
REVIEW OF TAXI LICENSING FEES FOR 2020 – 2021

Purpose of the Report

The purpose of this report is to invite Members to determine the licence fees relating to hackney carriage and private hire drivers along with their vehicles and operators. Fees are reviewed annually, based on the cost recovery of administering and where appropriate enforcing the relevant legislation relating to such licences.

Background

Darlington Licensing Authority is responsible for processing and issuing licences for a wide range of activities and with a few exceptions will cover all licensing applications (the A to Z of licensing). In respect of taxi licensing, 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). Surpluses **must** be carried forward and deficits **may** be carried forward to future years within each ring-fenced licensing budget. Numerous legal cases over the years have confirmed that councils cannot profit from its fees and charges thus, ring fencing the income to the licensing service.

Local authorities are not obliged to charge the cost recovery level they have calculated and a lower fee can be charged, but the difference between this lower fee and the cost recovery level must be borne by the authority and cannot be re-charged to other businesses. Some fees, notably in relation to the Licensing Act 2003, are set nationally within legislation and the Council has no control.

While Full Council previously determined the levy of all fees and charges in respect of the provision of the licensing service, a report invited Full Council to delegate the setting of those fees that were within the remit of the General Licensing Committee to that Committee. This was considered by Full Council at their meeting on 28 January 2016. They duly approved the delegation and the Council's Constitution was amended accordingly. This enables in depth consideration to be given by members in a specialist committee, whenever the need arises.

Information and Analysis

This financial year has seen the embedding of a new licensing team structure following a review of the Community Safety Section in 2018. Since July 2019 the licensing team has had a full establishment of staff but had been carrying vacancies since the beginning of the year.

The introduction of processes to scan all taxi licence applications onto a secure database commenced in January 2019 and this takes additional time. There has also been an increase in the general work load of Licensing Officers throughout 2019, particularly with the introduction of new Animal Welfare Regulations in October 2018 placing an additional burden on staff.

Scanning of documents is the first stage in the future plans to have a fully integrated digital licence application process. Extra time spent digitising applications now will be rewarded with a more efficient service in the future. To provide an evidence base for this and improve service delivery, Licensing are currently undergoing an exercise of process mapping, which will shape the future of licensing in Darlington.

Licensing are already engaging with IT suppliers to find the most suitable system to allow members of the public to make full applications on-line to the level required by this Licensing Authority. Although there is a great deal of work yet to be carried out in relation to this, Members will be pleased to note that the introduction of a paperless office will decrease its carbon footprint by reducing business costs along with associated paper and printer costs. It is anticipated that this development will be welcomed by the taxi trade but will take time to embed.

For a driver licence application there will still be a requirement for a face to face meeting but most of the application process will have been carried out from a remote location. It will enable licensing staff to conduct business in a mobile environment, which will result in improved response times whilst increasing the security of documents and quality of service to the customer.

The Local Government Association has produced guidance in a document called 'Open for Business', which states the following activities can be included when calculating the fee on a cost recovery basis:

Administration – this could cover basic office administration to process the licence application, such as resources, photocopying, postage or the cost of handling fees through the accounts department. This could also include the costs of specialist licensing software to maintain an effective database, and printing licences.

Initial visit/s – this could cover the average cost of officer time if a premises visit is required as part of the authorisation process. Councils will need to consider whether the officer time includes travel. It would also be normal to include 'on-costs' in this calculation. Councils will need to consider whether 'on-costs' include travel costs and management time.

Third party costs – some licensing processes will require third party input from experts, such as veterinary attendance during licensing inspections at animal related premises.

Liaison with interested parties – engaging with responsible authorities and other stakeholders will incur a cost in both time and resources.

Management costs – councils may want to consider charging an average management fee where it is a standard process for the application to be reviewed by a management board or licensing committee. However, some councils will include management charges within the 'on-costs' attached to officer time referenced below.

Local democracy costs – councils may want to recover any necessary expenditure in arranging committee meetings or hearings to consider applications.

On costs – including any recharges for payroll, accommodation, including heating and lighting, and supplies and services connected with the licensing functions. Finance teams should be able to provide a standardised cost for this within each council.

Development, determination and production of licensing policies – the cost of consultation and publishing policies can be fully recovered.

Web material – the EU Services Directive requires that applications, and the associated guidance, can be made online and councils should effectively budget for this work.

Advice and guidance – this includes advice in person, production of leaflets or promotional tools, and online advice.

Setting and reviewing fees – this includes the cost of time associated with the review, as well as the cost of taking it to a committee for approval

It is worth noting that in 2020, Darlington Licensing Authority will be required to consult on its revised Private Hire and Hackney Carriage Licensing Policy for implementation in January 2021.

Taxi Licensing Fees

A review of the taxi licensing fees was undertaken for the current financial year, which showed that at the end, the carry forward income for Hackney Carriages is expected to be £20,222 and £19,212 for private hire, giving a total surplus to carry forward of £39,434. The total surplus for the previous year was £62,373

When the current fees were determined it was on the basis that the service would see a reduction in the income and thereby reduce the surplus. Any forecast is based upon the licences at that time and may not be accurate as they fluctuate over time. This surplus has also been affected by a difficulty in recruiting and retaining staff into this area over a number of years. Now the team are up to full establishment and in a period of stability it is expected that this surplus will continue to reduce during the next financial year.

As licensing budgets are built up from zero, with costs that reflect work-streams within the relatively short period of one year, there will inevitably be significant year on year variations in the allocated costs depending on where time has been spent. In the case of *Hemmings v Westminster*, the High Court stated that *“a local authority does not have to adjust the licence fee every year to reflect any previous deficit or surplus, so long as it all comes out in the wash eventually”*. In last year’s fees report, the aim was to reduce the surplus by £20k, which has been achieved. With current staffing levels and on-going work to modernise the licensing process it is hoped to reduce the surplus during the next financial year close to cost level recovery. The current surplus will allow fees to remain at the existing level for 2020/2021.

Fees proposal

It is therefore proposed that all fees in respect of the below are retained at their current levels:

- a) Hackney Carriage Vehicles
- b) Private Hire Vehicles
- c) Driver Licence
- d) Operator’s Licence

Recommendation

Members are invited to approve that the taxi licensing fees will continue at their current rate from 1st April 2020.

Reasons

The recommendation is put forward to ensure that the costs of delivering the taxi licensing service can continue to be met directly from the relevant licence fees.

Ian Williams
Director of Economic Growth

Background Papers

The Local Government (Miscellaneous Provisions) Act 1976
The Local Government Association guidance document 'Open for Business'
Appendices

Appendix 1 – Current driver fees
Appendix 2 – Current operator's fees
Appendix 3 – Current vehicle fees

Appendix 1

Drivers	£
Hackney Carriage Driver Licence Grant (1 year)	161.00
Hackney Carriage Driver Licence Grant (3 years)	356.00
Hackney Carriage Driver Licence Renewal (1 year)	76.00
Hackney Carriage Driver Licence Renewal (3 years)	271.00
Private Hire / Dual Driver Licence Grant (1 year)	161.00
Private Hire / Dual Driver Licence Grant (3 years)	356.00
Private Hire / Dual Driver Licence Renewal (1 year)	76.00
Private Hire / Dual Driver Licence Renewal (3 years)	271.00

Appendix 2

Private Hire Operators

Operator Licence Grant (1 year)	530.00
Operator Licence Grant (5 years)	1160.00
Operator Licence Renewal (1 year)	350.00
Operator Licence Renewal (5 years)	980.00
Operator Levy (1 year) (Per PHV Operated)	10.00
Operator Levy (5 year) (Per PHV Operated)	50.00

Appendix 3

Vehicles

Hackney Carriage Vehicle Licence grant	385.00
Hackney Carriage Vehicle Licence Renewal	355.00
Hackney Carriage Vehicle Licence with Disabled Access Grant	289.00
Hackney Carriage Vehicle Licence with Disabled Access Renewal	266.00
Private Hire Vehicle Licence Grant	370.00
Private Hire Vehicle Licence Renewal	340.00
Private Hire Vehicle Licence with Disabled Access Grant	277.00
Private Hire Vehicle Licence with Disabled Access Renewal	255.00

