

**Supplementary report for item 2 Licensing and Environmental Health
Committee Extra-ordinary meeting 12 August 2015**

I have today (12 August) received 4 representations from members of the licensed trade forwarded to me by ULODA. I reproduce these below with my comments. Save for these no representations have been made.

“Hi B,

I will be raising one issue – (unless one of our larger operators already are) – I have one driver currently in his 70th year of age.

Whilst the insurance are happy for now, the next renewal date will be interesting though.

They may impose too many conditions to make it viable for me to insure someone over 70.

More importantly in this case, the driver may well object in taking a new licence to 73 years of age, with no guarantee he can even work?

Regards, Richard.”

Paragraph 4 of the recommendation makes provision for licences to be granted at lower fees for periods of less than 3 years. Licences for shorter periods may only be granted if the circumstances of a particular case warrant it. I consider that if a driver wishes a licence to be issued for 1 or 2 years only because he is contemplating retirement that would be a circumstance justifying a grant for a shorter period.

“Barry

Being a simple soul I cannot see why the cost of issuing a licence for 3-5 years should be any more costly than issuing a licence for 1 year, indeed I thought it would

be cheaper to issue them for longer periods as this involves less work over the period.

Best

Robert Page”

The costs of licences include not only the costs of issuing the licence but also other costs which are incurred on an on-going basis. This is reflected in the breakdown of fees provided for the 3/5 year licences. This comment also appears to ignore the fact that since 2010 the fees have not covered the cost of running the service the deficit being made up from the licensing reserve.

“My question is about the proposed £20 rebate to drivers renewing (para 9 of the report). Why isn't Michael proposing to give old operators renewing the same rebate?! It will cost little (94 x £20 is small beer) and drivers AND operators were overcharged in the first place so why shouldn't they also benefit from the final distribution from the Licensing Reserve? Andy has no problem with this.”

The licensing reserve is what it is. The intention is to eradicate the reserve not to create an immediate deficit. Any extension of the rebate to operators would therefore involve a reduction in the amount of rebate given. $94 \times £20 = £1800$ which would mean that the rebate would be £19 per licence, not £20 per licence. Due to the change in the method of calculation of fees, whilst over a 3 year period drivers will pay slightly less the difference between the current fee for a 1 year licence and the proposed fee for a 3 year licence, which they will need to meet in year 1, is significant. Whilst operators will also face a significant increase it should be remembered that operators are the proprietors of businesses and are presumably therefore better able to afford an increase than individual drivers. For those operators who pay for their driver's licences they will of course benefit from the rebate to drivers. It is also worth mentioning that all operators licensed by the council with the exception of 1 also own (directly or indirectly) vehicles and will therefore benefit from the proposed reduction in vehicle licence fees. By contrast just under

1000 of the drivers licensed by the council are proprietors of vehicles and would not receive a similar benefit. It therefore seemed more equitable to limit the rebate to drivers. However this is a member decision and if members wish to offer a rebate to operators as well as drivers the recommendation will be that the rebate should be £19 per licence.

“James Raynham's input is his concern that he may renew his operator's licence for five years then, after say one year, he gets too ill to continue and decides to retire immediately on medical advice and surrenders his licence. Does he then receive a refund for the remaining period of the licence he's paid for but won't be using?”

The fee is payable for the grant of the licence. There is no provision in the legislation for a refund in the event that an operator or driver surrenders the licence early.

I also wish to mention that in correspondence and discussions with members of the trade we have touched upon what may legitimately be recovered under the licence fees. In that correspondence and those discussions I have mentioned that my calculations upon which the report is based take into account advice given by James Button and Philip Kolvin QC. Mr Button has asked me to make clear that he was not instructed to formally give advice to UDC and that my report was based upon the views he expressed at a seminar he delivered on the issue of licensing fees which I attended. Although Mr Kolvin QC has not made the same request the position is the same, namely that he was not instructed formally to advise and my report is based on his views expressed at a seminar he delivered. Both seminars were delivered after and had regard to the Supreme Court judgement in the case of *Hemmings –v- Westminster City Council* which is the latest authority on charging regimes. Mr Button does not suggest that I have in any way misinterpreted his views and I would add that his views were entirely consistent with those expressed by Mr Kolvin QC at his seminar. I am satisfied therefore that the costs included in the proposed fees are legitimately recoverable.

