

**REPORT FROM: PLANNING, BUILDING CONTROL AND LICENSING
SERVICES MANAGER**

TO: EXECUTIVE

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LICENCE FEES FOR VEHICLES, DRIVERS AND OPERATORS

PURPOSE OF REPORT

This report is to inform the Committee of changes in legislation governing the administration of licences and to set fees in accordance with the legislative requirements.

RECOMMENDATIONS

- (1) That the Committee agree to the fee structure as set out at Appendix 1 to be consulted on.
- (2) That the results of the consultation be referred to Council to set the fees.

REASON FOR RECOMMENDATIONS

In order to comply with the requirements of Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 and Sections 10 and 11 of the Deregulation Act 2015.

BACKGROUND

1. The Council administers the licensing of taxi activities in the Borough. This comprises of setting policies under which licences are considered as well as setting fees for administering the process.
2. Licences are granted for individual drivers, for vehicles and for operators who administers the running of a private hire business. Licences are also needed for hackney carriage proprietors.
3. The Deregulation Act 2015 has altered this approach. Section 10 requires that licences for operators should be issued for 5 years. The caveat is that a lesser period can be given if it is appropriate to the "circumstances of the case".

4. For drivers the requirement is to issue a licence for 3 years, again with the caveat that a lesser period can be given if it is appropriate to the circumstances of the case.
5. In setting fees for all licences the requirement is that fees can only be set at a rate that recovers the costs of administering the service.

ISSUES

6. The Council is required under the Deregulation Act 2015 to move to a default position where licences are issued for 5 years for operators and 3 years for drivers. Only where the individual circumstances of a case are considered to be appropriate should a lesser licence period be issued. There is no guidance on what such circumstances might comprise.
7. Alongside this change the Council needs to ensure that it is charging for licences at a rate that covers the costs of administering that element of the service and only charge for activities that the licence fee can cover. For example some enforcement costs cannot be incorporated into the costs that a licence fee covers.
8. Clearly there will be impacts arising from the requirements as well as from the analysis if the costs of administering the service.

LICENCE FEES

9. Setting licence fees has to be based on the actual costs of running the service and on the basis that no surplus can be made. To assess this a full review of the time taken to deal with each of the types of application has been undertaken. This time has then be set against the costs of the service, excluding costs that cannot be applied. The results of this are reproduced at Appendix 1 below.
10. The results of this is that the costs associated with differ

Licence Type	Existing Cost £	Proposed Cost
Drivers		
Drivers - PH/Combi	187.5	261.55
Drivers - Hackney Carriage	141	261.55
Drivers – Private Hire	141	261.55
Knowledge Test	47	29.90
Knowledge Test - resit/missed appointment	10	29.90
Admin charge for changing type of licence	na	14
Vehicles		
Private Hire		
4 mths	74.5	74.52
6 mths	113.5	99.75
12 mths	211	181.44
Hackney		
4 mths	87	89.28
6 mths	129.5	118.44

12 mths	237.5		211.93
Operators (Figures are averaged)	1 Yr	5 Yr	
1 Vehicle	282	1410	1,144.82
2 - 5 Vehicles	282	1410	1,430.49
6 - 10 Vehicles	352	1760	1,971.23
11 - 15 Vehicles	352	1760	2,552.78
16 + Vehicles	352	1760	3,226.15

11. Currently licences in Pendle are available for five years for operators and for 1 or 3 years for drivers. The majority of licences are however granted for one year. The legal requirement to issue licences for five years for operators and three years for drivers will mean that fees will increase as drivers and operator will need to pay the full fee for the grant of a licence.
12. The Acts require that a fee is paid in order for a licence to be issued. It is not therefore possible to accept staged payments for licences by for example letting an operator pay in five equal instalments. Paying in instalments would also increase the costs of the licences as there would be an increase in the time taken to process them and potentially chase non-payment. These have not been calculated as the Deregulation Act does not provide for allowing lesser periods as a general option, only if the circumstances of the individual case would justify a lesser period.
13. Clearly paying for a 3 or 5 year fee would result in a higher initial single payment. It does however reduce the overall fee that would be charged were fees to be paid on a yearly basis. This is because there would be additional administration costs for renewing licenses on an annual basis. Paying a yearly fee each year for five years would cost more than paying in one instalment due to the extra administration that would involve.
14. There is an administrative process to be undertaken when applying for licenses. Whilst many operators and drivers are familiar with the application process it still requires forms to be submitted each year. The proposals will mean that there is less bureaucracy for drivers and operators not having to apply yearly. This is likely to simplify being a driver or operator with less chance of missing the deadlines for re-applying for licenses.
15. In practice it is likely that we will be asked to grant licences for one year. There may be financial considerations for some applicants and those circumstances may lead to the need to grant licences for lesser periods than set out in the Act. The views of the taxi trade will be important in understanding the likely financial considerations they will face for longer licenses.

Consultation

16. There is a statutory requirement to consult on any proposed changes to fees. This must be over a minimum period of twenty eight days. Any objections received to the proposals would need to be considered before Council would make a final decision on the level of fees to be set.

IMPLICATIONS

Policy:

Financial: The changes to fees does not have a financial benefit to the Council.

Legal: None arising directly from the report.

Risk Management: None arising directly from the report.

Health and Safety: None arising directly from the report.

Sustainability: None arising directly from the report.

Community Safety: None arising directly from the report.

Equality and Diversity: None arising directly from the report.