



DERBY CITY COUNCIL

TAXI LICENSING AND APPEALS COMMITTEE

29 May 2015

Report of the Strategic Director of
Neighbourhoods

ITEM 4

Taxi Licensing Fees and Charges 2015/16

SUMMARY

- 1.1 A number of representations were received following the publication of the taxi licensing fees and charges which were previously approved for consultation, prior to formal adoption. Those representations have been considered and taken into account so far as it was appropriate, and this report sets out a final set of proposals for implementation of a revised set of fees and charges for 2015/16.

RECOMMENDATION

- 2.1 To note the action taken by the Chair of the Taxi Licensing and Appeals Committee and the Service Director of Environment and Regulatory Services following receipt of representations to the previous fees and charges.
- 2.2 To approve the proposed licence fees and charges for driver, vehicle and operator licences and other charges for 2015/16, as set out at Appendix 4, to become effective from 1 June 2015.

REASONS FOR RECOMMENDATION

- 3.1 Any changes to the licensing fees and charges must be approved and in place prior to the commencement of the new financial year.

SUPPORTING INFORMATION

- 4.1 At the meeting in February, Members approved, subject to consultation with stakeholders, the taxi licensing fees and charges for 2015/16. Since then, and in accordance with the requirements set out in section 70(3)(b) of the Local Government (Miscellaneous Provisions) Act 1976, the proposed fees and charges have been advertised and four representations were received.

- 4.2 The Act provides that where a representation is made and not withdrawn, the Council must consider it. The Council is required to set a further date when the fees shall come into force with or without modification and this date must be no later than two months after the first specified date, which in this case is 1 April 2015.
- 4.3 A number of themes were apparent from the representations received and these relate to:
- a lack of clarity around the methodology of separating out the service costs to each of the licence types
 - disparity between hackney carriage and private hire driver fees
 - the excessive costs of supplying and fitting hackney carriage vehicle quarter-light identification stickers
 - the methodology used for calculating a private hire operator licence
- 4.4 As agreed by Committee, the representations have been considered by the Chair of the Taxi Licensing and Appeals Committee and the Service Director of Environment and Regulatory Services.
- 4.5 In relation to the claim of a lack of clarity around the methodology of separating out the service costs to each of the licence types, officers have undertaken a review and identified a number of revisions.
- 4.6 In relation to the claim of disparity between hackney carriage and private hire driver fees, the difference in numbers between both means that it is unlikely that both figures will ever be the same, however the exercise of reviewing the methodology used to separate out the service costs has had an effect on this and has narrowed the differential between both fees.
- 4.7 In relation to the challenge about the excessive costs of supplying and fitting hackney carriage vehicle quarter-light identification stickers, the costs involved with supplying and fitting these stickers is re-charged to applicants 'at cost'. The matter has already been considered by Committee who confirmed that they were necessary for public safety. Officers have looked at alternative provision but remain concerned that authenticity, consistency and quality will be impacted upon, but will however keep this under review
- 4.8 In relation to the methodology used for calculating private hire operator licence fees, this matter was raised last year and the Council responded to both the applicant at the time and the Council's Auditor.

- 4.9 As was reported previously, the way in which the fees and charges have been calculated has changed. This change followed the outcome of a legal case brought against the Council of the City and the County of Cardiff which determined that separate accounts must be kept for each type of licence that are issued; namely those for hackney carriage drivers, hackney carriage vehicles, private hire drivers, private hire operators and private hire vehicles. It also determined that any surplus/deficit generated in any financial year for any one type of licence must be used to offset that particular type of licence in the following financial year, but the surplus from one type of licence cannot legitimately be used to offset a deficit for another licence type. This has meant that separate licence fees and charges have been calculated for each particular type of licence independently of each other. This accounts for the perceived 'rise' in a number of the licence types, and is the basis of a number of the representations about unfairness that were raised during the consultation process.
- 4.10 In calculating the fees and charges, officers have considered how much time is spent dealing with matters relating to each type of licence, similar to the apportionment exercise that has been undertaken in the past, how many licences of each type are likely to be received during the financial year and the cost of providing the service for the workload expected.
- 4.11 A breakdown of this apportionment and accounting process is set out at Appendix 2.
- 4.12 The proposed licence fees and charges for driver, vehicle and operator licences and other charges for 2015/16 are set out in Appendix 3. If approved, they will come into effect on 1 June 2015.
- 4.13 Since considering the fees and charges in February, the Government have confirmed that the relevant sections of the de-regulation legislation that apply to taxi licensing will be introduced in October 2015. This means the fees and charges will need to be reviewed again to accommodate three-yearly licences for drivers and five yearly licences for Private Hire Operators.

OTHER OPTIONS CONSIDERED

- 5.1 None. Fees and charges need to be reviewed annually and set at a level to recover the total costs incurred in providing the service.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Olu Idowu Amanda Fletcher - John Tomlinson -
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For more information contact: Background papers: List of Appendices:	Michael Kay Tel 01332 641940 e-mail michael.kay@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Review of Taxi Licensing Fees Calculation 2015/16 Appendix 3–Proposed licence fees and charges for driver, vehicle and operator licences and other charges for 2015/16
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Appendix 1

IMPLICATIONS

Financial

- 1.1 The proposed fees have been set at a level to recover the full cost of providing the taxi licensing service.
- 1.2 For 2015/16, a new methodology has been used to calculate the fees and charges for driver, vehicle and operator licences and other charges. Subsequently some have decreased, while others have remained the same.

Legal

- 2.1 The Council may, taking in to account statutory guidance and relevant case law, charge such fees for the grant of licences to cover the whole or part of the recoverable costs associated with the administration and compliance of licensing functions.

Personnel

- 3.1 None directly arising from this report.

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- 4.1 None directly arising from this report.

Equalities Impact

- 5.1 The fees and charges set out in the report have been calculated using methodology which reflects the actual resources being used by each licence type. This will need to be undertaken each year to ensure it remains relevant and fair.

Health and Safety

- 6.1 None directly arising from this report.

Environmental Sustainability

- 7.1 None directly arising from this report.

Property and Asset Management

- 8.1 None directly arising from this report.

Risk Management

- 9.1 None directly arising from this report.

Corporate objectives and priorities for change

- 10.1 The proposals set out in this report will deliver **better outcomes for our communities, more efficient and effective services and improved value for money for our customers.**

Appendix 2

REVIEW OF TAXI LICENSING FEES CALCULATION 2015/16 FOLLOWING CONSULTATION EXERCISE

APPORTIONMENT METHODOLOGY	Drivers		Vehicles		Operators	Total
2014/15 Apportionment Split (%)	62%		30%		8%	100%
Forecast Number of Licences	1244		1101		811 (vehicles)	
	Private Hire Driver	Hackney Carriage Driver	Private Hire Vehicle	Hackney Carriage Vehicle	Private Hire Operator	Total
Forecast Number of Licences	881	363	811	290	811 (vehicles)	
% of total forecast number of licences	881 of 1244 = 71%	363 of 1244 = 29%	811 of 1101 = 74%	290 of 1101 = 26%		
Licence type apportionment calculation	71% of 62% above = 44%	29% of 62% above = 18%	74% of 30% above = 22%	26% of 30% above = 8%		

2015/16 Apportionment Split (%)	44%	18%	22%	8%	8%	100%
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REVISED CALCULATION	Private Hire Driver	Hackney Carriage Driver	Private Hire Vehicle	Hackney Carriage Vehicle	Private Hire Operator	Total
Revised Apportionment Split (%)	44%	18%	22%	8%	8%	100%
Costs apportioned (£)	129,446	52,955	64,723	23,536	23,535	294,196
Direct costs (£)	15,863	4,475	7,140	2,509	0	29,987
Less direct income (£)	(28,888)	(10,158)	(370)	(119)	0	(39,535)
Forecast Expenditure (£)	116,421	47,273	71,493	25,925	23,536	284,648
Less Use of the Reserve at 31 March 2015 (£)	(25,023)	(10,237)	(12,512)	(4,550)	(4,550)	*(56,872)
Total (£)	91,397	37,036	58,982	21,375	18,986	227,776
Forecast Number of Licences	881	363	811	290	77 (vehicles 811)	2,422

Proposed Cost of licence (£)	104 (108)	102 (108)	73 (91)	74 (91)	26 / vehicle (23)	
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* Reserve 2014/15 - £50,037

Reserve 2013/14 - £6,835

() denotes previous charge

Appendix 3

**PROPOSED LICENCE FEES & CHARGES FOR DRIVER, VEHICLE & OPERATOR
LICENCES AND OTHER CHARGES FOR 2015/16**

FEES FROM 01 JUNE 2015	CURRENT 2014/15 CHARGE (£)	PROPOSED 2015/16 CHARGE (£)
DRIVERS		
Hackney Carriage	108	102
Private Hire	108	104
Hackney Carriage or Private Hire Driver Knowledge Test	65	65
Hackney Carriage Drive Test	25	36
Disclosure & Barring Check (based on cost recovery and subject to change)	44	44
Disclosure & Barring Administration Charge per Application	n/a	10
PRIVATE HIRE OPERATOR'S LICENCE		
Per vehicle operated	23	26
VEHICLE LICENCES		
Private Hire (New & Renewal)	91	73
Hackney Carriage (New – including internal & quarter light stickers & fitting)	116	144
Hackney Carriage (Renewal)	91	74
HACKNEY SIGNAGE (REPLACEMENT)		
Internal signs	45	48
Quarter-light stickers (x2) including fitting	51	70
CHANGES & ALTERATIONS		
Changing knowledge test date	5	8
Change of vehicle records	n/a	13
Change of vehicle registration number	25	23
ENQUIRIES FROM VEHICLE / DRIVER RECORDS		
Subject access data request for information	10	10
Other requests for information outside subject access data request requirements	25	22
REPLACEMENTS		
Replacement badge	20	16
Replacement certificate / document	20	20
Replacement plate	25	23