

# Agenda Item IMD17

## INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: 2022/17

<b>TITLE</b>	Rebate of Fees for Taxis and Private Hire Vehicle Licences 2021/22
<b>DECISION TO BE MADE BY</b>	Executive Member for Environment, Sport and Leisure - Ian Shenton
<b>DATE, MEETING ROOM and TIME</b>	5 December 2022 David Hicks 1 at 11:00 am
<b>WARD</b>	None specific;
<b>DIRECTOR / KEY OFFICER</b>	Director, Place and Growth - Steve Moore

### **PURPOSE OF REPORT (Inc Strategic Outcomes)**

To consider the decision of the Licensing and Appeals Committee on 23 June 2022 to recommend a reduction relating to certain licence fees charged in 2021/22

### **RECOMMENDATION**

That the Executive Member for Environment, Sport, and Leisure agrees that no rebate for financial year 2021/22 will be paid, for the reasons as set out in this report.

### **SUMMARY OF REPORT**

The report provides information on resolutions previously made at the Licensing and Appeals Committee and the governance and financial implications of those resolutions.

## **Background**

Licensing and Appeals Committee resolved on 23 June 2021 that “The fees for private hire vehicles and hackney carriage vehicles will be held at 2021 levels and any fees already paid will be refunded.” The reference to “2021 fees” is taken to mean the fees set for the financial year 2020/21, during which year a £40 reduction was applied to reflect the impact of the pandemic on the taxi trade. The £40 reduction had been removed for 2021/22 in the budget setting process and a £2 inflation uplift applied.

Subsequently, the Head of Legal Services advised members that the Licensing and Appeals Committee cannot pass a resolution to reduce fees after the budget for the year has been set unless there is a mechanism for that reduction to be funded - the resolution could not take effect as only a relevant budgetary body in the Council can make the decision to fund the change. Ordinarily this would be a decision for a budget holding officer (effectively to agree to vire to this budget from any existing underspend), but the Director with financial responsibility for this service did not have funds available within his budget area in the financial year 2021/22 and as such there was insufficient money to enact the resolution. This remains the case in this financial year.

In such a case, the Executive could fund from other sources or agree a Supplementary Estimate. Procedural rule 5.1.11 states the Executive will receive reports only from a member of the Executive. In an email to Members of the Licensing & Appeals Committee on 29 March 2022, the Head of Legal Services stated that he had been advised that the Assistant Director and Director had spoken to Lead Members for Finance and Neighbourhood and Communities who indicated that they did not wish to bring an item to the Executive. The decision of the Licensing and Appeals Committee on 23 June 2021 was therefore not implemented in financial year 2021/22.

Licensing and Appeals Committee considered the matter afresh on 23 June 2022, and resolved to recommend that the reduction relating to licence fees charged in 2021/22 should be applied and partial refunds be made to applicants who paid the higher fees, as this was a matter of principle as a proposal had been made by the Committee in July 2021 and the reasons for doing so are the same now as they were then.

## **Business Case (including Analysis of Issues)**

Although the Council has the powers to subsidise these fees from Council taxation, caselaw and guidance has been clear in the principles of budget setting for fees. The fees should be broadly cost neutral in budgetary terms and those benefitting from the licensable activities should not be subsidised from general funding. Fees should be kept under review and steps taken to avoid a surplus or deficit in successive years. Where fees result in a surplus or deficit then this should be a factor in the fee setting for subsequent years. Similarly, one element of the licensing regime should not be used to subsidise another element.

The Council’s financial situation has significantly changed, so that it is not financially prudent to subsidise (from the general fund) a refund to taxi drivers who paid licence fees in the previous financial year. Covid grants to businesses which experienced business interruption ended on 31 March 2022 so are no longer available, and paying the refund from future licensing income in 2022/23 would leave a shortfall in the licensing budget which is meant to be self-financing.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

*The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.*

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	N/A	N/A
Next Financial Year (Year 2)	Nil	N/A	N/A
Following Financial Year (Year 3)	Nil	N/A	N/A

### Other financial information relevant to the Recommendation/Decision

The fees and charges for 2021/22 were set by Executive in November 2020 [2021/22 Fees and Charges.pdf](#) and approved by council in February 2021 as part of the budget setting process for 2021/22. The relevant fees were £290 for each category of licence, and the effect of the resolution would have been to refund £40 to each applicant for a Licence. The number of these licences issued in 2021/22 at the higher fee were:

Hackney Carriage	65
Private Hire Vehicle	98
School Transport Vehicle	48
Total	211

Refunds due would total in the region of £8,500.

The refund figure of £8,500 in relation to 2021/22 if refunded would need to be funded from the current year 2022/23 budget where there is no budget for this cost.

### Cross-Council Implications

Refunding part of fees already paid in the previous financial year is not budgeted for in the current financial year, so would have an impact on the Council's overall financial position.

### Public Sector Equality Duty

Self-employed people of Black, Asian and Minority Ethnicity are strongly represented among drivers and operators in the taxi and private hire trade. Customers of the trade are strongly represented by young women, people with disabilities and older people, and generally by people who do not own a car. For these reasons, it is important to ensure that this remains a profitable sector which retains drivers and operators to provide the service to those who rely on it.

### SUMMARY OF CONSULTATION RESPONSES

<b>Director – Resources and Assets</b>	To be updated at the meeting
<b>Monitoring Officer</b>	To be updated at the meeting
<b>Leader of the Council</b>	To be updated at the meeting

<b>Reasons for considering the report in Part 2</b>
N/A

<b>List of Background Papers</b>
<a href="#">Minutes Licensing and Appeals Committee on 23 June 2021</a>
<a href="#">Minutes Licensing and Appeals Committee on 23 June 2022</a>

<b>Contact</b> Ed Shaylor	<b>Service Place</b>
<b>Telephone No</b> 07871 735927	<b>Email</b> ed.shaylor@wokingham.gov.uk