

Appendix 2

Representations – Hackney Carriage and Private Hire Fee Rise – Gedling Borough Council

7th May 2025

1. Firstly, it is essential to note a reality, that licencing fees are set by Gedling Borough Council based on whether or not a licencing account is in a **deficit** or a **surplus**, and that the fee rise or reduction, is based on the amount of that deficit or surplus, without knowing the actual value of either, a fee cannot be set accurately.

Response – That is correct, Licence fees are set based on the overall surplus/deficit position of each individual Licencing memorandum account. Any surpluses/deficits are carried forward and each licence type cannot make a cumulative surplus over a 3-year period or cross subsidise other licences. Smoothing over a period of 3 years is regarded as best practice as it adjusts for any difference between the assumed year-end position and the actual position.

2. On 15 April 2025, the Environment and Licencing Committee approved a rise in fees for **Hackney Carriage and Private Hire Vehicle Licences**, for a specific increase of **17%**, considerably higher than inflation and considerably higher than other licencing authorities in the Nottinghamshire area.

Response – Whilst a 17% rise does appear high, it must be remembered that as per point 1 above Licence fees are set based on the surplus/deficit position of the licence. With Vehicle licences being in an overall deficit position, the fee is therefore proposed to be increased to recover part of that deficit. To recover the full amount of deficit would result in a much higher increased which was not deemed fair and equitable.

A further point is that the proposed increase on vehicle licences of 17% from £200 to £234 is that the fee of £234 is lower than it was in 2022/23. The fees haven't continually risen in that time, they have also decreased. The below table shows how the fee has changed over this period. The reduction in fee from £252 to £200 in 2024/25 was a result of the vehicle licences projected to be in a surplus at that time. Setting Licence fees is not straightforward as it depends on the anticipated number of licences to be issued in year and we have to determine as best we can the impact that has on fixed costs.

		2022/23	2023/24	2024/25	2025/26 (Proposed)
Vehicle	Hackney Carriage and Private Hire Vehicle licence fee (six months) including inspection fee	247.00	252.00	200.00	234.00

3. The committee also approved a rise in fees for **Hackney Carriage and Private Hire Driver Licences**, for 5%, which is slightly above inflation and therefore no great cause for concern. In my view, even if there are errors within the accounting process that need to be rectified, simply increasing the fees by such an amount, would be appropriate, as an interim measure. There was no increase approved for operator licences.

Response – The 5% rise in Hackney Carriage and Private Hire Driver Licences was deemed to be fair based upon the current deficit position.

4. As part of an investigation into the **General Licencing Accounts** at Gedling Borough Council, which do not include hackney carriage and private hire, I have discovered that Gedling Borough Council appear to have been **grouping all Legal Services Licencing Charges together**, within both general, hackney carriage and private hire and then **estimating the service charges** within Hackney Carriage/Private Hire and General Licencing, therefore creating documented deficit positions which, if I have interpreted her words correctly, cannot be evidenced effectively as accurate. They appear to have also then been looking to concentrate on recouping fees where there is a more probable chance of reducing deficits. This appears to be evidenced by the document from your **Section 151 Officer**, which I have included at **Annex A** of these representations, I have highlighted the relevant part in **RED**. Of course, as usual this is open to correction.

Response – Legal Services charges have only been grouped within the IKEN case management system which Legal Services use to record their time against matters. **They have not been grouped together within the Licencing accounts**; they have been split out before being charged. The Hackney Carriage/Private Hire accounts haven't actually incurred any Legal Services charges since 2021/22, which was a charge of £13,473. A budgeted charge is projected in the 2025/26 accounts of £10,800 which is a fair estimate of the hours to be **spent solely on Hackney Carriages/Private Hire**.

5. As you are aware, General Licencing Accounts must be separate from Hackney Carriage and Private Hire, and the latter must be separated into three accounts, which are driver, vehicle and operator licences, in order to comply with the law, any other kind of grouping, is unlawful.

Response – The General Licencing accounts are separate from the Hackney Carriage and Private Hire accounts.

6. Your **Section 151 Officer** has appeared to admit clearly and with integrity, that Gedling Borough Council has not been doing this, and that they will however be doing it moving forwards. This would appear to render the fee increase decision of 15 April 2025 incorrect and open to serious scrutiny at the very minimum, and therefore I ask you do the following as a matter of importance:

- Approve a fee rise of 5% in the driver licence category for 2025/2026, which has been recommended by your officers.
- Approve a fee rise of 5% in the vehicle licence category for 2025/2026, which is less than the recommendation by your officers, but in line with the above category and reasonable as an interim measure, considering the recommendation below.
- Instruct your **Section 151 Officer** to carry out a full review of the Legal Services Charges over the last six financial years, within the Hackney Carriage and Private Hire Licencing Accounts, so that an accurate deficit or surplus picture is established, then fees can be set accurately in 2026/2027.

Response – That is not correct as stated above it is only in the IKEN case management system where hours were combined. We will be adding more categorisation within the IKEN Legal Services case management system going forward for overall clarity. This will result in Finance not needing to split them out prior to charging.

As stated in the response to point 2 above, the 17% increase is justified and is a lower fee than what was set in 2022/23. This still results in the vehicle licences being in a deficit position, so we believe this is a fair and equitable increase from the 2024/25 fee.

7. Of course it is up to you as to how you choose to act, the evidence appears to be clear and unequivocal. Now, *con permiso* councillors, the hall is rented, the orchestra are engaged, it's now time to see if you can do the right thing and dance....

Kind regards,

[Redacted signature]

[Redacted name]