

Licensing Committee Report

Ward(s) affected: All

Report of the Joint Strategic Director for Place

Author: Mike Smith, Senior Specialist for Licensing and Community Safety

Tel: 01483 444387

Email: mike.smith@guildford.gov.uk

Lead Councillor responsible: James Steel

Tel: 07971 525298

Email: james.steel@guildford.gov.uk

Date: 28 September 2022

### **Taxi and Private Hire Fees and Charges 2022-23**

#### **Executive Summary**

On 20 July 2022, the Licensing Committee approved the proposed taxi and private hire fees and charges for the financial year 2022/23. 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 received, therefore, the advertised fees and charges cannot come into effect until the remaining objection has been considered.

The Licensing Committee must consider the objection; approve the taxi and private hire fees and charges for 2022/23 with or without modification and set a date for implementation, which must be no later than 3 December 2022, as is required by legislation.

#### **Recommendation to Licensing Committee**

That the Taxi and Private Hire Fees and Charges for 2022/23, as set out in Appendix 1 to this report, be approved with effect from 3 October 2022.

#### **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 costs.

## **1. Purpose of Report**

- 1.1 To enable the Licensing Committee to consider the objections received to the taxi and private hire fees and charges for 2022/23 and to set a date for the fees and charges to come into force with or without modification by no later than 3 December 2022.

## **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:

**Homes and Jobs:** Support the business community by setting transparent licensing fees based upon cost recovery.

## **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. 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 2022/23 fees as detailed in the report to Licensing Committee on 20 July 2022.
- 3.5 Following approval by Licensing Committee on 20 July 2022 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 would 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.

#### 4. Objection to the 2022/23 Fees and Charges

4.1 On the 2 August 2022 an objection was received from Mr Hameed Majid, a Private Hire Operator stating:

*"I'm writing to express my concern regarding the proposed increase fees for a private hire operators license.*

*The fee proposed will increase by just over 100% which is a substantial difference compared to the current figure.*

*As a one man operator it is a huge expense, as already costs have gone up in fuels, cost of living etc.*

*The fee almost equates to a london TFL operators license, which would be justifiable as there aren't too many restrictions in place, for example:*

*1 Any year of car can be licensed as long as it fits in with Euro 6 emissions or hybrid electric.*

*2 there is not a requirement to install a cctv system which is £600-£700*

*So even though TFL charge nearly £2000 for a 5 year license, the costs to BUY a car significantly less and not have to pay for cctv is Justified.*

*I am really interested to know why it has increased to the proposed amount and what justification there is for it."*

4.2 Officers engaged in dialogue with Mr Majid, providing information about the fee setting process on the 3 October. Officers invited Mr Arshad to withdraw the objection on the grounds that:

- the proposed fees and charges had been calculated using an approved, transparent methodology; and
- Policy costs are unrelated to licence fees.

4.3 On 3 August a further email was received from Mr Majid as follows:

*"I do understand partially, but you can see my plea here.*

*The whole country is recovering financially and it will only get worse before it gets better.*

*But a recovery from a low skilled sector like the taxi trade seems a drastic measure.*

*Surely those who benefited from payouts during the covid should be given the responsibility to pay back or contribute to the guildford councils pot.*

*I certainly didn't get any help from the council as I wasn't paying rent for the office in guildford.*

*But it is how it stands and I just thought I would express my opinion on this."*

- 4.4 The above objection from Mr Majid must be considered by 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 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 Report to Licensing Committee on 20 July 2022 sets out the methodology used to calculate the taxi and private hire fees and charges. This method was originally approved in September 2016.
- 6.3 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.
- 6.4 When considering the fee setting process, it may be useful to note the comments of the District Auditor considering the challenge to the Council's fees in 2010 confirming that fee setting is not an exact science:

*“The legislation does not, in my view, require councils to make a precise calculation so as to arrive at an income which exactly meets the cost of the administration of the various licences. Councils are required, however, to take a reasonable approach and should aim to set a fee that is sufficient to cover the cost but not make a surplus.”*

## **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 2022/23 and set a date for them to take effect, which must be no later than 3 December 2022.

- 9.2 The Licensing Committee is asked to consider the objection received and approve the taxi and private hire fees and charges for 2022/23, with or without modification, and set the date for their implementation.

- 9.3 There are two options available after considering the objections 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.

- 94 Officers consider that the fees and charges set out in Option 1 are correct and justifiable and we recommend them for approval from 3 October 2022, 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 2022/23. The Committee must then agree the taxi and private hire fees and charges 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 3 October.

**11. Background Papers**

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

[Minutes of Licensing Committee 20 July 2022](#)

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

[Councillor Handbook: Taxi and PHV Licensing](#)

**12. Appendices**

Appendix 1: Taxi and Private Hire Fees and Charges 2022/23 for approval

**13. Consultation**

<i>Service</i>	<i>Sign off date</i>
Finance / 151 Officer	<i>31 August 2022</i>
Legal / Governance	<i>9 September 2022</i>
HR	<i>9 September 2022</i>
Equalities	<i>9 September 2022</i>
Lead Councillor	<i>9 September 2022</i>
CMT	<i>7 September 2022</i>
Committee Services	<i>30 August 2022</i>