

Licensing Committee Report

Wards affected: All

Report of Head of Health and Community Care Services

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Date: 17 January 2018

Taxi and Private Hire Fees and Charges 2018-19

Executive Summary

On 14 September 2016, the Licensing Committee approved a methodology for setting the taxi and private hire fees and charges, details of which are set out in Appendix 1 of this report.

By applying the methodology, officers have calculated the taxi and private hire fees and charges for 2018-19, which can be seen in Appendix 2. The Licensing Committee must consider and approve the taxi and private hire fees and charges for 2018-19 to take effect from 1 April 2018.

Recommendation to Licensing Committee

That the Taxi and Private Hire Fees and Charges for 2018-19, as set out in Appendix 2 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 detailed in Appendix 2 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 2018-19 to take effect on 1 April 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 costs of enforcement against drivers and unlicensed 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.

4. Fees and Charges Methodology

- 4.1 The taxi and private hire fees and charges methodology was approved on 14 September 2016. In line with delegated authority, the Head of Health and Community Care, in consultation with the Lead Member for Licensing, have approved a minor change to the methodology regarding the recovery of any surplus or deficit to the year end account balance over a three year period, as opposed to over the next financial year. This is to prevent any large difference having a detrimental effect on licence fees, and to ensure fairness to any licence holder who may have paid for a three year licence in the event of the account ending in surplus.
- 4.2 The methodology has also had another minor amendment to ensure full cost recovery of the cost of issuing private hire door signs. The methodology can be found at Appendix 1.
- 4.3 The approved methodology has been applied in the production of the 2018-19 fees and charges set out in Appendix 2.
- 4.4 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.

- 4.5 The majority of the fees show little variation, with slight increases in the cost of a hackney carriage vehicle and driver licence. There is a proposed reduction in the cost of a private hire vehicle licence; however, there is an increase in the cost of an operators' licence. This is due to a decrease in income due to the introduction of a 5 year licence in 2016 following the changes brought about by the Deregulation Act 2015. As such, there has been a decrease in income through operators not renewing annually.
- 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 26 March 2018, approve the taxi and private hire fees and charges for 2018-19, 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 methodology used when calculating the taxi and private hire fees and charges for 2018-19, which have been calculated with the aim of full cost recovery.
- 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 2018-19 and then agree the fees and charges.

9.2 The fees and charges set out in Appendix 2 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

Appendix 2: Proposed Taxi and Private Hire Fees and Charges 2018-19