



Taxi Fees 2021

Corporate Priority:	3. Delivering sustainable and inclusive growth in Melton
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	
Exempt Information:	No

1. Summary

- 1.1 To consider whether taxi fees charged for processing applications should be amended for the next financial year (2022-23) given the significant effect of the Coronavirus pandemic on the taxi trade.
- 1.2 The proposals would mean an increase to the recharge of the DBS charge to be in line with that charged to the Council, consultation on the introduction of a new 1 and 2 year licence with other charges remaining as currently set.

RECOMMENDATION(S)

That Committee:

1. Approves that consultation commences with the taxi trade to understand the significance of amending fees including consideration of introducing a one year and two year drivers licence where there are relevant circumstances.
2. Approves setting the fee charged to drivers for the DBS check (disclosure and barring service) to be in line with the charge incurred by Melton Borough Council.
3. Authority is delegated to the Director for Growth & Regeneration in consultation with the Portfolio holder for Climate, Access and Engagement to resolve any objections received and to implement the new fee table from 1st December 2021 to the 31st March 2023.

2. Reason for Recommendations

- 2.1 Taxi Licence fees are set locally, unlike alcohol licence fees which are set nationally by Government. Taxi licence fees were last reviewed by Melton Borough Council in 2017. A copy of the current fees can be seen at Appendix A.
- 2.2 The fees need to be reviewed by Melton Borough Council as they have not been updated since 2017. The review needs to determine whether the revised fees are set on a full cost recovery basis or partial recovery, particularly relevant for the taxi trade with the recent Covid 19 implications and to consider whether the fees are to be set in parity with other local Councils to ensure fairness for our local businesses.

3. Background

3.1 Significance of the Taxi Trade in Melton

3.2 The taxi trade is vital in a rural Borough like Melton, it supports the general economy, but particularly the night time economy as there are no alternative public transport options available.

3.3 It is a significant local transport network to facilitate independence for members of the public and enabling their access to essential services, particularly relevant for a sector of local population without access to their own vehicle and/or those with mobility problems.

3.4 Impact of Covid 19

3.5 The Coronavirus pandemic has seriously affected the taxi trade across the country particularly in 2020 due to issues including; severely limited school services operating, supermarket home delivery, fewer visits to the NHS, no night time economy, virtually no holiday/airport journeys and few business trips, with much business being carried out via online platforms.

4. Main Considerations

4.1 The impact of Covid 19 in Melton is that the number of vehicles and drivers is already down by approximately 1/3rd to date.

TABLE 1 – Decease in number of Taxi Licences in Melton since 2018

	No of Vehicles	Number of Drivers	Number of Private Hire Operators
2018	83	91	10
2021	57	55	9

4.2 To put this into context for Leicestershire below is a table of current numbers of licensed drivers in other local authorities.

4.3 Table 2 – Comparison of Number of Driver Licenses across Leicestershire

Authority	Number of Licensed Drivers – Feb 2021	% of the Leicestershire total
Blaby	106	3
Charnwood	288	7.8
Harborough	155	4.2
Hinckley & Bosworth	174	4.7

Leicester City	2114	57.3
Melton	55	1.5
North West Leicestershire	249	6.7
Oadby & Wigston	438	11.8
Rutland	110	3
TOTAL	3,689	100%

4.4 Melton Borough Council needs to do what it can to support recovery the taxi trade in the Borough. During the initial lockdown due to Covid 19 in spring 2020 when businesses were closed for three months (April, May & June), Melton Borough Council reviewed locally set licence fees and a decision was made to extend licences by the 3 month period that businesses were effectively unable to trade.

4.5 **Benchmarking**

4.6 A benchmarking analysis of Leicestershire Authorities and our adjoining neighbouring Authorities has been carried out. It can be seen that in general Melton fees are in line with our neighbouring authorities, except for annual vehicle fees (see tables in Appendix B).

4.7 The average cost in Leicestershire for an initial application for a vehicle is £220 compared to the Melton fee of £104. The average fee in neighbouring Authorities is £184.

4.8 The average cost for a vehicle renewal in Leicestershire is £183 compared to the Melton fee of £94. The average fee in neighbouring Authorities is £232 (please note this is based on fewer comparisons).

4.9 **Additional Information:**

9th March 2021: **Tunbridge Wells Council** reject Taxi Fee increase due to the impact of Coronavirus following consultation:

"It's very hard times for all of us. I was expecting some kind of support not your asking for more money!"

"The industry is already on its knees."

"Trade is so poor, I spent four hours waiting at the train station and made only £4".

"My trade is down so far that I am on the brink of packing it all in. This is a kick in the teeth."

July 2021 **Ashfield District Council** in Nottinghamshire is currently out to consultation with reduced fees.

4.10 **Developing Relationships with Taxi Trade**

4.11 Melton Borough Council needs to look at ways of supporting this trade going forward for continuation of this vital trade. As a means of trying to support the taxi trade Melton Borough Council took the decision to provide discretionary grant funding to the taxi trade via the Additional Restriction Grant in 2020/21. In many instances this was up to £2500 to individual drivers and more for taxi companies to help them through the period between November and July. This was agreed in order to support the trade at such a difficult time.

4.12 There has been a request from the trade for Melton Borough Council to establish a 1 year driver's licence to assist new drivers entering the trade. A new driver would need to find less money to set up and they can establish, in that year, whether it will be financially viable to continue in the trade for the longer term. Discussions with Job Centre Plus (JCP)

have also established that they may be able to assist some drivers with a basic support package for getting back into employment, however JCP would not be able to support the cost of a 3 year licence. Hence further justification for introducing a 1 year licence. This would be a means of trying to regenerate the taxi trade in the Borough of Melton.

4.13 The legislation states we can grant a licence for a lesser period “if deemed appropriate in the circumstances”. The above circumstances may be deemed such.

4.14 **Recovery of Costs**

4.15 Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”) allow the Council to charge fees for the grant of licences in respect of hackney carriage and private hire drivers, vehicles and operators. The legislation specifies the elements that can be included in the cost of the licence fee.

4.16 The cost of issue and administration can be recovered in drivers’ licence fees. In respect of vehicle and operator licences, the reasonable cost of inspecting vehicles, providing hackney carriage stands and any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles can be included in the fees.

4.17 The Council cannot make a profit from licence fees and there must be a carry forward of any surplus. There can also be recovery of any deficit.

5. **Options Considered**

5.1 **A number of options have been considered when reviewing the fees charges for Taxi licencing. Following this review the following options are recommended to be taken forward:**

5.2 **To Increase Licence Types**

5.3 Taking into account all of the items raised above the revised option is to recommend that new fees are introduced following consultation with the taxi trade for a 1 and 2 year licence, where deemed appropriate.

5.4 **Recovery of DBS Check Fees**

5.5 It is proposed that the fee for the DBS check is increased in line with their charge to us to recover our direct costs going forward. This currently stands at £51.50.

5.6 **To Freeze Fees**

5.7 It is proposed to maintain the other licence fees at the current charges and the Private Hire operator fees in order to support the trade which has clearly struggled with the pandemic.

5.8 During the pandemic a 3 month extension was provided for existing licenses and therefore, it is not proposed to reduce any fees at present. In addition it is considered that such a measure would not be sufficient to stimulate the trade as the fee is only a small element of the costs incurred in setting up and maintaining a taxi business. The service is looking at working with the Economic Development team to identify other ways the industry can be supported.

6. **Consultation**

6.1 If Committee agree, consultation will commence with the trade with regard to extending licence types and restricting other fee increases. The proposed consultation document is attached at Appendix C.

7. Next Steps – Implementation and Communication

7.1 If agreed, to commence consultation with the trade.

8. Financial Implications

8.1 The 2021-22 licensing budget shows that the service is expecting to be in deficit by £13,980 (expenses of £86,310 and income of £72,330) before including any corporate overhead costs. The deficit is in part due to the fall in licence fees across all areas since the Covid19 pandemic. In particular, the number of taxi licences issued is around 33% less than a normal year. If taxi licences were to recover to 2018/19 levels, then the service would generate an estimated additional £6,000 income. As such the council is currently subsidising the cost of taxi licensing.

8.2 The law states that recovery of taxi licence can be on a cost recovery basis in the Local Government (Miscellaneous Provisions) Act 1976, but it does not have to be full cost recovery. The fee structure can be based on what the Council considers reasonable.

8.3 To achieve cost recovery with only 55 licenced drivers in the Borough (compared to 91 in 2018) would place an economic burden on the trade when we need to support growth of the industry in the Borough of Melton.

Following consultation should it be determined to introduce a 1 year licence the proposed fee for a new application would be £120 and for a renewal would be £105, and should it be determined to introduce a 2 year licence the proposed fee for a new application would be £220 and for a renewal would be £200.

8.4 Financial assumptions regarding increases to licence fees which are set locally by each Council (rather than dictated by Government) were included as part of the MTFS. Agreeing to this proposal will have an impact on the MTFS with the additional income of £11k assumed not being achieved. However this trade has been severely affected in Melton by the pandemic and it may be prudent for MBC to restrict increases in such areas rather than contributing further disintegration of the trade.

Financial Implications reviewed by: Director for Corporate Services

9. Legal and Governance Implications

The Local Government (Miscellaneous Provisions) Act 1976 allows the Council to charge for the grant of licences in respect of hackney carriage and private hire drivers, vehicles and operators. The fees must be set at a level which ensures that the Council does not make a profit.

9.1 Section 53(2) of the Act states in relation to drivers' licences for hackney carriage and private hire vehicles

“Notwithstanding the provisions of the Act of 1847, a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so”

9.2 Section 70 of the Act states, in relation to vehicle and operators' licences

“1)Subject to the provisions of subsection (2) of this section, a district council may charge such fees for the grant of vehicle and operators’ licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—

(a)the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

(b)the reasonable cost of providing hackney carriage stands; and

(c)any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles”

9.3 Fees set must be published by means of a notice in a local newspaper setting out the fees and allowing a period of at least 28 days for objections to be made. A copy of the notice must be available for inspection at the Council offices for the same period. If no objection is made or all objections made are withdrawn, the fees come into effect at the end of the period allowed for objection or the date of withdrawal of the last objection if later. Any objections made during the period allowed for must be considered and a further date set, being not later than two months after the first date, for the fees to come into force with or without modification.

Legal Implications reviewed by: Louise Arnold

10. Equality and Safeguarding Implications

10.1 All taxi drivers have to undertake mandatory safeguarding training following child sexual exploitation incidents in the north-west of England when taxis were used in some instances to transport victims.

11. Community Safety Implications

11.1 A strong taxi trade can improve community safety, particularly within the night time economy.

12. Environmental and Climate Change Implications

12.1 Melton Borough Council offers reduced fees for electric and hybrid vehicles.

13. Other Implications (where significant)

13.1 There are no other implications associated with this report.

14. Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Likely to lose more drivers by increasing fees when the taxi trade is diminishing	Significant	Critical	M

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Score/ definition	1	2	3	4	

6 Very High				
5 High				
4 Significant			1	
3 Low				
2 Very Low				
1 Almost impossible				

Risk No	Mitigation
1	Do not increase fees at this critical time

15. Appendices

- 15.1 A – Hackney Carriage and Private Hire Licensing Table of Fees
- 15.2 B – Benchmarking of taxi fees across Leicestershire and neighbouring authorities
- 15.3 C – Proposed Consultation Paper

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1 April 2017
Hackney Carriage and Private Hire
Licensing Table of Fees (Full)

New Applications	Cost
Hackney Carriage/Private Hire Drivers Licence (3 years)	£318.00
Hackney Carriage/Private Hire Vehicle Licence (1 year)	£104.00
Private Hire Operators Licence (5 years)	£845.00
Renewal applications	Cost
Hackney Carriage/Private Hire Drivers Licence (3 years)	£286.00
Hackney Carriage/Private Hire Vehicle Licence (1 year)	£94.00
Private Hire Operators Licence (5 years)	£760.00
Miscellaneous	Cost
Replacement Private Hire Door Signs	£17.00
Private Hire Door Signs (Magnetic)	£22.00
Extra Plates (trailers etc.)	£17.00
Replacement Badge	£15.50
Replacement Paper Licence	£7.00
Replacement internal plate/sticker	£15.00
Replacement external plate	£22.00
Other	Cost
Disclosure and Barring Service Check	£44.00
DVLA Check	£5.00

Benchmarking Table

The figures in green indicate where the fees at other Authorities are higher than the Melton fee.

		Current						
	Fee Type	Melton	Harborough	Blaby	NWL	Charnwood	H & B	O&W
1	Taxi Driver New	£318 (3yrs)	£375 (3yrs)	£228 (3yrs)	£100(1yr) £249(3yrs)	£190 (3yrs)	£160 (3yrs) DBS £40	£213 (3yrs)
2	Taxi Driver Renewal	£286 (3yrs)	£320 (3yrs)	-	£235 (3yrs)	£180 (3yrs)	£160 (3yrs) DBS £40	
3	Taxi Vehicle New	£104 (1yr)	£225 +£15 (1yr)	£205 (1yr)	£256 (1yr)	£189 (1yr) Inc plates	£160 (1yr)	£246 PH £262 HC
4	Taxi Vehicle Renewal	£94	£220 (1yr)	-	-	£170 (1yr)	£160 (1yr)	
5	Taxi Operator's New	£845 (5yrs)	£580 (5yrs)	£621 (5yrs)	£250-£925 (5yrs)	£795- £1065 (5yrs)	£222 (5yrs)	£284- £1010
6	Taxi Operator's Renewal	£760	£535 (5yrs)					
7	Miscellaneous	DBS £44 Knowle dge Test £10	Transfer vehicle £35	Knowledge Check £25	Knowledge Test £43.50	Knowledge Test £54 Replacement Badge £13	Knowledge test included	Knowledge Check £42.90

	Fee Type	Current	SKDC	Newark	Rushcliffe £25 registration fee)	Rutland
		Melton				
1	Taxi Driver New	£318. (3yrs)	£259 (3Yrs) £102 (1 Yr)	£135 (£200)	£276 (3 yrs) £156 (1 yr)	£94 £136.00 (3yrs)
2	Taxi Driver Renewal	£286 (3yrs)			£250 (3 yrs) £130 (1 yr)	
3	Taxi Vehicle New	£104 (1yr)		PH £175 HC £225	£183	£154 (1yr)
4	Taxi Vehicle Renewal	£94 (1yr)	PH £222 HC £243			
5	Taxi Operator's New	£845 (5yrs)	£157.70 (3Yr)	£325 +£30 per vehicle (5 yrs)	£867(plus £118-£8,330)	£327 (5yrs)
6	Taxi Operator's Renewal	£760				
7	Miscellaneous		Knowledge Test £57-94	Knowledge Test £40	Knowledge Test £26.60 (3 max)	Suitability Test £27 Plate Deposit £20



Taxi Licence Fee Consultation September 2021

The existing fees charges to the taxi trade can be found below. They were set in 2017 and need to be reviewed.

However, it is recognised by Melton Borough Council that the impact of the Covid 19 pandemic has been significant on our taxi trade. Since 2018 the number of vehicles licensed by Melton Borough Council is down by over 30% and the number of drivers is down by 40%.

This consultation is to seek views on proposed amendments to licence fees to remain until 31st March 2023.

Proposed changes

- Melton Borough Council freeze most licence fees (save for those highlighted) at the current rates until 31st March 2023
- Melton Borough Council increases the Disclosure and Barring Service (DBS) check to £51.50 – reflecting the actual current costs to the Council and going forward to be in line with the charge incurred by Melton Borough Council.
- In order to try and generate additional drivers to the trade in Melton, Melton Borough Council will introduce a **new one year** driver's licence* at £120
- In order to try and assist the taxi trade in Melton, Melton Borough Council will introduce a **one year renewal** driver's licence* at £105
- In order to try and generate additional drivers to the trade in Melton, Melton Borough Council will introduce a **new two year** driver's licence* at £220
- In order to try and assist the taxi trade in Melton, Melton Borough Council will introduce a **two year renewal** driver's licence* at £200?

* Drivers will need to declare there is an exceptional reason for granting such a licence

DRAFT 2021-2023 Hackney Carriage and Private Hire Licensing Table of Fees (Full)

those parts highlighted reflect where changes are proposed

New Applications	Cost
Hackney Carriage/Private Hire Drivers Licence (3 years)	£318.00

Hackney Carriage/Private Hire Drivers Licence (2years)	£220.00
Hackney Carriage/Private Hire Vehicle Licence (1 year)	£120.00
Private Hire Operators Licence (5 years)	£845.00
Renewal applications	Cost
Hackney Carriage/Private Hire Drivers Licence (3 years)	£286.00
Hackney Carriage/Private Hire Drivers Licence (2years)	£200.00
Hackney Carriage/Private Hire Vehicle Licence (1 year)	£105.00
Private Hire Operators Licence (5 years)	£760.00
Miscellaneous	Cost
Replacement Private Hire Door Signs	£17.00
Private Hire Door Signs (Magnetic)	£22.00
Extra Plates (trailers etc.)	£17.00
Replacement Ba	£15.50
Replacement Paper Licence	£7.00
Replacement internal plate/sticker	£15.00
Replacement external plate	£22.00
Other	Cost
Disclosure and Barring Service Check	£51.50
DVLA Check	£5.00

Any objections to the proposed variation can be made in writing to the person/address shown below. Objections must be received no later than **5pm on Friday 19th November 2021**. If no objections are received or are received and subsequently withdrawn, the new table of fees will apply from **Wednesday 1st December 2021**.

If objections are received, they will be considered by the Council before a decision is taken in relation to varying the fees.

A copy of this consultation document will be available by appointment for public inspection without payment at the council offices weekdays between 09:00hrs and 16:00hrs until **Friday 19th November 2021**.

Pranali Parikh
Director for Growth and Regeneration
Melton Borough Council, Parkside, Station Approach, Burton Street, Melton Mowbray, LE13 1GH.