

## Report to Council

**Subject:** Taxi Licensing Fees Review

**Date:** 12 July 2023

**Author:** Head of Governance and Customer Services

### Purpose

To update Council on the position in respect of the review of fee setting for vehicle, driver and operator's licences as part of the Council's licensing function and to update Council on the action taken to remedy historic charging errors.

### Recommendation(s)

#### THAT Council:

- 1) Notes the report and endorses the steps already taken by officers in relation to the review of licensing fees and reimbursement of certain licensing fees.**

## 1 Background

- 1.1 On 24 January 2023, a report was presented to the Environment and Licensing Committee detailing the outcome of a review of taxi licensing fee setting. The review had been undertaken following changes in the taxi licensing processes and procedures and following objections to proposed licensing fees in 2022/23. Licence fees were frozen in 2022/23 pending a full review of the setting of taxi fees and the presentation of the taxi licensing budget. Following the review and presentation of the findings, the Committee subsequently agreed a new set of licensing fees for 2023/24.
- 1.2 As set out in the report to Environment and Licensing Committee at Appendix 1, the Council have the power under sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 to charge fees for the grant of licences in respect of hackney carriage and private hire drivers, vehicles and operators. The Council cannot profit from those fees and must ensure reconciliation of any surplus or deficit over a three year period. In addition, to ensure compliance with the legislation, general principles have developed through case law that the Council should hold separate memorandum accounts for driver, vehicle and operator licences in order to demonstrate correct charges levied under the different charging powers.

- 1.3 The Council have not historically held these memorandum accounts in the manner required through case law. The review of fees undertaken by officers involved an exercise to provide memorandum accounts which took the cost centre for Taxi Licensing and allocated or apportioned all transactions to either driver, vehicle or operator to produce a net position on each of the three licence types going back over the last six financial years.
- 1.4 This analysis showed that there had been over-recovery for vehicle and operator licences and that driver licenses had been significantly subsidised retrospectively. In summary, driver's licences had been undercharged in every year from 2016/17 to 2021/22 to the value of £430,728, operators licences had been overcharged in the same period to the value of £12,542 and vehicle licences were undercharged in 2017/18 but overcharged in all other years between 2016/17 and 2021/22 to the value of £124,186.
- 1.5 Additional budget was agreed to refund those applicants who were overcharged equivalent to the overcharge per licence plus interest. To date £41,064 has been refunded to 202 overcharged applicants. Looking forward, the subsidising of driver's licences will be recovered overtime through phased implementation of fee increases over three years to move towards full recovery.
- 1.6 Where it appears to the Monitoring Officer that any proposal, omission or decision by the authority through officer or Committee has given rise to a contravention by the authority, officer or Committee, of any enactment or rule of law, the Monitoring Officer, by virtue of s.5 Local Government and Housing Act 1989 is required to produce a report, with respect to that proposal, decision or omission. In producing the report, the Monitoring Officer is required to consult with the Head of Paid Service and the Chief Financial Officer. The report must be circulated to all Members, and, considered, by Members at a meeting held within 21 days of circulation of the report. This report has been prepared in consultation with the Head of Paid Service and Deputy 151 Officer, and has been circulated to all members in advance of this meeting. This is the first meeting of the Council since January 2023 where ordinary business has been considered.

## **2 Proposal**

- 2.1 It is proposed that Council note the contents of this report. Officers have undertaken extensive work internally and through external assessment with CIPFA to ensure fees and charges are correctly levied in accordance with legislation and case law. The Council have already taken steps to remedy the historic overcharge of fees and continue to reimburse drivers with interest. The Council now have separate memorandum accounts which reflect the costs associated with licensing within the parameters of the legislation and case law. As such, there is no further action required at this time in respect of fee setting. Fees will continue to be reviewed annually in accordance with legislation and case law.

- 2.2 Officers reported publicly to Environment and Licensing Committee in January 2023 in relation to the review, findings and proposed remedy. It is proposed that Council endorse the actions taken to remedy errors in taxi licensing fees including repayment of any overcharged fees.

### **3 Alternative Options**

- 3.1 Members could determine not to endorse the actions already taken to publicise and address the issues with historic license fee setting or propose alternative remedies. However, it is considered that all reasonable action has been taken to remedy this matter.

### **4 Financial Implications**

- 4.1 The financial implications are as detailed in this report and in Appendix A. Any refund to applicants of licence fees is being met out of budgets agreed for this purpose.

### **5 Legal Implications**

- 5.1 This report has been prepared in accordance with s.5 Local Government and Housing Act 1989. This report satisfies the statutory requirement on the Monitoring Officer arising from the duty imposed by s.5. Further legal implications in respect of licensing fees are contained within this report and appendices.

### **6 Equalities Implications**

- 6.1 There are no equality implications arising from this report.

### **7 Carbon Reduction/Environmental Sustainability Implications**

- 7.1 There are no carbon reduction/sustainability implications arising from this report.

### **8 Appendices**

- 8.1 Appendix 1 – Report to Environment and Licensing Committee January 2023 and appendices.

### **9 Background Papers**

- 9.1 None

### **10 Reasons for decision**

- 10.1 To comply with s.5 of the Local Government and Housing Act 1989, and to ensure Members are aware of steps taken to remedy issues in relation to fee setting of taxi licensing.

**Statutory Officer approval**

**Approved by:**

**Date:**

**On behalf of the Chief Financial Officer**

**Drafted by the Monitoring Officer**