

Report of	Meeting	Date
Director of Early Intervention	Licensing and Public Safety Committee	23 Nov 2016

TAXI LICENCE FEES AND CHARGES – REVIEW OF COST APPORTIONMENT

PURPOSE OF REPORT

1. For the Licensing and Public Safety Committee to approve the advertisement of revised Fees and Charges for Taxi Licensing based on cost apportionment.

RECOMMENDATION(S)

2. That the Licensing and Public Safety Committee approve in principle the advertisement of revised Fees and Charges for Taxi Licensing based on the principle of cost apportionment.
3. That the Regulatory Services Manager reports back to the next appropriate Licensing and Public Safety Committee the outcome of the advertisement, consider any objections and agree the implementation of the new Fees and Charges at that meeting, so that the new fees and charges can be effective from 1st April 2017.

EXECUTIVE SUMMARY OF REPORT

4. The current fees and charges were agreed by the Licensing and Public Safety Committee in July 2014 and following a consultation period came into force on 1st October 2014.
5. The local authority is required to review the fees and charges on a regular basis.
6. Over the last 2 years there have been a number of changes to the way the Council processes applications and therefore, in order for the fees and charges to reflect the costs of the service, it is important to review them in a timely manner to ensure they accurately reflect those costs.
7. The Council must ensure that they meet legislative requirements with regard to the structure of the fees and that the fees are not used to raise revenue and any surplus or deficit is carried forward on a 3 year cycle.
8. Revised fees must be subject to an advertising period of a minimum of 28 days within the local press and consideration of any objections by members.
9. Colleagues in Financial Services are currently reviewing the fees and charges against the updated process maps and time allocations for each activity, however, those figures have yet to be finalised due to unforeseen absence of the accountant carrying out the review.
10. It is anticipated that the finalised figures will be available imminently and it is planned to attach them to the minutes of this meeting.
11. The costs of the unmet demand survey report produced by the contractor is now known as £7040 excluding VAT, plus agree Council Officer costs of £900.00, which will need to be

evenly charged to the 36 Hackney Carriage Vehicle Licences at their renewal following April 2017, which will equate to £220.55 additional cost to the licence renewal fee.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

12. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND

13. The principles that should be applied to the setting of fees and charges are contained in legislation, impacted by European Directive and influenced by case law.

14. The relevant legislation is contained in the Local Government (Miscellaneous Provisions) Act 1976. (the Act)

15. Section 53 of the Act states: “a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.”

16. Section 70 of the Act states:

“a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—

(a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

(b) the reasonable cost of providing hackney carriage stands; and

(c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.”

17. In addition the EU Services Directive 2006 /123 which became effective in 2009 lays down a further principle to be applied in setting fees and charges for regulated services as follows:

“any charges which the applicant may incur from their application shall be reasonable and proportionate to the cost of the authorisation procedures and shall not exceed the cost of the procedures”

18. Finally, recent case law arising out of actions brought against Manchester City Council and Guildford Borough Council has led the Chartered Institute of Public Finance and Accounting to provide guidance on best practice which includes:

- A licensing authority cannot use licence fees to raise revenue generally

- A licensing authority must carry forward surplus or deficit
- It is reasonable to account for licensing fees and charges over a 3 year cycle – this will take account on fluctuations in demand for licences and avoid the need to review and amend the charging structure annually
- Licensing authorities cannot “lump” all licence fees together which means each charging regime e.g. street trading or premises licences must be separately accounted for from, say taxi licences.
- The licensing authority must be able to justify the fee levied

IMPLICATIONS OF REPORT

19. This report has implications in the following areas and the relevant Directors’ comments are included:

Finance	X	Customer Services	X
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE MONITORING OFFICER

20. It is important to appreciate that a statutory power to levy a fee does not give a local authority an absolute free hand in relation to the scale of the fee that is levied. The impact of any increase upon the livelihood of those affected has to be taken into account as does the scale of the increase itself. Consultation must take place with interested parties, whether this is a statutory requirement or not, and results of that consultation must be considered by Members before the decision is finally made. It is important that any such consultation is undertaken fairly and that the results are then considered properly by Members. Any suggestion that the consultation process has not been followed correctly would be grounds for an application for leave to seek a judicial review of the final decision.
21. Members are asked to bear in mind that as they have the power to raise money to pay for an activity then that power should not be rejected lightly. The control of hackney carriage and private hire vehicles, and associated drivers and operators is a time-consuming and costly exercise and it is quite legitimate for local authorities to recover as much of their costs as they are able to in relation to this. Those involved in the hackney carriage and private hire trades are in business and it would be difficult to justify an approach whereby a local authority subsidises private enterprise by refusing to recover as much of the costs associated with its statutory duties as it is able to do so,. Such a subsidy would be at the expense of the other services the council could provide to its council tax payers, if full cost recovery was undertaken.
22. The overriding aim is to protect the public and within the statutory mechanisms, to provide an efficient and effective service for all concerned: those involved in the trade, the council itself and those who elect the council and pay for its activities, the council tax payers.

COMMENTS OF THE FINANCE OFFICER

23. The Council must ensure that they meet legislative requirements with regard to the structure of the fees and that the fees are not used to raise revenue and any surplus or deficit is carried forward on a 3 year cycle.

24. The detailed breakdown of cost apportionment is currently being undertaken and will be available for inclusion in the minutes.

JAMIE CARSON
DIRECTOR OF EARLY INTERVENTION

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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