



Licensing

13 February 2024

Report of: Elaine Bird, Head of Regulatory Services

Taxi Licence Application Fees 2024-25

Corporate Priority:	Delivering excellent services positively impacting on our communities
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

1.1 To consider a 4% increase of the taxi licence fees for 2024-25

RECOMMENDATION

That Committee:

- 1) Note the proposed taxi licence application fee structure as set out in appendix A.**
- 2) Delegated Authority is given to the Director of Growth and Regeneration, in consultation with the Portfolio Holder to resolve any objections received following the consultation of the proposed taxi licence application fees, for them to take affect from the 1st April 2024.**
- 3) Delegated authority is given to the Director of Growth and Regeneration, in consultation with the Portfolio Holder to enter into any necessary agreement with Taxiplus to support the delivery of the taxi licence application process.**

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 increased by Melton Borough Council in 2017 and in 2021 the Licensing Committee agreed a freeze of the fees to support the trade in recovering from the effects of the pandemic. 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 increased since 2017 but the costs of administrating the service by the Council has increased.
- 2.3 The Constitution delegates to the relevant Director to approve locally set fees including taxi licence fees.
- 2.4 Hackney Carriage taxi application fees and charges are approved following the required consultation in line with the procedure set out in the Local Government (Miscellaneous Provisions) Act 1976.
- 2.5 The introduction of Taxiplus will streamline the taxi licence application process for the Council and the taxi trade. In addition will provide more assurance on public safety as up to date information would be readily available to the licensing officers.

3 Background

- 3.1 The taxi trade is vital in a rural Borough like Melton, it supports the general economy, but particularly the nighttime economy as there are no alternative public transport options available.
- 3.2 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.
- 3.3 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.
- 3.4 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.
- 3.5 To support the trade to recover from the impact of the pandemic, members of the Licensing Committee 9th September 2021 agreed a freeze on the taxi license application fees and the introduction of a new 1 and 2 year driver licences to make a licence more attractive to new drivers without having to commit to a three year period.

4 Main Considerations

- 4.1 To operate as hackney carriage or a private hire, the following licences are required:
 - Private hire or hackney carriage vehicle licence.
 - Drivers licence.
 - Operators licence which required to operate a private hire business.

The duration of each taxi licence varies depending on the licence type as set out in Table 1.

Table 1 – Taxi License duration

License Type	Duration
Vehicle	1 year licence
Driver	1-3 year licence

Operator	5 year licence
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4.2 The number of applications from the taxi trade are generally improving since the pandemic however it is recognised that the number of applications remain below the pre pandemic levels.

Table 2 – Taxi Licence applications

	Number of Hackney carriage vehicle Applications	Number of Private Hire vehicle Applications	Number of Driver applications	Number of Operator applications
2018-19	74	27	59	4
2019-20	63	41	31	1
2020-21	66	28	36	2
2021-22	41	22	41	3
2022-23	52	29	41	2
End of Sept 23	20	18	25*	1**

*there are currently 56 licenced drivers

**there are currently 7 licensed operators

4.3 As there a has not been an increase in the licence application fees since 2017, it is important that any increase is proportionate and the proposal is a flat rate increase of 4% across all of the chargeable activities.

4.4 A significant increase in the application fees may result in more of the trade leaving the profession and any increase must be proportionate to the risk of losing drivers providing a local service.

4.5 **Taxiplus**

4.6 Drivers and operators are required to have Disclosure Barring Service (DBS) check as part of the application process and period checks throughout the lifetime of the licence. The cost of the DBS checks is not included in the licence application fee but is invoiced separately. This does have an impact on the resource of the team as there is a requirement for licence holders to have a DBS check every six months which ensures the licensed drivers and operators are fit and proper persons. The current cost of the DBS check is £51.50 each time plus officer administration costs.

4.7 To support the efficient processing of applications, Taxiplus offers a subscription service to streamline the DBS and DVLA checks for both the local authority and the taxi trade as well as maintaining a high level of public safety by having instant access to licence holders information.

4.8 Rather than the Council arranging the DBS checks and invoicing the applicant, through the Taxiplus portal the applicants would purchase their DBS checks directly through a local authority specific portal. There is also a DBS update service which the licence holder subscribes to which enables the local authority to undertake the DBS compliance checks without the need for a full DBS check.

4.9 Taxiplus is nil cost to the Council. The costs for this service would be met by the trade as an alternative to the Council arranging the DBS and DVLA checks and recharging the applicant. The indicative Taxiplus costs to the trade are in the region of

- DBS check £53.00

- DVLA check £12.00 plus VAT
- Update Service status checks £6.00 plus VAT

4.10 Benchmarking

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).

The average cost in Leicestershire for an initial application fee for a vehicle is in the region of £215 compared to the proposed Melton fee of £125.00

4.11 Recovery of costs

4.12 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.

4.13 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.

4.14 The 2017 application fees were based on the hourly rate of officers at the time. As the fees have not been reviewed for several years, to increase the application fees to meet costs recovery would place a significant economic burden on the trade when we need to support growth of the industry in the Borough of Melton. The introduction of the Taxiplus also enables the increased licence application fee to be kept to a minimum as the administration burden to the team is reduced.

5 Next Steps – Implementation and Communication

5.1 Subject to the approval of recommendation 2, the Director of Growth and Regeneration, in consultation with the Portfolio Holder to consider and resolve any objections received following the consultation requirements of the Local Government (Miscellaneous Provisions) Act 1976 and as detailed in Section 8 of the report. The new taxi licence fees will take effect from the 1st April 2024.

5.2 If agreed, to enter into discussions with Taxiplus to agree a delivery model for Melton Borough Council to undertake the DBS and DVLA checks that are require as part of the taxi licensing process.

5.3 To engage with the trade on the introduction of the taxiplus service to support the transition to the new process.

6 Financial Implications

6.1 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.

6.2 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.

- 6.3 Subject to the outcome of the consultation, the taxi licence application fees are increased by 4% which is in line with other locally set application fees. The proposed fees are set out in Appendix A.
- 6.4 Based on the current system the resource required to carry out the required DBS and DVLA checks equated to approximately £8,800 per annum. Based on an average of 60 licensed drivers, the resource calculation is based on the hourly rate and time spent by the team in processing this element of the licence applications. In comparison the cost to the trade using the Taxiplus service is approximately £1,300 per annum. This means that the overall increase in the taxi licence application fees can be kept to a minimum at 4%. The cost of Taxiplus will be met by the trade.

7 Financial Implications reviewed by: Assistant Director for Resources

8 Legal and Governance Implications

- 8.1 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.
- 8.2 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"
- 8.3 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"

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. manner.

Legal Implications reviewed by: Clive Tobin, Assistant Director Governance and Democracy, Monitoring Officer.

9 Equality and Safeguarding Implications

9.1 Whilst there are no direct safeguarding implications for this report, 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.

10 Community Safety Implications

10.1 There are no implications associated with this report.

11 Environmental and Climate Change Implications

11.1 There are no implications associated with this report however the Hackney carriage and private hire taxi licensing policy includes a reduced licence fee for low emission vehicles which are used as hackney carriage or private hire vehicles.

12 Other Implications (where significant)

12.1 There are no implications associated with this report.

13 Risk & Mitigation

14 Risk No	Risk Description	Likelihood	Impact	Risk
1	Likely to lose more drivers by increasing fees in line with full cost recovery	Significant	Critical	M

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	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	Increase licence application fees by a standard 4%

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