

# CHESHIRE EAST COUNCIL

## LICENSING COMMITTEE

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**Date of meeting:** 22<sup>nd</sup> May 2009

**Report of:** Tony Potts, Community Safety Manager

**Title:** Fees and Charges

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### **1.0 Purpose of Report**

- 1.1 The purpose of this report is to provide the Licensing Committee with a full and detailed breakdown of all the costs incurred by the Council, that are associated with the provision of the Hackney Carriage/Private Hire licensing function, and to seek a decision as to the fees to be charged.

### **2.0 Decision Required**

- 2.1 The Licensing Committee is requested to:
- 2.1.1 Determine the fees to be charged by Cheshire East Council in relation to the licensing of hackney carriage vehicles and drivers and private hire vehicles, drivers and operators, with effect from 19 June 2009 (This allows for the 28 day notice of proposed fees).

### **3.0 Financial Implications for Transition Costs**

- 3.1 There are no significant costs involved in the implementation of the revised charging options.

### **4.0 Financial Implications 2009/10 and beyond**

- 4.1 The harmonisation and review of fees and charges across Cheshire east does result in an increase in revenue in some areas, and to a decrease in others. However should the committee decide to change the proposed fees and charges then this will have an impact upon the 2009/10 budgets.

### **5.0 Legal Implications**

- 5.1 Section 53 of the Local Government (Miscellaneous Provisions) Act 1976 ('the 1976 Act') provides the local authority with the power to charge "such a fee as they consider reasonable with a view to recovering the costs of issue and administration" for the grant of hackney carriage/private hire drivers licences.

Section 70 of the Act provides the authority with a similar power to make a reasonable charge for the grant of vehicle and operators licences.

- 5.2 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 prescribes that fees in relation private hire and hackney carriage vehicle licences and private hire operator's licences must be subject to a statutory publication requirement with provision for representations to be made within twenty-eight days of publication of the notice. Where objections are received the Council must consider these representations when coming to its determination as to the level of fees.

## **6.0 Risk Assessment**

- 6.1 If the Committee are unable to determine the fees, the current situation of unequal fees (charged by the three previous district councils) will remain within Cheshire East Council. It is suggested that leaving the charges as they are would be inequitable.

## **7.0 Background**

- 7.1 As Members will recall, at its meeting on 19<sup>th</sup> December 2008, the Licensing Committee resolved to approve proposed fees in relation to taxi licensing so that these fees may be subject to statutory consultation. The fees that were proposed in the report are set out at **Appendix A**.
- 7.2 In accordance with the requirements of section 70 of the 1976 Act, notice of the proposed fees were published in newspapers throughout the administrative area of Cheshire East during the week commencing 29<sup>th</sup> December 2008. In addition correspondence advising of the proposals in relation to fees and providing details of how to make a representation was sent to all licensed drivers, operators and proprietors in mid January. The date by which representations were required to be submitted was 5<sup>th</sup> February 2009.
- 7.3 At the meeting of the 13<sup>th</sup> February 2009 members considered a summary of the responses received from the licensed trade and the proposed fees. At this stage members felt that they could not reach a decision without additional information including detailed breakdowns of costings. The committee agreed to amend the proposed fee in relation to the six month test for vehicles from £100 to £75 and to defer their decision on the setting of other fees until their meeting of 30<sup>th</sup> March 2009. The trade would be consulted further on the proposed and amended fee. (**Appendix B**).
- 7.4 The Council received a grand total of 131 representations as part of the consultation exercise. These were split into 2 appendices as we had consulted on two separate occasions **appendix C** relates to the first consultation period 31<sup>st</sup> December 2008 to 5<sup>th</sup> February 2009, **appendix D** relates to consultation period 20<sup>th</sup> February 2009 to 20<sup>th</sup> March 2009. Summaries of the main issues raised are provided on the appendix. For further information a copy of all the letters received are attached (**Appendix E and F**).

- 7.5 The Community Safety Manager met with representatives from the Trade (Macclesfield and Congleton) on several occasions to enable discussions on the proposals to take place. He further reviewed the costs in relation to the fees, having regard for all the views received from the trade.
- 7.6 Following this review, it was found possible at this time to reduce the costs associated with the licensing of Hackney Carriage and Private Hire vehicles from £300 to £275.
- 7.7 It was also suggested that a reduction to the cost of renewal for the driver's licence from £204 to £154 could be made.
- 7.8 To ensure that existing drivers would not be prejudiced it was recommended that the renewal fee would cover the type of licence they already hold, i.e. Hackney Carriage only, Private Hire only or the dual licence. There would also be an opportunity for those drivers holding a single licence to convert to a dual licence should they wish. This would involve taking the council knowledge test, paying a fee of £50 for the test and £10 for the new licence. All new driver applicants would be required to pay the proposed fee of £204 and receive the dual licence.
- 7.9 The fees included at **(Appendix B)** were calculated based on an hourly rate of £50 per hour of officer time (which takes into account all direct and indirect costs including insurance, accommodation, telephones, IT, printing and stationery together with staffing costs such as salary and pension/NI contributions). A breakdown of officer time and other costs used to calculate the charges in relation to each licence type are set out at **Appendices G and H**.
- 7.10 The Licensing Committee were requested to consider the representations received, and to determine the fees to be charged in relation to taxi licensing by Cheshire East. The Committee felt that they had insufficient financial data, and information at this time, to allow them to make an informed decision. Officers were asked to provide a more thorough detailed breakdown of the costs incurred by the Council, to allow this decision to be made.

## **8.0 Revised Proposal**

- 8.1 Following a request made by members at their meeting of 30<sup>th</sup> March 2009, Cheshire East Council has carried out additional work in relation to the harmonisation of fees.

The proposed fees have been calculated from consolidated costs previously incurred by each of the three-district council's and adjusted for identified cost savings.

Members and representatives of the trade have already received the full and detailed breakdown of the costs **(Appendix I)**.

Due to the full content and the complexity of the costing breakdown it is deemed inappropriate to capture this information within the text of this report. In addition to the report, a full verbal explanation will be provided at the meeting.

A summary of the proposed harmonised fees (**Appendix J**) has been calculated using the cost per hour of available officer time using the calculated rate per hour.

The rates have been rounded up or down to the nearest £10.00p per licence using a consolidated cost per hour of £60.53p.

As set out above, section 53 of the 1976 Act provides that the authority may set fees in relation to drivers licences which they 'consider reasonable with a view to recovering the costs of issue and administration' of such licences. Section 70 provides that the authority may "charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part –

- (a) The reasonable cost of the carrying out on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;
- (b) The reasonable cost of providing hackney carriage stands; and
- (c) Any reasonable administrative or other costs in connection with the foregoing and with the control of supervision of hackney carriages and private hire vehicles.'

## **9.0 Reasons for Recommendation**

- 9.1 The Licensing Committee is requested to consider the full and detailed breakdown of costs as shown at (**Appendix J**) and to take these into account when making its decision. The committee is requested to determine the amount of fees to be charged by Cheshire East so that this may be resolved and in place by Friday the 19<sup>th</sup> of June 2009.

### ***For further information:***

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### ***Background Documents:***

*None*