

Licensing Committee Report

Wards affected: All

Report of Head of Health and Community Care Services

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Objections to the Taxi and Private Hire Fees and Charges 2018/19

Executive Summary

On 17 January 2018, the Licensing Committee approved the proposed taxi and private hire fees and charges for the financial year 2018/19.

A notice was published in the *Surrey Advertiser* advertising the fees and charges and confirming they would take effect from the end of the consultation period. One objection has been received from a member of the trade. Therefore, the advertised fees and charges cannot come into effect until the objection has been considered formally.

This report details the fee setting process for the taxi and private hire fees and charges for 2018/19 and the objection to the advertised fees. The Licensing Committee must consider the objection; approve the taxi and private hire fees and charges for 2018/19 with or without modification and set a date for implementation, which must be no later than 3 May 2018, as is required by legislation.

Recommendation to Licensing Committee

That the Taxi and Private Hire Fees and Charges for 2018/19, as set out in Appendix 1 to this report, be approved with effect from 1 April 2018.

Reason for Recommendation:

The Council is entitled to set the fees and charges for taxi and private hire licences in order to recover its reasonable administrative costs.

1. Purpose of Report

- 1.1 To enable the Licensing Committee to consider the objection received to the taxi and private hire fees and charges for 2018/19 and to set a date for the fees and

charges to come into force with or without modification by no later than 3 May 2018.

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:

Economy: to grow a sustainable economy that will support all aspects of life in our borough.

Your Council: ensuring long-term financial stability and sound financial governance.

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 cost for the enforcement of unlicensed drivers, vehicles or operators cannot be included in the calculation. 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. The reconciliation of any surplus and deficit is over a three-year cycle.
- 3.4 The taxi and private hire fees and charges methodology approved on 14 September 2016 has been applied in the production of the 2018-19 fees and charges set out in Appendix 1, as detailed in the report to Licensing Committee on 17 January 2018.
- 3.5 Following approval by Licensing Committee on 17 January 2018 and as required by Section 70 of the Act, a notice was published in a local newspaper, the Surrey Advertiser, advertising the fees and charges and confirming the date on which they will take effect together with the objection process. Details of the proposed fees, together with information about consultation were also sent out to the licensed trade at the end of January in the taxi and private hire newsletter.
- 3.8 The Licensing Committee is asked to consider the objection received, approve the taxi and private hire fees and charges for 2018/19, with or without modification, and set the date for their implementation on 1 April 2018.

4. Objection to the 2018/19 Fees and Charges

- 4.1 On the 31 January 2018 an objection was received from Mr Don Brandon, a hackney carriage proprietor stating:

Hi

I have just received your Newsletter to your Fees & Charges. Firstly I object to the new rates you have proposed. I would like to know what justification you have to the increases you have proposed.

Please could you send me your calculations in a spread sheet to justify your proposed increase. You still have to justify a 16% decrease in the Guildford taxi charges that was so much out of date.

Many Thanks

Don M Brandon

- 4.2 Officers engaged in dialogue with Mr Brandon, providing information and responding to queries arising from the fee setting process on the 6 February. Officers also invited Mr Brandon to withdraw the objection on the grounds that:
- the objection did not contain any detail for the Licensing Committee to consider;
 - the proposed fees and charges had been calculated using an approved, transparent methodology;
 - some fees were reducing; and
 - the setting of hackney carriage fares is unconnected to setting licence fees
- 4.3 Despite providing information to Mr Brandon, the objection has not been withdrawn.
- 4.4 The above objection must be considered by the Licensing Committee as the objection has not been withdrawn following dialogue between Officers and the objector.

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 Council's process for setting the taxi and private hire fees and charges has undergone a number of reviews and audits in previous years, which has led to improvements and modifications.

- 6.2 The 2008-09 and 2013-14 Accounts were challenged by the Guildford Hackney Association and the investigation into the 2013-14 objection concluded that there was no evidence that the Council had deliberately sought to overstate the costs of its taxi licensing service or charged fees that were unreasonable.
- 6.3 External auditors reviewed the audits for 2009-10, 2010-11 and 2012-13 and were satisfied that the recommendations from each report were met. In 2014, a further review by internal audit of the 2013-14 fee setting process made further recommendations, culminating in the development and approval of a transparent methodology to calculate fees and charges as detailed in Appendix 2.
- 6.4 Appendix 2 sets out the methodology used to calculate the taxi and private hire fees and charges for 2017-18. These have been calculated with the aim of full cost recovery.
- 6.5 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 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 Under Section 70 of the Act the Council has to publish a notice of the proposed new fees and charges for vehicle and operators' licences, if it determines that the maximum fees last advertised should be varied. If objections are received and not withdrawn, the Council must consider them and set a date, no more than two months after the date specified in the notice, on which the variation shall come into force with or without modifications.

7.5 There is no requirement under Section 53(2) of the Act for driver licence fees to be advertised. However, the same procedure as for vehicles and operators is adopted for good practice. A notice of proposed fees has been published, objections have been invited and the Licensing Committee is invited to consider the objection in the same way.

8. Human Resource Implications

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

9. Summary of Options

9.1 The Licensing Committee has to approve a set of taxi and private hire fees and charges for 2018/19 and set a date for them to take effect, which must be no later than 3 May 2018.

9.2 There are two options available after considering the objection and the information in this report:

1. Approve the fees and charges as set out in Appendix 1; or
2. Approve a modified set of fees.

9.3 Officers consider that the fees and charges set out in Option 1 are correct and justifiable and we recommend them for approval, as these charges recover the costs the Council incurs and can legally recover for administering and issuing licences.

10. Conclusion

10.1 The Licensing Committee must consider the objection to the advertised taxi and private hire fees and charges for 2018/19. The Committee must then agree the taxi and private hire fees and charges for 2018/19 and set a commencement date.

10.2 The fees and charges set out in Appendix 1 are recommended for approval. These fees recover the majority of the Council's costs. It is recommended that these fees and charges take effect from 1 April 2018.

11. Background Papers

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

[Report and Minutes of Licensing Committee 17 January 2018](#)

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

12. Appendices

Appendix 1: Taxi and Private Hire Fees and Charges 2018/19

Appendix 2: Taxi and Private Hire Fees and Charges Methodology