

Committee: Licensing & Environmental Health

Date:

Title: Proposed 2025/26 Licence Fees for Hackney
Carriage and Private Hire Drivers, Vehicles
and Operators

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Summary

1.1. This report informs Members on the proposed Licence fees relating to Hackney Carriage and Private Hire Drivers, Vehicles and Operators to take effect from 1 April 2025, and seeks its approval for the commencement of public consultation.

Recommendations

2.1. It is recommended that the Committee approve the proposed fees for the commencement of public consultation.

Financial Implications

3.1. The Local Authority is required to review its fees and charges as part of its annual budget setting process. In accordance with both legislation and guidance, it is appropriate for fees and charges associated with the Licensing regime to be set as cost-recoverable.

Background Papers

4.1. None.

Appendices

A – Proposed Licence fees for 2025/26, and costs/income from 2023/24, 2024/25 and 2025/26

B – Local Government Association Guidance on locally set Licence fees (Dec 2023) [LGA guidance on locally set licensing fees | Local Government Association](#)

C – S70 Local Government (Miscellaneous Provisions) Act 1976 [Local Government \(Miscellaneous Provisions\) Act 1976 \(legislation.gov.uk\)](#)

Impact

5.1.

Communication/Consultation	Statute requires notice of proposed changes to be published in at least one local newspaper for a period of at least 28 days.
Community Safety	None
Equalities	Any changes in fees must be communicated to all existing licence holders, and consultation on any proposed changes will be conducted with interested parties and the wider public to ensure there is an opportunity to contribute to any such decision.
Health and Safety	None
Human Rights/Legal Implications	The Local Authority is permitted to charge a reasonable fee for the grant of a licence with the view to recovering the costs of the issue, administration and supervision of such licences.
Sustainability	None

Ward-specific impacts	None
Workforce/Workplace	None

Situation

6.1. In accordance with S70 of the Local Government (Miscellaneous Provisions) Act 1976, Taxi and Private Hire licensing is required to operate as a cost neutral service. To ensure that fees remain reasonable and proportionate it is necessary to undertake a regular and robust review process, and the Council conducts this on an annual basis.

6.2. A table comparing the proposed fees alongside the existing fees is shown in **Appendix A**, along with illustrations and explanations of the costs and income, and the reserve movements including forecasts of the current and next financial year. The licensing reserve holds the income that pays for the cost of work required in future years of Driver and Operator licences, which are generally issued for 3- and 5-year durations respectively.

6.3. It is common for the fees to fluctuate from year to year, with increases or reductions dependent on the results of the annual review. This year has indicated a variation across licences, with a 4% increase on the primary driver licence fee, and a 6% reduction on the primary vehicle licence fee.

6.4. The increase in the driver licence fee, as with last year, is in the main due to the annual staff pay award and salary increments, both of which are always legitimately factored into the overall costings.

6.5. The reduction in the primary vehicle licence fee is predominantly because of small, identified efficiency savings for the issuing and monitoring of the licences. By way of example, whilst this may include just a minute or two time reduction in specific processing tasks, when this time saving is spread cumulatively across the vast number of licences the Council issues, this amounts to a small decrease in the fees

chargeable.

6.6. Members will note a significant decrease in the vehicle transfer fee. Since 2019/20 the cost of the vehicle transfer licence had been set equal to the cost of administering work in the issuance of a new vehicle licence, as it was believed the amount of work involved was the same. Due to the very low volume of these licences issued, this assumption was not prioritised in the annual licence fee review, with the focus of attention being on the accuracy of the charges for the main licence types being issued. However, the current year's annual fee review did look in detail at the costings behind all the smaller volume, ad hoc fees. As a result, we have identified that there are a number of tasks where the time taken for a vehicle transfer licence is lower than for the new vehicle license. The number of transfer licences issued has averaged less than 9 a year since 2019/20 so we estimate that the Council has overcharged a total of £2,850 during those years, including the current financial year. To put this into context, the total amount of taxi licensing income received in those years is over £2.5 million. The Council will attempt to contact those recipients of transfer licenses since 2019/20 to offer refunds to them.

6.7. Similarly for the temporary vehicle licence, the cost had been historically set equal to the administration cost underlying a new vehicle licence as it was believed the amount of work involved was equivalent. This assumption was not given sufficient review priority since 2019/20 because of the paucity of applications for this licence type. A detailed review of this fee has now been undertaken and identified that the tasks included is lower than that for a new vehicle licence. So the fee for this license has been reduced accordingly. A total of 32 temporary vehicle licences have been issued since 2019/20 and we estimate the Council has overcharged a total of £1870 during those years, including the current financial year. To put this into context, the total amount of taxi licensing income received in those years is over £2.5 million. The Council will attempt to contact those recipients of temporary vehicle licenses since 2019/20 to offer refunds to them.

6.8. The Council is required to consult with interested parties where there is any

proposal by it to vary the existing fee structure. The requirement relates only to vehicle and operator licences, however the Council has previously done and continues to include driver fees within this consultation for full transparency.

6.9. In accordance with the statutory requirements, the Council must publish the proposals on its website, in a local newspaper, and sent directly to existing licence holders by way of email. Licensing Officers will additionally look to offer both an in-person and/or Teams meeting with members of the Taxi and Private Hire trade for their views.

6.10. Consultation must last for at least 28 days and so will run across the months of October and November. Where there are no objections received to the proposals, the fees will be taken directly to Full Council for approval before coming into effect from the 1 April 2025. If any objections are received, the fees will be returned to this Committee in January for further consideration.

6.11. Members are advised to refer to Appendices **B and C** for further information and clarification on Licence fee setting from the Local Government Association and Local Government (Miscellaneous Provisions) Act 1976 respectively.