

Licensing Committee Report

Ward(s) affected: All

Report of the Licensing Team Leader

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Date: 6 January 2020

## **Taxi and Private Hire Fees and Charges 2020-21**

### **Executive Summary**

On 14 September 2016, the Licensing Committee approved a methodology for setting the taxi and private hire fees and charges.

Officers have calculated the taxi and private hire fees and charges for 2020-21. The Licensing Committee must consider and approve the taxi and private hire fees and charges for 2020-21 to take effect from 1 April 2020.

### **Recommendation to Licensing Committee**

That the Taxi and Private Hire Fees and Charges for 2020-21, as set out in Appendix 3 to this report, be approved for public consultation as per the legal requirements, to take effect from 1 April 2020 should no objections be received.

### Reason for Recommendation:

The Council is entitled to set the fees and charges for taxi and private hire licences detailed in Appendix 3 to this report in order to recover its reasonable costs.

### **1. Purpose of Report**

- 1.1 To enable the Licensing Committee to approve the taxi and private hire fees and charges for 2020-21 to take effect on 1 April 2020.

### **2. Strategic Priorities**

- 2.1 The process of setting taxi and private hire fees and charges will contribute to our fundamental themes and priorities as follows:

**Innovation:** Using innovation, technology and new ways of working to improve value for money and efficiency in Council services.

### **3. Background**

- 3.1 Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”) allow the Council to charge fees for the grant of licences in respect of hackney carriage and private hire drivers, vehicles and operators. The legislation specifies the elements that can be included in the cost of the licence fee.
- 3.2 The cost of issue and administration can be recovered in drivers’ licence fees. In respect of vehicle and operator licences, the reasonable cost of inspecting vehicles, providing hackney carriage stands and any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles can be included in the fees.
- 3.3 The Council cannot make a profit from licence fees and there must be a carry forward of any surplus. There can also be recovery of any deficit.

### **4. Fees and Charges Methodology**

- 4.1 On 14 September 2016 the Licensing Committee endorsed a methodology for calculating taxi licence fees, which has been used to produce the fees for each subsequent financial year since 2017/18.
- 4.2 The methodology specifies that all fees and charges are reconciled in a three-year rolling programme to ensure full cost recovery for the Council.
- 4.3 The methodology used to calculate Private Hire Operator fees was updated for 2019/20 using the last five years of support and officer time costs divided across the current total number of licensed operators. There is no change to the fee for Private Hire Operators for 2020/21.
- 4.4 The calculations for the fees and charges is shown at appendix 2. There has been a reduction in total staff time for drivers and vehicles, and a reduction in the time per application. This results in a proposed reduction in the fee for both hackney carriage vehicles and private hire vehicles.

Whilst staff time has reduced, there is a proposed increase on the fee for drivers from £383.55 to £454.69. The proposed driver fee comprises of £168.67 of staff time, £160.76 of support costs and £110.84 recovered through the rolling programme.

Licensing Committee in 2019 set a fee of £970.97 for private hire operators based on 5 years of officer time and cost data, and no changes are proposed to this fee.

Elsewhere there are marginal increases to some fees and reductions to others. The fees for conversion from private hire to hackney carriage driver, and replacement drivers badge show reductions as only a small amount of time is coded to these applications, resulting in a low fee. Consequently it is proposed not to alter the fee.

- 4.5 In accordance with the methodology, audit and finance reviewed the draft fees and charges against the methodology and the findings were discussed. As per the methodology a joint meeting was held with legal, finance, audit and licensing to sign off on the fees after the audit.
- 4.6 After approval by Licensing Committee, as required by Section 70 of the Act, a notice will be published in a local newspaper advertising the fees and charges and confirming the date by which any objections must be made. The fees will take effect on that date if no objections are made. The licensed trade will also be notified of the proposed fees and charges via our newsletter.
- 4.7 If there are objections following the advertisement, the Licensing Committee will consider those objections at its meeting on 23 March 2020, approve the taxi and private hire fees and charges for 2020-21, with or without modification, and set a further date for their implementation.

## **5. Equality and Diversity Implications**

- 5.1 There are no equality and diversity implications arising from the taxi and private hire fees and charges.

## **6. Financial Implications**

- 6.1 The report sets out the calculation of the taxi and private hire fees and charges for 2020-21, which have been calculated with the aim of recovering the Council's reasonable costs.
- 6.2 The Council cannot make a profit and must carry forward any surplus. Any deficit is carried forward and will be recovered in subsequent years. Surpluses or deficits will be considered when fee setting in future years with the objective of recovering or refunding any surplus or deficit over a rolling three year cycle.

## **7. Legal Implications**

- 7.1 The Local Government (Miscellaneous Provisions) Act 1976 allows the Council to charge for the grant of licences in respect of hackney carriage and private hire drivers, vehicles and operators. The fees must be set at a level which ensures that the Council does not make a profit.
- 7.2 Section 53(2) of the Act states, in relation to drivers' licences for hackney carriage and private hire vehicles:

“Notwithstanding the provisions of the Act of 1847, a district council may demand and recover for the grant to any person of a licence to drive a

hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.”

7.3 Section 70 of the Act states, in relation to vehicle and operators’ licences:

“(1) Subject to the provisions of subsection (2) of this section, a district council may charge such fees for the grant of vehicle and operators’ licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—

- (a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;
- (b) the reasonable cost of providing hackney carriage stands; and
- (c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.”

7.4 Fees set must be published by means of a notice in a local newspaper setting out the fees and allowing a period of at least 28 days for objections to be made. A copy of the notice must be available for inspection at the Council offices for the same period.

7.5 If no objection is made or all objections made are withdrawn, the fees come into effect at the end of the period allowed for objection or the date of withdrawal of the last objection if later. Any objections made during the period allowed for must be considered and a further date set, being not later than two months after the first date, for the fees to come into force with or without modification.

## **8. Human Resource Implications**

8.1 There will no additional human resource implications because of the taxi and private hire fees and charges.

## **9. Conclusion**

9.1 The Licensing Committee must consider the proposed taxi and private hire fees and charges for 2020-21.

9.2 The fees and charges set out in Appendix 3 are recommended for approval. These fees recover the Council’s costs in line with the legislation.

## **10. Background Papers**

[Minutes of Licensing Committee 14 September 2016](#)

[Local Government \(Miscellaneous Provisions\) Act 1976](#)

**11. Appendices**

- Appendix 1: Taxi and Private Hire Fees and Charges Methodology 2020/21.  
Appendix 2: Fees and charges calculated as per the approved Methodology  
Appendix 3: Taxi and Private Hire Fees and Charges for 2020/21 recommended for approval.

<b>Service</b>	<b>Sign off date</b>
Regulatory Services Manager	<i>12 December 2019</i>
Finance / 151 Officer	<i>3 December 2019</i>
Legal / Governance	<i>2 December 2019</i>
HR	<i>2 December 2019</i>
Equalities	<i>2 December 2019</i>
Lead Councillor	<i>6 December 2019</i>
CMT	<i>10 December 2019</i>
Committee Services	<i>6 December 2019</i>