

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO**

Licensing and Public Protection Committee
29 October 2024

Report Title: **PRIVATE HIRE & HACKNEY CARRIAGE FEES & CHARGES 2025/2026**

Submitted by: **Service Director - Regulatory Services & Licensing Administration Team
Manager**

Portfolios: **Finance, Town Centre & Growth**

Ward(s) affected: **All**

Purpose of the Report

To request the Public Protection Committee to consider the proposed taxi and private hire fees prior to consultation, as referred to in the report.

Recommendation

- a) That the Public Protection Committee considers the proposed fees.
- b) That the proposed fees be sent out for consultation.
- c) That following consultation a further report is brought to Committee.

Reasons

Decisions relating to the setting of non-statutory fees and charges for taxi licensing have been delegated from Council to Public Protection Committee.

1. **Background**

- 1.1 The approval of certain fees and charges relating to the licensing of Private Hire and Hackney Carriage licensing regimes are Council functions
- 1.2 Council at their meeting on 22nd February 2017 delegated this function to Public Protection Committee.

2. **Issues**

- 2.1 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 states the local authority may charge fees for Operator and Vehicle licence fees and that if it is proposing to vary the fees then it must publish a notice in at least one local newspaper. The notice must provide for a consultation period, not less than 28 days from first publication to allow for objections to be made. This notice must also be displayed at the Council offices.
- 2.2 Section 53(2) of the Local Government (Miscellaneous Provisions) Act 1976 states the local authority may charge fees for Driver licence fees. Consultation is not required by

legislation but is considered good practice to consult alongside any changes to Operator and Vehicle licence fees.

- 2.3 The Deregulation Act 2015 amended the Local Government (Miscellaneous Provisions) Act 1976 in relation to the duration of licences for hackney carriage and private hire drivers and private hire operators.

Section 10, subsection 2 of the Deregulation Act 2015 changed the law in such a way as to establish a standard duration of three years for hackney carriage and private hire driver licences. The section specifies that a licence may be granted for a period of less than three year but only in circumstances of an individual case, not because of a blanket policy.

Subsection 3 of the Act changed the law in such a way as to establish a standard duration of five years for a private hire vehicle operator licence. The section specifies that a licence may be granted for a period of less than five years but only in the circumstances of an individual case, not because of blanket policy.

- 2.4 The European Services Directive states (Art 12.2):

“Authorisation procedures and formalities shall not be dissuasive and shall not unduly complicate or delay the provision of the service. They shall be easily accessible and any charges which the applicants may incur from their application shall be reasonable and proportionate to the cost of the authorisation procedures in question and shall not exceed the cost of the procedures”

The Directive includes specific requirements that apply to the charging of fees. Charges must be reasonable and proportionate to the cost of the processes associated with a licensing scheme. Councils must not use fees covered by the Directive to make a profit or act as an economic deterrent to deter certain business types from operating within an area.

- 2.5 In December 2019 the Court of Appeal in the case “*R (on the application of Abdul Rehman, on behalf of the Wakefield District hackney Carriage and Private Hire Association) v The Council of the City of Wakefield and The Local Government Association (Intervening) [2019] EWCA Civ 2166*” confirmed that there is no general principle that the taxi licensing fee regime should be self-financing and that the costs associated to enforcing the behaviour of licensed drivers could be recovered via the licence fee set under s53(2) LGMPA76. The judgement stated (para 46):

“In any event, we consider that the costs of enforcing the behaviour of licensed drivers can be recovered through the driver’s licence fee under section 53(2). The relevant words in that provision are “the costs of issue and administration”. The costs of “administration” must be something other than, and in addition to, the costs of “issue”. There is no difficulty in interpreting “administration” in its statutory context as extending to administration of the licence after it has been issued. It naturally includes the costs of suspension and revocation, which are events expressly mentioned in Part II of the 1976 Act. Suspension and revocation rest on non-compliance with the requirements and conditions for continuing to hold the licence. As we have said, it would therefore have been obvious to Parliament, when enacting the 1976 Act, that costs would be incurred by the district council in monitoring compliance with such requirements and conditions.”

3. Proposal

3.1 In December 2023 the Committee determined to agree the proposed fees for 2024-25 following public consultation. The Licensing Department have undergone the annual review and fee setting methodology to propose fees for 2025-26. The table at 3.2 shows:

Column a – The licence/process the fee is for;
 Column b – The current fee structure;
 Column c – The proposed fees for 2025-26; and
 Column d – the percentage difference between columns b (current) and c (proposed).

3.2 The proposed fees and charges are:

| a | b | c | d |
|--|---------------------------|---------------------------------------|-------------|
| Private Hire/Hackney Carriage (subject to consultation) | Fee/Charge 2024-25 (£) | Proposed Fee/Charge 2025-26 (£) | % Change |
| <u>OPERATORS</u> | | | |
| PHO Application fee | £329.00 | £330.00 | 0.30% |
| Add/Remove Director | £45.00 | £46.00 | 2.22% |
| Copy/Replacement Licence | £8.00 | £8.00 | 0.00% |
| Basic DBS | £18.00 | £18.00 | 0.00% |
| NEW - Director/Licence holder - Change of home address | N/A | £18.00 | N/A |
| NEW - Exemption Request | N/A | £51.00 | N/A |
| <u>DRIVERS</u> | | | |
| Dual Driver Badge - 3 years | £250.00 | £261.00 | 4.40% |
| Change of address | £18.00 | £18.00 | 0.00% |
| Replacement badge (vehicle or driver copy) | £15.00 | £16.00 | 6.67% |
| Reissue/replacement badge (with amended details) | £31.00 | £33.00 | 6.45% |
| DBS (CRB check) | £38.00 | £38.00 | 0.00% |
| DBS (CRB check) online | £64.34 | £64.34 | 0.00% |
| Exemption certificates | £15.00 | £16.00 | 6.67% |
| Knowledge test | £20.00 | £13.00 | -35.00% |
| Fail to attend Knowledge Test | £20.00 | £13.00 | -35.00% |
| Change of Name | £21.00 | £22.00 | 4.76% |
| DE Training replacement cert | £0.00 | £0.00 | N/A |
| Copy of Paper Licence | £8.00 | £8.00 | 0.00% |
| Disability & Safeguarding Training | £40+VAT | £40+VAT | 0.00% |
| NEW - Exemption Request | N/A | £51.00 | N/A |
| NEW - Application Support appointment | N/A | £18.00 | N/A |
| <u>VEHICLES</u> | | | |
| HCV application fee | £186.00 | £193.00 | 3.76% |

| | | | |
|-------------------------------------|---------|---------|-------|
| PHV application fee | £173.00 | £182.00 | 5.20% |
| Transfer of vehicle | £45.00 | £46.00 | 2.22% |
| Change of vehicle registration | £52.00 | £54.00 | 3.85% |
| Failure to attend for vehicle test | £73.00 | £76.00 | 4.11% |
| Retest | £31.00 | £32.00 | 3.23% |
| Replacement plate carrier – front | £11.00 | £11.00 | 0.00% |
| Replacement plate carrier – rear | £13.00 | £14.00 | 7.69% |
| Replacement vehicle plate - front | £9.00 | £9.00 | 0.00% |
| Replacement vehicle plate - rear | £12.00 | £13.00 | 8.33% |
| Replacement vehicle sticker signage | £6.00 | £6.00 | 0.00% |
| Copy of paper part of licence | £8.00 | £8.00 | 0.00% |
| Change of Vehicle Colour | £52.00 | £54.00 | 3.85% |
| HCV/PHV safety test | £79.00 | £82.00 | 3.80% |
| Basic DBS | £18.00 | £18.00 | 0.00% |
| Change of Name/Address | £45.00 | £46.00 | 2.22% |
| Spot check | £23.00 | £23.00 | 0.00% |
| Replacement Internal Plate | £8.00 | £8.00 | 0.00% |
| NEW - Exemption Request | N/A | £51.00 | N/A |
| NEW - PHV change of base | N/A | £18.00 | N/A |
| NEW - Copy of HCV Tariff sheet | N/A | £3.00 | N/A |

3.3 It is recommended that the fees are set in line with the provisions of the 1976 Act, the Local Government Association fee setting guidance, the Council's taxi licensing policy and the principles outlined in section 7.3 below.

3.4 The majority of fees have either remained the same with a 0% increase, have a small percentage increase due to similar costs being involved or higher percentages that reflect a small monetary increase on a low fee (e.g. Replacement plate carrier – rear increasing from £13.00 to £14.00, a 7.69% increase). This is down to a balance of the increase in Council costs and efficiencies realised as part of the One Council project.

3.6 The only fee that is being proposed to decrease significantly is the taxi knowledge test. This is due to the previous fees having included the officer time in the creation of, testing and setting up of the test and its database. That officer time has now been recouped and therefore we can not continue to charge.

3.7 There have been a number of new potential fees identified which are elaborated on below:

- NEW - Director/Licence holder - Change of home address. During the past 12 months there have been a small number of occasions where a company director attached to an operator licence has changed personal address. This required an updated licence to be created but as no fee was set, none could be charged;
- NEW - Exemption Request – The Council regularly receive requests from licence holders to be exempt from certain policy requirements. Those that require Sub-Committee approval are costed for within the general licence application fees, however those that are determined by officers do not have a fee to them and as such are currently administered without charge, contrary to the LGA fee setting guidance;
- NEW - Application Support appointment – During the pandemic the Council moved to an almost entirely digital application process. It is apparent that not all applicants are

conversant with digital systems and some have required manual/in person assistance. These applications take longer to administer by requiring the Council to print/copy/scan documents and spend more time corresponding with various parties. Whilst there is no intention to disadvantage those who genuinely require further assistance, the Council should seek to recover all reasonable costs in administering the service;

- NEW - PHV change of base – There is already a requirement for the Council to be notified when a driver/vehicle moves to a different or additional operator. Currently when the notifications are made the back office systems are updated but no evidence is provided to the licence holder. The Council intend to charge the proprietor for the vehicle a fee when submitting their notification and then an updated licence will be sent to the driver, proprietor, new and/or old operators so that all parties involved are aware. It is a system that works well in Stoke City Council and several of the trade have requested we introduce; and
- NEW - Copy of HCV Tariff sheet – all Hackney Carriages should display a copy of the tariff sheet for metered fares. The Council will supply one copy free of charge and then if the proprietor requires a replacement then there will be an administrative fee for that.

4. **Reasons for Proposed Solution**

- 4.1 a) That the Public Protection Committee considers the proposed fees.
- b) That the proposed fees be sent out for consultation.
- c) That following consultation a further report is brought to Committee.

5. **Options Considered**

- 5.1 The Council is required to set fees for private hire and hackney carriage licenses for 2025/2026. The fees proposed are based on cost recovery.

6. **Legal and Statutory Implications**

- 6.1 The Local Government (Miscellaneous Provisions) Act 1976 contains the legal provisions and process relating to the setting of fees, this is detailed in sections 2.1-2.3 of this report.

7. **Equality Impact Assessment**

- 7.1 Not applicable

8. **Financial and Resource Implications**

- 8.1 The legislative background in relation to this report can be found in the Local Government (Miscellaneous Provisions) Act 1976, sections 53(2) and 70.
- 8.2 There will be financial implications for the Council if full cost recovery is not achieved.
- 8.3 The fees can be used to cover the cost of the following:

Administration – This could cover basic office administration to process the licence application, such as resources, photocopying, postage or the cost of handling fees through the accounts department. This could also include the costs of specialist licensing software to maintain an effective database, and printing licences.

Initial visit/s – This could cover the average cost of officer time if a premises visit is required as part of the authorisation process. Councils will need to consider whether the officer time includes travel. It would also be normal to include ‘on-costs’ in this

calculation. Councils will need to consider whether 'on-costs' include travel costs and management time.

Third party costs – Some licensing processes will require third party input from experts.

Liaison with interested parties – Engaging with responsible authorities and other stakeholders will incur a cost in both time and resources.

Management costs – Councils may want to consider charging an average management fee where it is a standard process for the application to be reviewed by a management board or licensing committee. However, some councils will include management charges within the 'on-costs' attached to officer time referenced below.

Local democracy costs – Councils may want to recover any necessary expenditure in arranging committee meetings or hearings to consider applications.

On costs – including any recharges for payroll, accommodation, including heating and lighting, and supplies and services connected with the licensing functions. Finance teams should be able to provide a standardised cost for this within each council.

Development, determination and production of licensing policies – The cost of consultation and publishing policies can be fully recovered.

Advice and guidance – This includes advice in person, production of leaflets or promotional tools, and online advice.

Setting and reviewing fees – This includes the cost of time associated with the review, as well as the cost of taking it to a committee for approval.

Enforcement – This includes action required when investigating and enforcing against licensed drivers, vehicle proprietors and private hire operators.

9. **Major Risks**

9.1 The Council will be open to challenge should the calculation of the fees and charges prove to be contrary to the Act.

9.2 Judicial Review of a decision may be made on the following grounds:

- Ultra vires – no power to levy a particular fee, or fees used to raise revenue unlawfully, or
- Wednesbury rules – decision was unreasonable or irrational

10. **UN Sustainable Development Goals (UNSDG)**

10.1

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11. **Key Decision Information**

11.1 Not applicable

12. **Earlier Cabinet/Committee Resolutions**

12.1 22nd February 2017 – Full Council

13. **List of Appendices**

13.1 Not applicable

14. **Background Papers**

14.1 [LGA Guidance on Local Fee Setting](#)