

Committee: EXTRAORDINARY LICENSING COMMITTEE
MEETING

Agenda Item

2

Date: 21 December 2009

Title: LICENCE FEES

Author: Michael Perry, Assistant Chief Executive,
01799 510416

Item for decision

Summary

1. This report is to inform members of the current costs of managing the licensing regime for hackney carriages and private hire vehicles under the Local Government (Miscellaneous Provisions) Act 1976, to update members as to the outcome of meetings between officers and representatives of the trade and to seek members' approval of a new fee level.

Recommendations

2. That the fee for licences for drivers of hackney carriages and private hire vehicles be reduced to £60 per annum with immediate effect.

Background Papers

3. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - None.

Impact

- 4.

Communication/Consultation	Officers consulted with representatives of the hackney carriage and private hire trades. The Chairman of ULODA has indicated that he has consulted across the membership of that organisation and that the membership is broadly in consent.
Community Safety	None.
Equalities	None.
Finance	If members accept the recommendation contained in this report there will be a reduction in income for the council which is justified by the requirement that licensing should break even over a period of time.

Human Rights	None.
Legal implications/Human Rights	Under legislation the local authority may recover the cost of administering the licensing system but may not make a profit.
Sustainability	None.
Ward-specific impacts	None.
Workforce/Workplace	None.

Situation

5. Members will recall reports presented to this committee commencing in March 2008 which caused a great deal of controversy with regard to the level of fees charged for licences for private hire and hackney carriages and their drivers.
6. Following my reports to this committee on the 5 March 2009 members resolved to increase the fees for drivers of private hire vehicles to £105 from the then rate of £80 per annum. Members further resolved to increase the fees payable in respect of hackney carriages and joint licence holders to £115 from the then rates of £80 and £100 respectively per annum. Members further resolved to advertise the proposed increases for licence fees for hackney carriage vehicles, private hire vehicles and operators which was a pre-requisite of any increase to those levels of fees.
7. In the light of objections received members resolved not to increase the fees for vehicles or operators which therefore remained unchanged at £170 per annum for a vehicle and £80 per annum for operators.
8. It was later agreed by committee that the council would no longer test vehicles at the Dunmow Depot but that approved garages would carry out tests on the council's behalf at the vehicle owner's expense. This has proved successful and has reduced the costs to the trade.
9. On 13 November 2009 I held a meeting with representatives of the trade and my accountant. The following points were agreed subject to the chairman of ULODA consulting with his members.
 - (i) The base line cost of administering licensing of hackney carriages, private hire vehicles, their drivers under the 1976 Act is £131,776.28.
 - (ii) To avoid the cost of an advertisement (which would be required in the event of any reduction were to be considered for vehicles and operators) any reduction in the licence fees should be targeted at drivers and not vehicle operators. This also recognises the fact that the drivers bore the whole of the increase in 2008.

- (iii) Taking the current level of licensed vehicles and operators and the income produced from those licences there is a shortfall of £37,736 which needs to be recovered from drivers.
 - (iv) Dividing that cost between the current number of drivers an annual fee of £60 for driver’s licences is arrived at.
 - (v) A distinction in fees between holders of driver’s licences for hackney carriages or joint licences and those who are licensed for private hire vehicles only (based upon the cost of advertising increases in hackney carriage fares) is not justified as the private hire trade tends to use the hackney carriage table of fares as a benchmark for its own fares.
10. Once the outcome for the financial year ending March 2010 is clear the level of fees will be further reviewed.

Risk Analysis

11.

Risk	Likelihood	Impact	Mitigating actions
Fees are set at an inappropriate level.	1 – The reduction agreed with the trade addresses any immediate imbalance.	4 – If fees were to be further reduced at this stage the council’s ability to address the situation referred to in the part II report to the last meeting could be seriously impaired.	That the recommended fee level be approved and that the situation be reviewed following the end of the financial year 2009/10 and again once the situation with regard to the matter referred to in the part II report presented to the last meeting of this committee is clearer.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.