

LICENSING REGULATORY COMMITTEE

Local Government (Miscellaneous Provisions) Act 1976 – Consideration of Objections to Proposed Variation of Hackney Carriage and Private Hire Vehicle and Private Hire Operator Licence Fees 26th March 2015

Report of the Licensing Manager

PURPOSE OF REPORT

The report is to enable Members to consider objections to the proposed increase in licensing fees in relation to hackney carriage and private hire vehicle licences and private hire operator licences, approved in principle by the Committee in February.

This report is public.

RECOMMENDATIONS:

The Committee is requested to consider objections to the proposed increase in licensing fees in relation to hackney carriage and private hire vehicle licences and private hire operator licences, and to determine whether or not to modify the fees approved in principle by the Committee at its last meeting.

1.0 Introduction

- 1.1 Members will recall that at its last meeting held on 12th February 2015, the Committee considered a proposed variation of the current level of fees in relation to hackney carriage and private hire licences and miscellaneous licences. A copy of the February report is attached at Appendix 1 for ease of reference.
- 1.2 The Committee approved in principle a proposed increase in fees of 3% for all hackney carriage and private hire licences with the exception of applications for new driver's licences for which a 10% increase was approved to reflect the additional cost involved in administering a new application. A copy of the proposed fees sheet is attached at Appendix 2 to this report.
- 1.3 Section 70(3) of the Local Government (Miscellaneous Provisions) Act 1976 requires any increase in the licence fees in respect of private hire operators and hackney carriage and private hire vehicles to be advertised, and a period of 28 days allowed for objections. The proposed fees were duly advertised, and objections from two hackney carriage proprietors had been received at the time of writing this report. Copies are attached at Appendix 3.
- 1.4 Under Section 70(5) of the Local Government (Miscellaneous Provisions) Act 1976, if an objection is made and not withdrawn, the district council is required to consider the objection and then set a date, not later than 2 months after the first specified date on which the variation of fees should come into force with or without modification as

decided after consideration of the objection. The first specified date in this instance was the 1st April in line with all other increases in fees levied by the council.

- 1.5 It should be noted that the legislation only allows for objections in relation to hackney carriage and private hire vehicle licence fees and private hire operator licence fees, and therefore they are the only matters that are the subject of this report.

2.0 Details

- 2.1 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a district council may charge such fees for the grant of hackney carriage and private hire vehicle and private hire operator licences as may be sufficient in the aggregate to cover in whole or in part the reasonable costs of carrying out inspections of Hackney Carriages and Private Hire vehicles to determine whether a licence should be granted or renewed, the reasonable costs of providing Hackney Carriage stands, and any reasonable administrative or other costs in connection with the foregoing and in connection with the control and supervision of Hackney Carriages and Private Hire vehicles. In essence, this means that overall fee income must not exceed relevant costs incurred. Fees charged for drivers' licences may also be set at an appropriate level to cover the cost of issue and administration.
- 2.2 As set out in the February report, it was calculated that for 2015/16 the budgeted cost of the hackney carriage and private hire licensing function would be £226,100.
- 2.3 To help clarify the Council's budgeted position for taxi licensing, reflecting the Committee's February decision on fees, Financial Services have produced an updated summary, and this is appended to the report as Appendix 4. This breaks down the expenditure and income in respect of driver, vehicle and operator licences, and demonstrates that, based on time recording and allowing for overheads, the Council only recovers the relevant costs in part, there being a deficit across each area of the hackney carriage and private hire licensing function. The level of deficit means that even allowing for sensitivity of making estimates, the Council could not reasonably be considered to be breaching the legal requirements.
- 2.4 It should be emphasised that it is for the Committee, on behalf of the Council as licensing authority, to determine the level of fees to be charged. The Committee must have regard to the objections received, but it is not, as suggested in one of the objections, for the trade to "agree" the level of fees. The Committee will need to consider the merits of any specific objections received, but will also need to be mindful of the burden on the council tax payers as a whole if the costs referred to in Section 70 are not fully recovered through the licence fees.
- 2.5 The objections received do not provide any evidence or figures to indicate why the fees should not be increased. Rather, the objectors seem to be questioning the cost of running the licensing service and the reason for the current "deficit". The Chief Officer (Governance) would wish to emphasise that it is not the case that the service has "accumulated debts". Nor has there been "bad management". The provision of a licensing service that adequately controls and supervises hackney carriages and private hire vehicles in order to protect the safety of the public is time-consuming, and this is reflected in the staffing and overhead costs. Procedures have been streamlined in order to keep costs to a minimum, but, nonetheless, the time allocation records confirm the amount of time spent by officers on private hire and hackney carriage licensing. Over recent years, when the licence fees have been set, it has been acknowledged that the income raised will not be the full amount that could be recovered within the parameters of Section 70. The proposed 3% increase for 2015/16 only goes some way to reducing that difference. As a result of the ongoing development of officer time recording, the charging methodology will be

reviewed again and this may well lead to proposals for changes to the fee structure in future years. At that stage, the Committee may seek to reduce any deficit still further, either by reducing costs through any economies and efficiencies, or by increasing licensing fees further.

3.0 Conclusion

- 3.1 Members are asked to consider the objections appended to this report, and to determine in the light of those objections whether or not to modify the table of fees in relation to hackney carriage and private hire vehicle licences and private hire operator licences approved in principle in February.
- 3.2 Officers would recommend that members do not make any changes to the fees approved in February as this would result in a further shortfall in relation to hackney carriage and private hire licensing. The legislation provides for the Council to recover prescribed licensing costs through the licence fees, that is, from those who are regulated by the legislation. At present, and even taking into account the increase approved in principle in February, the Council will only be recovering those costs in part. Reducing the proposed increase would place a further burden on the council tax payers as a whole.
- 3.3 Officers recommend that the fees as approved in February should be implemented from the 1st April as originally approved.

CONCLUSION OF IMPACT ASSESSMENT

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

None applicable to this report.

FINANCIAL IMPLICATIONS

Financial Services have been consulted and have assisted the Licensing Manager in the preparation of the report, and have prepared the updated information at Appendix 4.

LEGAL IMPLICATIONS

These are contained within the report.

DEPUTY SECTION 151 OFFICER'S COMMENTS

Members are reminded that the fee increases approved in principle at the Committee meeting on 12th February 2015 have been included in the budget approved by full Council on 4th March 2015. As mentioned in the report's conclusions, if Members were minded to reduce the proposed fees, the financial impact would be transferred to the council tax payers as a whole.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has contributed to this report in her capacity as the Chief Officer responsible for Licensing.

BACKGROUND PAPERS

None

Contact Officer: Wendy Peck

Telephone: 01524 582317

E-mail: wpeck @lancaster.gov.uk

Ref: WP