

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
<b>Cabinet</b>	<b>26 October 2016</b>

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
<b>Taxi Licensing Review – budgetary matters</b>	<b>Corporate Support and Assets</b>	<b>Susan Guinness</b>	<b>6</b>

## **SUMMARY AND LINK TO CORPORATE PRIORITIES**

This report outlines the financial implications associated with the review of taxi licensing and some of the subsequent actions taken by the Council to improve the service. The report seeks the approval of additional exceptional revenue expenditure in the current financial year, 2016/17.

## **BACKGROUND**

Members will be aware that the Council has completed a review of its taxi licensing service and has already taken a number of steps to improve arrangements going forward. At the meeting of the Governance Committee on 29 June 2016 the then Deputy Leader and Cabinet Member for Finance & Resources, Councillor Clark, indicated he was looking at the financial implications of the costs being incurred.

The Deputy Leader and Cabinet Member for Corporate Support and Assets has subsequently met with the Scrutiny and Governance Committee Chairpersons and advised that he would be presenting a report summarising the financial and budgetary implications once he had a comprehensive picture. He also advised that whilst he had concerns about the manner in which procurement of the external legal support had been commissioned he was aware that the Scrutiny Task Group was looking into this as part of its review. It was agreed that the Scrutiny Task Group should be left to consider this issue rather than multiple enquiries taking place on this topic. The Scrutiny Task Group have now completed and reported on their work in this regard.

This report outlines the financial implications associated with the recent review of taxi licensing to date and the subsequent necessary actions taken by the Council to improve the service. The report seeks the approval of additional exceptional revenue expenditure **£94,167** in the current financial year, 2016/17, associated with the various actions taken. The expenditure incurred within financial year 2015/16 has been addressed in the Closure of Accounts process and reported in the out-turn report to Governance Committee for that year.

## **RECOMMENDATIONS**

1. That, as detailed in this report, the Cabinet agree to a supplementary revenue estimate in the sum of **£94,167** in 2016/17 to cover the estimated costs.

## DETAILS AND REASONING

The following sections of this report outline the key areas of expenditure. It should be noted that, since April this year, the Council has received support from the Local Government Association (LGA), however, there is no additional cost associated with this support as it is contained within the Council's annual membership subscription to the LGA.

### Legal Support

The services provided by the external legal advisors, Wilkin Chapman, fall into four categories (or stages within Wilkin Chapman records), the taxi licensing service review phases one and two, the disciplinary investigation process and support provided to the Scrutiny task Group. The four phases and pieces of work have been confirmed and reconciled with Wilkin Chapman client records.

The legal costs to date and forecast for the remainder of the year are as follows:-

	<b>Budget Provision 2015/16 £</b>	<b>Actual Costs 2015/16 £</b>	<b>Actual Costs 2016/17 £</b>	<b>Variation Budget to Actual Cost £</b>
Wilkin Chapman – Service Review Phase One - 12/11/15 to 14/04/16	25,000	23,762	-	1,238
Wilkin Chapman – Service Review Phase Two - 15/04/16 to 21/06/16	-	-	<b>24,795</b>	(24,795)
Wilkin Chapman – Service Review Phase Three (Scrutiny Review) 04/04/16 to 24/06/16	-	-	<b>3,080</b>	(3,080)
Wilkin Chapman – Disciplinary Investigation	-	23,218	<b>11,979</b>	(35,197)
Weightmans – Disciplinary Investigation	-	351	<b>1,503</b>	(1,854)
<b>Total – Estimated Budget Required in 2016/17</b>			<b>41,357</b>	

It is anticipated that **£41,357** is expected to fall in the current financial year. Queries to Wilkin Chapman have confirmed their file is still open in order for them to deal with follow up and final queries, such as final costs, but the cost implication of these are expected to be minimal. The final costs above, however, may be subject to change if further work is commissioned with regard to processes that remain on going.

### Staffing Costs

To ensure service continuity and delivery of the improvement plan, during the period since staff were suspended in early January 2016, it has been necessary to employ the services of temporary staffing. These have been drawn from both inside and outside the Council. The table below summarises the costs of the additional temporary staffing resource estimated through to the end of the current calendar year:-

	2015/16 £	2016/17 £	Estimated August – December 2016/17 £	Total £
Temporary resource – recruited from outside the Council	10,463	20,841	14,369	45,673
Temporary resource – recruited from inside the Council	8,989	20,850	32,336	62,175
<b>Sub Total</b>	<b>19,452</b>	<b>41,691</b>	<b>46,705</b>	<b>107,848</b>
Less: Temporary staffing costs funded from existing budgets by not backfilling internal secondments	(8,989)	(18,111)	(22,475)	(49,575)
<b>Total</b>	<b>10,463</b>	<b>23,580</b>	<b>24,230</b>	<b>58,273</b>

In summary, as some costs have been accommodated within existing resources the overall additional staff costs total are estimated at £58,273. An anticipated **£47,810** (£23,580 + £24,230) of this amount is estimated to fall in the current financial year.

Working with the LGA, the Council obtained temporary peer support from a neighbouring local authority (Blackpool Borough Council) in the form an experienced licensing manager. This licensing manager has been leading on the delivery of the Council's improvement plan for the taxi licensing service. The costs payable to Blackpool B.C., being **£7,000** are included within the financial summary above.

### Scrutiny Task Group Review

Members will be aware that a Task Group formed from the Council's Scrutiny Committee undertook a study into the handling of the taxi licensing review. This review has had the support of an independent legally qualified person. As part of the Council's membership, the LGA funded an initial 8 days support from the independent person. In total the Task Group has needed to call on some 30 days support of the independent person. In total this would have cost the Council £15,000 but, after allowing for the LGA support and funding from existing Scrutiny Committee budgets (£6,000), the Council will only need to provide estimated additional funding of **£5,000** to conclude the Scrutiny Task Group review.

### In Summary

The requested total 2016/17 estimated budgetary provision is summarised below:-

	<b>2016/17 £</b>
Legal Costs	41,357
Staffing Costs	47,810
Scrutiny Task Group Review	5,000
<b>Total</b>	<b>94,167</b>

## WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

<b>FINANCIAL</b>	<p>As per the 2015/16 budget out-turn report to Members a budget was requested in the sum of £25,000 to cover the cost of the review. This budget was set up by means of a virement in accordance with financial regulations. The expenditure incurred against this budget was £23,762.</p> <p>Other costs incurred in 2015/16 were dealt with as part of the Closure of Accounts process for 2015/16.</p> <p>This report therefore is dealing with the estimated costs that need to be funded within 2016/17 which require a forecasted budget of £94,167.</p> <p>In respect of the Legal comments below, the budget holder and/or lead officer is responsible for approving all invoices within the financial management information system to confirm they are accurate before payment is released.</p>
<b>LEGAL</b>	<p>It was considered necessary to involve external legal support in assessing our licensing service in order to ensure that an independent and robust assessment was carried out.</p> <p>Clearly the council ought to scrutinise carefully any cost bills submitted by the external solicitors in this regard. They have the right to challenge such figures.</p>
<b>RISK</b>	<p>The report substantially contains costs that have already been incurred and therefore there is no known future risk to be drawn to the attention of the Council.</p> <p>Any subsequent deviation from the expected timescales and estimated costs will therefore need to be dealt with outwith this requested approval.</p>
<b>THE IMPACT ON EQUALITY</b>	None
<b>OTHER (see below)</b>	

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

## BACKGROUND DOCUMENTS