



County Hall  
Cardiff  
CF10 4UW  
Tel: (029) 2087 2000  
  
Neuadd y Sir  
Caerdydd  
CF10 4UW  
Ffôn: (029) 2087 2000

## AGENDA

<b>Committee</b>	PUBLIC PROTECTION COMMITTEE
<b>Date and Time of Meeting</b>	TUESDAY, 18 AUGUST 2015, 10.30 AM
<b>Venue</b>	COMMITTEE ROOM 1 - COUNTY HALL
<b>Membership</b>	Councillor Parry (Chair) Councillors Manzoor Ahmed, Boyle, Bridges, Goddard, Hudson, Kelloway, Morgan, Murphy, Phillips, Simmons and Walsh

### 1 **Apologies for Absence**

To receive apologies for absence.

### 2 **Declarations of Interest**

To be made at the commencement of the agenda item in question, in accordance with the Members' Code of Conduct.

### 3 **Private Hire Operator Licence Fees** (Pages 1 - 8)

**Marie Rosenthal**

**Director Governance and Legal Services**

Date: Wednesday, 12 August 2015

Contact: Graham Porter, 029 2087 3401, g.porter@cardiff.gov.uk

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**PUBLIC PROTECTION COMMITTEE: 18 August 2015**

**Report of the Head of Regulatory Services**

**PRIVATE HIRE OPERATOR LICENCE FEES**

**1. Background**

- 1.1 The Deregulation Act 2015 amends the sections of the Local Government (Miscellaneous Provisions) Act 1976 that deal with the duration of private hire vehicles and operators' licences for private hire vehicles.
- 1.2 The present practice in Cardiff is to grant these licences for a period of one year only.
- 1.3 The amendments made by the Deregulation Act establish a standard duration for a private hire operator's licence of 5 years. A licence may be granted for a shorter period where there is a justifiable reason. This reason would be related to the circumstances of an individual case and could not flow from a blanket policy.
- 1.4 The commencement date for these measures is 1<sup>st</sup> October 2015.

The purpose of this Report is to recommend new licence fees for private hire operators to reflect the change in the duration of a licence.

A separate Report will be made to the Committee in September in respect of the fees for drivers' licences for hackney carriages and private hire vehicles.

**2. Proposed Fees.**

- 2.1 The table below shows the existing fees compared with the proposed new fees.

	Existing Fee	Proposed 1 Year Fee	Proposed 5 Year fee
PH Operator Grant	£143	£98	£427
PH Operator Renewal	£143	£76	£350

- 2.2 Although the legislation states that an operator's licence should be granted for 5 years there may be circumstances in which it may be appropriate to grant a licence for a shorter period e.g. where an operator requests a 1 year licence, or the licence holder has a pending prosecution. Therefore proposed fees for both a 1 year licence and 5 year licence have been calculated for approval.

- 2.3 It has been calculated that in respect of fee income for the last financial year of 2014/15 there was a surplus in respect of private hire operators' licences £3350. It is proposed that the full surplus will be taken into account in setting the new fees.
- 2.4 The fees have been calculated using a toolkit developed by the Wales Licensing Expert Panel. The toolkit is being used by all Welsh local authorities and has been approved for use by numerous accountants and licensing solicitors. The methodology used to calculate the fees and details of the figures are shown in Appendix A.

### 3. **Private Hire Sub-Contracting**

- 3.1 Section 11 of the Deregulation Act allows private hire operators to subcontract bookings to another licensed operator within their district or to an operator licensed by another district. The driver and vehicle supplied under the subcontracted booking must be licensed by the Authority which licences the "new" operator.
- 3.2 It is possible that the introduction of this measure may have an impact on the number of operator licences issued. The licence fees will therefore be reviewed annually as they have been calculated according to the number of licences that the Council anticipates issuing.

### 4. **Changes to Policy & Conditions**

- 4.1 The change in licence duration will require amendments to be made to the current Taxi Licensing Policy and Private Hire Operator Conditions as both refer to a licence duration of 12 months.
- 4.2 Section 4.1 of the Policy will need to be amended as follows:  
'The Committee considers licences in respect of operating premises within the City and County of Cardiff and issues licences for a maximum duration of 5 years.'
- 4.3 Condition 1 of the Private Hire Operators Licence Conditions will need to be amended to the following:  
'On payment of the necessary fee, the licence remains in force for a maximum of 5 years.'

### 5. **Consultation**

- 5.1 The trade consultation procedure was undertaken in accordance with the consultation procedure on any policy matters. The draft reports intended for

consideration were made available at the licensing offices for any interested party to provide written submissions.

## **6. Achievability**

This report contains no equality personnel or property implications.

## **7. Legal Implications**

7.1 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 allows the Council to charge fees in respect of private hire operators' licences. The Council must set the fees for these licences on the basis that it only recovers costs which it is entitled statutorily to recover.

7.2 The Act, which dates from 1976, states that the fee for operators' licences shall not exceed £25 or such other sum as the Council may from time to time determine. In the light of current costs £25 is not seen as a realistic fee.

7.3 Case law has established that when the Council makes a surplus in respect of licence fees it should give account for that the next time that the fees are set; and if it incurs a deficit it may also take that into account. The calculations in respect of each type of licence issued by the Council should be kept separate.

7.4 When the Council proposes to set new fees for operators' licences it is required by Section 70 of the 1976 Act to publish notice of the proposed variation in a local newspaper stating that objections may be made within a period of not less than 28 days. If objections are received and not withdrawn the Council must consider them and set a further date on which the variation shall come into force with or without modifications

## **8. Financial Implications.**

8.1 The report sets out the proposed fee change to take effect from 1<sup>st</sup> October 2015.

8.2 Should a surplus or deficit accrue as part of the final outturn position for 2015/16, this will be taken into account when setting the fees in the next financial year.

8.3 As detailed in paragraph 2.3 above, a surplus of £3,350 from the 2014/15 financial year has been taken into account in the calculation of the proposed private hire operator licence fees.

## **9. Recommendation**

9.1 That the Committee approves the proposed licence fees outlined in this Report with an implementation date of 1<sup>st</sup> October 2015

- 9.2 That the Committee authorise the Head of Regulatory Services to carry out the necessary public notice procedure.
- 9.3 If objections are received within 28 days of the publication of the notice of the proposed changes to the fees, the matter must come back before the next appropriate Committee meeting so that any such objections can be considered, modifications be considered, and a new date for the introduction of the variations can be set.
- 9.4 That on 1<sup>st</sup> October 2015 paragraph 4 of the Taxi Licensing Policy be amended to: ‘The Committee considers licences in respect of operating premises within the City and County of Cardiff and issues licences for a maximum duration of 5 years.’
- 9.5 That on 1<sup>st</sup> October 2015 Condition 1 of the Private Hire Operator Licence Conditions be amended to:  
‘On payment of the necessary fee, the licence remains in force for a maximum of 5 years.’

**Dave Holland**  
**HEAD OF REGULATORY SERVICES**

**10 August 2015**

This report has been prepared in accordance with procedures approved by Corporate Managers.

Background Papers: None

## Appendix A

### **Calculation Method: - Private Hire Operators**

The licence fees have been calculated using a toolkit produced by the Wales Licensing Expert Panel. The purpose of the toolkit is to provide a consistent and robust mechanism to setting licensing fees.

The toolkit has been approved for use by numerous accountants and licensing solicitors across the UK and is utilised by all other Welsh authorities and many English authorities

### **Part 1 –Cost Summary**

All general expenditure across the Licensing Section (based on 2014/15) is documented and applied to each post to give an hourly rate of each member of staff.

#### **Licensing Section General Expenditure:**

Support Services:	£86990
Accommodation Costs	£46000
Capital Financing	£2950
Employee Related (Excl salary)	£13721
Transport	£2733
Supplies & Services	£23199

The total general expenditure (£161872) is divided amongst each member of staff (15 in total) to give an hourly rate.

Licensing Support Assistant (x3)	£29.08
Licensing Assistant (x2)	£29.08
Licensing Enforcement Officer (x6)	£41.53
Senior Enforcement Officer	£44.75
Senior Technical Officer	£44.75
Group Leader	£50.47
Operational Manager	£71.87

### **Part 2-Other Charges**

Officer time spent on tasks relating to the licence type are calculated in minutes such as dealing with enquiries, general admin, meetings, project work and training.

The total costs for additional officer time are £3,640.70. The additional staff time is multiplied by 5 in respect of 5 year licences apart from the cost of general administration completed by staff at the Public Carriage Office which relates to end of day admin such as banking, filing, payment reconciliations etc. and will generally only be completed once across the course of a licence.

Any other licence specific costs are also applied. In the case of operators the cost of advertising the fees in the paper is applied (£500)

General taxi expenditure is £30726 and comprises of:

Taxi office rent	£7,000
Equipment	£791
Materials/Stationery	£4602
Bank charges	£725
Phone	£1098
ICT	£13046
Internet	£191
Security	£3273

The general taxi expenditure is then apportioned across the licence costs and 1.04% (£320) is apportioned to private hire operator licences.

The total specific costs (for 1 year licences) are £820 and are also multiplied by 5 in respect of 5 year licence to give a figure of £4100

In 2014/15 it has been calculated that there was a £3,350 surplus in terms of operator's licences. This figure is subtracted from the total specific costs to give a figure of -£2530 for 1 year licence and £748 for a 5 year licence

These costs (officer time and specific costs) are then divided by the total number of relevant applications to give a 'total other charges' of £19.48 for 1 year licences and £99.80 for a 5 year licences

### **Part 3 Process steps**

The process steps of the licence are inserted into the spreadsheet with the time (in minutes) of each officer being applied to each process step. The cost of an annual officer visit is included in the process steps.

This gives a cost of the administration of the licence (based on the hourly rates calculated in Part 1) and are added to the 'total other charges'.

#### **Cost of 1 year licence:**

Admin cost of grant & issue of licence:	£78.33
Total other charges	<u>£19.48</u>
<b><u>Total 1 Year Grant Fee</u></b>	<b><u>£98</u></b>

#### **Cost of 1 year licence renewal:**

Admin cost of grant & issue of licence:	£56.70
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Total other charges	<u>£19.48</u>
<b><u>Total 1 Year Renewal Fee</u></b>	<b><u>£76</u></b>

**Cost of 5 year licence:**

Admin cost of grant & issue of licence:	£327.60
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Total other charges	<u>£99.80</u>
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<b><u>Total 5 Year Grant Fee</u></b>	<b><u>£427</u></b>
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**Cost of 5 year licence renewal:**

Admin cost of grant & issue of licence:	£250.50
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Total other charges	<u>£99.80</u>
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<b><u>Total 5 Year Renewal Fee</u></b>	<b><u>£350</u></b>
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