

Licensing Committee

4 December 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Hackney Carriage and Private Hire Licensing: Licence Fees and Charges Fees 2017/2018

Final Decision-Maker	Licensing Committee
Lead Head of Service	John Littlemore, Head of Housing and Community Services
Lead Officer/Report Author	Lorraine Neale
Classification	Non-exempt
Wards affected	All

This report makes the following recommendation:

1. That the proposed fees and charges and associated costs for licences in respect of hackney carriage drivers and vehicles and private hire drivers, vehicles and operators, as set out in paragraph 2.14, be approved after consideration being given to the written objection received on 19 September 2017 in response to the 28 day consultation and to be effective from 5 December 2017.

This report relates to the following Five Year Plan Key Objectives:

- Securing a successful economy for Maidstone Borough

It is proposed to set fees which enable the authority to be self-financing with respect to this service.

Timetable

Meeting	Date
Licensing Committee	30 March 2017
Licensing Committee	4 December 2017

Taxis and Private Hire Fees and Charges 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The authority is required to review the fees set for the administration of Hackney Carriage and Private Hire Licensing. This ensures the Council complies with its statutory duty and that the licensing of Taxis and Private Hire vehicles, Dual, Hackney Carriage or Private Hire Drivers and Private Hire Operators continues being self-financing, in accordance with the Council's Financial Strategy.
 - 1.2 A fees model, similar to the one used to first set the Gambling Act fees in 2007 was used to determine the proposed fees for 2017/2018.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The proposed fees were first brought to Licensing Committee on 30 March 2017 where it was agreed that a 28 day consultation with the trade would take place and consideration would be given to any objections that may be received as a result of that consultation. The consultation took place between 13 April and 11 May 2017 and resulted in one written objection being received on 26 April 2017 from Neil Cox, Chair of the hackney trade, representing his members. There were no objections from the Private Hire trade.
- 2.2 Due to the sudden and unexpected death of the Licensing Partnership Manager on 21 May 2017 the information required to respond to the objection could not be accessed and the deadline set by S70(5) of the Local Government (Miscellaneous Provisions) Act 1976 for the fees to come in to effect after objection could not be met as there was insufficient time to report to July Committee.
- 2.3 It became necessary to consult again on the proposed fees and that consultation took place between 26 July and 22 August 2017 with the Public Notice appearing in the Kent Messenger on 27th July 2017. This resulted in one written objection being received by e-mail on 15 August 2017 from Neil Cox, Chair of the hackney trade, representing his members. There were no objections from the Private Hire trade or any other person. This consultation period was incorrect as it only allowed for 27 days and a further consultation period became necessary.
- 2.4 The third consultation period took place between 14 September and 11 October 2017 with the Public Notice appearing in the Kent Messenger on 14 September 2017. This resulted in one written objection being received by e-mail on 19 September 2017 from Neil Cox, Chair of the hackney trade, representing his members. (Appendix A). There were no objections from the Private Hire trade or any other person.

- 2.5 Careful monitoring of income and expenditure was carried out over the current financial year and the income from licence fees and associated costs, together with expenditure, has been in accordance with the objectives laid out in the budget plan and the inflation rate. All other increases in cost of providing the service have been absorbed by efficiency savings as a result of the Licensing Partnership.
- 2.6 The Taxi Licensing service is required to be self-financing and the proposed increases to fees will ensure this is maintained.
- 2.7 One of the main points of the trade's objection is that the percentage increases of the fees varies greatly from the original fees, It has been explained that Initially the fees for taxi and private hire were set historically and percentage increases based on the rate of inflation were applied. However, there had not been an increase in the fees for a significant number of years with the first increase taking place in 2016 and at that time acknowledgement made that the fees needed to be stripped back and then the costs calculated incorporating all the activity employed for each type of licence. This has now been done and the fee calculation tables are attached as Appendices 2, 3 and 4.
- 2.8 A fees model, similar to the one used to first set the Gambling Act fees in 2007, was used to calculate the proposed fees and charges. The fees have been calculated by examining the time it takes to carry out the various tasks in processing the application and who in the authority is likely to carry them out. The hourly rates of staff are fed in to a spread sheet (originally produced by the national support body for local authority regulators, LACORS, to calculate the Gambling Act fees) to calculate costs for each type of activity. These fee sheets are attached as Appendices 2, 3 and 4.
- 2.9 Each licence has been broken down to include line by line the tasks involved in producing each licence which include: at application stage assistance to the applicant, checking of an application upon receipt, and processing the application. Once processed, types of tasks include: determining the licence or arranging a hearing and holding a hearing, notification of the decision, preparation and issuing of the licence, updating the records/register, appeal preparation and holding an appeal hearing, as well as compliance tests of drivers, vehicles and operators. A proportion of training of Officers and Members has also been included, as well as the cost of consumables.
- 2.10 After applying the fees model to the various licences the fees were set as shown in Appendix B, In the case of the Hackney drivers fees most were significantly reduced e.g. dual and hackney carriage driver licence – new 3 year licence was calculated to be £431 but was reduced down to £370, whereas in the case of a private hire driver –new 3 years licence which was calculated to be £277 was reduced down to £275.
- 2.11 The hackney trade will always have higher licence fees applied to them as they have additional costs to meet. The unmet demand survey which we have to undertake every three years must be met solely by them. The taxi monitor in King Street which was replaced in August 2016 at a cost of £6,100 is being recovered over a period of 3 years and its annual maintenance is ongoing. The

taxi trade in their letter of objection have asked to see the evidence for the justification of their higher charges and these can be seen in the fee calculation tables at Appendices 2, 3 and 4.

2.12 The fees will be looked at annually and adjusted accordingly at that time. There is to be consultation with the trade very shortly around delimiting hackney vehicles and if that were to be the case then the fees for hackney vehicles and drivers would significantly reduce and be much more in line with private hire fees as the Hackney trade have requested as there would no longer be a requirement for an unmet demand survey.

2.13 Since this report first came to Licensing Committee on the 30 March 2017 the online driver test has been implemented and candidates are required to pass the test before they can submit an application. Due to this new process it would be sensible to remove the cost of the test from the original figures submitted with the report in March and calculate a fee relevant to the new test which recovers the cost of the new process. These corrections to the original fees and the new test fee can be seen at Appendix 2.

2.14 After considering the objection from the Hackney trade the figures were further reviewed and it is still the opinion of Officers that the Proposed Hackney Carriage and Private Hire Licensing fees with the amendments made as a result of the new test process and shown in the table below should apply with immediate effect from 5th December 2017.

	Existing Fees	Proposed Fees
<u>Dual Driver Licence (Hackney Carriage and Private Hire) and Hackney Carriage Driver Licence</u>		
Driver's test	-	£32 per test
On initial application	£315 for three years £185 for one year	£370 - £38 = £332 for three years (which includes £22.04 towards the Demand Survey & £29.43 for monitor and maintenance) £190 - £38 = £152 for one year
Disclosure Barring Service search fee	£44 every one or three years depending on licence	£44 every one or three years depending on licence
Total (including DBS fee)	£359 for three years £229 for one year	£376 for three years £196 for one year
On renewal	£260 for three years	£325 for three years (which includes £22.04

	Existing Fees	Proposed Fees
	£130 for one year (due to age or medical)	towards the Demand Survey & £29.43 for monitor and maintenance) £135 for one year (due to age or medical)
Disclosure Barring Service search fee	£44 every one or three years depending on licence	£44 every one or three years depending on licence
Total (including DBS fee)	£304 for three years	£369 for three years
<u>Private Hire Diver's Licence</u>		
On initial application	£255 for three years £170 for one year	£275 - £38 = £237 for three years £180 - £38 = £142 for one year
Disclosure Barring Service search fee	£44 every one or three years depending on licence	£44 every one or three years depending on licence
Total (including DBS fee)	£299 for three years £214 for one year	£281 for three years £186 for one year
On renewal	£220 for three years £120 for one year	£240 for three years £125 for one year (due to age or medical)
Disclosure Barring Service search fee	£44 every one or three years depending on licence	£44 every one or three years depending on licence
Total (including DBS fee)	£264 for three years	£264 for three years
<u>Hackney Carriage Vehicle Licence</u>		
On application	£295 for one year (which includes £30 towards the Unmet Demand Survey)	£365 for one year (which includes £22.04 towards the Demand Survey & £29.43 for monitor and maintenance)
<u>Private Hire Operator Licence</u>		
On initial application – 5 year licence	£475 for five years	£485 for five years
On renewal – 5 year licence	£400 for five years	£405 for five years

	Existing Fees	Proposed Fees
On initial application – 3 year licence	£335 for three years	£340 for three years
On renewal – 3 year licence	£275 for three years	£275 for three years
On initial application – 1 year licence	£190 for one year	£195 for one year
On renewal – 1 year licence	£130 for one year	£130 for one year
<u>Private Hire Vehicle Licence</u>		
On initial application	£250 for one year	£315 for one year
<u>Other Costs</u>		
Change of ownership of licensed vehicle	£69	£70
Replace external vehicle plate	£23	£23
Replace driver badge	£9.50	£10
Replace internal plate holder	£1.75	£1.75
Copy of existing paper licence	£12	£12
Change of address details for a replacement licence	£12	£12
Change of name for a vehicle or operator licence	£12	£12
Change of name and address for a driver badge	£21	£21
Vehicle exemption certificate or general administration fee	£44	£45
Vehicle re-test	£48	£48

Note: Drivers do have the option to sign up to the DBS online service for £13 per year if they wish. Officers can then check existing drivers DBS records online without the necessity for a driver to submit a new application form at a fee of £44

3. AVAILABLE OPTIONS

The fees and charges need to be reviewed to ensure that they are set at appropriate levels to recover the costs associated with providing the service. Having reviewed the income and expenditure the options available are:

- 3.1 To propose no changes or reductions to the existing fees. This would mean there would be a shortfall in income against the budget set for the function.
- 3.2 To approve the fees as set at in paragraph 2.14.

3.3 To propose, where possible and appropriate, fees higher than the cost of delivering the service. However, if the Council were subject to Judicial Review it would not be in a position to justify the fees that have been set.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 To approve the fees set out in paragraph 2.14 to ensure that the fee income reflects the cost of providing the service.

5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Impact on Corporate Priorities	No implications have been identified	[Head of Service or Manager]
Risk Management	No implications have been identified	[Head of Service or Manager]
Finance and other resources	It is necessary for the Council to deliver a balanced budget and cover the costs of providing this service.	[Section 151 Officer & Finance Team]
Staffing	No implications have been identified	[Head of Service]
Legal	Legal implications are set out in the body of the report.	Jayne Bolas, Solicitor Team Leader(Contentious)
Equality Impact Needs Assessment	No implications have been identified	[Policy & Information Manager]
Environmental/Sustainable Development	No implications have been identified	[Head of Service or Manager]
Community Safety	No implications have been identified	[Head of Service or Manager]
Human Rights Act	No implications have been identified	[Head of Service or Manager]
Procurement	No implications have been identified	[Head of Service & Section 151 Officer]

6. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

Appendix 1 – Hackney Chair response to consultation

Appendix 2 - Fee calculation tables for drivers
Appendix 3 - Fee calculation tables for vehicles
Appendix 4 - Fee calculation tables for operators

7. BACKGROUND PAPERS

None