

Wiltshire Council

Licensing Committee

21 September 2015

**De regulation Act 2015 and Changes to
Licensing Fees**

Cabinet Member: Councillor Keith Humphries – Public Health and Protection, Adult Care and Housing

Executive Summary

This report has been created to update members on the changes to licensing fees as a result of the De regulation Act 2015 (the Act) and for the Committee to agree new fees to apply and come into effect from 1 October 2015.

The aim of the Act is to make provision for the reduction of burdens resulting from legislation for businesses or other organisations or for individuals; make provision for the repeal of legislation which no longer has practical use; make provision about the exercise of regulatory functions; and for connected purposes.

In addition, approval is sought to introduce a cancellation and missed appointment charge to taxi drivers that fail to attend a variety of pre-booked appointments such as vehicle inspections, renewals of licences and knowledge checks.

Proposal

The Licensing Committee is asked to agree the revision of renewal fees for hackney carriage and private hire driver and operator licences to:

- (i) the revision of fees from
- £71 Annual driver renewal fee
 - £91 Initial driver licence
 - £86 Annual operator charge for initial and renewal

to:

- £213 - Driver renewal (three year licence)
- £233 – Driver initial licence
- £430 - Operator renewal (five year licence)
- £430 – Operator initial licence

- (ii) The introduction of a cancellation charge for missed and cancelled appointments with less than 24 hours notice.
- (iii) If option (ii) is approved, set the fee of £25 for a missed appointment.

The new fees will take effect from 1 October 2015.

Reason for Proposal

Section 10 of the Deregulation Act 2015, which comes into effect on 1 October 2015, amends the standard duration of drivers' licences for hackney carriages and drivers' and operators' licences for private hire vehicles. As a consequence, the driver and private hire operator renewal charges will need to be amended to reflect these statutory changes.

From 1 October 2015, all hackney and private hire driver licences must be for a duration of three years unless there is a specific reason in individual cases to make it less. Previously the licensing authority could choose a duration period of up to three years, Wiltshire Council is currently licensing drivers annually.

In addition, all private hire operator licences must now be for five years, unless there is a specific reason in individual cases for this to be less. Wiltshire Council currently licences operators annually.

The council adopted an appointment system for drivers and operators to allow optimisation of officer time and reduce waiting time for drivers and operators. However, appointments are frequently missed by drivers or cancelled last minute, causing breaks in workflow and the need for additional appointments; therefore, a charge is proposed to discourage this practice.

Tracy Carter
Associate Director, Waste and Environment

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Purpose of Report

1. To consider the licence fees for the renewal of hackney carriage and private hire drivers and private hire operators for the regulated area of Wiltshire Council in light of recent legislative changes.
2. To consider introducing a charge for hackney carriage and private hire drivers when appointments are missed and also when appointments are cancelled without good reason with less than 24 hours notice.

Relevance to the Council's Business Plan

3. The process of controlling and licensing hackney carriage and private hire vehicle operators assists the council in achieving a number of the outcomes in the Business Plan 2013-2017.

Business Plan Outcomes:

- 1 - Wiltshire has a thriving and growing economy
- 3 - Everyone in Wiltshire lives in a high quality environment
- 5 - People in Wiltshire have healthy, active and high-quality lives
- 6 - People are as protected from harm as possible and feel safe.

Main Considerations for the Council

4. In line with the De regulation Act 2015, from October 2015 officers will see drivers for licence renewal every three years and operators every five years, rather than annually; the driver and operator renewal fees have been amended to reflect this change.
5. Less officer time will be spent on driver and operator renewal appointments. This will allow officers time to undertake a more planned approach to enforcement and other compliance duties.
6. Currently, a driver renewal charge is £71. The revised fee of £213 for a three year licence has taken into consideration the current income and expenditure to the service.
7. The initial charge to a driver licence charge takes into consideration the initial charge of the licence at £91 and then two years of the renewal charge at £71, making the total initial charge for a driver licence £233.

8. Currently, a private hire operator renewal charge is £86, the revised fee of £430 for a five year licence has taken into consideration the current income and expenditure to the service.
9. Drivers would need to give 24 hours notice for cancellation of an appointment. Exceptional circumstances will be taken into consideration.
10. The cancellation fee of £25 includes officer time as well as the cost of the office and depot space required to carry out the appointment.
11. Case studies show a majority of other local authorities make a charge to drivers for cancellations of appointments and loss of time, such as Cornwall Council, Bedford Borough Council, Trafford Council and Nuneaton and Bedworth Council.
The following figures give a breakdown of costs against income for the licensing service (period 2014/15.)

Salaries	£163,700
Equipment Purchased	£12,000
Mileage and Fuel	£2,432
DBS checks	£12,496

Central Costs - Based on 2014/15

ICT	£32,990
Business Services	£864
Human Resources	£9,518
Communications	£3,982
Finance, Procurement and IA	£1,534
Admin and Property	£27,598
Insurance	£2,246
Total Expenditure	£269,360
Licensing Income	£268,111 (-£1,249)

12. The above financial information indicates that current charges are set at a level which recovers reasonable costs associated with providing the licensing service i.e. no large surplus or deficit is made on the council providing the licensing service. Income and expenditure have been projected over the next five years to ensure costs will be recovered in future years. The cost base of moving to a three and five year renewal for the respective licences is not anticipated to be significant, i.e. no material savings are anticipated to be achieved in shifting from an annual renewal to a longer period. Therefore, it is assumed prudent to continue with current fees but increase these in line with the longer periods which they cover. Inflation has been added to the expenditure for this exercise.

13. The cancellation cost has been calculated as follows:

Post	Hourly Rate	Hourly Rate with On costs
Compliance Officer	£14.06	£16.37
Vehicle Compliance Officer	£12.68	£14.77
Compliance Assistant	£9.87	£11.34
	£31.61	£42.48
Cost per half an hour appointment		£21.24

Allowing for a small cost for depot and office space, £25 would be a reasonable charge to make for an appointment cancellation.

Background

14. The Local Government (Miscellaneous Provisions) Act 1976 has been amended. The Government has introduced the Deregulation Bill as part of its drive to reduce the overall burden of regulation on business and individuals.

The Deregulation Bill 2015 received Royal Assent on Thursday 26 March 2015.

15. From 1 October 2015 all hackney and private hire driver licences must now be for a duration of three years, unless there is a specific reason in individual cases to make it less. This will be for reasons such as the age of the driver. Previously, the licensing authority could choose the duration period of up to three years, Wiltshire Council is currently licensing drivers annually.
16. All private hire operator licences must now be for five years unless there is a specific reason to be less in individual cases. Wiltshire Council currently licences operators annually. This will reduce the administrative burden of having to make more frequent licence renewals. More officer time can be spent on enforcement.
17. In addition, from 1 October, private hire operators may subcontract a job to a licensed operator in another district (zone) whereas currently it is only legal to subcontract within the same licensing district. Officers are unable to enforce in other counties and will rely on contact with other authorities for enforcement.
18. Drivers frequently cancel a variety of appointments, including renewals and inspections, without notice and also miss appointments without informing the team they are unable to attend. This has an impact on cost and resource within the service. When appointments are missed and cancelled without notice, it leaves the Vehicle Compliance Officer or Compliance Officer with available time within their appointments. This time could have been allocated to another driver for an appointment with sufficient notice. This also necessitates another appointment which means officers have less time to undertake other duties such as enforcement which the trade are requesting.
19. The council last reviewed the licence fee in 2012; the opportunity has been taken to review the fee to ensure that the council recovers its costs.
20. The payment of the fee will be at the beginning of the licence period, for the whole period, to ensure that debt management costs do not increase.

Safeguarding Implications

21. The introduction of a missed appointment penalty system will help ensure that drivers are motivated to renew their CSE training and therefore their awareness of safeguarding children

Public Health Implications

22. If a cancellation or missed appointment charge is not implemented there could be a reduction in the service given to both the trade and placing public safety at risk. This is due to the Compliance Team being unable to check driver and vehicle information and allowing them to still operate if an appointment is not rebooked.
23. The missed appointment charge should have a deterrent effect on providers missing appointments and this will lead to better guarantees for potentially vulnerable or disabled clients that their appointments will not be disrupted.

Environmental and Climate Change Considerations

24. There are no environmental or climate change considerations.

Corporate Procurement Implications

25. There are no direct procurement implications arising from this report.

Equality Impact of the Proposal

26. The impact of these proposals is assessed as 'low' against the council's statutory responsibilities.

Risk Assessment

27. If the driver and operator renewal fees are not amended in line with the De-regulation Act 2015, the council will be open to legal challenge.

Financial Implications

28. The charges proposed in the report are anticipated to recover reasonable costs associated with providing the service. It is recommended that the charges are reviewed on a periodic basis to ensure this is the case.
29. If a cancellation charge isn't introduced, the Licensing service will operate inefficiently due to missed appointments where the time cannot be re-allocated to another driver.

Legal Implications

30. Section 53 of the Local Government (Miscellaneous Provisions) Act 1976 allows the council to charge fees for hackney carriage and PHV driver's licences. The fees charged must be reasonable, with a view to covering the costs of issue and administration. Similarly, section 70 of that Act allows the council to charge fees for operator's licences which, together with charges for vehicle licences, are intended to cover the reasonable cost of inspecting vehicles, providing taxi ranks and supervising hackney carriages and PHVs.

31. Because the council is not proposing to amend the equivalent annual fees for operator's licences, there is no requirement to advertise the proposed changes before they are implemented.

Conclusion

32. There is a demonstrable need to revise the fees to three yearly for driver badge renewals and five years for private hire operator renewals.
33. The figures in the table above demonstrate the council will charge the same amount for appointments but multiplied this by the new length of the licence to ensure costs are covered.
34. There is a need for the introduction of a cancellation charge of £25 by the council to the trade for missed appointments and appointments cancelled without at least 24 hours notice. The charge has been kept to a level required to cover the council's costs in providing the service.

Proposal

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Associate Director, Waste and Environment

Report Author: Gemma Sadd
Contact Details: 01225 770465

Background Papers
De-regulation Act 2015