

## Summary Sheet

### Council Report

Licensing Board 20<sup>th</sup> February 2017

#### Title

Proposed amendments to certain fees charged in relation to vehicle licences

#### Is this a Key Decision and has it been included on the Forward Plan?

This is not a key decision.

#### Director Approving Submission of the Report

Karen Hanson – Assistant Director of Community Safety and Street Scene

#### Report author(s):

Alan Pogorzelec – Business Regulation Manager  
Regeneration and Environment  
01709 254955, [alan.pogorzelec@rotherham.gov.uk](mailto:alan.pogorzelec@rotherham.gov.uk)

#### Ward(s) Affected

All wards

#### Executive Summary

Compliance tests in relation to licensed vehicles are currently undertaken on behalf of the council by Essential Fleet Services (EFS). The testing is delivered as part of the Corporate Fleet Management Contract, and the prices charged for the testing of vehicles are specified in that contract.

The Fleet Management Contract was recently due for renewal and following a comprehensive procurement process, the contract with EFS was renewed. As part of this renewal, the fees charged by EFS in relation to vehicle testing were revised. This report provides further detail on this revision, and seeks Member approval to commence the process of introducing the fees in Rotherham.

#### Recommendations

- That Members approve the proposed licensed vehicle testing fees.

- That Members direct officers to undertake the necessary consultation with the hackney carriage and private hire trade associations and place a notice in the local press outlining the proposed fee increases in relation to vehicle test fees.
- That a further report be presented for consideration and determination of the private hire / hackney carriage vehicle and private hire operator fees at the next meeting of the Licensing Board (or Licensing Board Sub-Committee) following the end of the consultation period.
- That Licensing Board delegate the authority to approve the final fees to a Sub-Committee of the Licensing Board.

### **List of Appendices Included**

Appendix 1 - Table of proposed fees in relation to vehicle testing

### **Background Papers**

- None

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Not applicable.

### **Council Approval Required**

No.

### **Exempt from the Press and Public**

Not exempt.

## **Title (main report)**

Proposed amendments to certain fees charged in relation to vehicle licences

### **1. Recommendations**

- 1.1 That Members approve the proposed licensed vehicle testing fees.
- 1.2 That Members direct officers to undertake the necessary consultation with the hackney carriage and private hire trade associations and place a notice in the local press outlining the proposed fee increases in relation to vehicle test fees.
- 1.3 That a further report be presented for consideration and determination of the private hire / hackney carriage vehicle and private hire operator fees at the next meeting of the Licensing Board (or Licensing Board Sub-Committee) following the end of the consultation period.
- 1.4 That Licensing Board delegate the authority to approve the final fees to a Sub-Committee of the Licensing Board.

### **2. Background**

- 2.1 Compliance tests in relation to licensed vehicles are currently undertaken on behalf of the council by Essential Fleet Services (EFS). The testing is delivered as part of the Corporate Fleet Management Contract, and the prices charged for the testing of vehicles are specified in that contract.
- 2.2 The Fleet Management Contract was recently due for renewal and following a comprehensive procurement process, the contract with EFS was renewed. As part of this renewal, the fees charged by EFS in relation to vehicle testing were revised. This report provides further detail on this revision, and seeks Member approval to commence the process of introducing the fees in Rotherham.
- 2.3 When making an appointment for a vehicle test to be carried out, licence holders / applicants must pay the appropriate fee to the council, EFS then invoice the council at the end of each month for an amount that covers the cost of all tests undertaken during that month.
- 2.4 The fees that are charged to the council are passed on in full to the licence holder / applicant. The council does not add a percentage on to the fees that it is charged by EFS (i.e. the costs incurred by the council are passed directly on to the applicant / licence holder).
- 2.5 As the fees levied by EFS are an integral part of the vehicle licence fee, the council is required to place a notice in the local press regarding any proposed amendment to the fee – this is to allow a period of time for the interested parties to comment on the proposal and for their views to be

taken into consideration prior to any amendment being made to the fees that are charged.

### 3. Key Issues

- 3.1 The fees charged by EFS (and that are subsequently passed on to licence holders / applicants) are detailed in Appendix 1 to this report, along with details of the fees that are currently charged.
- 3.2 It is proposed that the current fees are amended to those detailed in Appendix 1, and that the revised fees should take effect from 1<sup>st</sup> April 2017.
- 3.3 In addition to the testing fee, the council also charges a fee associated with the processing of the licence application, this fee is currently £112. There is no proposal to amend this fee at the present time, however the council are currently in the process of undertaking a full review of all discretionary licensing fees, and amendments are likely to be made to fees as a result of this. Further detail on this proposal will be provided in a future report.
- 3.4 The council also charges for the provision of a vehicle licence plate, the fee includes the provision of the plate and associated equipment, the administration of the plate process, and the costs associated with the production of the plate.
- 3.5 The fee for a plate is currently set at £32. Following a review and streamlining of the production process and renegotiation in relation to the provision of the materials / equipment required for the production of the plate, it has been possible to reduce this fee to £19. A plate will be issued following each scheduled vehicle inspection. Plate brackets will also be available; the charge for these will remain unchanged at £16.
- 3.6 Should these fees be introduced as proposed then the total amount payable by applicants would be as follows:
  - Amount payable on initial application: £176  
  
This includes the administration fee, the cost of the test and one vehicle plate (including fixings, but excluding bracket).
  - Amount payable per additional test: £64  
  
This includes the cost of the test and the cost of one vehicle plate (including fixings, but excluding bracket).
- 3.7 Should a vehicle fail the compliance test, there is the opportunity for a retest. There is currently no charge for the first retest (subject to certain conditions), with a charge of £37 being levied for a second retest. It is proposed that a fee of £25 is introduced for all retests.

3.8 The standards required during the Council's compliance test are higher than those set by the MOT regulations. As a result of this, the Council has been given an authority by the Driver and Vehicle Licensing Agency to issue a Certificate of Compliance should the vehicle pass the full compliance test (after a retest if necessary). The Certificate of Compliance replaces the need for an MOT certificate. However, many drivers wish to maintain the MOT history of their vehicle, and so for the payment of a fee of £10, Essential Fleet Services will issue an MOT certificate to the licence holder / applicant following the successful completion of the compliance test. This fee is payable directly to Essential Fleet Services (the council has no involvement in this process).

3.9 All other fees charged in relation to vehicle licences remain unchanged.

#### **4. Options considered and recommended proposal**

4.1 Only one option is put forward for consideration, and it is recommended that the amended fees are adopted.

#### **5. Consultation**

5.1 Consultation will take place with the private hire and hackney carriage trades will take place in relation to the setting of the fees for vehicle licences. In addition, a notice will be placed in the local press allowing 28 days for comments regarding the proposed fees to be submitted to the council.

5.2 Any comments received will be assessed and a final report submitted to a meeting of Licensing Board (or Licensing Board Sub Committee) for approval.

#### **6. Timetable and Accountability for Implementing this Decision**

6.1 Once the proposed fees are agreed, they will be communicated to the local licensed trade representatives (by email and in a formal meeting). In addition, a notice will be placed in the local press.

6.2 The trade and members of the public will be given a period of 28 days within which to comment on the proposed fees, it is anticipated that this process will be completed by mid-March 2017.

6.3 Subject to any comments that are received, the fees will be brought before the Licensing Board (or Sub-Committee) prior to the end of March 2017 for final agreement of the fees.

6.4 The revised fees will be introduced with effect from 1<sup>st</sup> April 2017.

#### **7. Financial and Procurement Implications**

- 7.1 The awarding the Corporate Fleet Management Contract to Essential Fleet Services was done after a comprehensive procurement and tendering process.
- 7.2 Failure to recover an appropriate level of revenue from licensing fees would result in the cost of service provision being greater than the income received. This would mean the service could not be delivered in budget which could lead to a reduction in the levels of services provided, especially in terms of enforcement.
- 7.3 Local Authorities can only set fee levels (where they are non-statutory and not prescribed) which are reasonable and proportionate to the costs incurred in providing a licensing service, in terms of administration processes and enforcement responsibilities.
- 7.4 The setting of fees as part of the budget setting process is consistent with the Corporate Plan's cross cutting themes of sustainable development and fairness as it ensures the delivery of a cost effective licensing service. It also ensures that the Council continues to maintain its statutory functions and undertakes enforcement to support the delivery of safe and sustainable communities in Rotherham.

## **8. Legal Implications**

- 8.1 Failure to recover funding sufficient to meet the costs of the service could result in the section failing to deliver its statutory functions. The setting of fees, as part of the budget setting process, forms part of the Councils Service and Financial Planning framework which supports the delivery of cost effective and efficient services.
- 8.2 Failure of the licensing service to effectively implement and administer the requirements of the council's policy may result in a legal challenge being made against the council.

## **9. Human Resources Implications**

- 9.1 None.

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 Both the Jay report into Child Sexual Exploitation (CSE) in Rotherham and the subsequent Corporate Governance Inspection led by Louise Casey CB identified issues, amongst which was the importance of having an effective taxi licensing service.

10.2 In order to ensure the Council's Licensing Service is effective, fit for purpose, and has addressed the concerns raised in Louise Casey's report; the following outcomes must be demonstrated:

- All licence holders are "fit and proper" to hold licences.
- Trained decision makers must make high quality, appropriate and timely decisions that protect the public from risk of harm.
- The Licensing Service uses all available statutory powers appropriately, proactively and reactively, to disrupt criminal activity (including CSE and related activity).
- The licensing team must consistently provide high quality, timely processing of licensing applications.
- The Council's Private Hire and Hackney Carriage Licensing Policy will be effectively implemented.

10.3 In order to address this, the service has developed a performance management framework and improvement plan to provide assurance that the outcomes identified above are achieved.

10.4 At the heart of the new policy, service improvement plan and the performance framework lies a commitment to the protection of the public, safeguarding children and the vulnerable and the prevention of crime and disorder. The effective implementation of the licensing policy and the standards that it contains plays an important part in the protection of children and vulnerable people in Rotherham.

## **11. Equalities and Human Rights Implications**

11.1 In undertaking its licensing function, the Council must comply with relevant legislative requirements including the Human Rights Act 1998. This obligation extends to those organisations providing a service on behalf of the Council (such as EFS).

11.2 Adherence to these requirements is assured by means of officer awareness, observation, individual case reviews and review of both customer satisfaction and complaints received into the service. In addition, those affected by licensing decisions have the legal right to challenge that decision in the Magistrates Court.

## **12. Implications for Partners and Other Directorates**

12.1 None.

## **13. Risks and Mitigation**

13.1 Failure of the Council to effectively discharge its licensing function may compromise public safety.

13.2 Responsibility for ensuring compliance with the policy rests with team and service management, with appropriate overview and scrutiny by Commissioner Ney and members of the Licensing Board.

#### **14. Accountable Officer(s)**

Alan Pogorzelec – Business Regulation Manager  
Regeneration and Environment  
01709 254955, [alan.pogorzelec@rotherham.gov.uk](mailto:alan.pogorzelec@rotherham.gov.uk)

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## Appendix 1 – Table of proposed fees

Service / item description	Current charge	Proposed charge
Application fee for 12 month licence	£112	£112
Licensed vehicle compliance test	£66	£45
Exceptional condition assessment (including compliance test)	£66	£45
First retest	No charge	£25
Second retest	£37	£25
Missed appointment fee (full test)	£50	£45
Missed appointment fee (retest)	£37	£25
Issue of MOT test certificate (if required) – payable directly to EFS	n/a	£10
Issue of licensed vehicle plate	£32	£19
Issue of plate bracket	£16	£16
Hackney Carriage Doors Signs (per sign)	£7	£7
Copy of paper licence	£18.50	£18.50
Approval of vehicle advertisement	£38	£38
Approval of trailer for attachment to vehicle	£37	£37