

Licensing Committee Report

Ward(s) affected: All

Report of the Director of Service Delivery

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Taxi and Private Hire Fees and Charges 2021-22

Executive Summary

Taxi and private hire fees and charges are normally reviewed each year using a methodology to set fees as approved by Licensing Committee. On 24 November 2020 the Executive resolved to 'freeze' fees and charges for 2021-22 in light of concerns about the coronavirus pandemic and to balance the Council's role in both supporting local business and being able to cover its costs in difficult financial circumstances.

Recommendation to Licensing Committee

That the Licensing Committee notes the current circumstances affecting the calculation of fees and charges, agrees that the fees and charges for 2021-22 remain at the current level and notes that fees and charges are planned to be reviewed again for 2022-23.

Reason for Recommendation:

To ensure the Committee understands the rationale for fees remaining at the current level.

1. Purpose of Report

- 1.1 To brief the Licensing Committee on the setting of Taxi and Private Hire Licensing fees for 2021/22.

2. Strategic Priorities

- 2.1 Setting taxi and private hire fees and charges will contribute to our fundamental themes and priorities as follows:
 - **Place making** – ensuring safe travel in the Borough through a well regulated taxi and private hire service.
 - **Innovation** – using new ways of working to improve efficiency.

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.
- 3.4 Fees which are not set by statute can be set locally by the Council, with the desire to fully recover costs so that taxpayers are not subsidising a business licence for which the holder derives economic benefit. Officers in Regulatory Services keep comprehensive daily time records for the purpose of fee setting, where officer time and budgeted costs are combined and divided over the number of applications for the previous year giving a unit fee cost per application. This is the basis of the methodology used to calculate Taxi and Private Hire licensing fees approved by the Committee in September 2016.
- 3.5 Locally set fees are normally reviewed in time for the start of the financial year, meaning that fees need to be included in the budget book in time for budget Council in February, or in the case of Taxi Licensing Fees presented to Licensing Committee in January for the required statutory consultation.

4. Setting Fees for 2021-22

- 4.1 The current pandemic has had a considerable impact on the Country. Many businesses have either been required to close or have seen traditional revenue streams diminish meaning they are facing uncertain futures. The Council as part of its Corporate Strategy 2018-23 has committed to support economic growth and as such many businesses have been turning to the Council since the pandemic began for assistance, including numerous requests for reductions in fees to support their continued operation.
- 4.2 At the same time the Council’s finances have been impacted by additional expenditure caused by the pandemic meaning that difficult decisions will likely have to be taken about future expenditure.
- 4.3 The pandemic and the Future Guildford programme has also diverted the Council’s resources away from activities such as fee setting. As such due to these demands we do not have all the data required to calculate the fees, meaning that the deadline for January Licensing Committee has passed.

- 4.4 The methodology includes an internal audit review and approval from finance, audit and legal. A number of taxi drivers have left the profession due to the current situation and resultant lack of work, meaning that a fewer number of licence holders are renewing. At the same time, Officers have been required to spend time devising and consulting on a new Policy due to the National Standards announced in July 2020 which the Government expects Councils to implement as soon as possible, despite the pandemic. Whilst application numbers have reduced, the budgeted costs have not been revised meaning that the Council's costs are split over fewer licence holders, likely to result in higher fees.
- 4.5 Any increase in fees under the current climate is likely to be extremely unpopular with business, many of whom are struggling and looking to the Council for support. This is likely to result in an increase in officer time to respond to complaints about higher fees, and a risk of reputational damage to the Council from adverse publicity.
- 4.6 However, the Executive on 24 November 2020 resolved to make no changes to the Council's fees and charges for 2021-22 and as such this position is presented to the Licensing Committee.

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 With the Councils own financial position in mind, it is important that the Council is able to recover the costs it is entitled to, however without adhering to the methodology to set fees, any fees set may be open to challenge. Additionally, the position of the Executive's decision to keep fees at the same level is perhaps the most sensible solution under the current circumstances and is reasonable in terms of supporting local businesses given the reasons outlined above.
- 6.2 The Council cannot make a profit from fees 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.
- 6.3 The fees and budgetary position is planned to be reviewed for 2022-23 where it is hoped that the efficiency savings realised by the Future Guildford programme will be realised.

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 As the current fees are not being varied, no consultation is required and the existing charges will remain in place until such time as they are reviewed again.

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 Taxi and private hire fees and charges are normally reviewed each year using a methodology to set fees as approved by Licensing Committee. On 24 November 2020 the Executive resolved to 'freeze' fees and charges for 2021-22 in light of concerns about the coronavirus pandemic and to balance the Council's role in both supporting local business and being able to cover its costs in difficult financial circumstances.

10. Background Papers

[Minutes of the Executive, 24 November 2020](#)

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

11. Appendices

There are no appendices to this report.

Service	Sign off date
Finance / 151 Officer	<i>18 February 2021</i>
Legal / Governance	<i>16 February 2021</i>
HR	<i>19 February 2021</i>
Equalities	<i>19 February 2021</i>
Lead Councillor	<i>26 February 2021</i>
CMT	<i>19 January 2021</i>
Committee Services	<i>16 March 2021</i>