

## APPENDIX B

### Responses to Fees and Charges 2021/2022 Consultation

Denise Mason

**An inflationary increase of 2.5% to ensure our taxi licensing service is self-financing.**

1. In response to the proposal to increase the taxi licensing service by 2.5%, the Bank of England does not envisage the country reaching an inflation rate of 2% until at least 2022 and beyond. The last 12 month CPIH inflationary rate, according to ONS, was 0.8% and the CPI rate only 0.6%. In the previous year it was 1.2% so why is the Council proposing an inflationary rate for 2021 at a rate of 2.5%, and at a time when it is not anticipated a rate that goes anywhere near this will be reached until 2023 or beyond according to the Bank of England? What recognition to the current extraordinary set of circumstances caused by a pandemic and any subsequent repercussions going forward have been considered and accounted for?
2. Sevenoaks Council finance team replied to my request for further information on how the proposed rate of 2.5% was set, stating “it was in the 10 year Budget Plan”. Without publishing any data to show past costs and/or future assumptions on license applications or a break down of actual costs the need just cannot be understood or justified by us as the customer of this process.
3. Are anticipated figures and costs for example based on trends? How many operator and individual driver applicants were processed in the years 2018/19? And 2019/2020 ? Were previous and past years anticipated costs realised? Did you come in on budget or not? How many licences are actually held and how many do the council anticipate they will be processing and receiving revenue from across 2021/22 in demand and cost comparison? What influence or impact do fluctuating numbers have on the overall costs for the licensing department? What goals and performance measures are set against this service and are they realised?
4. According to Council Committee papers dated January 2019, efficiency savings were made last year. Encouraging but what if any savings have been realised from this strategy? How have the relevant departments and teams managed licensing costs year on year to arrive at the need to increase costs at a rate of 2.5% or taken into account one off or on going savings? Given inflationary rates of 2.5% have not been seen since prior to 2017, according to the Bank of England, how does the finance department justify requiring

the Taxi and Private Hire industry to pay over and above the current inflationary rates for this year and even the previous year?

5. It is fair to argue the majority of businesses in this industry will not be in recovery during 2021 as the effects and measures of the current pandemic will still be felt. Of course the same can be said for Councils but central government has provided over £7.2 billion of additional expenditure to local authorities where the majority of that is un-ringfenced to enable the council to respond to local pressures and priorities. Whilst operators and individuals are able to apply for grants which are a lifeline and I offer my gratitude to the Council for approving a grant to Country Hire and Go, operational costs still need to be met and CBILS will begin repayments from Spring onwards. With no return revenue there is a serious risk operators and individuals will lose jobs. In fact any size taxi/private Hire companies may not survive at all. Increasing licensing costs to a level significantly above the inflationary rate doesn't appear to be supportive of economic recovery for this industry and the services it provides to communities. Do the Council have any financial plans to support the economic growth of this industry over and above individual grants?
6. As a new Private Hire Taxi Operator with experience of the licensing process, it was arduous and fraught with unnecessary complications and delays. It appeared physical resources were unable to manage the demand and flow of applicants swiftly to avoid delay in processing applications understood by the lack of insufficient digital tablets required for on line testing. Last year applicants were advised to book but they could also attend ad hoc on the chance another applicant may fail to attend but this led to many applicants turning up as early as possible to jump ahead leading to disappointments and frustrations. Given that passing this stage is fundamental in proceeding through the next stages of application, has this element improved and going forward has a costing process determined the need for more or less tablets and how does this equate to increased costs this year?

**To meet new Department of Transport guidance, new drivers will be encouraged to sign up to the DBS online update service at an annual cost of £13. Checks have increased from every three years to every six months. A new admin fee will cover the processing costs for checks that need to be carried out manually.**

7. Promoting the update system is a positive move which should see a reduction in costs to the Council and this industry which should see a high uptake if promoted well. It should enable security checks to be undertaken more quickly

and accurately and to monitor and respond to changes, ultimately reducing potential risks of harm. Given the likelihood of a high uptake surely this will become a less onerous task as it will not require the previous exchange, processing and filing of numerous digital and paper documents. How will costs of the new process off set against that previous method of checking? Albeit it maybe more frequent, but extensively it is more automated, digital and less time consuming.

**A new, more comprehensive 'EQUO' online test will replace the safeguarding part of our current 'Knowledge' test. The new test will cover additional areas, including disability awareness. We will use an external company to deliver the test and this will be funded by the newfee.**

8. Ongoing and up to date training must be a priority. At a cost of £66 per individual, what does this consist of? and how was EQUO procured? Will the applicant be required to attend a test centre at the same time as the knowledge test and as mentioned above, will there be adequate resources to ensure applicants can take these tests within a reasonable time frame and without unnecessary delays?

Further to safeguarding, in accordance with Sevenoaks Licensing policy to record and retain personal data, ICO registration is another measure of control to reduce those risks. It is a legal requirement that operators register with the ICO. Whilst it is individuals and operators responsibility to have a good understanding of the legal requirements within which the industry must operate, a simple check shows many operators under Sevenoaks Council are not compliant. Out of ongoing concerns I have made previous representations to the Council to take some form of action to deal with this problem. ICO registration requirements are managed within the GDPR framework and the purpose of these measures are intrinsically linked to DBS procedures, i.e determining someone's status, their access to personal data and managing risks of harm. Whilst particular individuals may not be required to undertake enhanced DBS checks due to assessment of their status, if the operator has not fulfilled their requirement to register with the ICO what does that say about their commitment, understanding of and ability to comply with safeguarding rules and regulations? To reply that there are many legal requirements for the industry and it is not for the Council to manage ICO registration is surprising. In terms of safeguarding, incorporating this into training and the licensing service should not be onerous and must surely be an obligation on the Council? I am fairly confident the industry would support this obligation.

**The Vehicle Licensing fee for the MOT test has been removed from our fees. The fee will be paid directly to the test station at the time of booking. This removes the administrative burden of recharging the fees.**

9. Will this reduce costs to the Council and if so by what percentage of the overall costs?

**Vehicle Exemption Certificate is where Private Hire vehicles are used exclusively for executive hire and wish to be exempt from displaying their Private Hire vehicle plate. Introducing this fee will cover the cost of the work needed and bring us in line with our licensing partners.**

10. Is this solely an administrative exercise with paper certificate?

**The General Admin Fee is used to cover any work that does not fall under the usual fees. Our licensing partners currently charge this fees**

11. Are these internal partnerships and what is the fee?

## **Conclusion**

Whilst fully appreciating the Council must ensure this service is self funding there appears to be a lack of transparency in communicating data to understand how the authority sets about achieving this year on year. With no insight into how the 2.5% increase is calculated one is left to dig deep, enquire and challenge the decision and never so much so in a time where the economy is on its knees from a world wide pandemic.

Of course Councils have an extremely difficult task of juggling priorities and provide excellent services to our communities. I understand from the LGA that Councils will be given additional government grants for 2021/22 in response to the current exceptional circumstances. It is less clear what considerations Sevenoaks has given to these exceptional circumstances and impact to this particular industry and services it provides having proposed 2.5% inflation for 2021/22.

In terms of improving performance and safety, safeguarding measures should go further and consider the merits of ensuring ICO registrations and resources managed effectively to reduce costs to customers and the Council.

Thank you for the opportunity to consult over the published proposals.

Officer Comments:

Following receipt of your response to the consultation on Licensing Fees : I am writing to confirm that your comments will be placed before the Licensing

Committee on 24<sup>th</sup> March for consideration, and in response to some of the matters raised in your letter I can comment as follows:

With regard to the 2.5% inflationary increase : in order for the Council to achieve a balanced budget, it must make certain assumptions. One of those future assumptions is on the rate of inflation for both income and expenditure and, although that rate is set acknowledging current economic influences during the budget process, it is an estimation.

Current income for taxi licensing does not exceed expenditure but the service should be self-financing. If fees remain unchanged that deficit would increase.

Knowledge tests will continue once the current lockdown restrictions allow, and it is not anticipated that ad-hoc attendance will be allowed. We are looking at ways to increase the number of applicants we can test; but at this time this is dependent upon social distancing guidelines and the availability of Council resource to support this.

It is unknown, at this time, the effect on resources of the requirement for drivers to register with the DBS update service coupled with the requirement for the Licensing Team to instigate 6 monthly checks rather than 3 yearly. This is a project which will be implemented over the next 3 years to avoid additional cost to the trade for manual DBS checks to be undertaken at a time when some drivers might have only recently undertaken this process. Ongoing monitoring of this over the next three years will be undertaken to assess the effect on resources.

The EQUO online Safeguarding Test will form part of the Knowledge Test and candidates will be taking this at the same time as the knowledge test. The cost of the test covers 10 attempts to pass for each candidate, and includes the additional cost on officer time and Council rooms.

I believe I have already responded to your query regarding ICO registration in a previous email response.

The removal of vehicle testing fees from the vehicle licence fee will streamline the service. The Local Authority will, however, still be taking this fee on behalf of the test station, but this new process will avoid the administering of recharging. We will be unable to assess the effect this will have on resources until it has been implemented.

The vehicle exemption certification process is not solely an administrative service, but will include officer enquiries into the type of executive use proposed, and officer time for vehicle inspection purposes additional to those undertaken during the garage inspection.

Currently, the general administrative fee is proposed for the processing time for any drivers who (having already undertaken their initial manual DBS) do not register with the update service and require further manual 6 monthly DBS checks. It will also give the local authority the ability to charge an administrative fee should further changes to the service with serious resource issues be raised at future dates. This will enable us to keep the service at a self-funding level.