

## **Review of Hackney Carriage (Taxi) and Private Hire (PH) Licensing fees 2022-2023**

### **Purpose**

To consider the proposed methodology for recalculating the Taxi and PH fees.

**Wards Affected:** All

### **Recommendation**

The Licensing Committee is advised to note the contents of this report and to recommend the proposed methodology for calculating revised fees and charges for the Taxi and PH trade to be introduced in 2022/23.

### **Background**

- Surrey Heath Borough Council through its Licensing team is responsible for licensing Taxis and PH drivers, vehicles and operators.
- The Local Government( Miscellaneous Provisions) Act 1976 (the Act) includes provisions that allow district and borough councils to recover such fees as they consider reasonable with a view to recovering the costs of issuing and administering driver's licences for both Taxis and PH vehicles. (Section53(2) )
- Section 70 of the Act allows the same for vehicle and operator's licences.

'A district\*\* council may charge such fees for the grant of vehicle and operator licences sufficient in the aggregate to cover in whole or in part –

- The reasonable cost of 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
  - The reasonable cost of 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.'
- \*\* This includes borough councils.
- A list of our current Fees is attached as Annex A.

- Section 70 of the Act requires us to publish in at least one local newspaper a notice setting out the proposed fees.
- We will take these requirements into account once we are in a position to present the proposed revised fees to the Licensing Committee.

### **Revised fees**

- The proposed methodology for calculating fees takes into consideration both the legislative requirements and the document 'Open for business: Local Government Association (LGA) guidance on locally set licence fees' (updated in 2017). This guidance has been used as a starting point only as it does not take into account the specific statutory restrictions applicable to Taxi and PH fees therefore not all of the costs listed as recoverable in the guidance will be included.
- The LGA guidance acknowledges that the EU Services Directive, applicable to most forms of licensing, does not apply in the case of Taxi and PH licensing but the principles remain helpful. The core principles are that fees should be:
  - non-discriminatory
  - justified
  - proportionate
  - objective
  - made public in advance
  - transparent and
  - accessible
- The LGA guidance sets out what costs may be included when setting fees as follows:

**Administration-** this could cover basic office administration to process the licence application, such as resources, photocopying, postage or the cost of handling fees through the accounts department. This could also include the cost of specialist licensing software to maintain an effective database, and printing licences.

**Initial visits-** this could cover the average cost of officer time if a premises visit is required as part of the authorisation process. This could include travel time. It would be normal to include 'on-costs' in this calculation. Councils will need to consider whether 'on-costs' include travel costs and management time.

**Third party costs-** some licensing processes will require third party input from experts.

**Liaison with interested parties-** engaging with responsible authorities and other stakeholders will incur cost in both time and resources.

**Management costs**-we may consider charging an average management fee where it is standard process for the application to be reviewed by a management board or licensing committee. These costs may be included in the on-costs attached to officer time referenced below.

**Local democracy costs**-may want to recover any necessary expenditure in arranging committee meetings or hearings to consider applications.

**On costs**- including any recharges for payroll, accommodation, including heating and lighting, and supplies and services connected with the licensing functions.

**Development, determination and production of licensing policies**-the cost of consultation and publishing policies can be fully recovered.

**Advice and guidance**-this includes advice in person, production of leaflets or promotional tools, and online advice.

**Setting and reviewing fees**- this includes the cost of time associated with the review, as well as the cost of taking it to committee for approval.

- Using this guidance we are producing a table of costs that we propose to use when calculating the revised fees. Where applicable this is calculated as an hourly cost this includes the cost of officer time (per hour).
- To ensure that the fees are fair and transparent we are proposing to undertake time recording for each of the Licence types. Time recorded will cover all the activities involved in processing an application and issuing a licence. An example of the information we are collecting is attached as Annex: B
- We are planning to record the time taken to process applications for a three month period and use this information to calculate the fees we propose to charge in the future. In light of the timescales involved this is currently ongoing, but will be revised if changes are recommended tonight.
- This information is being collected for all licence fee types as listed in 2.8.
- We currently licence the following
  - Operators-41
  - Private Hire Drivers- 97 (these are all 3 year licences)
  - Hackney Carriage Drivers -111 (3 year licences)
  - Hackney Carriage Drivers- 4 (1 year licences)
  - Private Hire Vehicles-81
  - Hackney Carriage Vehicles-88
- Following tonight's Committee the methodology for calculating the revised fees will be considered by the Executive Head of Community in consultation with the appropriate Portfolio holder and the Executive Head of Finance in

accordance with our Constitution and Financial Regulations. Once approved we will follow the procedures as set out in this report.

- These fees may be challenged either in the High Court (Judicial Review) or by complaint to the Local Auditor (formerly District Auditor). It is therefore important that the process we follow is fair, open and transparent.
- We will use data from the time recording to update the Licensing Committee in October with details of the proposed fees. If as a result of this process the proposed fees are increased we will then follow the steps outlined in this report.
- The Executive Head of Community will be asked to approve, in consultation with the Portfolio holder and Executive Head of Finance, the proposed fees. Once approved we will place a Notice in a local paper as required and provide a further update to the Licensing Committee in February

### **Public Notice Requirements**

- Section 70 of the Act requires us to publish in at least one local newspaper a notice setting out the proposed fees.
- Once a Notice has been placed for the statutory 28 days if no objections are received or where objections are made but subsequently withdrawn the new table of fees comes into immediate effect.
- If however objections are received these must be considered within two months following the end of the 28 day notice period given above. The proposed fees may be amended to reflect the objections after which the new table of fees comes into effect.
- Where objections are received we propose to present the objections and amended fees to the Licensing Committee in February 2022. Final approval for the proposed fees rests with the Executive Head of Community in consultation with the appropriate Portfolio holder and Executive Head of Finance.
- The above process with regards to advertising new fares will be followed once we have updated the Licensing Committee in October.
- An example of a Notice to be placed in a local newspaper is attached as Annex C. At this stage this is for information only.

### **Resource Implications**

- We will be required to publish changes to the scheme of fees in a local newspaper. (Estimated cost £800) These costs will be met from within existing budgets.

## **Covid-19**

- This has been a challenging time and it is likely that we will need to consider the implications of Covid-19 for the foreseeable future.
- As part of this we will ensure that the Taxi trade is updated and made aware of any new guidance that is likely to affect them or their passengers.
- This may be taken into account when calculating the revised fees.

## **Recommendation**

- The Licensing Committee is advised to note the contents of this report and to recommend the proposed methodology for calculating revised fees and charges for the Taxi and PH trade to be introduced in 2022/23.

<b>Annexes</b>	Annex A: Current Taxi and PH Licensing Fees.  Annex B: Time Recording Details of information being collected.  Annex C: Example Notice to be placed in local newspaper.
<b>Background Papers</b>	Local Government Association- Open for business- LGA guidance on locally set licence fees.  Surrey Heath –revised Draft Hackney Carriage (Taxi) and Private Hire Licensing Policy 2021-2026.
<b>Author/Contact Details</b>	Helen Lolley <a href="mailto:Helen.lolley@surreyheath.gov.uk">Helen.lolley@surreyheath.gov.uk</a>
<b>Head of Service</b>	Tim Pashen - Executive Head of Community

**Annex: C**

**EXAMPLE ONLY**  
**Taxi Licensing Fees and Charges**  
**NOTICE**

**Private Hire vehicle, private hire operator and Hackney Carriage vehicle  
licence fees 2022/2023**

Notice is hereby given that Surrey Heath Borough Council intends to vary the Hackney Carriage vehicle, private hire vehicle and operators fees in accordance with Section 70 of the Local Government (Miscellaneous Provisions) Act 1976.

You can comment on these changes in writing by:

- Emailing [licensing@surreyheath.gov.uk](mailto:licensing@surreyheath.gov.uk) using the subject line “proposed taxi licence fee changes”
- Post to Licensing Team

Comments must be received by

If we receive no objections within the 28 day notice period the new fee charges will apply from 1 April 2022.