

# LICENSING REGULATORY COMMITTEE

## Proposed Licensing Fees 2017/18 23<sup>rd</sup> March 2017

### Report of Food & Safety Manager

#### PURPOSE OF REPORT

The report provides detailed budget information for the Licensing Services and sets out proposed fee levels to enable Members to consider setting fees for 2017/18

**This report is public.**

#### RECOMMENDATIONS

**That for the financial year 2017/18, there be no increase in the fees charged by the Council for fees relating to Hackney Carriages and Private Hire vehicles, and Miscellaneous licences.**

##### 1.0 Introduction

1.1 Members will recall that a report was presented to this committee on the 9<sup>th</sup> February 2017 setting out proposed fees for Hackney Carriages, Private Hire vehicles and Miscellaneous licenses with a recommendation that there should be no fee increase for 2017/18. However, when the committee considered the contents of the report, members were concerned that they had not been presented with sufficient information on the service budget to approve the fees as presented. It was resolved that the matter be deferred until the next meeting of the Committee to allow officers to provide data for the financial years 2016/17 and projected data for the financial year 2017/18.

1.2 Budget breakdown for the Licensing function covering years 2016/17 together with forward estimate for 2017/18 and also projections to 2020/21 is outlined in this report

##### 2.0 Budget analysis

2.1 The budgets for the Licensing function covering Hackney Carriages, Private Hire Vehicles and Miscellaneous licenses for the years 2016/17 and 2017/18 are set in the table below. The analysis also contains a projection for future years up to 2020/21, as operator licences were set on a 5 year basis.

<b>Hackney Carriage/Private Hire</b>	<b>2016/17 Revised £</b>	<b>2017/18 Budget £</b>	<b>2018/19 Forecast £</b>	<b>2019/20 Forecast £</b>	<b>2020/21 Forecast £</b>
Central Overhead	140,200	142,900	145,200	150,600	154,300
Other Direct Costs	52,000	48,300	49,600	59,200	51,900
Licence Income	(115,900)	(138,400)	(123,500)	(113,200)	(146,500)
Other Income	(52,200)	(48,400)	(49,600)	(58,700)	(51,900)
<b>Deficit</b>	<b>24,100</b>	<b>4,400</b>	<b>21,700</b>	<b>37,900</b>	<b>7,800</b>
Less Non-Recoverable Costs	(15,800)	(16,000)	(16,200)	(16,400)	(16,600)
<b>Revised Deficit</b>	<b>8,300</b>	<b>(11,600)</b>	<b>5,500</b>	<b>21,500</b>	<b>(8,800)</b>
<b>Average Deficit</b>	<b>2,980</b>				
<b>Miscellaneous Licences</b>	<b>2016/17 Revised £</b>	<b>2017/18 Budget £</b>	<b>2018/19 Forecast £</b>	<b>2019/20 Forecast £</b>	<b>2020/21 Forecast £</b>
Central Overhead	20,400	20,800	21,100	21,900	22,400
Licence Income	(14,500)	(9,800)	(9,500)	(15,400)	(11,000)
<b>Deficit</b>	<b>5,900</b>	<b>11,000</b>	<b>11,600</b>	<b>6,500</b>	<b>11,400</b>

- 2.2 Members will recall from the February report that whilst fee charging is designed to recover costs of administration and management of the Licensing function, full cost recovery is not achievable under the current framework. This is because not all licenses are charged for and the Council is limited to cost recovery only for those licenses that do attract a fee.
- 2.3 The remainder of this report is concerned with the setting of the licence fees for Hackney Carriage and Private Hire licences and miscellaneous licences issued by the Council. Members are reminded that for the purpose of the 2016/17 budget process the Council approved substantial increases of some hackney carriage and private hire fees following a time monitoring exercise which was undertaken by the former Licensing Manager. This was to ensure that the actual cost of provision could be met.
- 2.4 The analysis of fee charges arising from the time monitoring exercise is outlined in Appendix A to this report.
- 2.5 The controls on charging and cost recovery, and in particular with regard to Hackney Carriage and Private Hire licensing, is outlined in Section 70 of the Local Government (Miscellaneous Provisions) Act 1976. This provides that a District Council may charge such fees for the grant of vehicles and operators licences as may be sufficient to cover in whole or in part the reasonable costs of administration and regulation of the service.
- 2.6 Members may also recall that all drivers' licences would be issued for 3 years and operator licences would be issued for 5 years in most cases. Bearing in mind that we are still in the first year of the new fee levels it is difficult to test the full impact of these fees. Whilst annual reconsideration of fees and charges is necessary, a fuller

review is proposed by officers every 3 years for driver licence fees and every 5 years for operator licences.

- 2.7 With regard to Hackney Carriage and Private Hire licensing, future income from licence fees will depend on whether or not licence holders decide to renew their licences and on how many new applications for licences are received. There is no indication of significant variance in the number of licenses in operation in recent years.
- 2.8 The present fees in relation to Hackney Carriage and Private Hire licensing are listed in Appendix B.
- 2.9 Miscellaneous licensing for 2017/18 shows a deficit of £11,000. The former Licensing Manager's advice was that that this sum properly reflects the work undertaken in respect of licences where a fee cannot be recovered, (e.g. street collection and house to house collections). The present fees in relation to Miscellaneous licensing are listed in Appendix C.

### **3.0 Conclusions**

- 3.1 The analysis of the budget carried out by the former Licensing Manager, in conjunction with the Finance Officer, indicates that the proposed fees will reasonably cover the costs where permissible.
- 3.2 Members are recommended to approve that there be no increase in the fees either for Hackney Carriage and Private Hire licensing or for Miscellaneous licences for 2017/18 as the existing fees reflect the cost of providing the service, in accordance with the statutory provisions on licence fees.
- 3.3 Should members decide to introduce a different fee structure then this will need to be proposed and agreed.

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

None.

#### **FINANCIAL IMPLICATIONS**

Financial Services have been consulted and assisted the former Licensing Manager and the Food & Safety Manager in the preparation of the report. As reported to the February meeting the fee income for the current year and future year's costs and recharges will be reviewed after the closure of accounts process.

#### **LEGAL IMPLICATIONS**

Legal Services have been consulted and their comments have been incorporated in the report.

#### **BACKGROUND PAPERS**

None

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### Breakdown of Cost – Renewal of Drivers Licence

**Proposed renewal of a 3 year drivers licence = £221**

**Proposed renewal of a 1 years drivers licence = £120**

1. Badge = **£10**
2. Preparing and sending renewal = 10 mins = **£5.66<sup>1</sup>**
3. Receiving and checking application = 20 mins = **£11.31<sup>2</sup>**
4. DBS identity check and officer verification = 20 mins = **£11.31<sup>3</sup>**
5. DVLA licence check = 15 mins = £8.40 per check x 3 = **£25.44<sup>4</sup>**
6. Receiving and checking medical plus follow up = 20 mins = **£11.31**
7. Taking telephone payment = 10 mins = **£5.66**
8. Issuing licence plus data input = 20 mins = **£11.31**
9. Policy and service development, Taxi Forum, training, consultation = 30 mins manager per year (90 mins total) = 20 mins enforcement/admin officer per year (60 mins total) = **£111.46**
10. Printing and postage cost = **£3<sup>5</sup>**
11. Committee = **£3.42<sup>6</sup>**
12. Setting of fees = **£1.29<sup>7</sup>**
13. Additional items during the period of the licence = **£9.98<sup>8</sup>**

Actual cost for a 3 year licence = **£221.15**

Actual cost of a 1 year licence = **£120.19**

Note: a 1 year licence would be £100.96 cheaper because 5, 9, 11, 12 and 13 would be divided by 3

<sup>1</sup> Printing and sending out all renewal paperwork

<sup>2</sup> Checking application, requesting any corrections and additional information, approving issue of licence, input of data.

<sup>3</sup> Checking/copying ID, completing/sending verification.

<sup>4</sup> Sending mandates, requesting codes, checking codes, further verification if required

<sup>5</sup> For licences and correspondence, DBS requests.

<sup>6</sup> Allowances for 9 "fit and proper" hearings per year = 27 every three years (data taken from 2012, 2013 and 2014), to include time spent by licensing manager (27 hours) and enforcement officers (15 hours) in delivering 1 hour hearing plus preparation = £1921.11 among 561 drivers = £3.42 per licence

<sup>7</sup> 14 manager hours per year at £723.52 divide by 3 licence types (driver, vehicle, operator) = £241.17 among 561 drivers = £0.43 per licence per year x 3 = £1.29

<sup>8</sup> Change of address 156hrs (£5294.64), replacement licences 9 hours (£305.46) among 561 drivers = £9.98 per licence.

## Breakdown of Cost – Grant of Drivers Licence

**Proposed Grant of a 3 year driver licence = £292**

**Proposed Grant of a 1 year driver licence = £191**

1. Badge and clip = **£10**
2. Making up pack, issuing and receiving application = 90 mins = **£50.91<sup>1</sup>**
3. Receiving and checking application = 20 mins = **£11.31<sup>2</sup>**
4. DBS identity checks = 20 mins = **£11.31<sup>3</sup>**
5. DVLA checks = 15 mins = £8.48 per check x 3 = **£25.44<sup>4</sup>**
6. Receiving and checking medical plus follow up = 20 mins = **£11.31**
7. Administering Knowledge test = 90 mins = £50.40 less £20 paid directly by applicant = **£30.91<sup>5</sup>**
8. Issuing licence plus data input = 20 mins = **£11.31**
9. Policy and service development, Taxi Forums, training, Consultation = 30 mins manager per year (90 mins total) = 20 mins enforcement/admin officer per year (60 mins total) = **£111.46**
10. Printing and postage cost = **£3<sup>6</sup>**
11. Committee = **£3.42<sup>7</sup>**
12. Setting of fees = **£1.29<sup>8</sup>**
13. Additional items during period of licence = **£9.98<sup>9</sup>**

Actual cost for 3 year licence = **£291.65**

Actual cost for a 1 year licence = **£190.69**

Note: a one year licence would be £100.96 cheaper because 5, 9, 11, 12 and 13 would be divided by 3.

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<sup>1</sup> Making an appointment, meeting applicant, taking payment, explaining application process, advising requirements.

<sup>2</sup> Checking application, requesting any corrections and additional information, approving issue of licence, input of data.

<sup>3</sup> Meeting applicant, taking payment, checking/copying ID, completing sending verification.

<sup>4</sup> Sending mandates, requesting codes, checking codes, further verification if required

<sup>5</sup> £20 per test paid directly by applicant

<sup>6</sup> For licences and correspondence, DBS requests.

<sup>7</sup> Allowances for 9 "fit and proper" hearings per year = 27 every three years (data taken from 2012, 2013 and 2014), to include time spent by licensing manager (27 hours) and enforcement officers (15 hours) in delivering 1 hour hearing plus preparation = £1921.11 among 561 drivers = £3.42 per licence

<sup>8</sup> 14 manager hours per year at £723.52 divide by 3 licence types (driver, vehicle, operator) = £241.17 among 561 drivers = £0.43 per licence per year x 3 = £1.29

<sup>9</sup> Change of address 156hrs (£5294.64), replacement licences 9 hours (£305.46) among 561 drivers = £9.98 per licence.

## Breakdown of Cost – renewal of Private Hire Vehicle Licence

Proposed fee for renewal of private hire vehicle licence = £189 per year.

1. Plates and door signs = 25 mins = **£14.14**<sup>1</sup>
2. Sending out renewal papers and receiving application = 40 mins = **£22.63**<sup>2</sup>
3. Issuing licence = 10 mins = **£5.66**
4. Printing and postage cost including tariff card (not required but always requested) = **£5**<sup>3</sup>
5. Administration of vehicle tests = 40 mins = **£22.63**<sup>4</sup>
6. Complaints, inspections, suspensions, committee = 60 mins enforcement officer plus 15 mins manager = £47.95 plus committee time as set out in calculations below = £1.21 total **£49.18**<sup>5</sup>
7. Policy and service development, consultation, = 30 mins manager 20 mins enforcement/admin = **£37.15**
8. Setting Fees = **£1.06**<sup>6</sup>
9. Additional items during period of licence = **£32**<sup>7</sup>

Actual cost for one year = £189.45

See footnote for calculations

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<sup>1</sup> Making plates and door signs if required

<sup>2</sup> Sending out pre populated renewal papers, checking application and taking payment

<sup>3</sup> For sending out application forms and other communication

<sup>4</sup> Admin work includes communication with garage, booking vehicle tests, receiving and matching compliance certificates, data input and subsequent referral to enforcement in event of failures.

<sup>5</sup> Enforcement officer work = 394 hours on vehicle inspection approximately 60 minutes per vehicle. Manager approximately 50 hours = 15 minutes per vehicle (based on 214 private hire vehicle and 108 hackney carriage vehicles). = £47.97 plus 5 hours manager time preparing reports and presenting to committee in relation to suitability of vehicle = 258.40 divided by 214 private hire vehicles = £1.21 makes a total of £49.18

<sup>6</sup> 14 manager hours per year at £723.52 plus £300 advertisement costs = £1023.52 divide by 3 licence types (driver, operator and vehicle) = £341.17 divided by 322 vehicles = £1.06

<sup>7</sup> Change of ownership, change of address, chasing up to date insurance policies.

## Breakdown of Cost of Private Hire Operators Licence

Proposed grant or renewal of private hire operator's licence (5 Years):

1 Vehicle = **£419**; 2 to 10 vehicle = **£523**; 11 to 25 vehicles = **£697**; 26 vehicles and over = **£1064**

Proposed grant or renewal of private hire operator's licence (1 year)

1 Vehicle = **£134**; 2 to 10 vehicles = **£155**; 11 to 25 vehicles = **£190**; 26 vehicle and over = **£263**;

1. Preparing and receiving applications = 25 mins = **£14.14**<sup>1</sup>
2. Data input = 20 mins = **£11.31**
3. Issuing licence = 15 mins = **£8.48**
4. Printing and postage costs = **£3**<sup>2</sup>
5. Taking telephone payments = 10 mins = **£5.66**
6. Complaints, inspections, suspensions of vehicles, committee:
  - 1 Vehicle – 2.5 hours enforcement officer + 1 hour manager over 5 years = **£139.31**
  - 2 to 10 vehicles – 4 hours enforcement officer + 2 hour manager over 5 years = **£243.56**
  - 11 to 25 vehicles - 7.5 hours enforcement officer = 3 hours manager time over 5 years = **£417.92**
  - 26 vehicles an over – 15 hours enforcement officer time + 5 hours manager time over 5 years = **£784.15**
7. Policy and service development, taxi forum, training, consultation = 30 mins manager per year (150 mins total) = 20 mins enforcement/admin per year (100 mins total) = **£185.77**
8. Setting fees = **£31.02**<sup>3</sup>
9. Additional items during period of licence = **£20**<sup>4</sup>

Actual cost for 5 year licence:

1 vehicle = **£418.69**; 2 to 10 = **£522.94**; 11 to 25 = **£697.30**; Over 26 = **£1063.53**

Actual cost for 1 year licence:

1 vehicle = **133.81**; 2 to 10 = **£154.66**; 11 to 25 = **£189.53**; 26 and over = **£262.78**

Note 1 year licence would be cheaper because 6, 7 and 8 would be divided by 5

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<sup>1</sup> Printing renewal paperwork and posting. Checking and receiving paperwork, scanning paperwork

<sup>2</sup> For licence and correspondence

<sup>3</sup> 14 manager hours per year at £723.52 plus £300 advertisement costs = £1023.52 divided by 3 licence types (driver, vehicle and operator) = £341.17 divided by 55 operators = £6.20 x 5 = £31.02

<sup>4</sup> Change of ownership, change of address = £20 per licence.

## Breakdown of Cost – renewal of Hackney carriage Vehicle Licence

Proposed fee for renewal of hackney carriage vehicle licence = **£245** per year.

1. Sending out renewal papers and receiving application = 40 mins = **£22.63<sup>1</sup>**
2. Issuing licence = 10 mins = **£5.66**
3. Printing and postage cost including tariff card = **£5<sup>2</sup>**
4. Administration of vehicle tests = £40 mins = **£22.63<sup>3</sup>**
5. Complaints, inspections, suspensions, committee = 60 mins enforcement officer plus 15 mins manager plus committee time as set out in calculations below = **£58.44<sup>4</sup>**
6. Court = **£23.75<sup>5</sup>**
7. Policy and service development, consultation, unmet demand survey = 60 mins manager 40 mins enforcement/admin = **£74.31**
8. Setting Fees = **£1.06<sup>6</sup>**
9. Additional items during period of licence = **£32<sup>7</sup>**

Actual cost for one year = **£245.48**

See footnote for calculations

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<sup>1</sup> Sending out pre populated renewal papers, checking application and taking payment

<sup>2</sup> For sending out application forms and other communication

<sup>3</sup> Admin work includes communication with garage, booking vehicle tests, receiving and matching compliance certificates, data input and subsequent referral to enforcement in event of failures.

<sup>4</sup> Enforcement officer work = 394 hours on vehicle inspection approximately 60 minutes per vehicle. Manager approximately 50 hours = 15 minutes per vehicle (based on 214 private hire vehicle and 108 hackney carriage vehicles). = £47.97. Plus allowances for 6 committee reports based on an average from the past 3 years relating to fares, ranks and the control and supervision of ranks to include time spent by licensing manager (12hours) and enforcement officers (6 hours) in delivering hearing and preparing paperwork = 830.46 plus £300 to advertise tariff change = £1130.46 divided by 108 vehicles = £10.47. Both together total £58.44

<sup>5</sup> Allowance for 13 court cases in relation to the control and supervision of ranks. 32 manager hours = £1653.76 plus 26 enforcement officer hours = £911.30 divided by 108 hackney carriage proprietors = £23.75

<sup>6</sup> 14 manager hours per year at £723.52 plus £300 advertisement costs = £1023.52 divide by 3 licence types (driver, operator and vehicle) = £341.17 divided by 322 vehicles = £1.06

<sup>7</sup> Change of ownership, change of address, chasing up to date insurance policies.



## Hackney carriage and private hire Vehicle Licensing fees

TYPE OF LICENCE	COST PER LICENCE £	TOTAL £	CODE	VAT
HC/PH/Dual Driver's Licence (annual)	120.00		L2000/I8501	OS
HC/PH/Dual Driver's Licence (3 yearly)	221.00		L2000/I8501	OS
HC/PH/Dual Driver's Licence (new annual))	191.00		L2000/I8501	
HC/PH/Dual drivers Licence (New 3 yearly)	292.00		L2000/I8501	
Duplicate Driver's Badge	11.75		L2000/I8501	OS
HC Vehicle Test Fee	53.00		L2000/I8502	OS
Hackney Carriage Licence (annual)	245.00		L2000/I8500	
Hackney Carriage Licence (6 monthly)	123.00		L2000/I8500	
Hackney Carriage Licence (4 month)	82.00		L2000/I8500	
Private Hire - Vehicle test fee	53.00		L2000/I8513	OS
Private Hire Vehicle Licence (annual)	189.00		L2000/I8512	OS
Private hire vehicle licence (6 monthly)	95.00		L2000/I8512	OS
Private Hire Vehicle Licence (4 monthly)	63.00		L2000/I8512	
Private Hire Operators Licence				
1 vehicle (annual)	134.00			
1 vehicle (5 yearly)	419.00			
2-10 Vehicles (annual)	155.00			
2- 10 vehicles (5 Yearly)	523.00		L2000/I8510	OS
11-25 vehicles (annual)	190.00			
11-25 vehicle (5 yearly)	697.00			
26 vehicle and over (annual)	263.00			
26 vehicles and over (5 yearly)	1064.00			
Licence Plate - Private Hire (each)	6.40		L2000/I8517	ST
Licence Plate - Hackney Carriage	6.40		L2000/I8505	ST
Enhanced CRB Check (Fee set by CRB)	44.00		L9000/LP232	OS
Door Signs - (each)	6.40		L2000/8505 L2000/8517	ST
Online Drivers Licence Check	5.90		L2000/I8511/0 1	OS
Administration fee (where applicable)	42.00			
<b>Total Fee Payable</b>				

## MISCELLANEOUS LICENCES

Type of Licence	Cost per Licence £	Total £	Code	VAT
Boatman's Licence	55.00		L2001/I8496	OS
Scrap Metal Dealers Mobile Licence	157.60		L2001/I8496	OS
Scrap Metal Dealer Site Licence	260.00		L2001/I8496	
Pleasure Boat Licence	100.00		L2001/I8497	OS
Registration in Skin Piercing/Tattooing (Persons)	77.00		L2001/I8488	OS
Registration in Skin Piercing/Tattooing (Premises)	169.00		L2001/I8488	OS
Registration of dealer in second-hand goods	169.00		L2001/I8495	OS
Registration of dealer in second-hand goods - market stalls	51.00		L2001/I8495	OS
Sex Shop	541.00		L2001/I8494	OS
Sex Shop renewal	541.00		L2001/I8494	OS
SEV's	5654.00			
Street Café Licence	282.00		L9000/LP263	OS

	<b>Total Fee Payable</b>
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<b>Official Use Only</b>	
<b>Date Paid</b>	
<b>Amount</b>	
<b>Received By</b>	