



## Preparing for the other side

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# IoL Regions

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# Foreword



Words by  
Daniel Davies

2020 has been a terrible year on many levels for businesses and individuals faced with ever changing restrictions and no clear end in sight. As we enter the new 'strengthened tier' restrictions, reports anticipate that many hospitality sites will fail, and we have seen this already with large operator companies axing jobs, others going into administration and sites closing down.

Following announcements of the new tier system, UKHospitality confirmed that if the restrictions last throughout December, it will wipe out an estimated £7.8 billion worth of trading compared to 2019. Bearing in mind that only Cornwall, the Isles of Scilly and Isle of Wight have initially fallen into tier 1, this leaves a massive 98% of hospitality trading under tier 2 and 3 restrictions.

Industry organisations are challenging the Government to justify the restrictions and there is a definite feeling within the hospitality industry that the sector is being targeted unnecessarily and with insufficient evidence.

There is a long road ahead for all of us, and it is more important than ever that communication, collaboration and partnership are at the forefront of our response to the challenges.

On a positive note, it was an absolute pleasure to see so many of you at the National Training Conference webinars in November. A packed programme was provided encompassing 5 full days of webinar discussions from expert speakers looking at all areas of licensing. The discussions were intense, informative and enlightening, and there were several themes across the days – a desire for more unity and consistency across the UK, and a recognition that licensing laws could usefully be more flexible to maximise the ability of Government and regulators to respond more readily to changes posed by the pandemic.

Clare Eames and John Cathcart discussed 'preparing for the other side' and have helpfully followed up with the article featured in this edition of LINK. The article suggests that the pandemic has paved the way for a return to the basic principles of the Licensing Act 2003 (it has now been in force 15 years) with a more permissive approach to licensing, relying on the review process to address any issues arising.

Also in this edition, Brigid Simmonds provides us with an insight into the betting and gaming industry, paying tribute to the hard work and support shown by regulators, while pointing out the key differences which the Betting and Gaming Council consider sets the industry apart from other hospitality and leisure sectors, and warrants a different approach.

Finally, and moving away for the moment from COVID, we hear from Mike Smith at Guildford Borough Council about the formula used within Guildford for setting and reviewing hackney carriage fares. There is no doubt that the hackney carriage and private hire industry are under as much pressure and hardship as the hospitality industry at the moment, with a massive slump in income but little obvious help with business overheads. In Guildford the industry know that there is a procedure, and formula for agreeing the appropriate level of fares (the maximums), giving them reassurance that the facts will determine the fares at each review.

Please enjoy this edition of LINK which will be made available online via the IoL website as well as being distributed to members in the normal way. Let the team know if you have an article suggestion or if you would like to submit an article for inclusion in the next edition - we would love to hear from you.

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# Preparing for the other side



Words by  
**Clare Eames**  
Poppleston Allen



and  
**Jim Cathcart**  
UKHospitality Policy Director

## Introduction

12 months ago, Covid 19 was not within our vocabulary - now it dominates all aspects of our lives with nobody unscathed. Whether we are in or through the second wave one thing is sure and that is that it is almost impossible to predict where we will be in 12 months' time. What is certain though, is that life will look and feel very different for the foreseeable future, both during and after the battle with this pandemic.

Most of you will be aware by now of the NEXSTART group, a collaborative group of organisations working together to provide useful information and explanatory notes in connection with new COVID regulations which have been published fast and furiously since the beginning of the first lockdown. We have been closely working together since April as part of NEXSTART, together with Ian Graham (National Police Chiefs Council, Licensing Advisory Group); John Miley (National Association of Licensing Enforcement Officers), David Lucas (Institute

of Licensing); Rebecca Johnson (LGA); Leo Charalambides (Kings Chambers and Francis Taylor Building) and Sarah Clover (Kings Chambers). It was at recent NEXSTART discussions, that Ian coined the phrase "preparing for the other side"

In many ways we do not yet know what the other side is or what it will look like, but right now we are in the middle of something that is causing a seismic shift amongst those working within hospitality.

In the licensing world changes that are most obvious and of high impact relate to the tsunami of regulations and guidance that started in March, and continues now with new or amended regulations and guidance published it seems at times on a daily basis! This is also a framework within which the Licensing Act has to be considered.

From the wider industry perspective, since the end of March, the sector has had 15 weeks of forced closure nationwide, and another 4 of severe restrictions. Vast swathes of the country including areas of the North West, North East and the Midlands have also had localised restrictions in place for

even longer than this. While the 'Eat Out to Help Out' scheme was a welcome boost in August, and staycations boosted some regions during the summer, the picture [of trading] across the country remains extremely bleak. Recent support announced by Government through the Job Support Scheme and additional grants is extremely welcome and helps to stave off mass unemployment from the sector, for the time being at least.

So, as we move hopefully through this 'second phase' of Covid we look ahead to what things could change, or perhaps need to change as we strive to reach the other side.

## The late night levy

The late night levy, introduced to allow authorities to raise revenue to offset the cost of policing of the night time economy now seems at odds with 10 o'clock curfews, businesses only being able to sell food and the thought of having a late night boogie in a nightclub is for now a pipe dream. How the late night levy will evolve is unclear, but what is for certain is that we are still in a state of flux with operators due to pay and facing suspension of Premises Licences for non-payment.

Most authorities are taking a pragmatic view to not chase for payment, but at some point this has to be sorted out. The problem is that operators do not have the funding and are not benefitting from the business operation style that the levy is intended to fund, while the local authorities and the police rely on the income. Industry bodies have recently written to the Home Office to seek resolution on levies.

## Licensing policies

Local authority licensing policies have to be reviewed every five years and the cumulative impact assessment every three. How does cumulative impact sit within the Covid framework? All the evidence for current policies seems very detached from the reality of how the towns and cities look up and down the country and a huge question in everybody's mind is, even if we come through to the other side, given that we are not going to be the same, how will these policies fit in? As a licensing libertarian I would say do away with cumulative impact and allow free market forces to enable the hospitality

trade to find their feet. The converse to that is that Local Authorities and the Police may feel that that is too simplistic and too libertarian, and too risky, but take a moment to think back to the original intentions of the Licensing Act itself, which was to allow licensed premises flexibility and to be judged on their own merits – this founding principle of the Act will be more important than ever to allow businesses to bounce back following the catastrophic impact that Covid has had.

## Conditions on licences

What Covid has shown us is the inflexibility of many premises licences that contain prescriptive licence conditions. Take door staff as one example; some door staff conditions are, appropriately and flexibly, expressed to be dealt with by risk assessment, which takes into account that a quiet Friday in January is completely different to a busy Friday in December. However, other licences have very prescriptive conditions. An example is a condition requiring premises to open with six door staff from 20:00hrs rising to 8 by midnight, until the premises close at 02:00hrs. How does that sit with the curfew? Is it really reasonable (or appropriate) to expect premises initially opening with significantly reduced capacities (and a very different operating style), with a curfew requiring closure at 22:00hrs to employ six door staff from 20:00hrs (for 2 hours)? The inflexibility of some conditions has proven challenging to say the least.

It has also come at a time when the need to change those conditions by way of licence variation application creates a further cost burden for operators that they simply could not afford and again more inflexibility with an uncertain future. This reinforces our view that flexible conditions are best, allowing operators to run their premises according to the circumstances, taking proportionate (appropriate) steps in terms of door staff etc.

Where operators fall short of promoting the licensing objectives the licence will be reviewed and the matter will then be considered on its facts with appropriate action taken by the licensing authority – this is how the Licensing Act is intended to work and it does. The alternative is prosecution for breach of conditions – in practice though the review system is the one which is used and rightly so.

## Outdoor space

The Licensing Act 2003 had a vision of a café culture. The advent of Covid and the government's response with the Business & Planning Bill has seen some ingenious use of outside space and no doubt there will be an assessment of the long-term impact of this. It has certainly demonstrated the advantages of using outside space, but has there been a negative impact, for example, with noise disturbing neighbours?

## Customer base

What about the impact of working from home? Previously common trends (after work drinks anyone?) are now sadly a thing of the past for the time being at least. What will this do to our towns and cities? Will towns see a boost from the lack of city commuters and will commuter cities see more of a weekend and occasional trade?

## What else

There are many other topics that we could talk about, for example how does the multiplier work in a post-Covid world, and what will be the knock on impact of Covid on Local Authority Licensing teams and Police Licensing teams, which will no doubt suffer resourcing issues with a smaller hospitality industry?

There has been many a discussion about public health, which is a licensing objective in Scotland and no doubt this will be another topic of conversation over the coming months.

## Conclusion

It is clear that Covid is going to be with us for some time and we are all going to have to learn to live with it, adapt and overcome hurdles. There will be many lessons learned by operators and all those involved in hospitality about the future and how it should look. It is true that it will be a different licensed sector that emerges from this than the one that existed in March, with opportunities for Licensing Authorities and Police to aid business recovery and help create a successful hospitality sector for the future.

We are all in this together, and whether you are operator or regulator we must not lose sight of the invaluable work that has been done in recent years building partnerships and working flexibly in the licensing arena. It is true that wherever you sit within this framework, we are all emerging differently, and there are opportunities for partnership to once again step up and allow the rebuilding of our night-time economy, which is so integral and important to everybody and to help create a successful hospitality sector for the future.



# We take safety seriously

We believe that technology can bring added accountability and transparency to every trip. Validated accounts, driver photos, and a two-way rating system all help build trust. Every trip is tracked by GPS, meaning you can share a live map of your journey with loved ones. And every driver is licensed by a local council and has been through an enhanced background check.

## Driver hours

A well-rested driver is a safe driver. That's why we limit the number of hours a driver partner can be on the road without taking a break. After ten hours 'on trip,' the app now prompts drivers to take 6 hours away from the app. So the next time they log on, they're refreshed and alert.

## Driver licence details

Every driver partner in the UK has been through the licensing process with their local authority, including a background check. Your driver's name, photo, rating, and the registration/model of the car will appear in the app. And now their private hire licence number and licensing authority details will be included as well.

## 'Share my ETA'

You can travel with extra peace of mind by sharing your trip details with friends and loved ones. They'll be able to follow your trip with a map of your route and the expected time of arrival—letting them know when you've arrived at your destination safely.

Learn more about how we work with local authorities at [uber.com/info/uk/uber101](https://uber.com/info/uk/uber101)

# Uber

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# The importance of licensing

In August this year, the IoL published an article online emphasising the importance of a functioning licensing system at all times, and most importantly during periods of challenge, difficulty and hardship such as the COVID-19 pandemic which has dominated 2020.

COVID-19 forced a rapid rethink on all areas of life in this country and the rest of the world, and regulators, businesses and individuals had to adapt quickly and decisively to new rules and restrictions necessary as the UK went into its first lockdown in March this year.

Since then we have had the initial relaxation of the lockdown rules, the introduction of the Business and Planning Act, the 'Eat Out to Help Out' scheme and a general drive to support the re-opening of businesses, swiftly followed by local powers to impose restrictions and then the start of local lockdowns. Finally, the introduction of a tier system to simplify arrangements, and subsequently a second national lockdown for England from 5th November.

At the time of writing, England is moving cautiously out of this second lockdown, and into a strengthened tier system with the majority of the country allocated to the higher tiers and

stringent restrictions on lives and businesses across the board.

Scotland, Wales and Northern Ireland have followed a similar rollercoaster of restrictions and relaxations, with Wales announcing further restrictions from Friday 4th December, following a previous 'Firebreak' lockdown which began in October. Under the new arrangements, pubs, bars and restaurants, bingo halls and other indoor entertainment venues will be required to close from 6pm and no alcohol sales will be permitted.

There is a huge amount of consternation about the impact on businesses and the economy in general, alongside the sobering number of hospital admissions, infection rates and deaths as a result of the pandemic so far. Recent reports from CGA and AlixPartners suggest that more than 50,000 of England's licensed premises will be unable to trade under the restrictions set out for the new tiers including:

## Tier 1 (medium)

- hospitality businesses selling food or drink for consumption on their premises are required to:
  - provide table service only, for premises that serve alcohol
  - close between 11 pm and 5am (hospitality venues in airports, ports, on transport services and in motorway service areas are exempt)
  - stop taking orders after 10pm
- hospitality businesses and venues selling food and drink for consumption off the premises can continue to do so after 10pm as long as this is through delivery service, click-and-collect or drive-through

## Tier 2 (high)

- pubs and bars must close, unless operating as restaurants. Hospitality venues can only serve alcohol with substantial meals
- hospitality businesses selling food or drink for consumption on their premises are required to:
  - provide table service only, in premises which sell alcohol
  - close between 11 pm and 5am (hospitality venues in airports, ports, transport services and motorway service areas are exempt)
  - stop taking orders after 10pm
- hospitality businesses and venues selling food and drink for consumption off the premises can continue to do so after 10pm as long as this is through delivery service, click-and-collect or drive-through

## Tier 3 (very high)

- hospitality settings, such as bars (including shisha venues), pubs, cafes and restaurants are closed – they are permitted to continue sales by takeaway, click-and-collect, drive-through or delivery services



It is easy to see why there is growing concern about the impact on the hospitality industry. At the IoL's National Training Conference in November (held online for the first time), there was a lot of discussion about the impact of the pandemic and the difficulties now faced by licensed businesses and individuals as well as the challenges for regulators. It is clear that in some ways the current licensing laws are inflexible at a time when greater flexibility is needed. It was also apparent that most licensing authorities are doing what they can to support businesses, providing help and advice as the rules continue to change

Local authority licensing is fundamental for businesses and individuals, determining whether or not the business can operate, or the individual can work. In times of increasing hardship (and let's not forget that the country is now officially in recession) and spiralling unemployment, it is more than important, it is critical. Licensing is also a vehicle capable of driving discussion, collaboration and partnership working – all of which will be crucial in the post pandemic recovery period.

In his letter to the Chairs of Licensing Committees on 8 April 2020, Kit Malthouse, the Minister of State for Crime and Policing, asked licensing authorities "to consider

a pragmatic and more flexible approach during this (coronavirus) outbreak". He concluded his letter by saying "These are extremely challenging times. With the right spirit of collaboration, communication and pragmatism, I believe that we can get through them with minimum damage to businesses".

The COVID-19 pandemic has forced a rethink by local authorities on how to manage the licensing system. Most have risen to the challenge, acting swiftly to enable online applications and remote hearings. They have demonstrated an ability and willingness to adapt quickly to fulfil their statutory responsibility, which is undoubtedly in the public interest.

We don't yet know the full extent of the impact that COVID-19 will have on the UK but it is already significant. What is clear though is that we will all have to continue to adapt, to be able function with or without legal restrictions on movement, socialising and business operations in a fast paced and everchanging legal landscape.

# Events - What's Online?

We are delighted to offer the following training courses which will be delivered remotely via video conferencing/webinar. Book Online or email the team via [events@instituteoflicensing.org](mailto:events@instituteoflicensing.org)  
<https://www.instituteoflicensing.org/events>



## Caravan Site Licensing

26<sup>th</sup> January 2021

30<sup>th</sup> March 2021

### Online training course

This course will provide delegates with up to date details about Caravan site legislation, including recent case law. The course covers all aspects of the legislation including residential, touring, holiday and travellers sites and the distinctions between the different type of sites and will also consider the links between planning and licensing



## Animal Licensing

11<sup>th</sup> February 2021

### Online training course

On completion of the course a delegate will understand the licensable activities and how to apply the regulations and guidance, the processes surrounding an application for a licence including determining whether a licence is required, inspections, an understanding of the various licence conditions and enforcement options available.



## Professional Licensing Practitioners Qualification

(London specific on 1st March)

1<sup>st</sup>, 3<sup>rd</sup> March, 23<sup>rd</sup>, 26<sup>th</sup> February 2021

### Online training course



## Acupuncture, Tattoo and Cosmetic Skin Piercing

25<sup>th</sup> February 2021

### Online training course

This training course is aimed at those officers who process and administer applications for acupuncture, tattooing and cosmetic skin piercing and those who carry out inspections at premises providing these services.

## Contact the IoL team

Email: [events@instituteoflicensing.org](mailto:events@instituteoflicensing.org)  
or telephone us on 0151 6506940

# The Institute of Licensing BTEC Level 3 Award in Animal Inspectors

Coming soon (early 2021)



The IoL is delighted to confirm that we are in the final stages of developing a level 3 qualification for animal inspectors. The qualification will be accredited by an OFQUAL provider and will meet Defra requirements outlined in the Regulations.

It will provide learners with all the knowledge and skills they require to be able to competently carry out their duties under The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018.

The course is 5-days in duration and will include an assessed practical session, online exam and a portfolio to be submitted within a specified time period after the course.

### Course Modules

Course content includes:

- Legislative overview
- Dog breeding
- Premises that hire out horses
- Home Boarding
- Kennel Boarding
- Day care (dogs)
- Premises that sell animals as pets
- Premises keeping or training animals for exhibition and dangerous wild animals



### Course Fees

The IoL will confirm course fees as soon as possible. Course fees will be competitive, and will include discounted rates for IoL members.

Email the team to register your interest in this course, and we will confirm full details once confirmed.

# Betting and Gaming during Covid 19



**Words by Brigid Simmonds OBE**

*Brigid Simmonds OBE is Chairman of the Betting and Gaming Council which represents over 90% of the betting and gaming sector in the UK*

The Betting and Gaming Council was established precisely one year ago with a clear determination to drive up standards across our industry. And while we have made great strides in this area, there is no doubting that the Covid-19 pandemic has been a huge unforeseen challenge for us and our members, particularly betting shops, bingo clubs and casinos.

This has undoubtedly been a difficult time for everyone, in all walks of life. Local licensing authorities and councils have been hit hard by losses of income, while also having to work incredibly hard to address the impact of the crisis in their area, and get help to those who need it.

I want to make it clear how much our members appreciate the support and guidance they have received from their licensing authorities over this time. Advice on opening or closing, or what anti-Covid measures need to be put into place, have always been provided in a timely way.

There have also been thanks from our members for the speedy and efficient way that things like emergency business grants have been paid out. It is no exaggeration to say that they kept many of our small, family-run independent betting shops afloat.

After the initial lockdown, betting shops were finally given the go-ahead to re-open in June, with strict anti-Covid measures in place to ensure the safety of their staff and customers. Casinos eventually followed in September, having demonstrated to senior Public

Health England officials that they, too, could operate in a Covid-secure way. But one of the great frustrations for the BGC has been how, despite operating securely and abiding by all of the Government guidelines, betting shops and casinos – as well as bingo halls – in different parts of the country have been ordered to close their doors again as infection rates have risen. This is despite the fact that there is no evidence linking those establishments to the increase in Covid cases.

It has produced a situation where a betting shop operator can have one shop open in one town, but be forced to close another a few miles away, despite the same anti-Covid measures being in place in both.

Casinos have offered to stop selling alcohol altogether in a bid to persuade the Government to keep them open, but their appeals have sadly fallen on deaf ears. And in those parts of the country where they can stay open, they are forced to close their doors at 10pm. Given the fact that up to 70 per cent of their trade is done after that time, this policy is nothing short of catastrophic for their business.



We know that retailers like betting shops will be key to helping the high street survive this crisis. Research by ESA Retail shows that 82 per cent of betting shop customers visit their local bookie at least once a week – and 89 per cent of them then go on to spend at least £10 in other high street shops afterwards.

THE SCUDAMORE BAR



DUKES BAR

SCUDAMORE  
BAR



CASTLE BAR

BETTING HALL  
AND BAR



*William* **HILL** Betting Shop

The average betting shop also pays £10,000 a year in business rates, a vital source of income for local authorities. That's why seeing them lumped in with the hospitality and leisure sector and being ordered to close is making that high street recovery even harder.

As I said, we thank licensing officers for all their efforts, they really have helped

keep businesses updated and able to keep trading. We are an industry which supports over 100,000 jobs in this country, all of them contributing vital tax revenues to the Treasury. We are also a responsible industry and under the BGC strive continuously to raise standards of safer gambling.

We just hope that, when we come out the other side of this, there are still

businesses like ours continuing to invest in town centres and helping revitalise high streets.

# A National Formula for Setting Hackney Carriage Fares



Words by Mike Smith  
Licensing Team Leader, Guildford Borough Council

## The setting of taxi fares

The 'taxi' trade provides an essential service to travelling members of the public, from early morning trips to the airport to late night journeys home after a night out, and everything of a more day to day nature in between. The principle of each journey is going from point A to B (occasionally via C and D and back to A again) for which a price is payable.

For most journeys undertaken in a taxi (hackney carriage) the fare is restricted to the maximum as displayed on the meter. Most customers will pay the meter price, occasionally giving a 'tip' although disputes over prices can and do happen, either leading to complaints to the authority, or worse still altercations between driver and passenger.

The taxi licensing regime is relatively unique in providing the means for regulators to restrict price. The legal power of fare setting hackney carriage fares lies within section 65 of the Local Government (Miscellaneous Provisions) Act 1976, which says (emphasis added):

### "65 Fixing of fares for hackney carriages.

(1) A district council **may** fix the rates or fares within the district as well for time as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section."

The legal power to set fares is a discretionary function – 'a district council **may** fix the rates' – they don't have to. In practice, taxi fares are capped in most areas, presumably to create a level playing field, and to provide public protection from unscrupulous charging practices.

There is further guidance on fare setting to Licensing Authorities under the DfT Best Practice Guidance (emphasis added):

"52. Local licensing authorities have the power to set taxi fares for journeys within their area, and most do so. (There is no power to set PHV fares.) Fare scales **should be designed with a view to practicality**. The Department sees it as good practice to **review the fare scales at regular intervals**, including any

graduation of the fare scale by time of day or day of the week. Authorities may wish to **consider adopting a simple formula** for deciding on fare revisions as this will increase understanding and improve the transparency of the process. The Department also suggests that in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand.

53. Taxi fares are a maximum, and in principle are open to downward negotiation between passenger and driver. It is not good practice to encourage such negotiations at ranks, or for on-street hailings; there would be risks of confusion and security problems. But local licensing authorities can usefully make it clear that published fares are a maximum, especially in the context of telephone bookings, where the customer benefits from competition. There is more likely to be a choice of taxi operators for telephone bookings, and there is scope for differentiation of services to the customer's advantage (for example, lower fares off-peak or for pensioners).

54. There is a case for allowing any taxi operators who wish to do so to make it clear – perhaps by advertising on the vehicle – that they charge less than the maximum fare; publicity such as '5% below the metered fare' might be an example."

As shown above, the DfT suggest that fares should be practical, potentially set using a simple formula and regularly reviewed. Despite the reference to formula, there is no suggestion on what that formula should look like.

A quick glance at benchmarking data of hackney fares by licensing authority published monthly in PHTM shows such huge variation, with fares over a 2-mile journey ranging from under £5 to over £9 (or over £10 for London Heathrow). Geographically, while it is likely that there are regional cost fluctuations, the distance from one of the joint lowest (Aylesbury Vale) to the highest (London Heathrow) is less than 40 miles. A study of the table will also reveal that some

licensing authorities have not reviewed their fares for several years (some since 2007). Surely there is scope for more consistency for the public and taxi industry.

In my own area, it is widely known that Guildford's decision to reduce fares in 2016 was challenged by way of judicial review. The formula used in Guildford was subject to significant scrutiny as a result of the JR and sharing that experience may assist other licensing authorities in their own work on fare setting in light of the DfT Best Practice Guidance.

In 2011 Guildford's Licensing Committee instructed officers to establish an objective formula / methodology for fare setting. This followed years of fare setting following discussion with trade representatives, with no structured support / methodology behind it.

The starting point was the London Cost Index, followed by nearly two years of discussion with the trade and external audit to develop a formula which was approved by the Council's Executive in 2013. The methodology was subsequently used to calculate fares in 2013 and again in 2015. In 2015 however, the formula indicated that fares should reduce due to falls in motoring costs. At the same time, Guildford was consulting on potential changes to its licensing policy, which would result in additional costs relating to taxi livery and driver training. As a result, the decision was taken not to alter fares at that time.

Once the new policy was adopted, a further review of taxi fares was instigated in consultation with the trade on the data used to calculate fares. The review of the costs of running a taxi in Guildford was considered by the Executive in 2016, culminating in the production of a new (reduced) table of fares which was consulted upon, approved, and subsequently challenged.

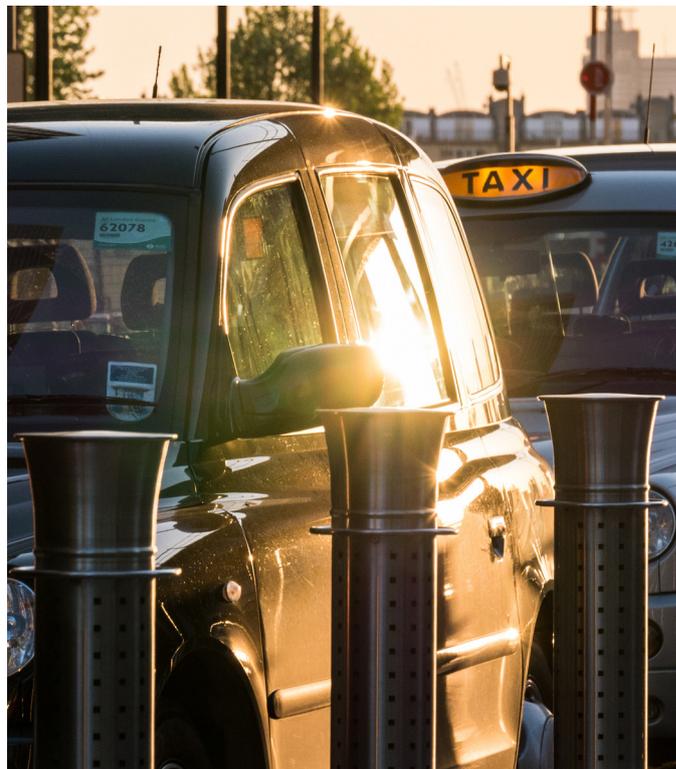
## The Guildford Fare Calculator

The Guildford Fare Calculator was approved by the Council's Executive in 2013 and subsequently reviewed in 2016. It takes into account the costs of running a licensed vehicle together with average salaries in Guildford, and enables fares to be calculated at a rate which will allow drivers to cover costs and earn the Guildford average salary over time (based on the average vehicle mileage).

This procedure sets out the process used for calculating taxi fares and other charges, which includes a methodology (a

## Conclusion

Guildford's formula for fare setting has stood the tests of legal challenge and time. It provides the means of setting and reviewing fares in a structured, transparent and methodical way. The formula will work equally well for other areas and a more consistent approach would benefit all parties. This article sets out the detailed explanation of a methodology which is easily computed in its spreadsheet



The legal challenge was reported on elsewhere at the time. It essentially failed as the Judge found that the Council had set a robust methodology for calculating fares, had gone to great lengths to consult with the trade about the data and running costs to be inputted into the formula, and despite sending over 260 consultations, received less than a handful of partially completed replies. Judge, John Howell QC, said in his judgement that: *'operators of hackney carriages in Guildford have only themselves to blame for not submitting sufficient reliable evidence on such costs in the two consultations that the Borough Council conducted.'*

process that sets out relevant cost factors); calculator (an excel spreadsheet containing the formula for calculating the fares), and table of fares (setting out the maximum permitted charges for each journey).

The procedure also sets out the factors used when calculating the costs associated with operating a taxi in Guildford. The values of these may change each year and are reviewed accordingly as set out in Guildford's fare setting procedure, or sooner if deemed appropriate.

format. Guildford's spreadsheet could easily provide a universal formula with inputted values being adjusted for local circumstances and information to calculate fares.

### Guildford Taxi Fares Calculator

ITEM	Average Running Costs per Vehicle	Flag Drop	ITEM	Enter Values in the Pink Boxes
1	<b>Average Annual Salary</b> Equals Item A	<b>T1 3.00</b>	A	Average Annual Salary
2	<b>Average Running Costs</b> Items (B x E) + (C + D + G + H + I)	<b>T2 3.50</b>	B	Costs of Running Diesel Car (per mile)
3	<b>Total Running Costs</b> Item 1 + Item 2	<b>T3 6.00</b>	C	Additional Allowance for Insurance
4	<b>Average Live Mileage</b> (Item E – Item F)	<b>T4 4.00</b>	D	Annual Cost of Hackney Carriage Licence
5	<b>Cost per mile</b> (Item 3 ÷ Item 4)		E	Annual Average Mileage
6	<b>Total Charge per Mile</b> Item 3 – (Item K x Item T1) ÷ Item 4	<b>Item 6(b)</b>	F	Dead Mileage <b>Item F1</b> %
	Charge for each distance unit is <b>Tariff 1</b>	<b>Tariff 2</b>	G	Annual Station Rank Fee
7	<b>Item L</b> Yards = <b>Item 7(a)</b> pence (Item 6 ÷ Units per mile)	<b>Item 7(b)</b>	H	Additional Cost of driver's licence (pro-rata)
8	Charge for time per unit <b>Item 8(a)</b> Seconds <b>Item 8(b)</b>		I	Additional Policy Costs
9	Each passenger in excess of one <b>Item 9</b>		J	Typical Journey Distance (miles)
10	Soiling Charge <b>Item 10</b>		K	Average number of journeys
			L	Distance Unit = Unit Charge X (1760/charge per mile) <b>Item L</b> Yards
			M	Units per mile (1760 / Unit Distance) <b>Item M</b>
			N	Charge per unit <b>Item N</b> Pence

### GUILDFORD BOROUGH HACKNEY CARRIAGE FARE CHART effective (Date TBC) FARES FOR DISTANCE & TIME

All distance and time charges include uncompleted parts thereof.

Tariff 1: DAYTIME RATES: (except where rates 2 or 3 apply)		Tariff 2: NIGHT AND HOLIDAY RATE:		Tariff 3: DOUBLE DAYTIME RATE:		4. EXTRA CHARGES:	
Rate per mile: <b>Item 6(a)</b> after first mile		Rate per Mile: <b>Item 6(b)</b> after first mile		Rate per Mile: <b>Double Item 6(a)</b> after first mile			
HIRINGS BETWEEN 7am and 11pm		HIRINGS BETWEEN 11PM AND 7AM AND NATIONAL PUBLIC HOLIDAYS (except where Double Day Rate applies)		HIRINGS BETWEEN:			
<b>£ Item T1</b> (Mon – Sat)	Maximum charge up to <b>Item L</b> yards or <b>Item 8(a)</b> seconds	<b>£ Item T2</b> (Mon-Sun)	Maximum charge up to <b>Item L</b> yards or <b>Item 8(a)</b> seconds	1) 11pm on Christmas Eve and 5am on 27 December; and 2) 11pm on 31 December and 7am on 1 January	For each passenger in excess of One:	<b>Item 9 pence</b>	
<b>£ Item T4</b> (Sun)	For each additional <b>Item L</b> yards or <b>Item 8(a)</b> seconds.	<b>Item 7(b) pence</b>	For each additional <b>Item L</b> yards or <b>Item 8(a)</b> seconds		Soiling the carriage leaving it unfit for immediate subs hiring:	<b>£ Item 10</b>	
<b>Item 7(a) pence</b>							
<b>ALL LUGGAGE CARRIED INSIDE OR OUTSIDE THE PASSENGER COMPARTMENT IS FREE OF CHARGE.</b>							
<b>IMPORTANT</b>							
If the journey takes the taxi outside the Guildford Borough area, the driver MUST still charge in accordance with the above scale unless he/she has agreed otherwise with the hirer before the journey has started. <b>These are the maximum fares chargeable.</b>							
<b>COMPLAINTS</b>							
Any complaints about a taxi or driver should be directed to: Licensing Team, Guildford Borough Council, Millmead House, Millmead, Guildford, Surrey. GU2 4BB or (01483) 505050 quoting, if possible, the taxi plate number and/or the driver's badge number.							
Head of Health and Community Care Services, Guildford Borough Council							

## Methodology

### Average Annual Salary (Item 1)

Using ONS data in its 'Annual Survey of Hours and Earning (ASHE), Guildford identify an appropriate level of remuneration for taxi drivers in the area.

### Average Running Costs per vehicle (Item 2)

Working out the costs of running a taxi is not straightforward. Taxis come in many shapes and sizes, with different makes, models and specifications of vehicles, different age and emission policies, different maintenance and testing standards, and regional variations between costs. As such, it impossible to cater for every variation.

Guildford began by using the Automobile Association (The AA) 'Running

Cost' values contained in the annual motoring costs report that are relevant to a new diesel vehicle within the £26,000 to £36,000 price bracket because the majority of licensed taxis use diesel fuel and fall within this price bracket when new.

The AA divides the cost of running a car into charges and costs as follows:

Standing charges:

- depreciation
- cost of capital
- annual cost of insurance
- cost of road tax
- cost of breakdown cover

The running costs:

- cost of fuel per litre
- cost of replacement tyres
- cost of replacement parts
- cost of parking and tolls

One of the main elements of the Judicial Review challenge in 2016 was that the AA data was out of date. The data used for the 2016 fares was the AA Running Costs 2014, published by the AA in July 2014. At the time using this data was not disadvantageous to the taxi trade as the ONS RPI Motoring Expenditure Costs Index had shown a sustained deflation of the cost of motoring between March 2014 to May 2016.

More recently AA has ceased producing its annual "Running Costs" data. Guildford's 2018 consultation with the trade proposed calculating fares using the previously approved 2014 Figures, adjusted for inflation using the ONS RPI Motoring Expenditure Costs Index.

#### Additional Running Costs

Guildford use the following variable annual costs associated with operating a taxi in Guildford:

- vehicle insurance (Item C)
- annual vehicle licence and test fees. (Item D)
- the cost of the annual Guildford Railway Station Taxi Rank permit. (Item G)
- annual driver's licence fee (pro rata). (Item H)
- policy costs, including livery, roof signs, meter, card terminals (Item I)

#### Average Live Mileage (Item 4)

Live mileage is the number of miles travelled by a taxi with a fare-paying passenger. Live mileage is calculated by subtracting the dead mileage from the total mileage.

#### Average Annual Mileage (Item E)

Guildford uses the average annual number of miles travelled by each taxi driver when calculating cost per mile. The average annual mileage is derived from the mileage of each taxi (recorded during vehicle tests) and publicly available MOT mileage information. The mileage is divided between all licensed drivers within the borough to provide the average annual mileage. This accounts for drivers sharing vehicles.

#### Dead Mileage (Items F1 and F2)

Dead mileage is miles travelled by a taxi without a fare paying passenger.

A number of factors prevent an exact calculation of dead mileage. If a taxi takes a customer from (A) to (B) and always returns empty to (A), the dead mileage will always be half of the total mileage. The factors are:

- taxis do not always return empty to the point of initial departure
- taxis may travel with a customer from point A to point B and then onto point (C) avoiding any dead mileage
- taxis may be flagged down when empty
- pre-bookings can reduce the amount of dead mileage for example from Point A to the taxi rank and then from the taxi rank to point B
- taxis drivers use the vehicle travelling to and from work
- some drivers use their taxi for personal journeys

Note that HMRC state that any travel to and from the taxi drivers place of work is not deemed to be dead mileage for the purposes of calculating tax liability.

Dead mileage is expressed as a percentage (item F1) of the overall mileage (item F2), set at 45% following consultation with drivers which showed dead mileage to be between 33-55%.

#### Typical Journey Distance (Item J)

Information obtained through consultation with the taxi trade shows that each licensed taxi typically travels a distance of 2 to 3 miles per journey. Guildford use the mean value of 2.5 miles for the typical distance travelled for each journey.

#### Average Number of Journeys (Item K)

Calculated by dividing the average live mileage by the average distance per journey.

#### Total Cost per Mile (Item B)

The total cost per mile is calculated by dividing the total of the standing charges and running costs by the average annual mileage.

## Calculation of the Fare Charged per Mile

The taxi fare calculator is used to determine the charge for each distance unit.

#### Total Cost per Mile (Item 5)

Guildford use the values of each factor set out above to calculate the cost per mile of running a taxi as set out below:

**Average Running Cost (Item 2)** = Running Cost per mile (Item B) x Average Annual Mileage (Item E) + Items C, D, G, H and I

**Total Running Costs (Item 3)** = Annual Salary (Item 1) + Average Running Costs (Item 2)

**Cost per mile (Item 5)** = Total Running Costs (Item 3) / Average Live Mileage (Item 4)

#### Total Charge per Mile (Items 6(a) and 6(b))

Total Charges per mile are the crux of fares and calculated as shown:

$(\text{Item 3}) - (\text{Average number of Journeys (Item K)} \times \text{the 'flag drop' (Items T1, T2, T3 and T4)}) / \text{Average live mileage (Item 4)}$

However as fares will always include a fixed initial cost (flag drop) it is important to note that the formula used to establish the charge per mile is structured to prevent the flag drop from artificially exaggerating the cost per mile.

#### The Unit Charge (Items N, 7(a) and 7(b))

The unit charge is the cost to travel each distance unit or part of each unit. It can be any value as long as it is a multiple of 10 pence.

#### Calculation of the Distance Unit (Item L)

The distance unit is the number of yards travelled for each unit charge. We identify the distance unit as on the fare calculator.

The distance unit is calculated by dividing 1760 yards (1 mile) by the total charge per mile (Item 6) and then multiplying by the unit charge (Item N).

#### Calculation of Distance Units per Mile (Item M)

Calculated by dividing 1760 (1 mile) by the unit distance.

Calculation of Charge by Time per Unit (Items 8(a) and 8(b))

Calculated by dividing 5 minutes and 10 seconds by the number of units per mile (Item M).

## The Table of Fares (T1 to T4 and 8(b))

#### Flag Drop

The 'flag drop' is the fixed cost that can be charged for an initial distance. It is universal in its application and is included in the cost of all journeys. It offers the taxi driver a minimum return for every journey encouraging the supply of journeys that cover a short distance. In the absence of a flag drop, all journeys would start at zero.

#### Extra Passengers (Item 9)

In addition to the charge per mile, Guildford allow an extra charge for each passenger carried in excess of one, based on current practice and local circumstances. This assists drivers of larger vehicles with a lower fuel economy.

#### Soiling Charges (Item 10)

This charge allows drivers to recover costs where passengers have soiled the vehicle, and is set to reflect current costs.



## UKVI-approved tests for visa applications

Trinity has once again been appointed by the Home Office to deliver Secure English Language Tests (SELTs) in the UK.

We're looking forward to expanding our test centre network and to building upon our high standards of customer service for people who need to demonstrate knowledge of language to the UKVI for the purpose of settling, working or studying in the UK.

- ▶ We are the UK's leading provider of SELT speaking and listening tests
- ▶ Trinity has a proven track record of providing Home Office-approved secure English language testing services in the UK since 2011
- ▶ Trinity GESE speaking and listening and ISE reading, writing, speaking and listening SELTs are available at Trinity SELT Centres across the UK

See what test takers typically say about their Trinity SELT experience on social media:



*" Staff were very professional – explained everything. Makes you feel calm and welcomed. Thank you! "*

*Elina, Facebook 2.10.19*

*" 100% positive experience. What amazing staff! Thank you! "*

*Henriett, Facebook 3.10.19*

*" I am very happy and grateful for their dedication, time, consideration, professionalism and humanity! "*

*Valentina, Facebook 29.10.19*

Find out more about Trinity SELTs and about becoming a Trinity Listed SELT Course Provider at [trinitycollege.com/SELT](https://trinitycollege.com/SELT)

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