

Name of Committee:	Licensing Committee		
Committee Date:	16 January 2024		
Report Title:	Review of Hackney Carriage and Private Hire Licensing Fees		
Responsible Officer:	Alex Robinson – Executive Head of Place		
Cabinet Lead:	Councillor Elizabeth Lloyd		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	Appendix A: Proposed Hackney Carriage and Private Hire Licensing Fees 2024-25 Appendix B: Pricing Model Appendix C: Draft notice of proposed fees Appendix D: Projected income 2024-25		
Background Papers:			
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Report Number:	HBC/066/2024		

Corporate Priorities:

Pride in Place: Regular review of the taxi and private hire licensing fees ensures an efficient licensing service and maintenance of the taxi and private hire services in the Borough.

Growth (Internal): Recovering costs enables the Council to deliver consistently excellent customer service, improve and streamline its processes and focus on projects that will benefit its customers.

A robust budget setting process, including setting fees and charges, is required to deliver the Council's Corporate Priorities.

Executive Summary:

This report outlines the proposed fees for hackney carriage (taxi) and private hire licensing for the financial year 2024-25.

Recommendations:

Members are requested to:

- a) Approve the proposed fees as outlined in Appendix A for public consultation.

- b) Authorise the placing of the necessary statutory advertisement.
- c) If no representations are received in response to the public consultation, recommend the new fees for adoption by Full Council and implementation for the financial year commencing 1 April 2024.

1.0 Introduction

- 1.1 This report outlines the proposed fees for hackney carriage (taxi) and private hire licensing for the financial year 2024-25.
- 1.2 The proposed fees are based on a pricing model, shown at Appendix B, which takes into consideration the true cost of providing the taxi and private hire licensing service. The model considers staffing costs, corporate overheads, cost of materials and printing, although this is not an exhaustive list.

2.0 Background

- 2.1 The fees for taxi and private hire licensing were last reviewed in January 2020, for the financial year 2020-21. It was recommended by Members that a further review was undertaken in October 2020; however, this did not take place due to pressures on the Council to deliver essential services during the coronavirus pandemic.
- 2.2 The Licensing Team has been undertaking a comprehensive review of all its services since January 2023, which includes this fee review.
- 2.3 The Council may only recover certain costs incurred in the carrying out of licensing functions as detailed in sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1972. The proposed fees, shown in Appendix A, seek to fully recover all relevant costs to the Council.
- 2.4 The methodology used to calculate the proposed fees can be found at Appendix B. This transparent and robust process demonstrates that the proposed hackney carriage and private hire licensing fees are cost neutral.
- 2.5 Since the last review of fees, the Licensing Team has implemented the recommendations of the Department for Transport in relation to taxi and private hire drivers, vehicles and operators by means of a

comprehensive policy review. This has resulted in significant changes to the processes undertaken to determine applications for these licences, and this has been factored into the costs shown at Appendix B. Wherever possible, processes have been streamlined to ensure efficiency and therefore minimal cost borne by applicants and licensees.

3.0 Options

- 3.1 Taxi and private hire licensing is a statutory obligation for licensing authorities. The proposed fees have been calculated in line with the requirements of the relevant legislation. Where the current fees are to be varied, public consultation for the proposed fees for vehicles and operators is legally required.
- 3.2 There are three options available:
 1. Approve the fees and charges as set out in Appendix A for consultation and if no representations are received, adoption; or
 2. Approved a modified set of fees for consultation and if no representations are received, adoption; or
 3. Freeze the fees and charges.
- 3.3 Officers consider that the fees and charges set out in Option 1 are correct and justifiable and we recommend them, as these charges recover the costs the Council incurs and can legally recover for administering and issuing licences. Freezing the fees and charges would not allow the Council to recover all the costs the Council incurs and can legally recover for administering and issuing licences

4.0 Relationship to the Corporate Strategy

- 4.1 Pride in Place: Reviewing the taxi and private hire licensing fees regularly allows the service to run efficiently and cost-effectively, ensuring that the Council supports and maintains the taxi and private hire services in the Borough for the benefit of its residents and visitors.
- 4.2 Growth (Internal): Ensuring that the Licensing service is cost neutral enables the Council to deliver consistently excellent customer service,

improve and streamline its processes and focus on projects that will benefit its customers.

- 4.3 A robust budget setting process, including setting fees and charges, is required to deliver the Council's Corporate Priorities.

5.0 Conclusion

- 5.1 This report comprises a comprehensive review into the cost of running the taxi and private hire licensing service, and using the pricing model shown at Appendix B seeks to fully recover these costs.

6.0 Implications and Comments

6.1 S151 Comments

- a) Members should take comfort that the proposed charging scheme has been carefully calculated to ensure the Council complies with all relevant legislation and meets the Council's requirements. Being able to demonstrate and justify the fee rate is the key priority to consider in approving these recommendations. The net financial impact is likely to see an increased annual income of ~£30k, based on current assumptions of application volumes, equivalent to an uplift of 17.5%.
- Steven Pink, S151 Officer

6.2 Financial Implications

- a) The Council may recover certain costs incurred in carrying out the licensing functions, as specified in sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976.
- b) The setting of fees for taxi and private hire licensing is not a means for generating income for the Council, and case law states that the income from such fees should be 'ring fenced' to the relevant licensing function.
- c) Appendix D outlines the effect on projected income for the financial year 2024-25, should the proposed fees be adopted. It must be noted that income from driver and operator licences will

significantly vary from year to year, as the licences are issued for a term of three and five years respectively. Should the proposed fees be adopted, the Council would see an additional income of £30,696 in 2024-25.

- d) There is a requirement for a statutory notice to be published in a local newspaper as part of the consultation process for any proposed vehicle and operator fees. The cost of this notice will be approximately £120 + VAT, which will be recovered as part of the fee calculations (shown in Appendix B).

6.3 Monitoring Officer Comments

a) The Council has carried out a robust and transparent exercise to ensure that the proposed fees and charges allow the Council to recover all the costs the Council incurs and can legally recover for administering and issuing licences. The setting of licensing fees is a non-executive function and therefore any fees proposed must be approved by Full Council. The proposed fees and charges, will form part of the Council's robust budget setting process, which is required to deliver the Council's Corporate Priorities. Dependant upon the outcome of the consultation process, the fees and charges shall be recommended for approval at the Budget Council in February.

- Jo McIntosh, Monitoring Officer

6.4 Legal Implications

- a) Section 53 of the Local Government (Miscellaneous Provisions) Act 1976 permits the Council to 'demand and recover' a reasonable fee for the grant of a hackney carriage and/or private hire driver's licence, 'with a view to covering the costs of issue and administration.'
- b) Section 70 of the Act permits the Council to charge such fees for the grant of a vehicle and operators' licences, as may be sufficient in aggregate to cover in whole or in part the following:

- (i) 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;
 - (ii) the reasonable cost of providing hackney carriage stands; and
 - (iii) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.
- c) Section 70 of the Act sets a maximum fee of £25 for vehicle and operators' licences. If the Council determined that the maximum fees should be varied, it shall publish a notice setting out the proposed fees in at least one local newspaper, giving 28 days from the date of publication for objections.
- d) Where objections are made and not withdrawn, the Council shall set a further date (not later than two months after the period for objections ended) on which the proposed fees shall come into force, with or without amendments as decided by the Licensing Committee after consideration of objections.
- e) The setting of licensing fees is a non-executive function and therefore any fees proposed must be approved by Full Council.

6.5 Equality and Diversity

- a) There are no equality and diversity implications arising as a result of this report. Application fees are set through a transparent, cost-based process with no favour towards, or discrimination against, any protected characteristic(s) of an applicant.

6.6 Human Resources

- a) There are no human resources implications arising as a result of this report. The consultation process for the proposed fees will be managed within the Licensing Team's current resources and no additional recruitment is required.

6.7 Information Governance

- a) There are no information governance implications arising as a result of this report. The Council's fees and charges are published on the website, once agreed, as a matter of public record.

6.8 Climate and Environment

- a) There are no climate or environment implications arising as a result of this report. Neither climate nor environment matters are considered as part of the fee setting process as the fees must relate only to the costs that they seek to recover.

7.0 Risks

- 7.1 The Council's fee setting process could be challenged by way of a Judicial Review. However, as the process is both transparent and consistent with the requirements of the relevant legislation, a successful challenge is unlikely.
- 7.2 Failure to review the fees regularly (it is recommended to review annually) may result in the Council not accurately recovering the costs associated with the relevant licensing functions.

8.0 Consultation

- 8.1 The proposed fees for vehicle and operators' licences will be subject to a 28 day public consultation period, as outlined in section 6.4 of this report.
- 8.2 Where objections are received during the consultation period, the Licensing Committee will consider these objections and make any

necessary amendments to the proposed fees before recommending the proposed fees for adoption by Full Council.

- 8.3 Where no objections are received during the consultation period, the Licensing Committee will recommend the proposed fees for adoption by Full Council.

9.0 Communications

- 9.1 In addition to the requirement to place a statutory notice in a local newspaper as part of the public consultation, all licensed taxi and private hire drivers, vehicle proprietors and operators will be written to, notifying them of the proposed fees and the option to submit objections.
- 9.2 A copy of the statutory notice will also be published on the Council's Licensing webpages with assistance from the Public Relations Team.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Elizabeth Lloyd	08/01/2024
Executive Head:	Alex Robinson	28/12/2023
Monitoring Officer:	Jo McIntosh	29/12/2023
Section151 Officer:	Steven Pink	27/12/2023