

Report to Environment and Licensing Committee

Subject: Proposed Taxi Licensing Fees for 2025/26

Date: 10 June 2025

Author: Community Protection Manager

Purpose

To consider the response to the consultation contained in Appendix 1, and the Finance Department response in Appendix 2, regarding the proposed taxi fees at Appendix 3 that were approved for advertisement in accordance with the Local Government (Miscellaneous Provisions) Act 1976 at the meeting held on 15th April 2025.

Recommendation(s)

THAT:

- 1. Members consider the response to the consultation on the taxi fees attached at Appendix 1 and the response of the Finance Department at Appendix 2.**
- 2. Members will decide if any amendments are required to the proposed fees in Appendix 3 after consideration of the information contained in Appendix 1 and Appendix 2.**
- 3. Members will approve that the fees in Appendix 3, subject to any amendments, to come into force on 1st July 2025.**

1 Background

- 1.1 At the Environment and Licensing Committee held on 15th April 2025 Members resolved to approve that the fees detailed in Appendix 3 be advertised in accordance with the provision of the Local Government (Miscellaneous

Provisions) Act 1976.

- 1.2 Members are reminded that the fixing of fees including the ones proposed in Appendix 3 for 2025/26 is a function of the Environment and Licensing Committee as laid out in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.
- 1.3 The Act permits the Council to set vehicle and operator licence fees, but where this fee exceeds £25, as is the case at Gedling, a public notice of the proposed fees must be advertised in a local newspaper circulating in the district. The advertisement must advise where any objections to the fee changes can be lodged and must allow a period of at least 28 days from publication of the notice for objections to be lodged. If no objections are made or if all objections are withdrawn the fees come into effect after the 28-day period on the date specified in the notice. Where objections are not withdrawn, the Council must then consider the objections before determining the fee level and setting a further date, not later than two months after the first specified date, on which the new fees shall come into force.

A public notice was placed in a local newspaper on 23rd April 2025 and the consultation ran for 28 days until midnight on 20th May 2025.

One response to the consultation was received and this is attached at Appendix 1. The Finance Department have responded and their response to the representation is attached at Appendix 2.

2 Proposal

- 2.1 Members are requested to consider the responses to the consultation attached at Appendix 1 and the response of the Finance Department at Appendix 2 and to decide if any amendments are required to the fees set out in Appendix 3.
- 2.2 Members are requested to approve the fees in Appendix 3, subject to any amendments agreed after consideration of the consultation responses in Appendix 1 and Appendix 2, and that these fees will come into force on 1st July 2025.

3 Alternative Options

- 3.1 Members are advised of the impact on fee recovery if any of the following options are proposed after consideration of the responses to the consultation:
 - That the fee increase is not approved resulting in the Council not moving

towards operating the service at full cost recovery requiring a higher subsidy from the Council Tax payer.

- That a lower fee increase be applied to that proposed. A lower fee increase, or fee reduction would increase the estimated deficit on driver fees, and introduce a higher estimated deficit on vehicle licences, the resulting deficit would then be carried forward as part of the three-year accounting cycle and would potentially result in an increased fee for 2025/26. As the aim is to achieve full cost recovery without a Council Taxpayer subsidy and to achieve some stability in fees for licence holders going forward, this option is not recommended.
- That a higher fee increase be applied to those proposed, but this is not recommended due to the potential impact on licence holders. The proposed phasing in over three years seeks to achieve a fair balance between taxpayer subsidy and cost recovery from the licence holder.

4 Financial Implications

- 4.1 Members are reminded that the Council cannot make a profit and must carry forward any surplus. Any deficit can also be carried forward and can be recovered in subsequent years. Surplus or deficits will be considered when fee setting in future years with the aim of reconciliation occurring over a three-year cycle. The surpluses or deficits arising from 2023/24, and projected for 2024/25, have been considered when setting fees for 2025/26 as part of the three-year accounting cycle.
- 4.2 2025/26 is the last year of the first three-year balancing cycle, Drivers Licences forecast an overall deficit at the end of the three years of £13,100 and Vehicles of £6,500. To ensure full cost recovery over the three years we would need to significantly increase Drivers and Vehicle fees to an amount which is not deemed to be fair and equitable.
- 4.3 We acknowledge the points made within the representation in Appendix 1 and have carefully reviewed our calculations and processes and feel that no further action needs to be taken on the fees. As stated in Appendix 2 the vehicle licence fee has been set based upon the deficit position of the licence, the fee is therefore proposed to be increased to recover part of that deficit. The fee is also lower than it was in 2022/23 and so hasn't continually risen over that period.

5 Legal Implications

- 5.1 Sections 53 and 70 of 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.

- 5.2 Section 70 covers the vehicle and operators' licences the Act states that the Council may charge such fees as may be sufficient in the aggregate to cover in whole or in part:

- The reasonable cost of inspecting Hackney Carriages and Private Hire vehicles to ascertain whether any such licence should be granted or renewed.
- The reasonable cost of providing Hackney Carriage stands.

Any reasonable administrative or other costs in connection with the above and with the control and supervision of Hackney Carriages and Private Hire vehicles.

- 5.3 Section 53 of the Act covers the fee for drivers' licences the Council may charge:

Such fee as it considers reasonable with a view to recovering the costs of issue and administration associated with the grant of Hackney Carriage and Private Hire drivers' licences.

- 5.4 Case law has established that the cost for the enforcement of unlicensed drivers, vehicles or operators cannot be included in the calculation. 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. The reconciliation of any surplus and deficit is over a three-year cycle. The calculations in respect of each type of licence issued by the Council should be kept separate.
- 5.5 When the Council proposes to set new fees for vehicle and operator licences it is required by Section 70 of the Act to publish notice of the proposed variation in a local newspaper stating that objections may be made within a period of not less than 28 days. If objections are received and not withdrawn the Council must consider them and set a further date on which the variation shall come into force with or without modifications.
- 5.6 There is no statutory requirement for a similar procedure in respect of a proposed variation in the fees for drivers' licences. In practice the Council has given public notice of proposed increases in those fees at the same time as proposed increases in the fees for vehicle and operator's licences, invited objections, and set a date for implementation in the same way.

6 Equalities Implications

6.1 An Equalities Impact Assessment is attached at Appendix 3.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 There are no carbon reduction/sustainability implications arising from this report.

8 Appendices

8.1 Appendix 1 – Response to the consultation.

Appendix 2 – Response to the consultation including response from the Finance Department.

Appendix 3 - Taxi driver, vehicles and operator proposed fees 2025/26

Appendix 4 – Equalities Impact Assessment

9 Background Papers

9.1 None

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

