

BIRMINGHAM CITY COUNCIL

**REPORT OF THE DIRECTOR OF REGULATION AND ENFORCEMENT
TO THE LICENSING AND PUBLIC PROTECTION COMMITTEE**

16 SEPTEMBER 2015
ALL WARDS

**OBJECTION TO HACKNEY CARRIAGE AND PRIVATE HIRE
FEES AND CHARGES**

1. Summary
- 1.1 At a meeting of the Licensing and Public Protection Committee on 18 February 2015, the Committee resolved to vary the fees for hackney carriage and private hire vehicles, drivers and operators.
- 1.2 Under Section 70 of the Local Government (Miscellaneous Provisions) Act 1976, a Local Authority is required to advertise changes to its fees and charges in respect of hackney carriage and private hire vehicles for 28 days before it can apply the new fees and it must consider any objections. A number of objections were received, which were considered by the Committee on 15 July 2015.
- 1.3 Having regard to the objections, the Committee again resolved to vary the fees for hackney carriage and private hire vehicles, drivers and operators, but also to incorporate into the fee calculation the use of one third of available carry forward balances.
- 1.4 These new proposed revised fees were advertised in accordance with Section 70 of the Local Government (Miscellaneous Provisions) Act 1976. One objection has been received.
- 1.5 The Licensing and Public Protection Committee must consider this objection before deciding whether to implement the fee structure that it approved on 15 July 2015
- 1.6 The matter has been brought before the Committee as urgent business as the proposed fees also include fees for 5-year Private Hire Operator licences which MUST take effect by 1st October 2015.

2. Recommendation

- 2.1 That the fees and charges approved by the Licensing and Public Protection Committee on 15 July 2015 set out in appendix 1 be implemented with effect from 1 October 2015.

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3. Background

- 3.1 In accordance with the Corporate Charging Policy and Financial Regulations the fees and charges for the various licensing functions are reviewed on an annual basis. A report was presented to the Licensing and Public Protection Committee on 18 February 2015, which detailed the proposed variations to the fees.
- 3.2 Under Section 70 of the Local Government (Miscellaneous Provisions) Act 1976, a Local Authority is required to advertise changes to its fees and charges in respect of hackney carriage and private hire vehicles for 28 days before it can apply the new fees and it must consider any objections. A number of objections were received, which were considered by the Committee on 15 July 2015.
- 3.3 Having regard to the objections, the Committee again resolved to vary the fees for all relevant licensing functions, including hackney carriage and private hire vehicles and drivers by varying degrees, but also to incorporate the use of a proportion of available carry forward balances.
- 3.4 A copy of the fees and charges that were approved by the Committee in July is attached as Appendix 1.
- 3.5 The fees that were approved were calculated to recover the full cost of carrying out all elements of the Licensing services in line with City Council policy. This includes all overheads, administrative costs, expenses and any appropriate recharge of officers' time.
- 3.6 They are based on historic income and expenditure for 2013/14 (in line with previous practice) and include the direct costs of the delivery of services and a proportion of indirect central business support costs e.g. Human Resources, Legal, IT, Finance, Procurement and Democratic costs.
- 3.7 These new proposed revised fees were advertised in accordance with Section 70 of the Local Government (Miscellaneous Provisions) Act 1976. One objection has been received.

4. Objections to the Hackney Carriage and Private Hire Fees

- 4.1 Under Section 70(2) of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA 76), a Local Authority is required to advertise changes to its fees and charges in respect of hackney carriage and private hire vehicles by placing an advert in a local newspaper for 28 days before it can apply the new fees and it must consider any objections. Although it must consider them it does not have to vary the proposal as a result of them. There is no requirement upon the local authority to advertise an alteration to driver fees. An advert was placed in the Birmingham Post on July 30th 2015. A copy of the advertisement is attached as Appendix 2

- 4.2 The Licensing Service has received one objection to the proposed fees and charges, which is in an e-mail from a Private Hire Driver, and is as follows:-

"I am objecting to the increase of renewals fees as the council has funds already available over half a million pounds so it's unfair and unreasonable to increase fees when money is sitting in the pot enforcement needs to increase..."

- 4.3 The reports presented to the Committee in February and July both proposed using the Licensing service's carry forward balance to implement service improvements, such as channel shift, new IT equipment for Licensing and improved computer systems on the understanding that investing in service improvements now will be likely to produce greater efficiencies in the future that should result in lower fees over the longer term.
- 4.4 The Licensing service is currently actively procuring a replacement Licensing Software system to replace the existing product which will fail to meet the Council's data security standards after 31 March 2016. Indicative costs for this work are likely to be in the region of £200,000.
- 4.5 The Licensing service is also in the process of moving office location from Crystal Court to Aston Science Park, which will involve additional expenditure, (e.g. removal costs, network installation, furniture and building alterations) including a dilapidation charge to restore Crystal Court to its original condition
- 4.6 Although the proposed fees are set using calculations from the last set of closed accounts in 2013/14, the future expenditure identified at paragraphs 4.4 and 4.5 should be taken into account when setting fees. The objector has referred to funds being available of over £0.5m. For the 2013/14 year upon which the proposed fees have been calculated the carry forward balance for hackney carriage and private hire licensing was £0.341m. By 1 April 2015 this had risen to £0.568m, but this balance will be taken into consideration when Licensing sets its fees for 2016/17. The proposals in appendix 1 have been calculated by using one third of the carry forward balance (£113,667).
- 4.7 The objector has asked for the carry forward balance to be used to pay for additional enforcement staff, however permanent employees could not be funded from reserves; they may only be employed on the basis of a permanent revenue stream.
- 4.8 By not utilizing the entire carry forward balance, the service is able to maintain a degree of protection from sharp changes to the licence fees in the event of anticipated expenditure such as these.

5. Legal considerations.

- 5.1 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 sets out the statutory mechanism for review and implementation of the fees charged by local authorities for the licences issued in respect of Hackney Carriage and Private Hire vehicles and operators. Section 53 of the Act provides a different mechanism for the setting of fees for the grant of drivers' licences for both hackney carriage and private hire vehicles.
- 5.2 In respect of the fees for drivers' licences, Section 53 states that the Council may charge such fee as is reasonable with a view to recovering the costs of issue and administration. There is no statutory requirement to advertise the fees or to consider objections. In respect of fees for vehicle and operators' licences, Section 70 provides that the Council may charge fees which are sufficient to cover in whole or part the reasonable costs of inspecting the vehicles for the purpose of determining whether a licence should be granted, providing hackney carriage stands and any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.
- 5.3 Whilst not a statutory requirement for the drivers fees to be advertised, the Council advertised these fees, in addition to the vehicle and operators fees for completeness and is therefore obliged to consider any objection to these proposed fees.
- 5.4 It must be noted the Council's fees and charges may be challenged through a number of routes, e.g. service complaints to the Local Government Ombudsman, complaints to the External Auditor by way of an objection to the Council's annual account and judicial review.

6. Implications for Resources

- 6.1 If the Committee is minded to further vary the fees and charges from those that were approved on 15 July 2015, there will be a further requirement to advertise the new fees and charges for a period of 28 days before they could be charged. This would delay our ability to charge the correct fee for our services.

7. Implications for Policy Priorities

- 7.1 The Licensing and Public Protection Committee has a stated public priority to improve the standard of all licensed persons, premises and vehicles in the City; this can only be achieved with an effective, efficient and appropriately resourced Licensing Service.

8. Implications for Equality and Diversity

8.1 No specific equality factors have been identified in this report.

A handwritten signature in dark ink, reading "J. Kennedy". The signature is written in a cursive style with a large, sweeping "J" and a long, curved underline.

for
DIRECTOR OF REGULATION AND ENFORCEMENT

Background Papers: nil

Appendix 1

		2014/15 (current)	Proposed Revised 15/16
Hackney Carriage	Vehicle	£253	£230
	Vehicle renewal	£129	£125
	Driver grant 1 year	£239	£265
	Driver grant 2 year	£299	£315
	Driver grant 3 year	£358	£370
	Driver renewal 1 year	£117	£140
	Driver renewal 2 years	£218	£210
	Driver renewal 3 years	£262	£265
Private Hire	Vehicle	£239	£250
	Vehicle renewal	£117	£145
	Vehicle (with meter)	£262	£253
	Vehicle (with meter) renewal	£154	£148
	Driver* grant 1 year	£239	£265
	Driver* grant 2 years	£299	£315
	Driver* grant 3 years	£358	£370
	Driver* renewal 1 year	£117	£140
	Driver* renewal 2 years	£217	£210
	Driver* renewal 3 years	£262	£265
	Operator (one year grant)	£1,430	£1,260
	Operator (5-year grant)		£3,777
	Operator renewal (one year)	£805	£840
	Operator (5-year renewal)		2,728
	Operator 1-5 Vehicles only	£805	£1,050
	Operator 1-5 Vehicles only (5-year grant)		£3,567
	Operator 1-5 Vehicles only renewal	£447	£630
	Operator 1-5 Vehicles only (5-year renewal)		£2,518
Other / Additional Charges	Amendments to Private Hire Operator Trading Name/Address	£447	£160
	Replace/Lost/Stolen Vehicle Identity Plate/Door Plates	£36	£50
	Replacement/Lost/Stolen Driver Identity Badge	£30	£35
	Replacement/Copy Paper Licence	£30	£35
	Administration fee for DBS check	£10	£35
	Replacement/Transfer of Vehicle Licence	£75	£85
	Hackney Carriage Knowledge Test Folder	£20	£30
	Hackney Carriage Knowledge Test	£70	£85
	Private Hire Knowledge Test Folder	£15	£25
	Private Hire Knowledge Test	£40	£50
	Verbal Communication Test	£28	£42
	Photocopying	£0.20	£0.20

*includes restricted private hire

BIRMINGHAM CITY COUNCIL LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976 HACKNEY CARRIAGE AND PRIVATE HIRE VARIATION OF LICENCE FEES (AND IMPLEMENTATION OF NEW 5 YEAR OPERATOR LICENCE FEE). Notice is hereby given that the Licensing and Public Protection Committee at its meeting on 17th July 2015 determined that the fees charged by the Council for Vehicle Driver and Operator Licences granted under Part 2 of the above Act shall be varied in accordance with the provisions of the said Act as follows:			
		2014/15 (current)	Proposed Revised 15/16
Hackney Carriage	Vehicle	£253	£230
	Vehicle renewal	£129	£125
	Driver grant 1 year	£239	£265
	Driver grant 2 year	£299	£315
	Driver grant 3 year	£358	£370
	Driver renewal 1 year	£117	£140
	Driver renewal 2 years	£218	£210
	Driver renewal 3 years	£262	£265
Private hire *includes restricted private hire	Vehicle	£239	£250
	Vehicle renewal	£117	£145
	Vehicle (with meter)	£262	£253
	Vehicle (with meter) renewal	£154	£148
	Driver* grant 1 year	£239	£265
	Driver* grant 2 years	£299	£315
	Driver* grant 3 years	£358	£370
	Driver* renewal 1 year	£117	£140
	Driver* renewal 2 years	£217	£210
	Driver* renewal 3 years	£262	£265
	1 year Operator	£1,430	£1,260
	1 year Operator renewal	£805	£840
	1 year Operator 1-5 Vehicles only	£805	£1,050
	1 year Operator 1-5 Vehicles only renewal	£447	£630
	5 year Operator	New fee effective	£3777
Other / Additional Charges	5 year Operator renewal	from	£2728
	5 year Operator 1-5 Vehicles only	from	£3567
	5 year Operator 1-5 Vehicles only renewal	October 2015	£2518
	Amendments to Private Hire Operator Trading Name/Address	£447	£160
	Replace/Lost/Stolen Vehicle Identity Plate/Door Plates	£36	£50
	Replacement/Lost/Stolen Driver Identity Badge	£30	£35
	Replacement/Copy Paper Licence	£30	£35
	Administration fee for DBS check	£10	£35
	Replacement/Transfer of Vehicle Licence	£75	£85
	Hackney Carriage Knowledge Test Folder	£20	£30
	Hackney Carriage Knowledge Test	£70	£85
	Private Hire Knowledge Test Folder	£15	£25
	Private Hire Knowledge Test	£40	£50
	Verbal Communication Test	£28	£42
	Photocopying	£0.20	£0.20

These fees have been calculated on a cost recovery basis.
A copy of this notice will be available for inspection by members
of the public during normal office hours, Monday to Friday at
the address below for a period of 28 days from the date of
this notice. Any objections should be made in writing to that
address or to licensing@birmingham.gov.uk before the end of
the 28 day period.
**Licensing Section, Crystal Court, Aston Cross Business
Village, 50 Rocky Lane, Aston, Birmingham B6 5RQ.**
Should no objections be received these fees will have effect
from 1st September 2015.