



Minutes of the meeting of the **General Licensing Committee** held in Committee Rooms, East Pallant House on Wednesday 28 February 2024 at 9.30 am

Members Present: Mr I Ballantyne (Chairman), Mr B Brisbane, Mx R Chant (Vice-Chairman), Mr T O'Kelly, Mr H Potter and Ms V Weller

Members not present: Mr G Evans and Mr T Johnson

In attendance by invitation:

Officers present: A Alempour (Democratic Services Officer), Mr N Bennett (Divisional Manager for Democratic Services), Mrs A Courtney (Licensing Technician), Miss M de Silva Puttick (Democratic Services Officer), Mr L Foord (Divisional Manager for Communications, Licensing & Events), Mr D Knowles-Ley (Licensing Manager) and Ms G Di Lauro (Litigation and Licensing Lawyer)

73 **Chairman's Announcements**

Apologies were received from Cllr Evans and Cllr Johnson.

74 **Minutes**

The minutes from the General Licensing Committee held Wednesday 12 October 2022 were approved as a correct record.

75 **Urgent Items**

There were no Urgent Items.

76 **Declarations of Interests**

There were no declarations of interest.

77 **Public Question Time**

Mrs Bellingham read out the following question on behalf of Starline Sussex:

As we have not received a response to the questions asked in our email detailing why we objected to the 37% increase (TFR8 refers) we ask again why you have not increased fees since 2016 and do you not think it would have been good practice and more manageable for operators/drivers and indeed the District Council to

ensure the service paid for itself to pay a small increase each year rather than being hit with a huge 37% increase, which will inevitably have to be passed onto customers, during a recession and cost of living crisis and is a 37% increase going to be reflected in Hackney tariffs?

Cllr Ballantyne read out the following response:

The questions referred to are contained within the written objection response from Starline Sussex Limited to the recent public consultation exercise concerning the proposal to increase the fees and charges associated with hackney carriage and private hire licensing matters. The objection response is contained in full within today's published papers at pages 37 and 38. All members of the General Licensing Committee have therefore had sight of this and indeed all other objections. It is entirely and solely a matter for the General Licensing Committee to give due consideration to matters raised in all objections received, and to ultimately determine whether an increase in fees and charges in respect of hackney carriage and private hire licensing is now appropriate.

With respect to whether the local hackney carriage tariff will increase, the setting of the tariff is a matter for the Council to determine following public consultation. An extensive public consultation exercise was undertaken during 2022 with a proposed increase in the tariff being agreed in principle by the General Licensing Committee on the 12 October 2022. No objections to the proposed increase in tariff were received and consequently a revised tariff came into effect on 4 November 2022. There has been no request from those involved in the hackney carriage trade to seek a further increase to the tariff.

Mrs Bellingham asked the following supplementary question:

As it is good practise to increase prices incrementally, why has there been no increase since 2016?

Mr Knowles-Ley stated that inflation has gone up 20.8% in the last three years, and that to increases fees every year since the Covid pandemic but have had a negative impact on the trade.

Cllr Ballantyne read out the following public question:

If charges do go up in some cases by 37% will some of this substantial increase in revenue be used to bring down new driver application processing times to a more realistic time scale?

Cllr Ballantyne then read out the following response:

Any increase to hackney carriage and private hire licensing fees and charges is solely to ensure that the costs incurred by the Council in carrying out its various statutory functions are fully covered by income generated by the associated application fees and charges. However, with respect to driver processing application times, prior to the end of 2023 there were a number of new driver applications to be processed, some of which had been received up to around 3 months earlier. However, I can confirm that presently the Council has 24 new driver

applications to process, of which 21 are incomplete or awaiting further information to be provided, and 3 are yet to be reviewed, the oldest of which was received on the 12 February 2024. The Council continues to provide Knowledge Test sessions on two occasions each month, providing a total of 24 new test spaces. In addition, those seeking to re-sit the test are, where possible, being accommodated within these programmed test sessions. At the last test session held on 22 February 2024, only 9 out of 12 new candidates presented for a test, but 16 actually sat a test with 7 passing.

78 Proposed fees and charges for Hackney Carriage and Private Hire Licensing

Mr Knowles-Ley presented his report:

Under the Local Government (Miscellaneous Provisions) Act 1976, it is expected that the costs incurred by a Council in conducting its hackney carriage and private hire licensing functions are fully covered by income from application fees and charges.

It is recognised in law that general anticipated calculations and costs can provide a helpful picture, and that Councils are not required to pin-point the financial position with precision year on year. Adjustments do not have to be precise, a general calculation which is broadly correct is considered satisfactory, but a cost neutral position needs to be attained, if not immediately then over a brief period.

On 1st October 2015, Section 10 of the Deregulation Act 2015 came into effect. It required all Councils to commence providing 3-year driver's licences and 5-year operator's licence. Previously these licences could only be granted for one year. To calculate an appropriate fee for these new requirements a thorough review of the licensing processes in place at that time was conducted which included considering the cost of providing the service. A revised set of fees/charges were identified, subsequently consulted upon with various stakeholders, and adopted by the Council in 2016. These revised fees and charges took effect on the 1st May 2016 and have since remained unchanged, a period of nearly 8 years.

Since adopting these fees and charges, the Council has sought continually to make its licensing processes as efficient as possible. This is to keep the cost to licence holders to an absolute minimum, whilst always maintaining a central and important focus on ensuring public safety. The Council have in the last 8 years repeatedly absorbed, without increasing fees and charges, both locally adopted and national requirements. Such requirements include making sure that an applicant or licence holder has:

- (i) a legal right to work in the UK.
- (ii) is registered for tax purposes with HMRC or, in the case of a new applicant, understands their tax responsibilities.
- (iii) is not listed on the National Register of Refusals and Revocations.
- (iv) has not been convicted of any criminal offence in the previous 6 months; and finally

(v) has completed mandatory safeguarding training.

All these checks are necessary and focussed on promoting public safety and protecting the travelling public when using a licensed vehicle and driver.

Like all other organisations and businesses, the Council is not immune to inflation when providing goods and services, and this has been felt, particularly in the last few years. The rate of inflation published by the Office of National Statistics for 2022-2023 was 4%, in 2023-2024 10.10% and 6.70% for 2024-2025. Such unusual high rates of inflation have resulted in the cost to the Council of providing the hackney carriage and private hire licensing service significantly increasing in a noticeably brief period.

Having undertaken a thorough review of expenditure and income with the assistance of the Council's Accountancy Team, it was confirmed that in recent years income from fees and charges has not been covering the full cost of providing the service. It is therefore now necessary and indeed appropriate, for the associated fees and charges to be increased to reflect the true costs of providing the service and to ensure that the service user principle is met.

At Appendix 2 of today's papers, is a breakdown of the costs to deliver and income generated in relation to hackney carriage and private hire licensing since the 2015-2016 fiscal year. The table breaks the income down into three budgets: vehicles, drivers and operators. In the last three fiscal years an overall deficit has arisen in each year and, at the end of Q3 for the current fiscal year, the budget monitoring suggests a further deficit position will arise.

At Appendix 1 are the suggested proposed fees and charges which, if approved, would take effect from 1st April 2024. To calculate these, those agreed in 2016 have been revisited and increased by the Council's inflationary policy for each fiscal year since. The Council has not sought to previously implement these due to the unprecedented national incidents that have occurred and impacted on those working in this sector including the COVID-19 pandemic and fuel crisis. During these incidents, the Council had an ardent desire to support businesses whilst they navigated and financially recovered from them.

Prior to revising the fees and charges for vehicle and operator licences, the Council was legally required to advertise its intention to do so for a period of 28 days. During this period objections could be made. A statutory notice was duly displayed at the Council offices between 11th January 2024 and the end of 7th February 2024, and a copy of the same notice published in the Chichester Observer on 11th January 2024.

In addition, and as part of the consultation process, all holders of an existing hackney carriage and/or private hire licence were written to advising them of the proposed increases to fees and charges. A total of 618 emails and three letters were sent. Twelve written responses were received, which equates to a 1.93% response rate, although one response was from the same respondent. Included at Appendix 3 are full copies of all responses. All responses were recorded on a 'Register and

Summary of Responses' document which is included in today's papers at Appendix 4.

If the proposed revised fees and charges are adopted, that the impact with respect to vehicle licences would take effect on all new and existing licence holders within the next year as this mirrors the period they can only be licensed for. However, with respect to driver's and operator's licences, there may be a considerable period, in some cases just under 3 or 5 years, before existing licence holders are impacted by any increase again reflecting the period of existing issued licenses.

The Chair opened the discussion.

Councillors expressed their concerns over the timings of the price increase, and the effect that a 37% price hike could have on the livelihoods of those in the trade. Members also expressed their concerns regarding the fact that they themselves had not been made aware of the consultation.

There was a wide debate around the impact of the potential increase upon the trade, some members drew upon their own experience and as to the impact upon the wider Council budgetary position of any change in fees.

Mr Knowles-Ley explained that the phrase 'no effect' used in the consultation referred to responses that do not raise in their representations a statutory issue in relation to costs. He explained that during the difficult financial hardship incurred by events of the last few years, the Council had wished to not implement further costs on an already struggling trade, and as per Cabinet's recommendations, the Council could start to implement fee increases as per inflation. He also explained that the fee increases will not affect current applicants and will come into effect from 1 April 2024. He explained further that there were no responses to the consultation from hackney carriage proprietors. He stated that vehicles are only expected to have biannual MOTs once they are at least three years old, as lots of vehicles are covering exceptionally high mileage. He emphasised that the purpose of the MOT was to ensure safety of passengers.

Cllr O'Kelly suggested a price increase of 37% over the next two years.

Cllr Potter suggested a price increase of 20% per annum over the next five years.

Mr Bennett suggested that it is important to hear multifaceted advice and consider all angles from officers before presenting a motion for debate.

The councillors retired to the Members' Room at 10.29am to draft a motion and returned to the committee at 10.53am. Cllr O'Kelly left the meeting at 10.32am.

Ms Di Lauro stated that while she was present while members proposed their motion, she did not need to offer any legal advice and did not express any opinions. She read the following motion as proposed by the committee:

'A 37% increase over two years, namely 18.5% increase from 1 April 2024 and a further 18.5% increase from 1 April 2025 with a yearly review by the General

Licensing Committee and Cabinet. The first review will take place at the next General Licensing Committee meeting in March 2025.'

Mr Knowles-Ley reiterated that income to 2020 was satisfactory and that post-2020 the efforts that the Council made to support the trade by holding fees are no longer adequate to also achieve statutory financial responsibilities set out in the report. The Council needs to operate at a cost-neutral position and if inflation fluctuates either side of 18.5% then the Council could end up operating at a deficit.

Mr Foord confirmed his view that to increase by 18.5% on 1 April 2024 will result in a deficit and that a review in 2025 would determine whether another increase in 18.5% would be appropriate. He also advised that it is important to acknowledge the costs involved in running an efficient licensing team.

The proposed motion was voted on and passed unanimously.

79 Consideration of any late items as follows:

There were no Late Items.

80 Exclusion of the press and public

There were no Part 2 Items.

The meeting ended at 11.04 am

CHAIRMAN

Date: