

TAXI AND PRIVATE HIRE LICENSING; FEES AND CHARGES

1 Purpose

- 1.1 To review the taxi and private hire fees and charges and agree fee levels upon which the Council can subsequently formally consult on.

2 Recommendations/for decision

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| 2.1 | That the Environment & Living Scrutiny Committee agree the fees and charges set out in Appendix 2 to this report; and |
| 2.2 | Licensing Committee be charged with the statutory consultation and implementation of the fees and charges. |

3 Supporting information

- 3.1 The Council's taxi and private hire licence fees and charges have not been formerly reviewed for a number of years. However existing fee levels as a whole appear not to be wholly disproportionate. Existing taxi fees and charges are attached as Appendix 1.
- 3.2 Over the last two years taxi licensing has been subject to a number of changes relating to the introduction of new technology, some key decisions by the Council's Licensing Committee and significant changes in the law. Whilst the overall budget for hackney carriages and private hire, through diligent management, remains neutral it is prudent that the Council carry out a thorough review of fees and charges and agree them in accordance with the law.
- 3.3 The relevant legal provisions are set out in the Local Government (Miscellaneous Provisions) Act 1976 ('the Act') and specifically Section 53 in respect to drivers and Section 70 in relation to vehicles and operators. Both the procedure and authorisation process in respect to Sections 53 and 70 are different. The setting of fees for drivers (Section 53), for example is delegated to Licensing Committee and there is no requirement to advertise any proposed fees. Fees for vehicles and operators (Section 70) is a Cabinet decision and there are more extensive implementation arrangements.
- 3.4 In the interests of fairness and transparency it is intended to apply the same arrangements for driver licence fees as is required for vehicles and operators. This report seeks the agreement of the Environment and Living Scrutiny Committee of the specific fee levels for taxi licensing and the general methodology behind their calculation. A subsequent report, with the agreed fee levels will be brought before Licensing Committee with a recommendation to publish a notice of the proposed new fees and charges. If objections are received and not withdrawn a further meeting of Licensing Committee will consider them and agree the final fees with or without modification. In respect to vehicle and operator fees Licensing Committee will recommend their approval by the appropriate Cabinet Member.
- 3.5 Sections 53 and 70 of the Act allow the Council to charge fees for the grant of licenses in respect of hackney carriage and private hire drivers, vehicles and operators. The legislation specifies the elements that can be included in the calculation of the licence fees.
- 3.6 The costs of issue and administration of licences can be recovered in driver's licence fees. In respect of vehicle and operator licences, the reasonable cost of inspecting vehicles, the reasonable cost of providing hackney carriage

stands and any reasonable administrative costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles can be included in the fees.

- 3.7 In respect to drivers only, the costs of enforcement cannot be included in the calculation. The Council cannot make a profit from licence fees and any surplus or deficit must be carried forward and form part of any subsequent review of fees.
- 3.8 The general methodology behind this review of fees has been determined by the Act and the document 'Open for business: Local Government Association (LGA) guidance on locally set licence fees'. This guidance has been used as a starting point only because it does not take into account the specific statutory restrictions applicable to taxi and private hire fees and therefore not all the costs listed as recoverable in the guidance have been included in the fees.
- 3.9 The LGA guidance acknowledges that the EU Services Directive, applicable to most forms of licensing does not apply in the case of taxi and private hire licensing but the principles, however remain helpful. The core principles are that fees should be non-discriminatory; justified; proportionate; clear; objective; made public in advance; transparent; and accessible.
- 3.10 The LGA guidance draws attention to two important judicial decisions in respect to fees. The first is *Cummings V Cardiff* which rules that the charges within a licensing regime for different categories of licence should not subsidise each other.
- 3.11 The second is *Hemmings V Westminster*. Strictly speaking this does not apply to taxi and private hire licensing as this case proceeded under the auspices of the EU Services Directive. The principle ruling was that application fees relate solely to the costs of authorisation i.e. reviewing the application and granting or refusing it. Successful applicants should subsequently be charged an additional fee relating to the costs of on-going administration and enforcement. Whilst this is not necessarily applicable to taxi and private hire licensing it would be prudent to bear in mind the principle and might, for example inform the Council's refund policy in respect to unsuccessful applications.
- 3.12 The LGA guidance acknowledges that Councils are free to design the licensing service that best serves the needs of their community and recover the costs accordingly. It provides a number of elements that Council's may wish to consider (but for consideration only). These include administration, visits, third party costs, liaison with interested parties, management costs, local democracy costs, on costs, development, determination and production of licensing policies, web material, advice and guidance, setting and reviewing fees, monitoring and inspection visits and maintaining statutory registers. The legislation does not require the Council to make a precise calculation so as to arrive at an income which exactly meets the cost of the administration of the various licences. Councils are required, however to take a reasonable and proportionate approach and should aim to set a fee level that is sufficient to cover the cost but not make a surplus. On that basis it is proposed that a full service review of fees is carried out every three years, thus affording the opportunity to reconcile any surplus or deficit accrued. In addition to this the fees will be reviewed annually in relation to any increase in RPI and where appropriate an increase applied to the fee to recover related increased costs to the Council. Increases in line with RPI will not require a formal approval process.

- 3.13 A review of the cost of delivering taxi licensing services has been carried out and new fees are proposed that reflect both the full staffing costs as well as the support service costs e.g. services such as democratic services, corporate governance, office accommodation etc. Where the fee pays for a service provided to the Council by a supplier, such as DVLA checks, or a physical item such as a plate or bracket for a vehicle, this has been factored into the fee. DBS fees are set by our supplier and vary to a small extent annually. The DBS fee is therefore detailed separately and will be increased annually to reflect supplier cost increases. This will not require a formal approval process. The cost of physical supplies also varies dependent on supplier costs and will be increased annually to reflect supplier cost increases, This will not require a formal approval process.
- 3.14 A full summary of the fees proposed is set out in Appendix 2. The most significant variation from current fees can be seen in the areas of hackney carriage and private hire driver licences where the cost of a new 3 year licence has risen from £156 to £193. This reflects the increased resource requirements imposed on local authorities by the Deregulation Act 2015 which enables applicants who reside in and outside of Aylesbury Vale to apply for a driver licence from the Council. All drivers licensed by the Council are subject to series of checks in order to determine that they are fit and proper and do not pose an unacceptable risk to the safety of the travelling public. Deregulation has resulted in an increase in the numbers of applications received and in the type and variance of checks that need to be carried out uniformly across the service which include checks with other local authorities, police forces and immigration services to ensure that a licence can be issued in good faith. In many cases a charge is made to the Council for the provision of this information, in addition to the additional staffing resource required to carry out these checks and monitor and manage the timely return of information against the application.
- 3.15 Whilst it is proposed that driver licence fees should increase, it is proposed that both hackney carriage vehicle and private hire vehicle licence fees should reduce, with new hackney carriage vehicle licence applications reducing from £372 to £300 and new private hire vehicle licence applications reducing from £342 to £307. In the main, this reduction reflects the benefits resulting from the introduction of new digital technology to manage bookings and the issue of licences which has reduced the amount of resource required to deliver these services.

4 Options considered

- 4.1 None

5 Reasons for Recommendation

- 5.1 The periodic review of taxi licence fees and charges is a legal requirement.

6 Resource implications

The cost of running the taxi and private hire licensing service, including the review of fees, is met by appropriate fees and charges.