

REPORT OF: ASSISTANT DIRECTOR, PLANNING, BUILDING CONTROL & REGULATORY SERVICES

TO: Taxi Licensing Committee

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Taxi Licensing Structure and Fees

PURPOSE OF REPORT

To agree on the recommendations to the Executive on the level of fees charged for Taxi Licensing and on the staff structure to support the service.

RECOMMENDATIONS

- 1 That the Committee agrees in principle to adopt the level of fees as set out in Appendix 1.
- 2 That the additional staff resources to meet the increased workload be noted as set out in paragraph 9 in the report.
- 3 That the proposed licence fees set out in Tables 1-4 and Appendix 1 be advertised, under Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 for a period of 28 days to allow for any objections to be received.
- 4 That the Executive be recommended to agree to recommendations 1, 2 and 3.

REASONS FOR RECOMMENDATION

- 1 In order to update the level of fees so that the Council recovers its costs for administering Taxi licensing.
- 2 To ensure that the service is adequately resourced so that there is enough staff capacity to undertake the service and that users can receive a good and effective service.
- 3 To comply with the requirements of the Local Government (Miscellaneous) Provisions Act 1976.
- 4 In order to progress the adoption of the new fees and service structure to the Executive.

BACKGROUND

- 1 The licensing regimes for taxis allow for fees to be charged for the administration of those processes. The fees have to be charged on the basis of cost recovery over a three year period.
- 2 The fees for taxi licensing were set in 2016 and have not been reviewed for 9 years hence the need to review them . They have remained at a below inflationary level for nine years during which time there has been a change in the amount of work the service is involved in.
- 3 The costs of staff administering the process have been calculated on the basis of a given time being taken for the relevant activity e.g. time taken to register an application, time taken to process an application, time taken to issue a decision, etc. The proposed fees are as set out in Appendix 1.
- 4 Over the period of time since the fees were set a number of changes have occurred which will influence the level of fees. These principally revolve around the level of licensed drivers and vehicles Pendle has and the staffing structure needed to cater for that increase in work.
- 5 The taxi licensing process itself has ostensibly stayed the same since the last fee revision. There are however more checks that are required to be undertaken such as checking for revocation of licenses on the National Register of Refusals and Revocations (NR3) and six monthly checks for changes on the DBS register.
- 6 The main change since 2016 however is the increase in the number of applications the Council receives. In 2016 there were circa 460 licensed drivers. Pendle now has over 800. Whilst this brings in extra fee income the taxi service has had to increase the level of staffing by seconding staff from other services and asking licensing staff to carry out overtime in order to be able to deal with the increase in workload.
- 7 There is also a caveat to the report. Uber have recently been licensed with Pendle. This is resulting in a significant increase in interest from new applicants. This can be dealt with within the proposed structure in the immediate short term but if interest is sustained at this level further staff resources may be needed. This will need ongoing monitoring.
- 8 The level of applications dealt with over the last 4 years has remained high. In order for the service to function effectively and to provide a decent service it needs to be staffed proportionately to those increased needs. Currently taxi staff are working overtime each week to provide a necessary extra resource. Staff from other services are also regularly seconded into the team in addition to the extra hours taxi staff are working. The additional capacity is required in order to keep pace with the additional workload that has occurred over recent years. A review of the staffing levels was not undertaken when the workload first increased in order to ensure that the level of work would be sustained. That has proved to be the case over a period of time and there has been a sustained requirement to secure additional hours by staff doing overtime and other staff being seconded to provide further capacity. The operation of the service relying on good will of staff and temporary secondments is not sustainable. Staffing levels need to be adequate to cover the administration of the service and to ensure its sustainability going forward.

9 The existing establishment is:

- Manager x 0.8
- Enforcement officer x 1
- Part time support officer X 0.4
- **Total 2.2 FTE**

10 The manager and enforcement officer both also process applications and are involved in the day to day functioning of the section such as administering taxi tests. The proposal is to change the staffing structure to reflect the minimum resource required to run the service. This would be:

- Manager x 1
- Enforcement officer x 1
- Part time support officer x 0.6
- Part time officer x 0.4
- **Total 3 FTE**

11 The increase proposed is 0.8 FTE with an overall cost increase of £35,332/pa. This would be resourced out of the fee income the Council receives.

Fees

12 The costs associated with the new structure have been assessed in line with the CIPFA guidelines on accounting. They have considered the time taken to undertake the various tasks involved in the administration of the process and the costs for carrying out those tasks. The fees are set against the costs of the proposed new structure. They would alter should the staff structure be required to remain as it is currently or if additional staff were to be employed in the service. The three tables below set out the overall costs for the types of licences that the Council administer. A full list of proposed fees is appended at Appendix 1.

Table 1

Drivers	Proposed Fee	Existing Fee	Difference (£)	% Change
Drivers – 1 Year - New	93	87.18	5.82	7%
Drivers - 3YR New	224	261.55	-37.55	-14%
Drivers - -1YR Renewal	82	87.18	-5.18	-6%
Drivers - - 3YR renewal	214	261.55	-47.55	-14%

Table 2

Vehicles	Proposed Fee	Existing Fee	Difference (£)	% Change
New Private Hire – 6 months	117	99.75	17.25	17%
New 12 months	178	181.44	-3.44	-2%
Renewal Private Hire – 6 months	104	99.75	4.25	4%
Renewal 12 months	165	181.44	-16.44	-9%
New Hackney Carriage – 6 months	133	143.75	-10.75	-7%
New 12 months	204	262.55	-58.55	-22%
Renewal – 12 months	187	262.55	-75.55	-29%
Renewal – 12 months	187	262.55	-75.55	-29%

Table 3

<u>Operators - 5 years - Per vehicle</u>	Proposed Fee	Existing Fee	Difference (£)	% Change
1 Vehicle	1311	1144.82	166.18	14.5%
2-5 Vehicles	1341	1430.49	-89.49	-6.25%
6-10 Vehicles	1394	1971.23	-577.23	-29%
11-20 Vehicles	1483	2552.78	-1,069.78	-42%
21-30 Vehicles	1602	3226.15	-1,624.15	-50%
31-40 Vehicles	1721	3226.15	-1,505.15	-47%
41-50+ Vehicles	1797	3226.15	-1,429.15	-44%

Table 4

<u>Operators - 1 years - Per Vehicle</u>	Proposed Fee	Existing Fee	Difference (£)	% Change
1 Vehicle	240	228.96	11.04	5%
2-5 Vehicles	303	286.10	16.90	6%
6-10 Vehicles	318	394.25	-76.25	-19%
11-20 Vehicles	343	510.56	-167.56	-33%
21-30 Vehicles	376	645.23	-269.23	-42%
31-40 Vehicles	410	645.23	-235.23	-36%
41-50+ Vehicles	443	645.23	-202.23	-31%

- 13 The fees include inflationary costs the Council has had over the last 9 years since the last fees were set. All of the proposed fees fall below what the inflationary costs would have been (compound over the 9 years is 34.7% in accordance with the Bank of England inflation calculator). That would equate to for example the drivers fee of £87.18 in 2016 being £117.43 were it to increase year on year in line with inflation.
- 14 The fees for the majority of the categories decrease due to the significantly higher throughput and the proposed staffing levels not increasing proportionately with the amount of extra licenses the Council has received. Processes have also been streamlined so that dealing with applications takes less time and hence less costs.
- 15 The Council has just licensed Uber. Other Councils have seen workloads increase when Uber has been licensed by them. We will need to review the impact of this going forward to ensure that staffing of the service continues to be at the right level.

IMPLICATIONS

Policy: None

Financial: The costs for taxi licensing have to be based upon cost recovery and not with surpluses. The fees proposed reflect cost recovery.

Legal: None

Risk Management: The new fees and staff structure are proportionate for the number of licenses the Council now deals with. The risks are that either this level substantially increases, as has

happened over the last 9 years, or that application number decrease with fee income dropping accordingly.

Health and Safety: None

Sustainability: None

Community Safety: None

Equality and Diversity: None

APPENDICES

Appendix 1 Taxi Licensing Proposed Fees

LIST OF BACKGROUND PAPERS

Appendix 1

Prepared Taxi Licence Charges			Existing	Prepared	Difference	Difference	Number of
					£	%	licences
DRIVERS FEES							
NEW	1 Year	Hackney Carriage or Cab	87.18	92.97	5.79	7%	53
NEW	3 Years	Hackney Carriage or Cab	261.55	224.18	-37.37	-14%	159
RENEWAL	1 Year	Hackney Carriage or Cab	87.18	82.34	-4.84	-6%	101
RENEWAL	3 Years	Hackney Carriage or Cab	261.55	213.56	-47.99	-18%	80
		Knowledge Test	29.90	30.00	0.10	0%	510
		Admin charge for changing type of licence	14.00	15.00	1.00	7%	2
VEHICLE FEES							
NEW	6 mths	Private Vehicle	113.50	116.81	3.31	3%	290
NEW	12 mths	Private Vehicle	211.00	177.64	-33.36	-16%	133
NEW	6 mths	HC Vehicle	143.75	133.35	-10.40	-7%	50
NEW	12 mths	HC Vehicle	262.55	204.02	-58.53	-22%	14
RENEWAL	6 mths	Private Vehicle	103.86	103.82	-0.04	0%	570
RENEWAL	12 mths	Private Vehicle	201.36	164.65	-36.71	-18%	122
RENEWAL	6 mths	HC Vehicle	143.75	116.26	-27.49	-19%	29
RENEWAL	12 mths	HC Vehicle	262.55	186.94	-75.61	-29%	49
OPERATOR FEES							
PER VEHICLE	1 Year	1 Vehicle	228.98	239.54	10.56	5%	20
PER VEHICLE	1 Year	2-5 Vehicles	286.10	302.80	16.70	6%	3
PER VEHICLE	1 Year	6-10 Vehicles	394.25	317.84	-76.41	-19%	4
PER VEHICLE	1 Year	11-20 Vehicles	510.56	342.93	-167.63	-33%	1
PER VEHICLE	1 Year	21-30 Vehicles	645.23	376.37	-268.86	-42%	2
PER VEHICLE	1 Year	31-40 Vehicles	645.23	409.81	-235.42	-36%	1
PER VEHICLE	1 Year	41-50+ Vehicles	645.23	443.25	-201.98	-31%	2
PER VEHICLE	5 Years	1 Vehicle	1,144.82	1,310.85	166.03	15%	0
PER VEHICLE	5 Years	2-5 Vehicles	1,430.49	1,340.54	-89.95	-6%	1
PER VEHICLE	5 Years	6-10 Vehicles	1,971.23	1,393.97	-577.26	-29%	0
PER VEHICLE	5 Years	11-20 Vehicles	2,552.78	1,483.03	-1,069.75	-42%	1
PER VEHICLE	5 Years	21-30 Vehicles	3,226.15	1,601.78	-1,624.37	-50%	0
PER VEHICLE	5 Years	31-40 Vehicles	3,226.15	1,720.53	-1,505.62	-47%	0
PER VEHICLE	5 Years	41-50+ Vehicles	3,226.15	1,796.53	-1,429.62	-44%	0
OTHER/MISC FEES							
Plater (each)			8.00	8.00	0.00	0%	
Backing plater			8.00	8.00	0.00	0%	
Plate button & keyset			2.00	2.50	0.50	25%	
Set of 4 buttons			1.00	1.60	0.60	60%	
Bracket (part 1)			20.00	20.00	0.00	0%	
Internal direr			1.00	3.50	2.50	250%	
Log book			2.50	2.50	0.00	0%	
Badge replacement			5.00	5.00	0.00	0%	
3rd party letters			20.00	20.00	0.00	0%	
Photocopier			1.00	1.00	0.00	0%	
Copies of duplicate licences			5.00	5.00	0.00	0%	
Lanyard			1.00	1.00	0.00	0%	
Badge holder			1.00	1.00	0.00	0%	
Insurance stickers			1.00	1.00	0.00	0%	