
Report to: Licensing & Regulatory Urgent Referrals Committee **Date of Meeting:** 29 April 2016

Subject: Consideration of Objections to Proposed Taxi Licensing Fee Variations

Report of: Head of Regulation & Compliance **Wards Affected:** All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose

To request Members consider objections received to the proposed Taxi Licensing related fee increases. **Recommendation(s)**
That the Committee:

- i) Note this report and its contents;
- ii) To consider the objections received from the taxi licensing trade;
- iii) After due consideration of the objections to instruct the Head of Regulation & Compliance to either;
 - a) Introduce the new fees as from 3 May 2016 onwards. Or;
 - b) Propose another set of fees after considering the information in this report and suspend the proposed fee increase due on 3 May 2016

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

Reasons for the Recommendation:

The Council has a legal power to recover the costs of administering the issue and enforcement of Taxi Licences. The taxi trade associations have challenged the proposed fee increase which the Council has set to recover the costs associated with the service. The Council must consider any objections before deciding to go ahead with the proposed fee increases or not. The Council can go ahead with the fee increases once the objections have been duly considered or it may feel that the objections require the fees to be reconsidered.

What will it cost and how will it be financed?

(A) Revenue Costs

The service is wholly recovered from the ring fenced Taxi Licensing Trade Account. In order for full recovery of running costs the taxi licensing fees would need to be uplifted by a minimum of 20% in 2016/17. Any uplift lower than this would require use of Taxi Licensing Reserves or would impact on the Council’s revenue budget. A 20% uplift in fees would still leave Sefton licence fees at a lower level than any other Merseyside authority.

(B) Capital Costs

There are no financial costs associated with the proposals in this report.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	The objections have been lodged in accordance with S.65 Local Government(Miscellaneous Provisions) Act 1976.	
Human Resources		
Equality		
1. No Equality Implication		<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated		<input type="checkbox"/>
3. Equality Implication identified and risk remains		<input type="checkbox"/>

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Chief Finance Officer has been consulted and has no comments on this report (FD 4134/16)

The Head of Regulation & Compliance has been consulted and has no comments on the report (LD 3417/16)

Are there any other options available for consideration? None

Implementation Date for the Decision

3 May 2016 if proposed fee increase is agreed after consideration of the objections otherwise future date to be decided

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Background Papers

None

1.0 Background

- 1.1 Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”) allow the Council to charge fees for the grant of licences in respect of hackney carriage and private hire drivers, vehicles and operators. The legislation specifies the elements that can be included in the cost of the licence fee.
- 1.2 Members will recall that at the meeting of the Licensing & Regulatory Committee meeting held on 25 January 2016, it was agreed to uplift taxi licensing related fees by 11% in 2016/17 and again by 11% in 2017/18 and thereafter in line with the appropriate cost of service delivery.
- 1.3 The uplift in fees was required following a full review of the Taxi Licensing reserve account and all the associated income and expenditure. The review of the Taxi Licensing account identified that the Council had not been fully recovering the true costs of administering the Taxi Licensing account since 2010/11.
- 1.4 It was not possible to provide the trade with a detailed breakdown of all the associated costs that had assigned to the Taxi Licensing account as many of the charges related to individual Council employee salary costs or were tied into commercially sensitive contracts between the Council and third party contractors. It would not be possible to provide some of this detailed information even through a Freedom of Information request (FOI) due to the personal nature of some of the costings. However officers did share an overview of the financial costings with the Trade Representatives. The Trade Representatives requested that the Council engage a third party to carry out a detailed review of the apportionment exercise undertaken by the Council to give assurance that the costings assigned by the Council to the Taxi Reserve account were accurate and met with relevant taxi licensing legislation.
- 1.5 The Council engaged Price Waterhouse Cooper (PWC) to conduct this piece of work on behalf of the Council and the trade and their full report, findings and recommendations were shared with Members and the Trade Representatives on the 18th November 2015.
- 1.6 Taking on board the recommendations from PWC, officers revised the financial costings assigned against the Taxi Reserve account and a revised overview of the of the costings was attached to the Taxi Licensing Report presented to Members and the Trade Representatives on 25th January 2016.
- 1.7 Members will recall that the revised financial costings showed that the true cost of administering the Taxi Licensing account required a 20% uplift in 2016/17 to bring fee income in line with revenue costs for delivering the service. However the backdating of true costs against the Reserve account would leave the account with a deficit of -£103,000.
- 1.8 Taking on board concerns raised by the trade and their comments to officers as part of the on-going consultation exercise, the Chief Finance Officer recommended to Members that the Council only backdate the true costs of delivery of the service for four years to 2011/12. This would leave a balance of the Reserve account of approximately £190,000 , which could be used to allow

Members to phase the uplift required to bring taxi fees up to the level required to meet the true cost of delivering the service over two years.

- 1.9 As required by section 70 of the Act, the Council is required to publish, in at least one local newspaper, a notice drawing attention to the proposed variation to maximum fees and specifying the period and the manner within which objections may be made.
- 1.10 The Council published a notice detailing the proposed fee increases (annex 1) with the Champion Media Group newspapers on 16th March 2016.

2 Objections

- 2.1 Since the publication of the notice the Council has received 2 objections to the proposed fee increase.
- 2.2 Annex 2 details the objection made by Mr Richard Jarman on behalf of the South Sefton Hackney carriage Drivers Association. Enclosed in Mr Jarman's objection are comments relating to minutes of an earlier meeting when discussions concerning the reserve account review took place. Mr Jarman has since offered the following by way of explanation;

"I agreed that the PWC report says SMBC has tried to comply with legislation but it is not a joint report. I have instructed an accountant to look at the figures as well as the PWC report. If the PWC report is accurate I have no objection to the surplus being used. I have no comment on or objection to the proposed increase in fees if the figures can be shown to justify this. [NOT "the panel were happy"]"

The minutes will be amended to reflect this.

- 2.3 Annex 3 details the objection made by Mr Trevor Jones on behalf of the North West Taxi drivers Association.

3 Consideration of the Objections

- 3.1 The Act requires the Council to consider any objections received before the variation to fees can be made.

- Section 70(5) – Fees for vehicle and operators' licences:

"If objection is duly made as aforesaid and is not withdrawn, the district council shall set a further date, not later than two months after the first specified date, on which the variation shall come into force with or without modification as decided by the district council after consideration of the objections."

- 3.2 As specified by the Act, the Council has set a date of 3 May 2016 to bring the variations into force to enable time for the objections to be considered.
- 3.3 The Council is able to bring the variations into force once the objections have been considered or it may decide to suspend the variations due to the objections received.