



DERBY CITY COUNCIL

TAXI LICENSING AND APPEALS COMMITTEE 21 DECEMBER 2005

Report of the Director of Corporate Services

TAXI LICENSING FEES AND CHARGES 2006/2007

RECOMMENDATION

- 1.1 To approve, subject to the consideration of objections/representations, the proposed licence fees and charges for driver and vehicle licences and other charges for 2006/2007 as set out in Appendix .
- 1.2 To request the Director of Corporate Services to advertise the proposed variation of fees.
- 1.3 To authorise the Director of Corporate Services, in consultation with the Chair of Licensing and Appeals Committee, to consider any objections received within the objection period and take appropriate action if required.
- 1.4 To approve the new licence fees to become affective from 1 April 2006 if no objections are received during the objection period.
- 1.5 To request the Director of Corporate Services to report to the next meeting of this Committee on options for setting Operators Licence fees.

SUPPORTING INFORMATION

- 2.1 The hackney carriage and private hire licensing fees and charges are reviewed annually. These licensing functions are self-financing and non-profit making. The fees and charges are set at a level to recover the total costs incurred in providing the service.
- 2.2 If a trading surplus occurs in any financial year, this is transferred into a taxi licensing holding account. Any amount over £10,000 in this account is then used to offset fees and charges in the following financial year. The £10,000 limit is retained in the account to offset possible deficits in the taxi licensing budget.
- 2.3 The taxi licensing budget working paper for 2005/2006 and 2006/2007 is attached in Appendix 2. The expenditure (the cost of providing the service) will be £282,654 for 2006/2007, although this will be offset by £27,000, which is the trading surplus from 2004/2005, giving a total income requirement of £255,654.

- 2.4 At its meeting in February 2005 this Committee considered a Taxi Licence Fees and Charges Report that identified the need to review the way in which licence fees were apportioned between the three different types of licence – drivers, vehicles and operators.
- 2.5 The original calculation method had been devised in the mid-1990s and officers were concerned that it did not reflect the current cost/time balance between the licence types due to changes in service demands, particularly in respect to the greater time now required on drivers applications. These concerns were confirmed by a preliminary survey carried out in November and December 2004. Having considered the report this Committee resolved to request the Director of Corporate Services to undertake a review of the balance of taxi licensing fee apportionment during 2005 and report his findings back to this Committee.
- 2.6 The detailed survey of officer time apportionment was carried out between April and October 2005. The results, together with the potential impact on licence fees, are set out in Appendix 3.
- 2.7 The survey showed that drivers' issues now occupy approximately 55% of officer time, as opposed to 39% in the original calculation. This is due principally to changes brought about by the introduction of the CRB process. The fall in the percentage of time spent on vehicle issues (from 50% to 34%) does not reflect any reduction of work in this area, but the relative increase in work with driver issues. Overall, the survey demonstrates the workload increased within the Taxi Licensing Section over the last few years.
- 2.8 The changes in officer time/cost allocation to each licence type has a significant impact on the licence fees if they are allocated on this basis. For example, drivers' licence fees (which are calculated by dividing the total 'recoverable' from drivers by the anticipated number of licence holders during the year) would rise by £32 to £126, (from £94 in 2005/2006). Although this is a substantial increase, it is a true reflection of what that part of the service actually costs. However, when these results are applied to vehicle licences, they would fall by £48 from £154 to £106. For a member of the taxi trade who holds both a driver and vehicle licence this would mean an overall reduction in licence fees of £16.
- 2.9 It should be noted that the proposed fees for 2006/07 set out in paragraph 2.8 have been reduced by the carry forward of the 2004/5 trading surplus of £27,000. This means that overall licence fee levels are lower than in 2005/6. However, this reduction applies to 2006/7 only unless there is a further trading surplus in 2005/6. If the full expenditure costs had to be met from licence fees in 2006/7 they would be £141 for drivers and £118 for vehicles.
- 2.10 The survey showed that the time allocated to operators' issues was largely unchanged and the impact on fees would be minimal. However, some large private hire companies have questioned whether the current method of charging fees based on vehicle numbers within their fleets (i.e. a flat charge per vehicle) is fair. They have suggested a 'banding' system may be more appropriate and have requested that this be considered by the Committee. If this request is approved by Members, it is proposed that officers bring a further report on this specific issue to the meeting in February 2006, setting out options for consideration. Any changes approved as a result of this could be built into the fees and charges for 2006/2007.

- 2.11 It is proposed that the officer time/cost survey is carried out every three years to ensure that fee allocation between licence types accurately reflects the cost of administering that part of the licensing regime.

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Background papers:	None
List of Appendices:	Appendix 1 Implications Appendix 2 Appendix 3

APPENDIX 1

IMPLICATIONS

Financial

1. The proposed fees have been set at a level to recover the full cost of providing the taxi licensing service.

Legal

- 2.1 The Council may charge such fees for the granting of licences etc to cover the whole or part of the recoverable costs of administering the licensing function.
- 2.2 The Director of Corporate Services is required to publish in a local newspaper the proposals for changes to the level of driver, vehicle and operator fees. Any objections or representations must be lodged within 28 days from the date of the publication and considered by the Council.

Personnel

3. None

Equalities impact

4. The proposed charges to licence fee apportionment are a fairer reflection on the costs of administering each type of activity relating to licensing.

Corporate objectives and priorities for change

5. The taxi licensing service contributes towards the objectives of **healthy, safe and independent communities** and **a prosperous, vibrant and successful economy**.