

**Committee:** Licensing and Environmental Health Committee

**Date:**  
12<sup>th</sup> July 2022

**Title:** Taxi and PHV Fees – New process

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## Summary

The purpose of this report is advise Members of the Licensing Team’s proposal to review the method for calculating Taxi and PHV fees. They are asked to note the report.

## Financial Implications

The Taxi and PHV licensing service is a statutory obligation under the provisions of the Local Government (Miscellaneous Provisions) Act 1976, and the legislation requires that the cost of a licence must be related to the cost of the provision of the licensing service. It is not permissible for the service to be run at a profit.

## Background Papers

Annex A – screen shot of Diamond Time recording System

## Impact

Communication/Consultation	Not currently carried out. But there will be a need to once we have identified a legal pathway
Community Safety	The main priority for the local authority concerning taxi and PHV is community safety
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	This is a proportionate document to ensure licensing authorities including Uttlesford carry out their legal duties.
Sustainability	N/A

Ward-specific impacts	N/A
Workforce/Workplace	N/A

## Situation

- 1 Under the provisions of the Local Government (Miscellaneous Provisions) Act 1976 the cost of a licence must be related to the cost of the provision of the licensing service It is therefore appropriate for a local authority to recover their administrative and other associated costs.
- 2 The fees for Hackney Carriage, Private Hire Driver and Vehicle, and Operator Licences are reviewed by the Council on an annual basis to determine whether the income received from the previous year has been in line with the cost of delivering the service.
- 3 There are several best methods that licensing authorities use to calculate taxi and PHV fees. These evolve around two methods
  - The analysis of time taken and/or cost of each element or
  - The average cost of completing the licensing function
- 4 The fee structures at Uttlesford have historically been a time and motion study of the officer time tak to create a drivers badge, a vehicle plate or an operator's licence.
- 5 In order to attain best practise and meet DfT standards the licensing team have to carry out further functions such as
  - Engagement and meetings with the trade
  - Consultations
  - Report writing
  - Internal discussions/briefing/training with staff on Taxi/PHV
  - DBS chases ups with drivers

These additional costs are not currently added to the fees structure

6 . In 2019 the case of Wakefield meant the Licensing Authorities could charge for enforcement officers time <https://www.instituteoflicensing.org/news/wakefield-taxi-fees-case-update/> This was a Court of Appeal decision and Licensing Authorities began to consider charging for enforcement officers time and costs

7. At the start of this Financial Year the Licensing Team purchased and are now implementing a new time recording software package called Diamond Time Recording system – See Annex A. Officers are now trained in this software and daily capture all their chargeable and non-chargeable activity. It is broken down and assigned to the respective types of licence and then further broken down into activities. This software is currently used by several Essex Licensing Authorities and is seen better than spreadsheets which some Councils still use to calculate their fees.

8. Running this process in tandem with our old process may also enable us to effectively evaluate officer time against individual activities against each licence and will help us consider the right framework for our fees going forward. This will include both enforcement and process costs for drivers, vehicles and operators.

9. The new process will also help us identify savings, for example this may give us the opportunity to explore better use of technology in order to make savings and reduce fee

10. However there will be further change to the Licensing process at Uttlesford DfT are currently consulting on a best practice document for Licensing Authorities Taxi and private hire vehicle: best practice guidance to assist local authorities - GOV.UK (www.gov.uk). It is not known when the resulting document will be published, but I have no doubt it will mean as a Licensing Authority we will need to engage, consult and consider change both through processing licenses and enforcement. It is right that these changes are captured and the public purse is not affected.

**Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
3 = Significant risk or impact – action required	2 = Some risk or impact – action may be necessary.  There is a need for the council to ensure it meets the Government standards. Reputational damage could occur if it does not fulfil its legal	3 = Significant risk or impact – action required	3 = Significant risk or impact – action required

	duties.		
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.