

MEETING:	REGULATORY COMMITTEE
DATE:	3 AUGUST 2010
TITLE OF REPORT:	TO CONSIDER AN AMENDMENT OF LICENCE FEES FOR HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLES. THE TOWN POLICE CLAUSES ACT 1847 AND LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976
PORTFOLIO AREA:	REPORT FROM ASSISTANT DIRECTOR (ENVIRONMENTAL HEALTH & TRADING STANDARDS) PUBLIC HEALTH DIRECORATE

CLASSIFICATION: Open

Wards Affected

Countywide

Purpose

To consider amending a fee in relation to licensed vehicles.

Key Decision

This is not a key decision.

Recommendation(s)

THAT Committee:

- (a) **agree to a £23 reduction in the fee for a licensed vehicle to take immediate affect.**

Key Points Summary

- Current fees uplifted by 2% in June 2010.
- This 2% fee increase was calculated using a simple multiplier of the existing fees.
- New plate supplier now found which costs less than that used for the original calculation to determine the previous fee.
- Taxi Association has requested a reduction in fee to reflect the cheaper plates.

Alternative Options

1 a) **Refuse to amend the fee**

Advantages: Does not reduce the Taxi Licensing income.

Disadvantages: Could increase an administration burden if claims are made for refunds.

b) **Reach some other decision**

Reasons for Recommendations

2 Amendment is recommended as this is the fairest way to deal with the matter on a case by case basis, as each fee should equate to true cost. The original plate cost was included in the calculation for the total vehicle fee. Now that part of the cost within a fee has been reduced, the reduction in cost to the applicants should be passed on.

3 However, members should also be aware that the service should not be subsidised, yet it currently is estimated to subsidise the trade about £83,000 per year.

Introduction and Background

4 The current taxi fees were increased by 2% in June 2010.

5 2% was added to the existing vehicle licence application fee, which had been calculated in 2007.

6 In 2007, a cost of £35 was included in the existing application fee which related to the cost of the licence plate at that time.

7 Recently a new supplier of licence plates has been sourced and the fee has been reduced from £35 to £12.

8 When the 2% increase was agreed it was calculated on the existing licence fee which did not take into account the reduction in the licence plate cost.

9 The Taxi Association have requested this fee be reviewed to avoid future claims for refunds due to the difference in costs.

10 A reduction in vehicle fees by £23 per application will have an impact on the income to the council. With a fleet of some 270 hackneys and 100 private hires, this will reduce the annual income by 370×23 which approximates to £8500. The recent June 2010 Regulatory Committee report highlighted that the licensing service is already subsidised by some £83,000 even after the June 2% increases. A reduction in this income is likely to lead to this subsidy increasing to more than £90,000.

Key Considerations

11 Whether to reduce the fee for vehicle licence application.

Community Impact

12 No community impact.

Financial Implications

- 13 A reduction of the vehicle fee by £23 per application will equate to an annual reduction in annual income by some £8500 to a service already heavily subsidised by about £83,000.

Legal Implications

- 14 The Local Government (Miscellaneous Provisions) Act 1976 s.70 allows the local authority to levy fees. Individual licence costs should equal income and the total cost of service should equal total income.

Risk Management

- 15 If the fees are not amended, claims for refund of fees could be forthcoming and will need to be defended on a case by case basis.

Consultees

- 16 The fee amendments were advertised in a local newspaper for a period of two weeks prior to the 2% increase. It is not proposed to re-consult if the fee were to be decreased or remain the same.