

Licensing Committee Report

Ward(s) affected: All

Report of the Director of Service Delivery

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

Tel: 01483 444387

Email: mike.smith@guildford.gov.uk

Lead Councillor responsible: Merel Rehorst-Smith

Tel: 01483 610581

Email: merel.rehorst-smith@guildford.gov.uk

Date: 12 March 2024

## **Taxi and Private Hire Fees and Charges 2024-25**

### **Executive Summary**

On 14 September 2016, the Licensing Committee approved a methodology for setting the taxi and private hire fees and charges which has been used in subsequent years to set Licence fees for this area. However we now need to review this methodology due to organisational changes.

Taxi and private hire fees and charges were last reviewed in October 2022 for 2022-23 and this reports seeks the approval of Licensing Committee to uplift fees by 7% for 2024-25 prior to a full review of the methodology corporately to enable the Council to recover its costs. The Licensing Committee are asked to consider and approve the taxi and private hire fees and charges for 2024-25 to take effect from 3 June 2024.

### **Recommendation to Licensing Committee**

That the Taxi and Private Hire Fees and Charges for 2024-25, as set out in Appendix 1 to this report, be approved for public consultation as per the legal requirements, to take effect from 3 June 2024 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 2024-25 to take effect on 3 June 2024

## 2. Strategic Priorities

2.1 The Council's Licensing function contributes to our fundamental themes as follows:

- **Homes and jobs** – supporting local businesses by ensuring they are aware of and compliant with licensing legislation and ensuring the safety of employees in licensed establishments.
- **Environment** – ensuring the protection and promotion of the environment via the licensing process.
- **Community** – tackling inequality in communities by ensuring customers with a disability are able to use licensed establishments.

2.2 It is essential to a well-functioning taxi and private hire vehicle sector that those administering and enforcing the regime are well-resourced. The licensing model is intended to be self-funding through licensing fees, and it is expected that licensing authorities seek to provide a well-resourced system at the lowest cost to licensees. Licensing authorities should regularly review their fees to reflect changes to costs, both increases and reductions.

## 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 sought to recover the Council's costs of Officer time, corporate recharged and any surplus/deficit in the accounts over the number of licence holders and was introduced following considerable challenge to the area of licence fee setting following the challenge to the District Auditor in 2010 which required the Council to pay back considerable sums in licence fees where the correct process to set fees was not followed by officers in post at the time.
- 4.4 However, the methodology previously used relied on a time recording system which is no longer available corporately. As a result, a new methodology of fee setting is needed which will be presented to Committee following work between Licensing and Finance.

- 4.5 In the meantime, considering the financial pressures on the Council, the fact that fees were last reviewed in October 2022 and the recent increase in Licensing resource, there is a need to adjust fees for 2024-25. It is therefore proposed to increase all fees by 7% which is considered reasonable considering inflationary costs were over 10% during 2022-23.
- 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 15 May, approve the taxi and private hire fees and charges for 2023-24, 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 changes to the taxi and private hire fees and charges for 2024-25, which have been increased by 7% since their last review using the Council's previous methodology in October 2022.
- 6.2 The Council is due to embark on a fundamental evaluation of its organisational recharges which in addition to organisational changes mean that the previous fee setting methodology is also in need of review.

## 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 are asked consider the proposed taxi and private hire fees and charges for 2024-25.
- 9.2 The fees and charges set out in Appendix 1 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](#)

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

## 11. Appendices

Appendix 1: Taxi and Private Hire Fees and Charges for 2024-25 recommended for approval.

<b><i>Service</i></b>	<b><i>Sign off date</i></b>
Executive Head	<i>22/02/2024</i>
Finance / 151 Officer	<i>23/02/2024</i>
Legal / Governance	<i>26/02/2024</i>
HR	<i>22/02/2024</i>
Equalities	<i>22/02/2024</i>
Lead Councillor	<i>01/03/2024</i>
CMB	<i>22/02/2024</i>
Committee Services	<i>29/02/2024</i>