

Taxi Licensing Committee

Thursday 21 March 2019

PRESENT:

Councillor Mavin, in the Chair.

Councillor Singh, Vice Chair.

Councillors Mrs Bridgeman, Corvid, Jordan, Mrs Pengelly and Rennie

Also in attendance: Ann Gillbanks (Senior Lawyer), Rachael Hind (Licensing Service Manager), Steve Forshaw (Senior Enforcement Officer), Cathy Griffin (Enforcement Officer), Helen Foote (Finance Business Partner) and Amelia Boulter (Democratic Advisor).

The meeting started at 10.00 am and finished at 12.28 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

111. **Declarations of Interest**

There were no declarations of interest made by Members in accordance with the code of conduct.

112. **Minutes**

The Committee agreed that the minutes of the meeting held on 28 February 2019 are confirmed as a correct record.

113. **Chair's Urgent Business**

There were no items of Chair's urgent business.

114. **Hackney Carriage and Private Hire Licence Fees**

Rachael Hind (Licensing Service Manager) advised the Committee that Following the Taxi Licensing Committee on 10 January 2019, the proposed fees were advertised in the Plymouth Herald on Tuesday 15 January 2019. All taxi drivers, vehicle proprietors and operators were written to and provided with a copy of the fees notice and were given until 30 January 2019 to make objections.

82 objections were received including an objection from the Plymouth Licensed Taxi Association (PLTA). The objections are included in Appendix 4. The report details the main objections raised as part of the consultation and the objections have all been responded to within the Appendix.

At the Taxi Licensing Committee on 28 February 2019 the Committee agreed to defer the decision to set fees to allow officers to check the assertions made in a letter from a legal representative of the Plymouth Licensed Taxi Association (PLTA) which was received by email on 25 February 2019.

The contents of the letter have been considered in detail and further legal advice sought by the Council. The Council is satisfied that, whilst maintaining two trading accounts, there is sufficient information to ensure that, for each licence there has been no cross subsidisation and that any surpluses and deficits have been carried forward appropriately.

There is no legal requirement for the local authority to keep five separate trading accounts (one for each licence), however the Council is happy to present the accounts in this way in the future. Appendix three has been restated to reflect the five classes of licence.

The fee structure must be approved today by Committee Members to ensure they come into effect within two months from the date of the advertised consultation.

The Hackney Carriage and Private Hire accounts have been reviewed and the fees must be increased to ensure that any deficit is addressed. Both accounts are separate trade accounts and should be paid for from the licence fees and not from the Council's general funds. Therefore it is important that the fees are set to ensure any deficit is addressed. The financial implication of these proposed fee increases is to ensure the Council covers the full costs of providing the service in so far as consistent with the particular provisions which allow licence fees to be charged.

The fee levels in this report have been set to ensure the Hackney Carriage Driver and Vehicle accounts come into balance by 2024 (subject to further increases in subsequent years); the Private Hire Driver and Operator Accounts both remain in a surplus position and the vehicle account returns to an acceptable surplus position by the end of the financial year 2021/22.

If the Council does not increase the fees, both elements of the Hackney Carriage trading account which are forecasted to be in deficit by the end of the financial year (2018/19) will continue to run at a deficit. The Private Hire Operator and Drivers Licence Accounts are predicted to remain in a small surplus position; the Private Hire Vehicle licence account would continue to run at a deficit. Adopting the fee structure in recommendation one will mean that the Hackney Carriage taxi reserve account will hold an acceptable deficit in 2019/20, however the fees will have to be increased again in subsequent years to ensure the required reduction in deficit continues over the five year period.

Adopting the fee structure in recommendation one will mean that the Private Hire Driver and Operator accounts both remain in surplus position and the vehicle account returns to an acceptable surplus position by the end of the financial year 2021/22.

Hackney Carriage Account

It is proposed that the Hackney Carriage licence fees are increased for drivers and vehicles and the amount of increase has been calculated by reviewing the costs involved with each licence. All relevant surpluses and deficits have been correctly accounted for and there has been no cross subsidisation across licence types within this account.

The three year drivers badge for Hackney carriages is proposed to increase by 82.8% as the current fee does not cover the full costs involved with the issue and administration of the three year licence. There are costs involved each year to deal with the general administration and compliance matters for drivers licences. For example the proportion of costs involved with reviewing the taxi licensing policy and sending update letters and guidance to drivers of the new requirements; dealing with medical compliances and medical exemption applications regarding wheelchairs; updating drivers' information such as change of address or convictions/driving offences notifications; arranging the safeguarding and ambassador training courses. There are also costs involved with dealing with complaints and reviewing drivers licences to ensure drivers are safe and suitable to hold a licence. Therefore the proposed three year fee has increased to reflect the full costs involved. This increase equates to £1.26 pence per week.

The one year drivers badge is proposed to be increased by 47.3% to cover the costs involved with administration as listed above, which is an increase of £1.02 per week.

The vehicle licence is proposed to be increased by 62.9% (£2.54 per week) to cover the full costs involved with administering the licence; the proportion of costs involved with reviewing the taxi policy; the inspections of vehicles; provision of Hackney Carriage stands and the control and supervision of hackney carriage vehicles. The Hackney Carriage unmet demand survey is taking place this year which is an additional cost of £16,000 which will also affect the vehicle fee.

The fees proposed are for one year. The fees will be reviewed annually to reflect on each year's income and expenditure. To ensure the accounts continue to recoup the deficit over five years, a yearly percentage increase in fees will be needed.

Private Hire Account

It is proposed that the private hire licence fees for drivers are increased to ensure they reflect actual costs involved. As stated above, all relevant surpluses and deficits have been correctly accounted for and there has been no cross subsidisation across licence types within this account.

The three year driver licence is proposed to be increased by 87.5% as the current fee does not cover the full costs involved in dealing with the issue and administration of the licence. There are costs involved to deal with the general administration and compliance matters for drivers' licences. For example the proportion of costs involved with reviewing the taxi licensing policy and sending update letters and guidance to drivers of the new requirements; dealing with medical compliances; updating driver's information such as change of address or convictions/driving offences notifications; arranging the safeguarding and ambassador training courses. There are also costs involved with dealing with complaints and reviewing drivers licences to ensure drivers are safe and suitable to hold a licence. Therefore the proposed one year fee has increased to reflect the full costs involved. This increase equates to 90 pence per week.

The one year drivers badge is proposed to be increased by 46.3% to cover the costs involved with administration as listed above, which is an increase of 73 pence per week.

The vehicle licence is proposed to be increased by 45.3% (£1.02 per week) to cover the full costs involved with administrating the licence; the proportion of costs involved with reviewing the taxi policy; the inspections of vehicles; and the control and supervision of private hire vehicles.

The fees proposed are for one year. The fees will be reviewed annually to reflect on each year's income and expenditure. To ensure the Private Hire driver and operator accounts sustain their balances and the Private Hire vehicle account is brought into a balance, yearly percentage increase in fees will be needed.

This is the first year of a five year process to ensure all elements of the Hackney Carriage and Private Hire accounts are running with a manageable surplus.

The fees set out in appendix one represent a larger increase for the first year however this option would have the potential to allow for smaller percentage increases in fees over the subsequent four years.

The fees set out in appendix two represent a smaller increase for the first year however this option would mean there is a potential for higher percentage increases in fees over the subsequent years.

The Committee members need to consider the objections and the recommendations within this report. The fees need to be increased to start the process to reduce the deficit over the next five years and ensure each individual licence account is running with a manageable surplus.

The impact of fee changes will be reviewed annually and any necessary alterations will be approved as set out in the Council's scheme of delegation.

It is recommended that Committee members resolve to approve the fee structure as advertised and as set out in column B of the Fees Table in appendix one which is for the twelve months commencing on 22 March 2019.

However if you are minded to set a lower figure for this year as outlined in Appendix 2 then this will require larger percentage increases for the next four years.

The Committee heard from Mr Hamilton -

- that the Council have now seen the full level of the objections against the rise in fees;
- questions raised and failure to receive a response;
- failure of the council's legal department and creative accounting;
- the huge financial burden to both trades if fees were increased.

The Committee heard from Mr Wildman -

- apologies were given for the demonstration on Holocaust Memorial day, however, if fees were increased demonstrations would continue;
- that they were in this position because of failures of the Council not addressing this in the past;

- that the cost of licensing should become cheaper as a result of more administrative tasks being undertaken electronically;
- the impact to drivers if the fees were increased such as claiming benefits.
- whether there was a need to undertake the ambassador and safeguarding courses.

The Chair invited officers to respond and the Licensing Service Manager reported that responses were contained within the report.

The Committee having heard from officers and representatives from the taxi trade and in response to questions raised, it was reported that -

- (a) they had assumed that drivers would opt for the 1 year licence and within their calculations predicted a small increase in revenue for next year. They were also streamlining processes and would be in a better position to look at the impact to revenue next year;
- (b) with regard to the Wakefield judgement they were awaiting the full transcript and that Plymouth City Council had sought advice from legal counsel and were satisfied that Plymouth was within the legal framework;
- (c) the original decision not to increase the fees would be a question for the portfolio holder and chair at that time. This has not been addressed but needs to be addressed today;
- (d) Devon Audit reviews the service every year and this year would also include the fees;
- (e) the Chair has had discussions with the Portfolio Holder about meeting with trade representatives. Meetings would be arranged to address a number of issues and to find resolutions;
- (f) that options had been provided to the Committee within the report and there was a need to ensure that the account would not go into further deficit. This was an ongoing process and would be reviewed every year. The fee needs to be set by the end of this month and decision made today;
- (g) that the council works closely with the police and have provided funding for a marshal Derry's Cross and were looking at other areas in the city to provide support for taxi drivers. With regard to blue badge holders parking in the taxi ranks this was being addressed.

There were no further questions from the Committee. The Chair invited Mr Hamilton to sum up -

- thanked the councillors for their responses today;
- the Council to write off the deficit because it's the Council's mistake;
- that if fees were increased that the Council would receive a further £144k on top of the £275k already received and why the Council would want this additional money when everything is going down?.

The Chair invited Mr Wildman to sum up -

- felt that he was misunderstood regarding the threat of demonstrations and was merely acting as the messenger;
- that the threat would be in the form of a judicial review if fees were raised;
- that Plymouth receives a really good service from taxi drivers and in comparison with the rest of the country, Plymouth was the cheapest place to get a taxi;
- felt that the proposals being put forward today were similar to the Wakefield proposals.

The Committee retired to make their deliberations.

The Chair handed over to the Legal Representative to read out the Committee's decision -

The Committee –

- (a) considered the report from the Director of Public Health;
- (b) heard representations from the Licensing Service Manager
- (c) heard representations from the PLTA and trade;

The Committee took all of the above and the report into consideration as well the need to set the fees today to ensure that the account does not fall into further deficit.

The Committee approved the recommended fee structure as set out in Column B of the Fees Table, in Appendix One which is for the 12 months commencing on 22 March 2019 and required the relevant Portfolio Holder, Chair of the Taxi Licensing Committee and officers to meet with the trade, as soon as reasonably possible, to undertake a review of the Hackney Carriage table of tariffs of fares.

115. **Exempt Business**

Agreed that under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1 of Part 1 Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

116. **Confidential Minutes**

The Committee agreed that the minutes of the meeting held on 28 February 2019 are a correct record.