

GENERAL LICENSING REGULATORY BOARD

23rd July, 2014

7. **Present:** Councillor C. C. Wraith MBE (Chairman), the Mayor (Councillor Shepherd) and Councillors P Birkinshaw, Brook, Burgess, J Carr, Tracey Cheetham, K Dyson, Frost, S Green, Johnson, Lamb, Saunders, Tattersall, Wilson and Worton.

8. **Declarations of Pecuniary and Non-Pecuniary Interest**

There were no declarations of pecuniary and non-pecuniary interest from Members in respect of items on the agenda.

9. **Minutes**

The minutes of the meeting held on 18th June, 2014 were taken as read and signed by the Chairman as a correct record.

10. **Hackney Carriage and Private Hire Licence Fees**

The Assistant Director (Culture and Regulation) submitted a report seeking approval for the proposed new Hackney Carriage and Private Hire Licence Fees.

The report indicated that a review of the Hackney Carriage and Private Hire Licensing Service had been undertaken as a direct result of a formal recommendation made by the Audit Commission following an objection to the Council's accounts and a resolution of Council on the 3rd November, 2011. It gave details of the review and the way this had been undertaken together with the subsequent changes made to management staffing levels and operating procedures.

It was noted that the review of the previous years fees had confirmed that the Council had not over-recovered fees and, therefore, there was no requirement to consider any refunds. The ongoing review had been undertaken in consultation with the taxi trade which had resulted in changes to processes and procedures and, in addition, detailed monitoring had also been carried out which had informed a full review of fee levels.

Various changes to processes were proposed to be introduced as part of the implementation of the review including an optional 12 months or 3 yearly licence for drivers, and 12 months or 5 yearly licence for

operators. A new risk based approach to vehicle testing was to be introduced and vehicle testing was no longer to be limited to the Smithies Lane Depot but instead would allow vehicles to be tested at an approved Vehicle and Operator Services Agency test station.

It was noted that as these processes were new, various assumptions had been made (based on current information and proposed working methods) as to the amount of work to be undertaken over the next couple of years. It was acknowledged, however, that as these assumptions had not been tested, full time monitoring would continue in order to enable the fees to be reviewed and adjusted accordingly in the future if found to be necessary. The basis upon which these assumptions were made was outlined and was felt to be a fair reflection of the work and time likely to be taken in providing the Service.

The implications of the use of VOSA testing stations were outlined and it was noted that the Licensing Service would become responsible for suspensions which had previously been a responsibility of the Smithies Lane Depot. Whilst allowing external MOT testing stations would provide more freedom and flexibility within the trade, the Council would still have a statutory duty to ensure that all licensed vehicles were safe, well regulated and additional enforcement would be required to ensure that such vehicles were properly tested and safe. A programme of enforcement operations was, therefore, proposed utilising staff within the Licensing Service and from the Smithies Lane Depot.

The fees proposed were outlined in detail within an appendix to the report now submitted. It was pointed out that fees levied could only cover costs of operating the Service and the Council could not 'make a profit', however, that the cost of enforcing against drivers was not recoverable in fees and had to be borne by the Council. Consultation had been undertaken on the proposed fees with Finance, Legal Services and with Internal Audit who had confirmed that the methodology used in their calculation and that the fees calculated were reasonable. Regulatory Services had also worked closely with the trade via the Trade Liaison Group throughout the entire review and, therefore, changes had been communicated to the taxi trade as and when they had been implemented.

The proposed changes in fees had been advertised as required by the provisions of Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 and three objections had been received from two objectors one of whom, a licensing consultant, represented various taxi associations and a local taxi firm and the other from a representative of the independent taxi sector. The objections were appended to the report.

In summary, the objections related to the following:

- The correct 'route' for approval of the new licence fees – it was reported that this matter had been delegated by the Council to the General Licensing Regulatory Board and therefore there were no procedural irregularities
- Issues relating to alleged overcharging, double charging and querying the methodology used to calculate the fees – this objection had been considered by officers in consultation with Finance and Audit who had confirmed the approval of the methodology and the fees calculated and that there was no evidence of double charging

It was noted that both the above issues had been discussed with the objectors at a meeting, the conclusions of which were that whilst the proposed operator and vehicle licence fees were agreed, no agreement could be reached on the driver licence fees as the objectors felt that the proposed increase could not be justified. The main contention centred on the time monitoring arrangements. Whilst it was recognised that the time monitoring information used in calculating the proposed fees was not recent, both Internal Audit and Finance had agreed that its use was acceptable subject to ongoing up to date time monitoring being undertaken to inform future reviews of fees.

Since the production of the report, a further letter dated 23rd July, 2014, had been received from the licensing consultant who had submitted an objection. This letter was not concerned with matters addressed in the previous objections but sought to raise matters raised within the report of the Assistant Director on the basis that information contained therein was not available at the time during the consultation period. In brief the concerns, amongst other things, related to:

- There being no specified date for the introduction of fees (should they be approved at this meeting)
- The time taken to undertake the review of the Service and to implement various changes, including concerns around
 - three year driver licences
 - The use of out of date data in relation to time recording and the lack of full time monitoring which, he suggested, could have been introduced sooner
 - The calculation of the fees for the three year driver licence

In the circumstances he suggested that the Regulatory Board consider the schedule of fees detailed within his letter subject to a direction to officers that the fees be reviewed and, if necessary, re-determined in order that any new fee be implemented for the beginning of the 2015/16 financial year. He also suggested that in view of the considerable slippage that had occurred, the setting of fees today as detailed within his letter, would ensure that this matter was reviewed before the Council was at risk of under recovering the cost of driver licensing.

In response to the additional comments now raised, the Director of Legal and Governance explained that, if approved, the new licence fees would take effect immediately.

The Assistant Director (Culture and Regulation) briefly commented upon the additional issues raised but advised the Committee that there was no methodology detailed for the setting of fees as suggested by the licensing consultant. In addition, the information received from Internal Audit in particular indicated that the Council's methodology for calculating the proposed fees provided reasonable assurance. The calculation of the fees was arithmetically correct and based upon the work carried out and should be sufficient to cover the reasonable costs incurred by the Council in respect of taxi licensing. It was pointed out that in the rare event that there was an over-recovery of costs, fees would be adjusted accordingly at the next review.

After considering all the representations made, including consideration of the matters detailed with the additional letter submitted after the conclusion of the consultation period, it was:

RESOLVED:

- (i) That the method of calculation of the proposed fees for Hackney Carriage and Private Hire Licences be approved; and
- (ii) That the fees for Hackney Carriage and Private Hire Licences outlined within Appendix B to the report now submitted be approved.

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Chairman