

**PROPOSED CHANGES TO TAXI LICENSING FEES AND CHARGES FOR 2017-2018**

**1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to invite Members to approve some proposed changes to the fees and charges relating to the licensing of hackney carriages and private hire vehicles, their drivers and operators. The proposed fees have been based on the cost recovery of administering and where appropriate enforcing the relevant legislation relating to such licences.

**2.0 BACKGROUND**

- 2.1 The purpose of licensing hackney carriages and private hire vehicles, their drivers and operators is to ensure the travelling public of Darlington are provided with a safe and reliable service and are protected from all illegal activities that can be associated with the provision of a taxi service. The cost of administering and controlling this service may be recouped by the levy of fees as specified in the legislation governing this area of licensing.
- 2.2 The legislation permits the Council to recover all or part of the costs of providing the taxi licensing service, including its administration and control (i.e. enforcement or supervision). It does not permit the Council to profit from its fees and charges, thus ring fencing the income to the Taxi Licensing service. The Council may, however, choose to subsidise the service. **Appendix 1** to this report replicates the relevant sections of the Local Government (Miscellaneous Provisions) Act 1976 relating to the levy of fees and charges.

**3.0 INFORMATION AND ANALYSIS**

- 3.1 While Full Council previously determined the levy of all fees and charges in respect of the provision of the taxi licensing service, a report which invited Full Council to delegate the setting of those fees and registrations that are within the remit of the General Licensing Committee to that Committee was considered by Full Council at their meeting on 28 January 2016. Full Council duly approved the delegation and the Council's Constitution was been amended accordingly.
- 3.2 This enables in depth consideration to be given by members in a specialist committee, whenever the need arises.
- 3.3 At the time the 2016/17 fees report was prepared there was an estimated outturn deficit calculated to be £6k to the private hire budget. However, at the end of the 2015/16 financial year, after reconciliation of the budgets, there was an actual surplus of £6,175 with an additional surplus of £7,085 for the hackney carriage budget which resulted in £13,260 being carried over into 2016/17 financial year.
- 3.4 Since then, due to lower than anticipated recharges against the taxi licensing budget and a sizeable increase in new driver applications, it is envisaged that there will be a surplus of around £36K at the end of 2016/17 financial year.

- 3.5 An internal review of the licensing service identified the need to re-evaluate and modernise the licensing service, which would include an extensive upgrade to Licensing IT software and associated officer training. This has required a commitment to finance this project, with the intention to "invest to save" costs going forward.
- 3.6 From April 2017, Licensing will begin to move from a predominately paper-based service to an electronic service. As part of the modernisation, it is proposed that we shall commence processing applications and associated paperwork electronically. It is also proposed that all current paper based files will be scanned and stored electronically.
- 3.7 Subject to approval, it is proposed that a temporary officer will be employed for a period of 12 months. This post holder will be employed to undertake the time-consuming data cleansing and scanning of documents from all current files. The cost of salary, if approved, will be met on a 50% recharge to the taxi licensing budget, the other 50% being assigned to the general licensing budget.
- 3.8 Currently a great deal of officer time is spent dealing with appointments and ad hoc visitors to the front office, with many applicants failing to attend or arriving for an appointment with partially completed paperwork or missing documentation. The time that officers currently spend helping applicants complete their paperwork is causing an unnecessary strain on licensing staff.
- 3.9 It is, therefore, proposed that from the 1 April 2017, we will no longer offer renewal appointments and that the trade will be advised that all applications must be submitted by a given date during the month that their licence renewal is due.
- 3.10 For those applicants who require support with the completion of forms and guidance regarding documentation it is proposed that we should offer assistance, but that the trade in general should not pay for officer time spent providing such assistance. Therefore, it is proposed that where an appointment is necessary to assist with the completion of driver applications, and Disclosure and Barring Certificates there will be a charge levied directly to the applicant. The proposed charge for this service will be £35.00 per appointment.
- 3.11 This charge is intended to be an incentive to persuade applicants to submit fully completed applications whilst maintaining support for those who need it.
- 3.12 The section has already committed to the upgrade of its IT systems which was rolled out at the end of February 2017 along with supplementary staff training and the introduction of an Electronic Document Management System will be funded from the 2016/17 budget surplus.
- 3.13 If the income forecast at the close of the 2016/17 budget is correct, it is estimated that the taxi licensing shall have a surplus of around £36k.
- 3.14 Members will be aware that in the fees report which was considered on 1 March 2016, Officers advised Members that where there was a surplus of 10% or more, then fees would be decreased in the following budgetary year to reduce the surplus.

- 3.15 After deducting the cost of funding a temporary officer during 2017/18, it is estimated that there will be a surplus of £23k. It is therefore proposed to reduce driver licence fees by £20k for the forthcoming year (2017/18) in order to reduce the surplus to be carried forward into the 2018/19 budget to around £3k.

#### 4.0 THE FEES PROPOSAL

4.1 The proposed changes are:

- a. Fees in respect of driver licences will be reduced by £49
  - i) Grant Driver Licence – 1 year £161, 3 years £356.
  - ii) Renewal Driver Licence – 1 year £76, 2 year £176, 3 year £271.

**Members should note that this reduction is set at this rate to reduce the estimated surplus to an amount of £3k surplus to be carried into 18/19. Driver licence fees will most likely have to rise in 2018/19, unless there is an unprecedented increase in new grants.**
- b. Vehicle and Operator licence fees will remain at their current level.
- c. The £25.00 additional fee which was levied against all private hire licence fees by Members at their meeting on 1 March 2016 to address the estimated deficit, will be removed.
- d. A £35.00 fee will be levied where officer support is required to complete and/or check driver applications and supporting documentation.

4.2 The complete proposed fees in respect of the taxi licensing service are detailed at **Appendix 2** to this report.

4.3 The estimated projected budget outturn for 2016/17 is £150,852 and details of how the re-charges have been accrued to the taxi licensing budget are attached at **Appendix 3**.

4.4 The estimated income for taxi licensing for 2016/17 is calculated to be £187,480, which, after deducting the costs of the service, yields an estimated surplus of £36,628. Details of the income breakdown are attached at **Appendix 4**.

4.5 The anticipated recharges to the taxi licensing budget for 2017/18, are estimated to be £147,050. Members will appreciate that this is an initial forecast of recharges that are levied on a yearly basis. Details of the projected budget and outturn for 2017/18 are attached at **Appendix 5**.

4.6 The anticipated financial position for the taxi licensing budget at 2017/18 year end shows a small carry forward to 2018/19 of £2,135, details of the calculations are attached at **Appendix 6**.

4.7 Subject to Member's approval of the proposed fees, Officers will inform each licence holder outlining the Council's proposals. Members are advised that driver licence fees are not subject to statutory advertisement and consultation however, Officers believe that it is good practice to involve and inform licence holders. It is proposed that the revised fee structure will apply from 1 April 2017.

## **5.0 RECOMMENDATIONS**

5.1 Members are invited to

- i) Approve the proposed fees relating to hackney carriage vehicle and driver licences, private hire vehicle and driver licences and private hire operator licences as detailed in **Appendix 2** of the report from 1 April 2017.
- ii) Approve the commencement of the informal consultation with all licence holders.

## **6.0 REASONS**

6.1. The recommendations are put forward to ensure that the costs of delivering the taxi licensing service can be met directly from the relevant licence fees.

**Ian Williams**  
**Director of Economic Growth**

### **Background Papers**

The Local Government (Miscellaneous Provisions) Act 1976  
The Deregulation Act 2015

### **Appendices**

1. **EXTRACTS FROM 1976 ACT PERTAINING TO SETTING OF FEES**
2. **PROPOSED FEES & CHARGES FOR 2017/18**
3. **ANTICIPATED BUDGETARY OUTTURN 2016/17**
4. **ESTIMATED INCOME 2016/17**
5. **ESTIMATED BUDGET AND PROJECTED OUTTURN 2017/18**
6. **ESTIMATED PROJECTED INCOME 2017/18**

**Julie Richings**  
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## THE LEGISLATIVE BASIS FOR SETTING FEES

Section 53 (2) of the Local Government (Miscellaneous Provisions) Act 1976 states that:

“Notwithstanding the provisions of the Act of 1847, 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 is appropriate to do so.”

Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 states that:

- (1) Subject of the provisions of Sub Section (2) of this section, 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;
  - (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.
- (2) The fees chargeable under this section shall not exceed:
  - (a) for the grant of a vehicle licence in respect of a hackney carriage, twenty five pounds;
  - (b) for the grant of a vehicle licence in respect of a private hire vehicle, twenty five pounds; and
  - (c) for the grant of an operator's licence, twenty five pounds per annum;

or, in any such case, such other sums as a District Council may, subject to the following provisions of this section, from time to time determine.
- (3)
  - (a) If a District Council determine that the maximum fees specified in Sub Section (2) of this section should be varied they shall publish in at least one local newspaper circulating in the district a notice setting out the variation proposed, drawing attention to the provisions of paragraph (b) of this subsection and specifying the period, which shall not be less than twenty eight days from the date of the first publication of the notice, within which and the manner in which objections to the variation can be made.
  - (b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of twenty eight days from the date of the first publication thereof be deposited at the offices of the Council which published the notice and shall at all reasonable hours be open to public inspection without payment.

- (4) If no objection to a variation is duly made within the period specified in the notice referred to in subsection (3) of this section, or if all objections so made are withdrawn, the variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection or, if more than one, of the last objection, whichever date is the later.
- (5) If objection is duly made as aforesaid and is not withdrawn, the District Council shall set a further date, not later than two months after the first specified date, on which the variation shall come into force with or without modification as decided by the district Council after consideration of the objections.
- (6) A District Council may remit the whole or part of any fee chargeable in pursuance of this section for the grant of a licence under section 48 or 55 of this Act in any case in which they think it appropriate to do so.

**PROPOSED TAXI LICENCE FEES AND OTHER CHARGES      APPENDIX 2  
IN RESPECT OF ALL LICENCES DUE ON OR AFTER 01 APRIL 2017**

| <b>Driver Licence Fees</b>             |           | <b>Current £</b> | <b>Proposed £</b> |
|--|-----------|------------------|-------------------|
| Driver Licence <b>Grant</b>            | (1 year)  | £210.00          | <b>£161.00</b>    |
| Driver Licence <b>Grant</b>            | (3 years) | £405.00          | <b>£356.00</b>    |
| Driver Licence <b>Renewal</b>          | (1 year)  | £125.00          | <b>£76.00</b>     |
| Driver Licence <b>Renewal</b>          | (2 years) | £225.00          | <b>£176.00</b>    |
| Driver Licence <b>Renewal</b>          | (3 years) | £320.00          | <b>£271.00</b>    |
| Change from Single Licence to Combined |           | £40.00           | <b>No change</b>  |
| Replacement Drivers Badge              |           | £10.00           | <b>No change</b>  |
| Re-sit of Drivers Legislation Test     |           | £35.00           | <b>No Change</b>  |
| Refused Application for Drivers Badge  |           | £35.00           | <b>No Change</b>  |
| DBS Enhanced Disclosure                |           | £44.00           | <b>No Change</b>  |

| <b>Private Hire Operators</b>                            |           | <b>Current £</b> | <b>Proposed £</b> |
|--|-----------|------------------|-------------------|
| Operators Licence <b>Grant</b>                           | (1 year)  | £530.00          | <b>No Change</b>  |
| Operator Licence <b>Grant</b>                            | (5 years) | £1160.00         | <b>No Change</b>  |
| Operator Licence <b>Renewal</b>                          | (1 year)  | £350.00          | <b>No Change</b>  |
| Operator Licence <b>Renewal</b>                          | (5 years) | £980.00          | <b>No Change</b>  |
| Operator Levy (Per PHV Operated)                         | (1 year)  | £10.00           | <b>No Change</b>  |
| Operator Levy (Per PHV Operated)                         | (5 year)  | £50.00           | <b>No Change</b>  |
| Admin charge where applications are refused by Committee |           | £35.00           | <b>No Change</b>  |

| <b>Vehicles – fees exclude plate, decal and tariff costs</b>         |  | <b>Current £</b> | <b>Proposed £</b> |
|--|--|------------------|-------------------|
| Hackney Carriage Vehicle Licence <b>Grant</b>                        |  | £385.00          | <b>No Change</b>  |
| Hackney Carriage Vehicle Licence <b>Renewal</b>                      |  | £355.00          | <b>No Change</b>  |
| Hackney Carriage Vehicle Licence with Disabled Access <b>Grant</b>   |  | £289.00          | <b>No Change</b>  |
| Hackney Carriage Vehicle Licence with Disabled Access <b>Renewal</b> |  | £266.00          | <b>No Change</b>  |
| Private Hire Vehicle Licence <b>Grant</b>                            |  | £370.00          | <b>No Change</b>  |
| Private Hire Vehicle Licence <b>Renewal</b>                          |  | £340.00          | <b>No Change</b>  |
| Private Hire Vehicle Licence with Disabled Access <b>Grant</b>       |  | £277.00          | <b>No Change</b>  |
| Private Hire Vehicle Licence with Disabled Access <b>Renewal</b>     |  | £255.00          | <b>No Change</b>  |

| <b>Additional Charges</b>                                    | <b>Current £</b> | <b>Proposed £</b> |
|--|------------------|-------------------|
| Completion of Applications Assistance with Forms – per visit | 0                | <b>£39.50</b>     |
| Knowledge test (re-sits and failure to attend for test only) | <b>£35</b>       | <b>No Change</b>  |
| Plate (rear)   | <b>£15</b>       | <b>No Change</b>  |
| Plate (front)  | <b>£10</b>       | <b>No Change</b>  |
| Door discs (each)  | <b>£5</b>        | <b>No Change</b>  |
| Tariff card  | <b>£2</b>        | <b>No Change</b>  |
| Duplicate Driver Badge                                       | <b>£10</b>       | <b>No Change</b>  |
| Vehicle transfer   | <b>£35</b>       | <b>No Change</b>  |
| Change of Operator   | <b>£35</b>       | <b>No Change</b>  |
| Admin Charge - per hour or part                              | <b>£35</b>       | <b>No Change</b>  |
| Refer to drawer fee  | <b>£15</b>       | <b>No Change</b>  |



APPENDIX 3

TAXI LICENSING (16009)  
ESTIMATED BUDGET AND PROJECTED OUTTURN 2016-17

|                                    |  | Original Budget £ | Projected Outturn £ |
|------------------------------------|--|-------------------|---------------------|
| <b>Employee Costs</b>              |  |                   |                     |
|                                    | <b>Description</b>                         |                   |                     |
|                                    | Salaries                                   | 94720             | 93187               |
|                                    | Insurances - Employers Liability           | 1370              | 1370                |
|                                    | Agency Staff                               | 0                 | 1100                |
|                                    | Training Expenses                          | 650               | 5331                |
|                                    | <b>Total employees</b>                     | <b>£96,470</b>    | <b>£100,988</b>     |
| <b>Supplies &amp; Services</b>     |  |                   |                     |
| 2003                               | CCTV Monitoring Charge                     | 0                 | 500                 |
| 2865                               | Repairs to Building Fabric                 | 0                 | 1191                |
| 3001                               | Mileage                                    | 700               | 850                 |
| 4001                               | Books                                      | 100               | 100                 |
| 4004                               | Commissions & Other services               | 0                 | 210                 |
| 4009                               | Equipment                                  | 5770              | 6852                |
| 4021                               | ICT Hardware Purchase                      | 440               | 497                 |
| 4024                               | ICT Software Purchase                      | 0                 | 2500                |
| 4025                               | ICT Software Support & Maintenance         | 1330              | 1056                |
| 4030                               | Marketing & Advertising                    | 1540              | 1400                |
| 4037                               | Professional Fees & Consultancy            | 200               | 4599                |
| 4045                               | Stationary                                 | 0                 | 180                 |
| 4046                               | Subscriptions                              | 90                | 30                  |
| 4083                               | Disclosure and Barring Certificate Checks* | 0                 | 0                   |
| 4094                               | Printer Consolidation Charges              | 1700              | 2000                |
| 4115                               | Removal Costs                              | 0                 | 36                  |
| 4850                               | Other Supplies and Services                | 800               | 1000                |
| 7004                               | HR Support                                 | 2610              | 2610                |
| 7014                               | Printing                                   | 0                 | 562                 |
| 7017                               | Legal Services                             | 5180              | 5180                |
| 7031                               | Health and Safety                          | 290               | 290                 |
| 7801                               | Man and Admin Allocation                   | 4650              | 4650                |
| 7811                               | Postage                                    | 620               | 620                 |
| 7813                               | Operational Buildings Recharge             | 3730              | 3730                |
| 7831                               | Performance and Development                | 1770              | 1770                |
| 7832                               | Accounting Services                        | 4160              | 4160                |
| 7836                               | Town Hall Support                          | 1260              | 1260                |
| 7840                               | Occupational Health                        | 190               | 190                 |
| 7842                               | Xentrall – Development and Operations      | 2200              | 2200                |
| 7844                               | Xentrall – Transactional Finance           | 640               | 640                 |
|                                    | Court costs reclaimed                      | 0                 | -999                |
| <b>Total Supplies and Services</b> |  | <b>£39,970</b>    | <b>£49,864</b>      |
| <b>Total</b>                       |  | <b>£136,440</b>   | <b>£150,852</b>     |

\*Disclosure and Barring Certificates are a neutral cost to the Council

## ESTIMATED INCOME AND SURPLUS 2016/17

## Hackney Carriage – Drivers / Vehicles / Plates

| Description                          | Estimated Income 2016/17 | Actual £ at Dec 2016 |
|--------------------------------------|--------------------------|----------------------|
| Surplus carried forward from 2015/16 | £5,668                   | £7,085               |
| Estimated income 2016/17             | £93,992                  | £104,292             |
| <b>Total</b>                         | <b>£99,600</b>           | <b>£111,377</b>      |
| Difference                           |                          | £11,777              |

## Private Hire – Operators / Drivers / Vehicles / Plates

| Description                          | Estimated Income 2016/17 | Actual £ at Dec 2016 |
|--------------------------------------|--------------------------|----------------------|
| Surplus carried forward from 2015/16 | -£615                    | £6,175               |
| Estimated income 2016/17             | £52,420                  | £69,928              |
| <b>Total</b>                         | <b>£51,805</b>           | <b>£76,103</b>       |
| Difference                           |                          | £24,298              |

| Total Income/Area                        | Estimated Income 2016/17 | Actual £ at Dec 2016 |
|--|--------------------------|----------------------|
| Hackney Carriage* with surplus           | £99,600                  | £111,377             |
| Private Hire* with surplus               | £51,805                  | £76,103              |
| <b>Total Income</b>                      | <b>£151,405</b>          | <b>£187,480</b>      |
| <b>Total Supplies and Services Costs</b> | <b>£136,440</b>          | <b>£150,852</b>      |
| <b>Total Estimated Surplus</b>           | <b>£14,965</b>           | <b>£36,628</b>       |

Licence numbers fluctuate on a monthly basis, the above figures have been calculated based upon one year licence renewals, generated on the number of current licences as of 21 February 2017 and as such they may be subject to change.

Such fluctuations mean that estimated income can always only be set on the basis of the number of licences issued at the time of preparing the proposed increases.

**TAXI LICENSING (16009)  
ESTIMATED BUDGET AND PROJECTED OUTTURN 2017/18**

| Description                        |  | Projected<br>Outturn £ |
|------------------------------------|--|------------------------|
| <b>Employee Costs</b>              | Salaries                                   | £93,845                |
|                                    | Insurances - Employers Liability           | £1,370                 |
|                                    | Additional member of staff                 | £11,245                |
|                                    | Training Expenses                          | £650                   |
|                                    | <b>Total employees</b>                     | <b>£107,110</b>        |
| <b>Supplies and Services</b>       |  |                        |
| 4001                               | Books                                      | 100                    |
| 4004                               | Commissions & Other services               | 0                      |
| 4009                               | Equipment                                  | <b>5,770</b>           |
| 4021                               | ICT Hardware Purchase                      | 440                    |
| 4025                               | ICT Software Support & Maintenance         | 1,357                  |
| 4030                               | Marketing & Advertising                    | 1,540                  |
| 4037                               | Professional Fees & Consultancy            | 200                    |
| 4046                               | Subscriptions                              | 92                     |
| 4083                               | Disclosure and Barring Certificate Checks* | 0                      |
| 4094                               | Printer Consolidation Charges              | 1,700                  |
| 4507                               | PPE Clothing and Equipment                 | 100                    |
| 4850                               | Other Supplies and Services                | 800                    |
| 7004                               | HR Support                                 | 2,662                  |
| 7014                               | Printing                                   | 0                      |
| 7017                               | Legal Services                             | 5,284                  |
| 7031                               | Health and Safety                          | 296                    |
| 7801                               | Man and Admin Allocation                   | 4,697                  |
| 7811                               | Postage                                    | 632                    |
| 7813                               | Operational Buildings Recharge             | 3,805                  |
| 7831                               | Performance and Development                | 1,805                  |
| 7832                               | Accounting Services                        | 4,264                  |
| 7836                               | Town Hall Support                          | 1,285                  |
| 7840                               | Occupational Health                        | 194                    |
| 7842                               | Xentrall – Development and Operations      | 2,264                  |
| 7844                               | Xentrall – Transactional Finance           | 653                    |
| <b>Total Supplies and Services</b> |  | <b>£39,940</b>         |
| <b>Total</b>                       |  | <b>£147,050</b>        |

\*Disclosure and Barring Certificates are a neutral cost to the Council

**TAXI LICENSING (16009)  
ESTIMATED PROJECTED INCOME 2017/18**

|                                 |                |
|---------------------------------|----------------|
| <b>Hackney Carriage Driver</b>  | <b>£18,316</b> |
| <b>Hackney Carriage Vehicle</b> | <b>£64,255</b> |
| <b>Hackney Carriage Plates</b>  | <b>£2,715</b>  |
| <b>Total</b>                    | <b>£85,286</b> |

|                                      |                |
|--------------------------------------|----------------|
| <b>Private Hire Driver Licences</b>  | <b>£14,364</b> |
| <b>Private Hire Vehicle Licences</b> | <b>£26,860</b> |
| <b>Private Hire Plates</b>           | <b>£1,185</b>  |
| <b>Private Hire Operator</b>         | <b>£700</b>    |
| <b>Private Hire Vehicle Levy</b>     | <b>£790</b>    |
| <b>Total</b>                         | <b>£43,899</b> |

|                               |                 |
|-------------------------------|-----------------|
| <b>TOTAL PROJECTED INCOME</b> | <b>£129,185</b> |
|-------------------------------|-----------------|

**2017/18 ESTIMATED YEAR END POSITION**

|                               |                  |
|-------------------------------|------------------|
| <b>Total Projected Costs</b>  | <b>£147,050</b>  |
| <b>Total Projected Income</b> | <b>-£129,185</b> |
| <b>Surplus from 2016/17</b>   | <b>-£20,000</b>  |
| <b>Total Year End Surplus</b> | <b>-£2,135</b>   |

Licence numbers fluctuate on a monthly basis, the above figures have been calculated based upon one year licence renewals, generated on the number of current licences as of 21 February 2017 and as such they may be subject to change.

Such fluctuations mean that estimated income can always only be set on the basis of the number of licences issued at the time of preparing the proposed increases.