications pertaining to legal, health and safety, asset management or equality and diversity or risk management (other than as already identified).

Other Implications

Equality and Diversity

- 8.3 Most aspects of licensing are strictly governed by statute, which have undergone impact assessments at Central Government level. The Processes and Procedures have been designed to comply with legislative requirements and ensure that guidance and best practice are followed at all times. This allows for fair, open and transparent licensing processes with equality of access to licensing services for all.

9. Appendices to this report

Appendix A – Schedule of Fees

Appendix B - Breakdown of Recharges

Appendix C - Budget Trading Accounts

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