

**LICENSING TASK GROUP held at 10.00 am at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN on 16 JANUARY 2009**

Present:- Councillor D G Perry – Chairman.
Councillors J I Loughlin, D J Morson, and A D Walters.

Officers in attendance:- J Mitchell (Chief Executive), S Chapman (Accountant), M Cox (Democratic Services Officer), M Hardy(Licensing Officer), A Knight (Accountant) and R Pridham (Head of Street Services).

Also present representatives of Taxi Operators: - Barry Drinkwater, Andy Mahoney and Robert Sinnott.

LTG5 MINUTES

The Minutes of the meeting held on 6 January 2009 were signed by the Chairman as a correct record subject to including reference to the fact that Members had asked for the relevant figures to be made available prior to the meeting

LTG6 RESOLUTION OF TAXI FEES AND CHARGES

i) Background

The Chairman welcomed everyone to the meeting. He hoped that the discussions between the Trade and the Chief Executive had resulted in some agreement on a way forward at this meeting.

The Chief Executive summarised the concerns of the Trade and the events that had led to this meeting. The Licensing Committee at the meeting on 5 March 2008 had resolved to increase the licensing fees. At that time the accounts had been shown to be in deficit and to compensate for this it was proposed that the fees be increased by an average of 29%. During the consultation the Trade had disputed the figures and at the next meeting of the Licensing Committee it had been resolved that the proposed increase in fees be rejected. A review of the figures had subsequently found the Licensing Account to be in surplus.

As the Driver Licence fees did not require advertising they were not subject to the consultation and these particular fees had been implemented immediately. Both the Trade and the Members thought that the fee increases came as a package and felt aggrieved that they had not be informed of the increase in the Driver License fees.

A further concern related to the CRB check. Historically this had been included within the License fee and charged over a 3 year period. A decision had subsequently been taken to charge the £36 separately but the Licence Fees had still been increased, which effectively gave a double increase in the charges.

The other point of contention was in respect of the Dunmow Depot and the view of the Trade that they had been overcharged in respect of overheads.

ii) Issues relating to the Dunmow Depot

Mr Mahoney spoke of his concerns in relation to historic costs and the availability of accurate figures for the overheads associated with the use of the Dunmow Depot. The figures presented at the March meeting had included costs for the Shire Hall Depot in Saffron Walden. It was only at a subsequent meeting with officers that he had obtained the figures for the Dunmow Depot from the Accountant and a figure of £27,000 had been agreed for the overheads.

Mr Mahoney argued that taxi servicing only used a quarter of the building and the proportion of the overheads should therefore be based on that amount.

The Accountant said that the Statement of Best Practice recommended recharging proportionality by time as the fairest way to apportion cost. There would be an enormous resource implication to calculate the proportion of the recharge cost for every individual service area. She said that if the charge had been calculated in the way suggested she would still have arrived at substantially the same figure. Mr Mahoney said he understood the principle but in relation to the physical building it was not fair to base a charge on the whole area when only a proportion of the equipment was used by the taxi trade.

If the argument was accepted it was estimated that about £4,000 had been overpaid and the Task Group considered what action should be taken in respect of this. Members questioned the relevance of this discussion when these were historic figures and the decision to outsource the work at the depot had already been taken.

Later in the meeting the Task Group returned to this issue. Members referred to the previous minutes when they had understood that the Trade had not wanted a refund of the fees but any savings to be put back into the Licensing function. Mr Sinnott replied that the purpose of this meeting was to establish the correct figures, and if there was a significant discrepancy to consider what action could be taken. He was only looking at the figures from the date that the information was first disputed. The Accountant said that the figures before the meeting were not based on current costs and a reanalysis would bring into play inflation and a number of other factors.

The Accountant explained that there were two elements to this budget, the Dunmow Depot and the Vehicle Maintenance Service. Prior to the meeting it had been had agreed between the parties to apportion only 20% of the management cost to the Vehicle Maintenance Service budget and the revised figures were put before the meeting.

The representatives of the Trade then put forward a figure of £5800 as the amount that had been overcharged on the Dunmow Depot budget and suggested that this should be split 50/50 with the District Council.

RECOMMENDED that the amended figures as set out in the table attached this report be agreed as a basis for the calculation of cost per taxi test at the Dunmow Depot.

iii) **Licensing fees**

Following the report to the Committee in March, the Accountant had prepared revised figures to the workshop in October. The budget was now mostly agreed apart from the amount that had been apportioned to Management Costs. In 2006/07 this charge had been £46,000 whereas for the next years budget this figure had been reduced to £27,800. Officers had been questioned but had confirmed that the £46,000 reflected the work that had been undertaken during this period. It appeared that this substantial increase may have been due to the extra work involved in processing the applications received under the Licensing Act 2003. The Trade was concerned that their charges had been inflated as a result and this figure would form the basis of future budget calculations. The Licensing Officer said that the extra expenditure should have come out of the Licensing Act budget set by Government but he didn't anticipate that volume of work again.

There had also been a query over the administration costs, which although subsequently reduced, still appeared relatively high. However it was confirmed that this admin team had now been disbanded. Mr Sutton said that if a significant one off cost occurred in the future it should be taken out of the budget calculations.

Councillors suggested that there should be an examination of the percentage of the recharges allocated to Taxi Licensing. At present this split was 60/40 but it was suggested that it be reviewed again at an appropriate time.

In relation to the increased management costs, it was suggested that the management fee for 2006/07 be reduced by £19,000 and this amount be moved to the Licensing 2003 budget head. This would have the effect of further increasing the surplus in the taxi licensing budget.

RECOMMENDED the calculation of the element of the licensing service attributable to taxis be amended as per the attached figures and the amended 2006/07 revised figures be agreed as a basis for the future calculation of fees.

The Chairman was pleased that a consensus had been agreed but said that lessons could be learnt from this process. There was a need for a mechanism to consult with the Trade on the formula for future increases in fees. The members would now be attending taxi liaison meetings and there would also be regular meetings with the Chief Executive. Mr Mahoney thanked the Council's accountants for all the work that they had put into this process, the members for their efforts over the past year and the Chief Executive for arranging this meeting.

The meeting ended at 11.40 am