

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**REPORT TO CABINET**

**Date: 23<sup>rd</sup> July 2014**

**Title** Private Hire Vehicles and Hackney Carriage Vehicle Licence Fees 2014/15

**Submitted by:** Head of Business Improvement, Central Services & Partnerships

**Portfolios:** Finance & Resources

**Ward(s) affected:** All

**Purpose of the Report**

To inform Cabinet of the decision making process and background in relation to variations in Taxi and Private Hire Fees for 2014/15.

**Recommendations**

- That Cabinet notes the urgent decision taken in June 2014 by the Leader to vary the Taxi and Private Hire Fees as originally agreed by Cabinet in January 2014.

**1. Background**

- 1.1 Newcastle-under-Lyme Borough Council (NBC) has powers, under the Local Government (Miscellaneous Provisions) Act 1976 to charge fees for the grant of taxi vehicle and operators' licenses.
- 1.2 The Act sets out a set of maximum amounts that can be charged for this purpose and, if these amounts are exceeded, the Council must publish details of the variation and request comments within 28 days.
- 1.3 If objections to the proposed fees are received, then the Council may further vary their fees, no later than two months following the original publication of the fees (see above).

**2. Issues**

- 2.1 The Council's Cabinet approved the Scale of Fees and Charges for 2014/15 at its meeting held on 15<sup>th</sup> January 2014. This report including the following changes:
  - Hackney Carriage Licence - £300.00 (£235.00 in 2013/14 – increase £65.00)
  - Private Hire Licence - £290.00 (£225.00 in 2013/14 – increase £65.00)
- 2.2 The Hackney Carriage/Private Hire fees were publicly advertised on 11<sup>th</sup> March 2014 for a period of 28 days (as per the above legislation).

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- 2.3 During this 28 day period, two collective objections were received by NBC from operators working in the Borough. One objection was received from the Newcastle & Kidsgrove Taxi Association (on behalf of the Hackney Carriage Trade) and the other from two major operators. Both objections refer to there being duplication in what was being charged for and the charge levied by the Council's Depot charge (including not having a VOSA MOT included in the test).
- 2.4 As a result of these objections, the Council was required to set a date on or before 7<sup>th</sup> June 2014 whereby it was required to decide on variation of fees (a period of two months following conclusion of the 28 day advertisement period).
- 2.5 Given the requirement for the Council to adhere to the 7<sup>th</sup> June date, a decision was required by the Council in terms of whether to vary the fees or not.
- 2.6 In order to make this decision, and following consultation with the Leader of the Council, it was decided (by the Leader) to invoke his powers under part 2, Section 7, Para 7.6 of the Council's Constitution (where a decision regarding a cabinet function requires attention as a matter of such urgency that formal reporting to Cabinet is not possible).
- 2.7 The decision to invoke urgency powers was taken due to a number of factors:
- The consultation process over the fees effectively began on 7<sup>th</sup> April 2014 (due to the objections received) – this meant that, allowing for the two month period specified by the relevant legislation, a decision on potential variation needed to be taken on or before 7<sup>th</sup> June 2014. There was no available Cabinet meeting to consider the matter (Cabinet did not meet between 2<sup>nd</sup> April and 18<sup>th</sup> June 2014)
  - The period for consultation around the fees also saw the Council hold elections (on 22<sup>nd</sup> May 2014), the results of which led to a number of changes in the Council's membership and also a change in the leadership of the Council. The consequences of this was that no decision could be made by the Leader of the Council until after 4<sup>th</sup> June 2014, as this is when Annual Council took its decision as to who would be Leader for the municipal year 2014/15

**3. Decision Making Process**

- 3.1 Having taken into account these factors and the decision to use the Leader's urgent powers, a meeting was arranged by officers on 5<sup>th</sup> June 2014 to consider whether to vary the fees following objections received.
- 3.2 This meeting consisted of three Cabinet Members:
- Cllr Elizabeth Shenton – Deputy Leader and Portfolio Holder for Finance and Resources
  - Cllr Terry Turner – Portfolio Holder for Economic Regeneration, Business and Town Centres
  - Cllr Ann Beech – Portfolio Holder for Waste and Recycling

A number of operators were also present at the meeting.

- 3.3 Following the meeting the Leader of the Council, the Portfolio Holder for Finance and Resources in consultation with the Portfolio Holder for Economic Regeneration,

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Business and Town Centres and the Portfolio Holder for Waste and Recycling resolved the following:

- a) That the fee for a private hire vehicle licence be set at £270 (this replaced the £290 originally agreed by Cabinet in January 2014)
- b) That the fee for a hackney carriage vehicle licence be set at £275 (this replaced the £300 originally agreed by Cabinet in January 2014)
- c) That the requirement to provide a £56 refundable deposit for plate carriers be discontinued with immediate effect.
- d) That the private hire operator licence fee be frozen at the current rate (£82).
- e) That the following areas also be investigated with a view to reducing costs of licences in the future where possible.
  - The issuing of a dual badge for private hire and hackney carriage drivers
  - The combination of a VOSA MOT with the Council depot test
  - A tendering process for a new lift at the depot
  - The possibility of taking card payments and electronic payment
  - The possibility of an online appointment booking system
  - The possibility of a reduced depot test for brand new vehicles

3.4 This decision will have a number of financial implications for the Council – these are covered in the relevant section below.

3.5 The decision to revise the fees included in this report reflects the principles set out in the Council's Charging Policy. This Policy states that the presumption is that charges will be made for the provision of a service and set at a level intended to cover the cost of providing a service. The costs of providing a service cover both direct costs and overheads. In this case, the decision was taken to both adhere to the Policy and also:

- To act as an incentive for the Council to review and modernise its services to reduce costs
- To continue to support local businesses in the Borough as part of the Council's corporate priority of being a borough of opportunity

## **4. Outcomes Linked to Corporate Priorities**

4.1 The issues contained in this report contribute to meeting the Council's Corporate Priorities of Creating a Cleaner, Safer and Sustainable Borough and Delivering a Borough of Opportunity.

## **5. Legal and Statutory Implications**

5.1 The legislative background in relation to this report can be found in the Local Government (Miscellaneous Provisions) Act 1976, section 70.

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**6. Equality Impact Assessment**

6.1 An Equality Impact Assessment is being developed for this area of work.

**7. Financial and Resource Implications**

7.1 The decisions outlined in paragraph 3.3 will reduce the amount of income by £13,000 compared to the original fees set on 15 January 2014. The areas outlined in paragraph 3.3 e will need to be investigated and implemented to make the necessary savings to offset this shortfall.

7.2 It should also be noted that as the fees for the old year had to be maintained until the decision was made that there was a loss of income estimated to be £6,000 between 1 April and 5 June 2014.

**8. Major Risks**

8.1 In terms of the decision making process outlined in this report, a number of risks applied, including

- The Council may be open to challenge in the High Court should the calculation of the fees and areas charged for prove to be contrary to the 1976 Act
- Judicial Review of a decision may be made on the following grounds:
  - Ultra vires – no power to levy a particular fee, or fees used to raise revenue unlawfully, or
  - Wednesbury rules – decision was unreasonable or irrational

8.2 In relation to the decision itself, there is a risk that the Council’s income targets will not be met.

**9. Earlier Cabinet/Committee Resolutions**

9.1 Cabinet report – ‘Scale of Fees and Charges 2014/15’ (15.1.14)

**10. List of Appendices**

Appendix A – urgent decision report – ‘Taxi and Private Hire Vehicle Fees 2014/15’ (5.6.14)

**11. Background Papers**

11.1 None

*Sign Off Sheet*

<b>Implications included</b>	<b>Head of Service agreed report, signed &amp; dated</b>	<b>Financial Implications signed &amp; dated</b>	<b>Legal &amp; risk implications signed &amp; dated</b>
<b>Financial</b>			
<b>Legal</b>			

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<b>Risk</b>			
<b>Corporate format used</b>			

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