

Transport for London

Minutes of the Finance Committee

**Committee Room 5, City Hall - City Hall, 110 The Queen's Walk,
London, SE1 2AA**

10.00am, Friday 15 September 2017

Members

Val Shawcross CBE (in the Chair)

Anne McMeel

Dr Nina Skorupska CBE

Present

Peter Blake	Director of Service Operations
Helen Chapman	General Manager, London Taxi & Private Hire
Tanya Coff	Director of Finance, London Underground
Patrick Doig	Director of Finance, Surface Transport
Simon Kilonback	Interim Chief Finance Officer
Mark McConochie	Head of Public and Regulation Law, General Counsel
Emma Osborne	Surface Transport
James Stanton	Secretariat

32/09/17 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Ron Kalifa, Michael Liebreich and Ben Story.

It was agreed that Val Shawcross CBE would chair the meeting.

The Chair noted that this was the first meeting of the Finance Committee since the passing of Ian Nunn, TfL's Chief Finance Officer. The Chair expressed her sincere condolences to Ian's family and colleagues on behalf of the Committee and noted that he was very much missed by all.

33/09/17 Declarations of Interests

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date. There were no further declarations of interests.

34/09/17 Interim Chief Finance Officer Arrangements - Chair's Action

Mark McConochie presented the paper.

The Committee received an update on the steps taken following the sudden death of Ian Nunn on 24 July 2017, to ensure that TfL had an appointed person to act as TfL's Chief Finance Officer, both in the management position but also as the statutory CFO. These steps had been taken under Standing Order 114 which allowed the Chair of a Committee to take urgent action on matters reserved to the Board or the Committee.

The Chair asked that the Committee's gratitude and appreciation to staff for the way in which everyone had stepped up in very difficult circumstances be recorded in the minutes.

The Committee noted the interim Chief Finance Officer arrangements and the use of Chair's Action.

35/09/17 Taxi and Private Hire Licence Fees

Peter Blake introduced the paper. At its meeting on 19 July 2017, the Board had delegated authority to the Finance Committee to approve proposals to make, amend or revoke the fees for taxi drivers and taxis, and for private hire operators, drivers and vehicles. Subject to that approval, the Board authorised the Commissioner to make the necessary changes to the Private Hire Regulations to implement any changes in fees.

The Committee considered the proposed changes to the licence fees for Private Hire Vehicle operators, drivers and vehicles and to the licence fees for taxi drivers and taxis. Members noted a correction to the table of Revised Operator Fee Proposals on page 20 of the agenda. The total figure for the proposed 5 year fee (£) for 101-500 vehicles was corrected to read '150,000'. The Chair also noted that Members had received copies of letters from the Licensed Private Hire Car Association, GMB and Private Hire Board separately in relation to this matter.

Members noted that the existing license fees did not cover the costs of maintaining the system and that there was a public interest in not subsidising fees from other areas. The proposals had been designed to meet TfL's obligations as regulator. Significant additional regulations had been introduced in the past few years with public safety and increasing complexity in the sector with the movement from minicab based to app based provision. Additional enforcement and compliance work had been taking place which needed to be apportioned to various licences streams. Whilst the principle of change was noted to have been largely accepted, the response of operators had been against the scale of the change in some areas.

The Committee considered the basis on which the tier and banding points for charging operators by vehicle numbers had been developed. The larger the operator, the longer and more involved the regulation and more resources involved. The new license fees would be a step towards capturing the operator cost element of regulation. It was noted that the proposal for a per vehicle basis charge had been removed for large operators, this was something which would be revisited.

Members noted that the proposal would not fully address the costs involved but would be a significant step to doing so. There was concern that, with no financial subsidy from government, any shortfall in this area would effectively be subsidised by public transport passengers. Implementation of the current proposals would take place as soon as practicable. It was agreed that an update on steps to address the remaining shortfall, including progress on further consideration of per vehicle charging, would be provided in December 2017. **[Action: Peter Blake]**

Members expressed support for the principle of recovering costs in a changing environment both for operators and TfL as the regulator.

The Committee noted the paper and the supplementary information on the Part 2 paper and, in accordance with the authority delegated by the Board, and agreed that:

- (a) the fees for taxi drivers and taxis, and for private hire drivers and vehicles, be amended as set out in Appendix 2 to the report submitted; and
- (b) the structure and level of private hire operator fees be amended as set out in Appendix 2 to the report submitted.

36/09/17 Any Other Business the Chair Considers Urgent

There was no urgent business.

37/09/17 Date of Next Meeting

An additional meeting of the Finance Committee was scheduled to be held on Wednesday 27 September 2017 at 11am.

The next ordinary meeting would be held on Wednesday 18 October 2017 at 10am.

Chair: Rurkaya

Date: 18/10/17