

**ANGUS COUNCIL**

**CIVIC LICENSING COMMITTEE – 12 AUGUST 2021**

**TAXI AND PRIVATE HIRE LICENCES**

**REPORT BY DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES**

**ABSTRACT**

The purpose of this report is to present to the Committee financial information for period 2019/20 and 2020/21 in relation to the income and expenditure in respect of taxis and private hire driver and operator licences and to thereafter, determine the fees to be applied to taxi and private hire driver and operator licences with effect from 1 September 2021.

**1. RECOMMENDATIONS**

It is recommended that the Committee:-

- (i) notes the legal obligations incumbent upon the Council in relation to fees in respect of taxi and private hire driver and operator licences,
- (ii) notes the impact of the COVID – 19 Pandemic and the lockdown on the income received and expenditure incurred in respect of taxi and private hire driver and operator licences as contained in Appendix 1 to this report,
- (iii) agrees to make no change to the fees to be charged in respect of taxi and private hire operator and driver licences in respect of the year from 1 September 2021; and
- (iv) notes that the fees in respect of taxi and private hire licences will be reviewed following the end of financial year 2021/22 with a view to setting fees to be applied with effect from 1 September 2022.

**2. BACKGROUND**

- 2.1 Angus Council is the licensing authority for the local government area of Angus in terms of the Civic Government Scotland Act 1982 ("the Act"). The Act provides that the licensing authority may resolve to require that certain activities shall require to be licensed. Committee will be aware that the Council has resolved that a number of activities be licensed and that amongst these activities are taxi and private hire operators and taxi and private hire drivers.
- 2.2 Section 12 of the Act provides that a licensing authority shall charge such fees in respect of taxi and private hire car licences and applications for such licences as may be resolved by them from time to time and shall seek to ensure that the total amount of such fees is sufficient to meet the expenses incurred by them in carrying out their functions in relation to taxi and private hire car licences (with the exception of appointing taxi stances).
- 2.3 This means that the licensing authority is required to seek to ensure that the total amount of fees meet the expenses incurred by them in respect of administering licences in relation to taxi and private hire operators and taxi and private hire drivers.
- 2.4 Reports in respect of the fees for taxi and private hire driver and operator licences were considered by this Committee at their meetings on 8 August 2019 and 31 October 2019 (Reports 257/19 and 356/19/19 refer respectively). The Committee, at its meeting on 31 October 2019, having considered the terms of Report 301/19 agreed:-

- (i) to note the legal obligations incumbent upon the Council in relation to fees in respect of taxi and private hire driver and operator licences;
- (ii) to note that a local operator has been in correspondence with Angus Council regarding the methodology used for assessing the licensing fees for taxi and private hire driver licences;
- (iii) to note the financial information contained in Appendix 1 to the report;
- (iv) that the fees charged by the Council in relation to taxi and private hire driver and operator licences be set annually in September each year starting from 1 September 2020 and be based on:-
  - (a) the income received in the previous financial year;
  - (b) the cost incurred by the Council in administering taxi and private hire driver and vehicle licences;
  - (c) a reasonable and justified contingency of the estimated costs of administering taxi and private hire driver and vehicle licences taking account of the actual income and expenditure in any given year against the budgeted figures; and
  - (d) the legal obligations incumbent upon the Council in relation to fees in terms of the Civic Government (Scotland) Act 1982.
- (v) to note that in setting future fees the Committee would be provided with a budget estimate of income and expenditure to ensure full transparency; and
- (vi) that refunds be made to licence holders in respect of the financial years 2016/17 to 2018/19 in the following percentages:-

2016/17 – 18%

2017/18 – 8%

2018/19 – 19%

The refunds totalling £39,893 referred to in (vi) above were duly processed and issued.

2.5 A further report in respect of this matter was submitted to this Committee at its meeting on 20 May 2021 (Report 169/21 refers). Having considered the terms of that report, the Committee agreed:-

- (i) to note the legal obligations incumbent upon the Council in relation to fees in respect of taxi and private hire driver and operator licences;
- (ii) to note the impact of the COVID – 19 Pandemic and the lockdown on the process for fixing fees for taxi and private hire driver and operator licences; and
- (iii) that a report on this matter with recommendations in respect of fees to be charged from 1 September 2021 be submitted to this Committee on 12 August 2021.

### **3. REPORT**

3.1 Appendix 1 to this report contains the income and expenditure in respect of the financial years 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 in respect of taxi and private hire driver and operator licences. Noting, the previously agreed methodology used to determine the above's financial performance for the period 2016/17 – 2018/19 (and the subsequent value of refund) has been used for determining financial years 2019/20 and 2020/21 results. Albeit a more robust means for recording staff time has been utilised. From this it can be seen:-

- (i) there has been a significant reduction in both income and expenditure in the financial years 2019/20 and 2020/21 compared to previous years,
- (ii) in the financial year 2019/20 expenditure exceeded income by £13,084 and in the financial year 2020/21 expenditure exceeded income by £9,947.

- (iii) it would appear to be the case that the reduction in income and expenditure in both financial years 2019/20 and 2020/21 was due to the COVID - 19 Pandemic and the resultant lockdowns.
- 3.2 It should be noted that, whilst expenditure exceeded income in both financial years 2019/202 and 2020/21, the Council did not suffer financial detriment. Additional grant funding provided by the Scottish Government to address financial challenges presented by the Pandemic were applied to offset the deficits between income and expenditure in both financial years.
- 3.3 At present, the country has recently emerged from the second lockdown. The Pandemic will still be impacting on the income received and the expenditure incurred in processing taxi and private hire licences. This will not be fully ascertained until the end of this financial year and after the final accounts process is concluded. Angus Council, at its meeting on 24 June 2021 considered a report from the Director of Finance in respect of proposed revisions to the Council's 2021/22 General Fund Revenue Budget to take account adjustments for the impact of COVID - 19 (Report 213/21 refers). Having considered the terms of that report, and in respect of this particular matter, the Council agreed to a revision to the Legal and Democratic Services budget to provide additional funding of £49,000 to take into account reduced income to all Licensing income Budgets (Taxi, Liquor, Civic & Other) arising from COVID – 19. The report was clear that the revised budget will be kept under close review and may be subject to further change to ensure financial stability.
- 3.4 In light of the above, and having regard to the highly unusual circumstances that have occurred, it is submitted that it is not prudent to apply, with a reasonable degree of certainty, the financial information in respect of financial years 2019/20 and 2020/21 as a basis for fixing fees from 1 September 2021.
- 3.5 Therefore, and having regard to all of the above, it is recommended that the Committee agrees to apply no change to the current fees charged in respect of taxi and private hire vehicle and operator licences. In addition, and in accordance with the decision of this Committee on 31 October 2019 (referred to above), the level of fees will be reviewed following the end of financial year 2021/22 with a view to setting fees to be applied with effect from 1 September 2022.

#### **4. LEGAL IMPLICATIONS**

- 4.1 The legal implications are contained in the body of this report.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 The financial implications are contained in the body of this report.

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