

Appendix B: Consultation responses and answers

3 Consultation responses were received

1st response

From: robert rodriguez
Sent: 15 November 2018 14:22
To: Taxi Fees
Subject: Imminent Taxi Fee increase

Dear sir,

I find the increases to licensing costs to be abhorrent and totally unreasonable . There is absolutely no reason why they almost double- what we get from the council in terms of service turnaround , technology assisting in the process and prehistoric huge yellow licence signs for the rear of vehicles (PHV) when other authorities have reduced size and more attractive and easier to attach, more operators in the district meaning less work available and you're asking to double the fees !! Honestly this a con trick , let UDC find additional funds from elsewhere rather than instigating an almost 100% increase for a very basic non improving service.

Rob Rodriguez
Abel Private Hire

Uttlesford District Council response

The taxi license fees are set in order to recover certain costs (recoverable costs) associated with the licence as dictated by the relevant legislation. The increase in fees being proposed is due to the current costs incurred by the council in issuing these licences being substantially higher than are currently being recovered by the taxi licence fees. A detailed review of time spent on taxi licensing activities resulted in an overall increase in the timings used for calculating recoverable costs compared to the last time such an exercise was undertaken. The reasons for the increase in time spent include

1. In previous fee setting exercises, the time spent was under recorded on many activities
2. Inclusion of activities that were overlooked in previous fee settings
3. There are some new activities

2nd response

From: Matt Flowers
Sent: 20 November 2018 14:38
To: Taxi Fees
Cc: Phil Hudson
Subject: Fees For Hackney Carriage and Private Hire Licences

Dear Mr Anthony Cobden

I have just been made aware of the proposal to increase the Private Hire Vehicle Licence Fee from April 1st 2019.

I would like to object to the proposed variations on the basis that a renewal licence fee is increasing over 100%. That is a huge increase which will impact our business significantly given the amount of vehicles we licence. We are in fixed term contracts with various business suppliers and are unable to increase our charge to them. In an already competitive market this will undoubtedly place pressure on our margins as a business.

I was of the understanding that the license fee does not attract a profit for the council and I'm therefore wondering how your costs to administer them have increased so sharply.

I look forward to your response.

Regards

Matt Flowers

Director

Uttlesford District Council response

The taxi licence fees are set in order to recover certain costs (recoverable costs) associated with the licence as dictated by the relevant legislation. The increase in fees being proposed is due to the current costs incurred by the council in issuing these licences being substantially higher than are currently being recovered by the taxi licence fees. A detailed review of time spent on taxi licensing activities resulted in an overall increase in the timings used for calculating recoverable costs compared to the last time such an exercise was undertaken. The reasons for the increase in time spent include

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3rd response

Dear Mr Cobden

You will find attached an email dated 12 December from James Button in response to your consultation, in the interests of openness and transparency. We decided it would be both reasonable and valuable to commission inputs from the UK's leading licensing expert, who is also President of the IoL.

Having reviewed James's email, Andy Mahoney, Robert Sinnott, Richard Ellis and I are submitting his conclusions 3 and 4 as objections to the proposals.

Please explain and justify the costs of enforcement action relating to vehicles, and pre-application costs for operator licences, in the light of James Button's comments with his third conclusion.

His fourth conclusion. In the Licensing - Taxi Actuals and Forecasts, we are convinced that it is not correct to charge Safeguarding work at the levels indicated, which are set in the Budget and Forecasts going forward (we were told by Brian Stuart) at 40% of the salary cost of the newly recruited responsible officer. This is *not* a cost which should be recovered against the issue and administration of licences.

We are also objecting to the inclusion in the calculations of charges for Accounting, Internal Audit, HR and ICT. These charges are not attributable to taxi licensing - what do they have to do directly with the issue and administration of licences? These are to be taken as *four* separate objections.

Finally, we object to the suspected inclusion in the Licensing staffing expenditure line of the Licensing Consultant's contracted salary. We do not consider it reasonable for the Council to recover his cost against taxi licensing - his work is not relevant to the issue and administration of licences.

We look forward to further dialogue with officers and members in due course.

Many thanks.

Barry Drinkwater

Chairman – ULODA

Uttlesford District Council response

With regard to the enquiry on the costs of enforcement action relating to vehicles, these costs include the following:

- Checking post accident repairs
- Investigating complaints/concerns about vehicles (includes time on case notes, emails and phone calls)
- Vehicle inspections
- Stop checks on vehicles

UDC believes that the relevant legislation allows for the recovery of the costs associated with the above activities in the vehicle licence fees.

With regard to the query on the inclusion of costs of enforcement officers included in the operator fees, these costs relate to pre-application checks on the operator to ensure 'fitness to operate' and includes site visits. This applies to both new and renewal operator licence applications. Although the work is carried out by the enforcement team it obviously does not relate to 'enforcement' action *per se* and perhaps this has led to the query being raised as to whether the cost can be legally included.

With respect to the enquiry about whether the licensing consultant's costs are being included in the licensing fees, UDC have included the cost of a once every 10 year peer review being carried out (based on an annual cost equivalent to the costs incurred in peer review undertaken in 2017/18 divided by 10). UDC believe that these are recoverable overhead/support costs for the taxi licensing service and should be viewed in a similar way to the recoverability of management costs through the licence fees. If an external consultant did not undertake the review of the service then the task would fall to senior management to undertake and the cost would be recovered as an extra management overhead cost on the licensing function. Regular peer reviews ensure the taxi licensing function is adhering to best practices and is directly complimentary to the management support to the taxi licensing service. The inclusion of the peer review cost amounts to 32pence on each 3 year driver licence, 11 pence on a vehicle licence and 82 pence on each operator licence.

With regard to the query on the inclusion of Accounting, Internal audit, HR and ICT costs in the licensing fees our response is as follows.

The Council reports the costs of service according to the Code of Practice advised by the Chartered Institute of Public Finance and Accountancy (CIPFA). This involves apportioning the cost of support services (overheads) to 'frontline' services on a fair and reasonable basis. This approach is used for reporting costs in the Annual accounts, in the Council tax leaflet and in statistical returns to Government. Using this approach gives a truer indication of the service's cost since, for example, in order to provide the licensing service it needs to have an ICT service to provide the computers, networks and software, an HR service for providing the payroll service and recruitment functions, an internal audit service to ensure that the Taxi Licensing service is operating accurately and efficiently and an Accounting function to ensure that bills are paid and financial records are maintained.

For clarity the inclusion of 40% of the costs of Safeguarding Officer in the taxi licensing fees are overhead/support costs for the effective operation of the taxi licensing service and reflect the need for additional pre-application processes and checks to safeguard the public. Effective regulation of the Taxi and PHV trade ensures, in the overriding public interest, that standards are high and the public are protected. The cost for this work has been estimated and apportioned on a fair and reasonable basis however clear records will be maintained by the safeguarding officer and in light of these records the estimate of 40% of time spent will be reviewed at the next annual fee review. There is no overlap between the inclusion of costs of the Safeguarding Officer in the licence fee and the proposed driver training day since the time (that may be) spent by the Safeguarding Officer in conducting that element of the training day is not included in the 40% of time being charged for.