

Surrey Heath Borough Council
Licensing Committee
Date of Meeting 19th October 2022

Review of Private Hire Operator Licensing Fees 2023-2024

Strategic Director/Head of Service	Nick Steevens
Report Author:	Paula Barnshaw – Senior Licensing Officer
Key Decision:	No
Wards Affected:	All

Summary and purpose

To approve the revised fees for Private Hire Operator (PHO) licence fees to recover the full cost of administering the licences and carrying out the necessary audits of operators to check compliance with the new requirements set out in the Statutory Taxi and Private Hire Vehicle Standards issued by the Department for Transport July 2020 (DfT).

Recommendation

The Committee is asked to RESOLVE that the proposed revised fees for Private Hire Operator (PHO) in Annex A to this report be recommended for consideration by the Strategic Director Environment & Community in consultation with the Strategic Director Finance and the Finance Portfolio Holder prior to public consultation.

1. Background and Supporting Information

- 1.1. Surrey Heath Borough Council through its Licensing team is responsible for licensing Taxis and PH drivers, vehicles, and operators.
- 1.2. In December the committee resolved that the PHO 5-year licence fees should be reviewed further once the true cost of administering and monitoring these licences was known.
- 1.3. The Local Government (Miscellaneous Provisions) Act 1976 (the Act) S70(1) states 'district and borough councils 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'.
- 1.4. Section 70 of the Act also sets out the steps that must be followed when reviewing and varying fees. Fees may be challenged by Judicial Review, and it is therefore important that the fee setting process is fair, open and transparent.

- 1.5. In calculating the cost to the Council and the proposed PHO licence fees for 2023/24, the methodology reported to the Committee at the July 2021 meeting has again been followed. The methodology takes into account the relevant legislative requirements and the Local Government Guidance on local fee setting 'Open for Business'.
- 1.6. Time recorded audits of operators at their premises have been carried out by officers to ensure that the estimated time in monitoring compliance with licence conditions and the new DfT 'Statutory Standards' are accurately reflected in the calculations.
- 1.7. An example of the audit check list can be found at Annex B which incorporates the required additional checks on the operator's business partners and staff. These include checks on; criminal records, immigration status, sub-contracting records and policies/procedures.
- 1.8. The opportunity has also been taken to review the current fee for a one-year PHO licence for more than one vehicle, to take account of the cost of the compliance audits now required for these operators.
- 1.9. The Council currently licences 36 PHO as shown in table 1 below:

Table 1

Private Hire Operator Licence – more than 1 vehicle (1 Year)	14
Private Hire Operator Licence – more than 1 vehicle (5 years)	0
Private Hire Operators Licence - 1 vehicle (1 Year)	21
Private Hire Operators Licence - 1 vehicle (5 Years)	1

2. Proposal and Alternative Options

- 2.1. The current PHO fees and the proposed fees are shown in Annex A.
- 2.2. Following the review, the proposed fee for a one year PHO licence for more than one vehicle has increased to cover the cost of the required compliance audits. The proposed fee for a five year PHO licence for more than one vehicle has decreased as the current fee did not offer any cost advantage to the operator and did not reflect the saving to the Council of issuing a 5 year rather than an annual licence. The proposed fee reduction may encourage uptake of the 5 year licence option, which currently is very limited.
- 2.3. The review has confirmed that the fees for a one year and 5 year PHO licences for one vehicle are set at an appropriate cost recovery level and it is proposed that these will remain the same, as additional checks for one vehicle operators licence are not required, there are no partners, office staff and no sub-contracting.
- 2.4. If the proposed 2023/24 revised PHO licence fees are agreed by the Committee the Strategic Director Environment and Community will be asked to approve, in

consultation with the Finance Portfolio holder and Strategic Director Finance and Customer Service, the proposed fees in accordance with our Constitution and Financial Regulations.

- 2.5. Once approved a notice must be placed in a local paper asking for any comments and all existing PHO licence holders will be consulted. The results of the consultation will be reported to the Licensing Committee at the February meeting for approval.
- 2.6. The alternative option is to leave the fees as they currently stand. This would not recover the Council's costs in administering and monitoring PHO licences and would not enable PHOs to get the savings from the revised 5 year licence fee.

3. Contribution to the Council's Five Year Strategy

- 3.1. Setting fees based on cost recovery supports the Council's 2022-2027 Five Year Strategy with regard to Economy and an Effective and responsive Council.

4. Resource Implications

- 4.1. There are no significant resource implications attached to this proposal.
- 4.2. The proposed revised fees, based on cost recovery, would generate an income in line with the current budget estimates for taxi licensing, 2023/24 assuming the existing level of activity. The demand for licences will vary over time.

Table 1

Licence Type	Existing	Proposed
Private Hire Operator Licence – more than 1 vehicle (1 Year)	(14) £1960	£3080
Private Hire Operator Licence – more than 1 vehicle (5 years)	0	0
Private Hire Operators Licence - 1 vehicle (1 Year)	(21) £2373	£2373
Private Hire Operators Licence - 1 vehicle (5 Years)	(1) £425	£425
Total	£4758	£5878

- 4.3. It is intended that fee levels will be kept under review to ensure the council recovers the costs of administering licences

5. Section 151 Officer Comments:

- 5.1 No direct impact.

6. Legal and Governance Issues

- 6.1 The Act allows district and borough councils to recover the costs of issuing and administering licences for the Taxi and PH trade.

7. Monitoring Officer Comments:

7.1 No direct impact.

8. Other Considerations and Impacts

8.1 No direct impact.

9. Environment and Climate Change

9.1 No direct impact.

10 Equalities and Human Rights

10.1 No direct impact.

11 Risk Management

11.1 The Act sets out the legal process we are required to follow when varying Taxi and PH licence fees, we have followed this process closely to minimise any risk to the Council.

12 Community Engagement

12.1 The community, including the Taxi and PH trade, will be given an opportunity to comment on the proposed changes to the Taxi and PH licensing fees and charges during a public consultation.

Annexes

Annex A – Current and Proposed Private Hire Operator Licensing Fees

Annex B – Operators Audit Check List

Background Papers

Statutory Taxi and Private Hire Vehicle Standards issued by the Department for Transport July 2020

Local Government Association - Open for business-LGA guidance on locally set licence fees

Surrey Heath –Hackney Carriage (Taxi) and Private Hire Licensing Policy 2021-2026

Annex A

Current and Proposed Private Hire Operator Licensing Fees

Licence Description	Existing	Proposed
Private Hire Operator Licence – more than 1 vehicle (1 Year)	£140	£220
Private Hire Operator Licence – more than 1 vehicle (5 years)	£1075	£865
Private Hire Operators Licence - 1 vehicle (1 Year)	£113	£113
Private Hire Operators Licence - 1 vehicle (5 Years)	£425	£425

Annex B

Operators Audit Check List

Criminality checks for Private Hire Vehicle Operators

1. Private Hire Operator if not already a licensed driver – must produce a basic DBS certificate and register the certificate with the DBS update service
2. If the operator's licence is a company or partnership, the partners and company directors must also provide a basic DBS certificate
3. Operator and business partners must prove right to work in the UK
4. Private Hire Operator must provide HMRC 9 digit code to ensure a check can be made that they are registered for tax
5. If the operating base is open to the public – valid certificate of public liability insurance
6. Trading name and any advertising must comply with the policy on trading names, not similar to a private hire business already licensed by the Council or include and reference to 'taxis' or words with a similar meaning
7. Only one trading name per PHO licence, if another trading name is required another PHO licence is required and records must be kept separately
8. Is registered with Companies House
9. Any changes in directors or partners must be notified to the licensing authority
10. Employers liability insurance – office staff

Booking and dispatch staff

11. The operator must have a record of booking and dispatch staff and evidence that a basic DBS certificate has been seen for each employee within a calendar year of renewal
12. All booking and dispatch staff must have the right to work in the UK and evidence a check has been made
13. Employees must be required (as part of an employment contract) to inform the operator of any new convictions within 7 days of convictions/cautions/warnings/reprimands/arrests/current investigations/pending criminal and civil proceedings

Record Keeping - Journeys

14. A record must be kept of each journey, the record should show:-
 - a. Passenger name
 - b. The time of the request
 - c. Pick up point
 - d. Destination
 - e. Driver's name
 - f. Driver's licence number
 - g. Vehicle registration
 - h. Name of person making the booking

- i. Name of person dispatching the vehicle
 - j. Sub-contractor if used
 - k. When was customer informed that a sub-contractor will be used
15. Records should be kept for a minimum of 6 months and securely disposed in line with current data protection legislation

Record Keeping

16. Records for each driver and each vehicle to show that they have the required valid licence in place, monthly compliance checks to ensure valid, MOT/Road Tax/Insurance
- a. Failure to ensure that appropriate checks are carried out may call into question the operator's fitness and proprietary
 - b. Failure to take appropriate action in relation to a breach of licence conditions or operator processes may call into question the operator's fitness and proprietary
17. Staff training records to include;
- a. Data protection
 - b. Emergency procedures
 - c. Break down procedures
 - d. Operators tariff
 - e. Pick up and drop off procedures
 - f. Customer complaints
 - g. Lost property
 - h. Young and vulnerable customers
 - i. equalities
18. Sub-contracting records;
- a. When was the customer informed
 - b. Price
 - c. If using Taxi make sure the fare does not exceed the metered fare if starting and ending in the borough
 - d. Similar standards as those expected of Surrey Heath PHO
19. If the operator is outsourcing booking and dispatch functions, comparable protections must be applied to the company to which the work has been outsourced. A similar policy regarding DBS checks and reporting convictions/cautions/warnings/reprimands/arrests/current investigations/pending criminal and civil proceedings.
20. Complaint recording and procedure to resolve
21. Report key events within 48 hours (events that may affect the safety of the public) including suspension/revocation by another Licensing Authority

Policies & Procedures

22. The operator must have a policy when employing ex-offenders and provide the policy to the local authority
23. If a drivers employment is terminated operator must notify Licensing Team with full disclosure in writing within 48 hours
24. Data protection procedure

25. Driver risk assessment – to prevent drivers from working long hours
26. Driver welfare policy