

Taxi and Private Hire Fees and Charges Methodology for 2019-20

Scope

The scope of this methodology is the fees and charges setting process for the activities below to achieve full cost recovery:

- A. Taxi vehicle (including plate) – 1 year
- B. Private hire vehicle (including plate) – 1 year
- C. Taxi vehicle change
- D. Private hire vehicle change
- E. Taxi temporary vehicle change - 3 months
- F. Private hire vehicle change - 3 months
- G. Vehicle plate
- H. Private hire vehicle signs
- I. Private Hire Operator – 5 years
- J. Taxi driver – 3 years
- K. Private hire driver – 3 years
- L. Taxi knowledge test
- M. Private hire knowledge test
- N. Driver Replacement badge
- O. Convert from private hire driver to taxi driver

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Fees Setting Process - Timetable for fees and charges 2019-20

No.	Action	Date	Officer/Department
1	Annual Timesheet data prepared and analysed	October 2018	Business Support
2	Hourly rate prepared	October 2018	Finance
3	Vehicle, private hire and operator activity data collated Identify cost of plates and door signs	October 2018	Licensing
4	Draft budget sheets produced.	End October 2018	Finance
5	Draft fees prepared in accordance with approved methodology using information collated in 1-4	Beginning November 2018	Licensing and Finance
6	Budget reviewed against predicted income and salary allocations Internal recharges reviewed for 2018/19	Beginning November 2018	Licensing and Finance
7	Draft fees audited by Audit	Mid November 2018	Audit
8	Meeting Licensing, Audit and Finance to discuss audit findings and agree fees and charges	26 November 2018	Licensing, Finance and Audit
9	Make any adjustments to budgets, salary allocations and fees and charges finalised after meeting at No. 8	End November 2018	Licensing and Finance
10	CMT	End November 2018	Licensing
11	Executive Liaison	December 2018	Licensing
12	Fees and Charges approved by Licensing Committee	7 January 2019	Licensing
13	Fees and Charges advertised in Newspaper	2/9 February 2019	Licensing
14	Objections and responses collated and prepared to be heard by Licensing Committee	February/March 2019	Licensing
15	CMT - objections	March 2019	Licensing
16	Objections heard by Licensing Committee and set of Fees and Charges Approved	25 March 2019	Licensing
17	Approved Fees and Charges implemented	1 April 2019	Licensing

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No.	Action
1	<p><u>Annual Timesheet data prepared and analysed</u></p> <p>Timesheet data for officers in business support, licensing, and the environmental health manager to be collated for previous 52 week period using date range 1 October 2017 to 30 September 2018. Total time spent by licence type to be calculated by the above officer groups.</p> <p>(During the year timesheet data will be reviewed on a monthly basis by the business support and licensing team leader to check for accuracy and completion)</p> <p>(Officers are provided with a guidance document on completion of timesheets which provides assistance on categorising activities)</p> <p>Officer: Business Support Team Leader</p>
2	<p><u>Hourly rate prepared</u></p> <p>The average officer hourly rate for business support and licensing officers is required plus the hourly rate for the environmental health manager and the head of health and community services.</p> <ol style="list-style-type: none"> 1. Identify the current licensing and business support posts to be included in each group. 2. Calculate the average hourly rate as at 30 September 2018 including officer salaries plus on-costs. <p>Officer: Finance</p>
3	<p><u>Vehicle, private hire and operator activity data collated</u></p> <p>The number of activities below is obtained from the computer system for the period 1 October 2017 to 30 September 2018.</p> <ol style="list-style-type: none"> 1. Taxi vehicle applications 2. Private hire vehicle applications 3. Taxi vehicle change 4. Private hire vehicle change 5. Taxi temporary vehicle change (3 months) 6. Private hire vehicle change (3 months) 7. Private hire operators applications 8. Taxi driver applications

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	<p>9. Private hire applications 10. Taxi knowledge test 11. Private hire knowledge test 12. Convert from private hire driver to taxi driver 13. Driver replacement badge</p> <p>Officer: Licensing Team Leader</p> <p><u>Identify cost of plates and private hire door signs</u></p> <p>Identify cost of purchasing plates and private hire door signs for the forthcoming year.</p> <p>Officer: Licensing Team Leader</p>
<p>4.</p>	<p><u>Draft budget sheets produced</u></p> <p>Version 1 of draft budgets for cost centres H1104, H1107, H1108 and H1109 are produced in July - budgets will be reviewed by Finance and Licensing.</p> <p>Version 2 of draft budgets for cost centres H1104, H1107, H1108 and H1109 are produced in Mid-Sept – draft salary allocations will be entered in the budget for the previous 12 months (1 September to 31 August). Timesheet data analysed will be used to adjust salary allocations in budget for forthcoming year as appropriate.</p> <p>Version 3 of draft budgets for cost centres H1104, H1107, H1108 and H1109 are produced in late-October/early-November for financial year 2019/20 – final salary allocations for period 1 October 2017 to 30 September 2018 are included. Timesheet data analysed will be used to adjust salary allocations in budget for forthcoming year as appropriate.</p> <p>Private Hire Operator Licences need to be profiled over 5 years.</p> <p>Identify budget for private hire door signs and taxi rank maintenance separately.</p> <p>Officer: Finance</p>

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5.	<p><u>Draft fees prepared by Licensing and Finance in accordance with approved methodology using information collated in No. 1-4 above</u></p> <p>Methodology for:</p> <ul style="list-style-type: none"> A. Taxi vehicle applications B. Private hire vehicle applications I. Private hire operators applications J. Taxi driver applications K. Private hire applications <p>The driver, vehicle and operator licence fees are calculated by adding together four categories:</p> <ul style="list-style-type: none"> • Business support and licensing officer, licensing team leader, management time, customer service time for the specific activity • Other time related to administration of taxi and private hire by officer group • Senior management time • Support costs 		
	Category	Method of data collection	Notes
	Business support and licensing team, customer service officer and management time for processing applications and other activities related to the administration of licence by type	<p>To calculate the cost of business support and licensing team plus management time for processing driver, vehicle and operator applications per process the following steps are followed:</p> <ol style="list-style-type: none"> 1. Divide the time spent for each officer type by the number of processes completed in each category. 2. Multiply the time spent per process by the hourly rate per officer type to identify the cost per process for the specific activity. 	<p>To include time spent: Processing applications</p> <p>To include: Officer and Member training Compliance checks (not drivers and operators) Officer transport related expenditure Complaints about licensed vehicles Advice and guidance</p>
	Business support and licensing team and management time allocation for all other activities connected to the licensing	The time spent by business support, licensing officers, team leader and management conducting activities such as reviewing fees and charges and developing policy is recorded in the appropriate category. The time has been allocated by:	<p>To include time spent: Setting and reviewing fees Development, determination and production of policy Liaison with interested parties</p>

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	function.	<ol style="list-style-type: none"> 1. Multiplying the hours spent in conducting this allocation category by officer type by the hourly rate per officer type to determine total costs. 2. Dividing the total cost by the total number of applications in each category. This results in the cost per application. 	Collating registers and national reporting
	Support costs	<p>The support costs are determined from the financial estimates for 2019/20. The methodology and background for determining support costs is provided in Appendix A.</p> <p>The support cost per process is calculated by dividing the total cost of support services by the number of processes in each category.</p> <p>A number of elements are removed or allocated separately:</p> <p>Taxi rank maintenance is to be highlighted and only charge to taxi vehicles.</p>	<p>Supplies and Services Accommodation, stationery, IT Equipment Advertising External legal advice Third party costs - Medical checks</p> <p>Support Costs Public offices Debtors section Office services Accountancy Legal Services Paymaster – salaries, creditors, insurance Human resources Business Systems Customer Technical Support Information Systems Support Office Cleaning Performance Management Transport Plan Health and Safety</p>

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Methodology for:

C. Taxi vehicle change

To calculate the cost of a taxi vehicle change the following steps are followed:

Divide the time spent for each officer type by the number of taxi vehicle change processes completed.
Multiply the time spent per process by the hourly rate per officer type to identify the cost.

Methodology for:

D. Private hire vehicle change

To calculate the cost of a taxi vehicle change the following steps are followed:

Divide the time spent for each officer type by the number of private hire vehicle change processes completed.
Multiply the time spent per process by the hourly rate per officer type to identify the cost.

Methodology for:

E. Taxi temporary vehicle change - 3 months

To calculate the cost of a taxi vehicle change for 3 months the following steps are followed:

Add the cost to process a taxi vehicle application for a licensing officer and a business support officer and add a quarter of the annual cost of other costs (amend/change/general costs) for business support officers, licensing officers and management.

Methodology for:

F. Private hire vehicle change - 3 months

To calculate the cost of a private hire vehicle change for 3 months the following steps are followed:

Add the cost to process a private hire vehicle application for a licensing officer and a business support officer and add a quarter of the annual cost of other costs (amend/change/general costs) for business support, licensing officers and management.

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Methodology for:

G. Vehicle plate

The vehicle plate cost is determined by adding 2 elements:

1. The cost of a vehicle plate on the 30 September 2018 and
2. The cost to produce a replacement vehicle plate (calculation is below)

(Divide the time spent for each officer type by the number of processes completed.

Multiply the time spent per process by the hourly rate per officer type to identify the cost per process for the specific activity.)

Methodology for:

H. Private hire vehicle signs

The private hire door sign cost is determined by adding 2 elements:

1. The cost of a door sign (per pair) on the 30 September 2018 and
2. The cost to produce a replacement vehicle sign (calculation is below)

(Divide the time spent for each officer type by the number of processes completed.

Multiply the time spent per process by the hourly rate per officer type to identify the cost per process for the specific activity.)

Methodology for:

I. Private Hire Operator

The 5 year private hire operator fee is determined by adding:

The support costs for the private hire operator cost centre for a 5 year period. For 2019/20, actual support costs are known for years 2016/17 and 2017/18. The budgeted costs can be used for 2018/19 and 2019/20. The fifth year is an average.

The officer time costs recorded for private hire operators for a 5 year period. For 2019/20, actual officer time is known for the years

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2017/18 to 2018/19. The remainder of the years is time produced for the 2019/20 fees, multiplied by 3. As only 9 applications were made in the time period for calculation of the 2019/20 fees, this lower figure is taken for the final 3 years.

The general time allocation per licence. For 2019/20, this allocation is known for the three years 2017/18 to 2019/20. An average is taken for a further two years.

These costs are totalled and divided by the total number of current operators.

Methodology for:

L. Taxi knowledge test

M. Private hire test

Taxi and private hire knowledge tests fees are calculated by:

Divide the total number of knowledge tests in each group by the time spent by officer type in each category then multiple by the hourly rate for each officer type to determine the cost per test.

Methodology for:

N. Driver Replacement badge

To calculate the cost of a driver badge replacement the following steps are followed:

Divide the time spent for each officer type by the number of processes completed.
Multiply the time spent per process by the hourly rate per officer type to identify the cost.

Methodology for:

O. Convert from private hire driver to taxi driver

To calculate the cost of converting from private hire driver to taxi drive the following steps are followed:

Divide the time spent for each officer type by the number of processes completed.
Multiply the time spent per process by the hourly rate per officer type to identify the cost.

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Reconciliation

All fees and charges are reconciled in three-year rolling programme to ensure full cost recovery for the Council.

The rolling programme of reconciliation would subsequently have the following timescale:

Year 1 2016/17 final account – reconciled Year 3, 4, 5 (2018/19 – 2020/21)

Year 2 2017/18 final account – reconciled Year 4, 5, 6 (2019/20 – 2021/2022)

Year 3 2018/19 final account – reconciled Year 5, 6, 7 (2020/21 – 2022/2023)

And continue into future years.

The end of year closing figure for each cost centre has been divided by 3 and will be recovered equally over a three year period.

The amount to be reconciled will be added or subtracted equally by the number of licences as appropriate in the categories below:

- A. Taxi vehicle applications
- B. Private hire vehicle applications
- I. Private hire operators applications
- J. Taxi driver applications
- K. Private hire applications

Once finalised the end of year accounts will be published on the Council's website. The 50% subsidy paid for wheelchair accessible vehicles will be added to the final year accounts.

Review Period

- The methodology will be subject to an annual review with any amendments documented and approved by Regulatory Services Manager.

Reference documents

- Local Government – Open for Business – LGA guidance on locally set fees