

REPORT TO	ON
General Licensing Committee	12 March 2019



TITLE	REPORT OF
Fees and Charges	Interim Monitoring Officer / Assistant Director of Legal Services

Is this report confidential?	No
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1. PURPOSE OF THE REPORT

To provide an update on the proposal to increase fees and charges

2. RECOMMENDATIONS

2.1 For Committee to consider the proposal and agree the proposed fees (under S70 of the Local Government [Miscellaneous Provisions] Act 1976) as set out in Appendix 1 to the report to be published in a newspaper

2.2 To confirm that if no objections are received, then the proposed fees (under S70 the said legislation) come into effect on the 1st May 2019.

2.3 For Committee to consider and agree the proposed fees (under S53 of the Local Government Miscellaneous Provisions Act 1976) to be consulted on as set out in Appendix 2 of the report.

2.4 That the Committee authorise the Head of Licensing (in consultation with the Monitoring Officer) to consider any responses to the Consultation set out in 2.3 above and to decide if the proposed fees should come into effect on the 1st May 2019.

3. CORPORATE PRIORITIES

The report relates to the following corporate priorities:

Excellence and Financial Sustainability	x
Health and Wellbeing	
Place	

4. BACKGROUND TO THE REPORT

4.1 The Local Government (Miscellaneous Provisions) Act 1976 contains provisions for a Licensing Authority to determine the fees it charges for Hackney Carriage and Private Hire services.

Section 53(2) provides the mechanism for charging for Hackney and Private Hire Driver's badges, with section 70 providing for Hackney Carriage, Private Hire Vehicles and Private Hire Operators fees.

5. PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)

- 5.1 Licensing Authorities are expected to ensure that they keep fees and charges under regular review. In particular, the Council's fees in respect of Hackney Carriage and Private Hire licensing should be set with a view to recovering the costs of issue and administration, as well as the costs of enforcement against licensed vehicles and drivers. They should not be used to recoup the costs of enforcement action against un-licensed drivers or vehicles.

A detailed review of the current level of fees charged by the Licensing Authority has been undertaken by officers in recent months. Appendix 1 sets out a list of the proposed fees for 2018/19 in respect of Hackney Carriage and Private Hire Vehicle fees (S70 of the Local Government Miscellaneous Provisions act 1976).

If the Committee wishes to proceed with the new fee structure, a public notice must be placed in a local newspaper specifying a date (not less than 28 days from the date on which the notice is first published). If there are no outstanding objections to the fee changes by this date, the proposed fees will come into effect on that date as specified. Alternatively, if any objections to the proposed new fee structure are received, the matter will have to be re-considered by the General Licensing Committee at a subsequent meeting. After due deliberation by members, any level of fees adopted at that meeting must then be re-advertised (even if the fees have not been amended from the earlier proposal) so as to take effect on a date set no more than 2 months after the first date advertised.

- 5.2 In respect Hackney Carriage and Private Hire Drivers' licence fees, S53 of the Local Government Miscellaneous Provisions Act allows Local authorities to charge fees. The Council must set the fees for these licences on the basis that it only recovers costs which it is statutorily entitled to recover. Appendix 2 sets out a list of the proposed fees for 2018/19 in respect of Hackney Carriage and Private Hire Vehicle fees. There is no requirement to publish these fees in a newspaper. However, by way of good practice, these fees are being consulted on.
- 5.3 The ability to cover expenditure will be determined by numbers of licence holders, in essence the more you have the less the fees can be, South Ribble have a relatively small number of licensed vehicles and drivers so the fees comparably speaking may not be as low as neighbouring Authorities who have a larger stock of drivers and vehicles.
- 5.4 The recent appointment of a service manager and the proposal to increase the proactive capability of the department by the creation of a full time post has led to an increase in expenditure, for this reason a fee increase is necessary to begin to cover costs.
- 5.5 Reaching cost neutrality in one year may not be achievable as the lift in fees and charges may be unachievable for some driver and owners so a modest increase is proposed to get us on the right trajectory. The proposed fees are set out in Paragraph 6 below
- 5.6 Currently the Authority only charge for a resit of the knowledge test, so the first test is free, there is a certain amount of time and resource spent administering and marking the test not to mention keeping the quality of the test of questions under review. Many Neighbouring Authorities rightly apply a charge for the knowledge test which range from £18.50 to £70. The proposal in this report is to apply a fee of £25 per test. As this is not a fee defined under the Local Government (Miscellaneous Provisions) Act 1976 it will not need to be advertised in the same way as, it is in effect a Policy requirement that an applicant sits a local knowledge test or a prerequisite to the

being able to submit an application similar to the requirements for a qualification such as the NVQ so any charge applied should be reasonable and proportionate.

5.7 The CSE training is provided by the Authority utilising the Authorities IT equipment and facilities, currently no charge is applied, and a fee of £5.00 per training session undertaken is fair and reasonable in the circumstances. There is one matter of inequity which is that drivers are required to sit this course on every renewal. The current policy does not distinguish between 1 year renewals and 3 year renewals, so a driver who has a 1 year licence would have to sit the course every 12 months where as those on 3 yearly licences would only sit the test every 3 years. A policy change will be required but it would appear equitable to apply this requirement to be tri annual regardless of licence tenure.

6. PROPOSED FEES

The fee increases are centred on vehicles and drivers:-

DETAILS	UNIT OF CHARGE	CURRENT FEE	PROPOSED FEE
Driver- New Application	1 year	£120	£125
Driver- New Application	3 year	£180	£190
Driver- Renewal Application	1 year	£65	£70
Driver- Renewal Application	3 Year	£165	£175
Vehicle New- Hackney Carriage	6 months	£140	£145
Vehicle Renewal- Hackney Carriage	6 months	£110	£115
Vehicle New- Private Hire	6 months	£130	£135
Vehicle Renewal- Private Hire	6 months	£105	£110

Projected income increase:

Drivers 280 @ £10 per 3 year licence = £2,800 ÷ 3= £933.33 pa

Vehicles 231 @ £5 per 6 month licence = £1,155 x 2 = £2,310 pa

7. FINANCIAL IMPLICATIONS

The increase in fees will generate extra income, estimated at £3,200 per year. This will offset the increased costs of providing the service, mainly due to increase staffing costs of 2%.

8. LEGAL IMPLICATIONS

If objections are received the matter must be reconsidered by the Committee in light of the objections. The process of consultation must be adhered to otherwise there may be grounds for a legal challenge

9. COMMENTS OF THE STATUTORY FINANCE OFFICER

Licensing fees and charges are set on a cost recovery basis and therefore increases can be applied to recover increases in the cost of providing the service. In the 19/20 budget and MTFs approved by Council on 27th February 2019, increases in general fees and charges have not been assumed unless required for statutory purposes for cost recovery or set by other bodies (para. 6.3 of Budget report refers).

10. COMMENTS OF THE MONITORING OFFICER

The Council is obliged to reconsider its fees on a regular basis in order to ensure that it covers its administrative costs and does not make any excess income. The revised charges reflect the additional resource that will be placed in Licensing over the coming year.

11. OTHER IMPLICATIONS:

<ul style="list-style-type: none">▶ HR & Organisational Development▶ ICT / Technology▶ Property & Asset Management▶ Risk▶ Equality & Diversity	
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12. BACKGROUND DOCUMENTS (or There are no background papers to this report)

13. APPENDICES

Appendix 1 – Fee Advert Vehicle Only (Newspaper)

Appendix 2 – Drivers Fees Final

Report Author:	Telephone:	Date:
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