

Licensing Committee



4 December 2024

Title	Setting of Fees & Charges for the licensing of Hackney Carriages, Private Hire, and Private Hire Operators 2025-2026
Purpose of the report	To make a decision
Report Author	Lucy Catlyn, Principal Licensing Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	NA
Corporate Priority	Resilience, Service Delivery
Recommendations	<p>Committee is asked to: Consider the proposed fees and trade representations, and either: -</p> <ul style="list-style-type: none"> a) Confirm agreement with the proposed taxi and private hire fees and charges set out at Appendix B; or b) Agree amended fees following consideration of consultation feedback, as provided within the report and Appendix C.
Reason for Recommendation	In accordance with the Constitution, Committee is asked to approve the Licensing Fees for Taxi and Private Hire Licensing.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • The Council has a duty to consult with the public when they intend to amend their fees and charges in respect of taxi and private hire licensing. • The Council has received two responses to its consultation on the variations proposed changes to of taxi and private hire licensing fees for 2025/2026. 	<ol style="list-style-type: none"> 1. Government policy guidance recommends that licence fees are based on full cost recovery, thereby ensuring that taxpayers are not subsidising licensed trades. 2. The Act specifies that the costs related to issue and administration of licences can be recovered in driver's licence fees.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • The Committee must therefore consider the objections. 	<ul style="list-style-type: none"> • Committee to consider the objections and make a decision on the fees.

<ul style="list-style-type: none"> • Committee must decide upon the fees, and set a date on which the fees shall come into force, with or without modifications 	
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- 1.1 This report seeks to inform the Licensing Committee of the consultation responses to the proposed fees for 2025/26 following trade consultation.
- 1.2 Section 53 of the Act specifies that the costs related to the issue and administration of licences can be recovered in driver’s licence fees in respect of vehicle and operator licences. In accordance with Section 70 (3) of the Local Government (Miscellaneous Provisions) Act 1976, the Council is required to undertake a statutory 28-day consultation when variations to operators and vehicle licence fees are proposed.
- 1.3 The proposed fees were considered by the Licensing Committee and were approved for consultation purposes at a meeting on the 1 October 2024. These fees have been set out, based on estimated officer time, and including permitted costs. The current fees are attached at **Appendix A** and the proposed fees for 2025-2026 are attached at **Appendix B**.
- 1.4 An advert was published in the Surrey Advertiser on 11 October 2024 to notify the public of the new proposed fees. The advert was also advertised at the Council Offices, and on the Council’s website. Further, all licence holders were contacted by email on 11 October 2024 to seek their views on the proposed hackney carriage and private hire licence fees.
- 1.5 The last day for comments on the consultation was 22 November 2024.

2. Key issues

- 2.1 The Council received two objections from licence holders for consideration by the Committee. These are attached at **Appendix B**. No comments or objections were received from the public.
- 2.2 A summary of the objections received is set out below: -

	The responder states: -	Objection from responder number	
		1	2
A	Licensing Fees have been increasing year after year whilst ‘cab fares’ have remained stagnant. The current minimum charge is £3.70 and Uber’s is £7.00. It is evident that low cab fares and increasing fees benefit the Council and neglect drivers.	X	
B	Recovering the cost of services by increasing licensing fees is essentially the council proposing that these costs should be covered by taxi drivers, which is very difficult to resonate with	X	

	The responder states: -	Objection from responder number	
		1	2
C	I can't understand how you can warrant or justify some increases as high as 10% especially for Driver Private Hire renewal. As being a renewal this surely takes less work as its a completion of a renewal form and if all in order it is then signed and a badge can be issued? It appears to me that once again operators who actually employ there staff and run there own fleet of vehicles are being penalised and having to keep on finding additional monies to fund individuals.		X
D	Can I also ask why your DBS costs are much higher than Surrey's and also 5x more than an enhanced DBS which I also get via the FA ?		X
E	We are a specialist disabled transport company and pay for all licencing costs for all of our vehicles and employees, but its coming to a point where all these increases and additional red tape being put in front of us is becoming non sustainable.		X
F	When we had lockdown due to covid we still had to renew all of our vehicle and driver licences even though you knew we weren't able to trade..... All you did was give the option to defer the renewals but then stated that you wouldn't guarantee being able to issue the licences for when our contracts went live again. Therefore leaving us no option but having to renew all licences with no monies coming in. You did mention that there would possibly be a licencing grant which maybe be available but again nothing was approved and was just lip service.		X

Licensing responses to objections submitted: -

- 2.3 The Licensing Committee should note that there is no formal recognised trade association in the Borough.
- 2.4 The responses in the main relate to an increase in fees which is making it difficult for the trade financially and the taxi fare tariff not being reviewed.
- 2.5 Driver response line in table above (A and B): Request for a fare chart review - the Local Government (Miscellaneous Provisions) Act 1976 permits the Council to fix the fares charged by the trade =
- (a) It was the Council's intention to review the hackney carriage fare tariffs in financial year 2023/2024. Unfortunately this was not possible due to staffing issues.
 - (b) The Licensing team have had issues with staff absence due to long-term illness and two vacant posts. The vacant posts were advertised twice unsuccessfully. The two vacant posts were fulfilled this year in the last few months.
 - (c) This will now be brought to the Licensing Committee and public/trade consultation during the spring of 2025.
- 2.6 Driver response line in table above (C): I can't understand how you can warrant or justify some increases as high as 10% especially for Driver Private Hire renewal. As being a renewal this surely takes less work as its a completion of a renewal form and if all in order it is then signed and a badge can be issued? =

- (a) The current fee for a private hire renewal driver badge for 1 year is £204 and a 3 year renewal is £431. It is proposed to increase these to £236 and £457 respectively.
- On renewal all licensing checks must be carried out to ensure a driver is fit and proper. All of these checks would need to be done to ensure fitness and propriety, it is not a case of a form being completed and then signed and a badge issued as suggested. The Fees have been calculated to ensure full cost recovery.
- 2.7 Driver response line in table above (D): Can I also ask why your DBS costs are much higher than Surrey's and also 5x more than an enhanced DBS which I also get via the FA ? =
- (a) Currently DBS checks are submitted through the Surrey County Council portal and the charge for this is from 04 April 2024 is Enhanced DBS Disclosure - £50.60 (This includes £38 DBS Fee and £10.50 Administration Charge + VAT). This is the cost to the Council. Since this the Council has received communication it is increasing, however as fees and charges have been advertised we will need to ensure the cost does not go above £48.50.
- (b) It is not clear what is meant by 'FA' in the respondents comment, however all drivers must have an enhanced DBS.
- 2.8 Driver response line in table above (E): We are a specialist disabled transport company and pay for all licencing costs for all of our vehicles and employees, but its coming to a point where all these increases and additional red tape being put in front of us is becoming non sustainable =
- (a) Wheelchair accessible vehicles receive a 50% discount currently and this has been proposed again.
- (b) The Council must ensure we operate on a full cost recovery to ensure that tax payers are not paying for the taxi licensing service.
- 2.9 Driver response line in table above (F): During COVID Spelthorne Council required drivers and vehicles licences to be renewed even though they could not work and had no money coming in. It was mentioned a licensing grant may be available but nothing was approved =
- (a) The Council would not know who was awarded a grant as this is outside of Licensing remit.
- (b) During COVID Spelthorne Borough Council took the follow actions to provide support to its drivers: -
- 15 April 2020 (16.01pm) the Licensing Team emailed all Spelthorne drivers, vehicles and operators to advise amongst other things that the Chancellor of the Exchequer made available a taxable grant worth 80 per cent of their average monthly profits over the last three years, up to the value of £2,500 a month. They were also advised that we would delay a renewal application for a period of up to 3 months.
 - 29 January 2021 (12.19pm) the Licensing Team emailed all Spelthorne drivers informing them of a discretionary financial support grant scheme that they could apply for, along with details on how to apply.
 - Throughout the covid pandemic, the Licensing Team continued to provide drivers with appointments for vehicle inspection, and licence/badge renewal.

- The Licensing Team provided support and guidance to operators and drivers on how to stay safe whilst working.
- 2.10 Objections have been made and not withdrawn. Therefore, the Committee must consider the objections and set a further date on which the fees shall come into force, with or without modifications.

3. Options analysis and proposal

- 3.1 The Committee may after consideration of the objections: -
- 3.2 **Option 1** – to agree the proposed fees noting the consultation responses and undertake to bring forward reviews of the policies expressly referred within a reasonable timeframe pursuant to meaningful consultation and carry out a full review of fees in the 2025/26 municipal year. **(This is the preferred option)**
- 3.3 **Option 2** – to agree the proposed fees with other amendments provided that such amendments are permitted by legislation.
- 3.4 **Option 3** – not to agree the proposed fees - while this is an option it is not realistic considering the legal considerations outlined in section 7 below.

4 Financial management comments

- 4.1 If the proposed percentage fee increase is not agreed, then the income from the hackney carriage and private hire regime will not cover the costs.
- 4.2 Government policy guidance recommends that licence fees are based on full cost recovery, thereby ensuring that taxpayers are not subsidising licensed trades.
- 4.3 Lower fees would mean that the Council is not recovering its costs associated with the provision of hackney carriages, private hire, and private hire operator licensing, and the budget would be in deficit. Higher fees may result in a profit, and this would be potentially unlawful.
- 4.4 Further information regarding the calculation of fees is provided in section 7 below.

5 Risk management comments

- 5.1 Fees may be challenged in the High Court (Judicial Review) or by complaint to the Local Auditor. It is therefore important that the process the Council follows is fair, open, and transparent.

6 Procurement comments

- 6.1 There are no procurement issues associated with the setting of fees and charges for the licensing of hackney carriages, private hire, and private hire operators.

7 Legal comments

- 7.1 The Council have fully reviewed the costs associated with granting, renewing, and maintaining compliance in line with legislation and case law.
- 7.2 Section 53 of the Act specifies that the costs related to the issue and administration of licences can be recovered in driver's licence fees in respect of vehicle and operator licences.

- 7.3 Section 70 specifies that the reasonable cost of inspecting vehicles, the reasonable cost of providing hackney carriage stands and any reasonable administrative 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.
- 7.4 The legislation does not require Councils to make precise calculations to arrive at an income which exactly meets the costs. However, Councils are required, to take a reasonable and proportionate approach and should aim to set a fee level that is sufficient to cover the cost but not make a surplus.
- 7.5 Taxi fees are required by law to be cost neutral thereby reducing the risk of local taxpayers subsidising businesses, and thus ensuring that businesses do not pay more than they should.
- 7.6 The fixing of fees proposed in the attached fee schedules at Appendix B for is a function of the Licensing Committee as laid out in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.
- 7.7 Fees for vehicle and operators' licences – the Local Government (Miscellaneous Provisions) Act 1976 Section 70(5) states: “if objection is duly made as aforesaid and is not withdrawn, the district council shall set a further date, not later than two months after the first specified date, on which the variation shall come into force with or without modification as decided by the district council after consideration of the objections”.
- Objections have been made and not withdrawn. Therefore, the Committee must consider the objections and set a further date on which the fees shall come into force, with or without modifications.
- 7.8 Spelthorne's Legal Team has been consulted and involved in the drafting of this report.

8 Other considerations

- 8.1 There are none.

9 Equality and Diversity

- 9.1 An equality impact assessment has been carried out. No significant impacts were identified through the assessment.

10 Sustainability/Climate Change Implications

- 10.1 Taxi and Private Hire vehicles help reduce the need for private ownership of cars. They also play a pivotal role in transporting children to/from school and supporting the night-time economy. They can also help reduce emissions to the atmosphere.

11 Timetable for implementation

- 11.1 The fees will take effect on the 1 April 2025.

12 Contact

- 12.1 Lucy Catlyn, Principal Licensing Officer, l.catlyn@spelthorne.gov.uk or licensing@spelthorne.gov.uk

Background papers: There are none.

Appendices:

- **Appendix A** – Current fees
- **Appendix B** – Proposed Fees
- **Appendix C** –Objections