

# North Yorkshire Council

## Environment Executive Members

### Review of Fees and Charges – Hackney Carriage and Private Hire Licences

23 January 2026

#### Report of the Assistant Director – Regulation and Harbours

#### **1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present the Corporate Director – Environment in consultation with the Executive Member – Managing our Environment with a proposal to maintain the current fees and charges relating to the Council’s hackney carriage and private hire licensing functions.

#### **2.0 BACKGROUND**

- 2.1 In accordance with section 53 and section 70 of the Local Government (Miscellaneous Provisions) Act 1976, the Council may charge a reasonable fee with a view to recovering costs relating to hackney carriage and private hire licences.
- 2.2 Licence fees should be calculated on a cost-recovery basis in order for the associated costs of the service to be met by individuals and businesses benefiting from the licensed activity. Any failure to recover costs in this regard would result in a subsidisation of private enterprise at the expense of other services that the Council provides to its taxpayers.
- 2.3 The licensing authority cannot make a profit from licence fees. Any surplus or deficit must be carried forward and taken into account for any future fee revisions.
- 2.4 Last year’s fee review resulted in the retention of the previous year’s fees on the basis that increased salaries were offset by other relevant factors.

#### **3.0 HACKNEY CARRIAGE AND PRIVATE HIRE LICENCE FEE REVIEW**

- 3.1 According to the Department for Transport’s Taxi and Private Hire Vehicle Licensing Best Practice Guidance (November 2023), “it is essential to a well-functioning taxi and private hire vehicle sector that those administering and enforcing the regime are well resourced Licensing authorities should regularly review their fees to reflect changes to costs, both increases and reductions”.
- 3.2 The cost of the service is determined by several factors including staffing (salaries, National Insurance contributions, pensions etc), accommodation, utilities, IT support, legal costs, software, insurance, printing and postage. The licence fee for each application is then dependent on several other factors including, where applicable, the time spent on administration, inspections, complaints, compliance checks, committees, consultations, and advertising.
- 3.3 Service costs associated with specific applications must be recovered accordingly. For instance, any costs relating to hackney carriage stands and the Council’s hackney carriage table of fares must only be recovered from hackney carriage vehicle licence fees whereas other costs (such as policy and service development) will apply to all licence fees.

- 3.4 The current fees relating to hackney carriage and private hire licensing functions are attached. Along with the proposals for the year beginning 01 April 2026 (Appendix A).
- 3.5 The costs have been calculated with due regard to the relevant legislation, case law and guidance. The relevant cost calculations are attached (Appendix B).
- 3.6 Any surplus or deficit must be carried forward and taken into account for any future fee revisions. Although the accounts for 2024/25 show a deficit, it is a greatly reduced from 2023/24, even when taking into account exceptional expenditure due to LGR. It is expected that the deficit would increase in future years due to known increases in costs such as National Insurance if no increase is actioned. It is anticipated in future years that accounts will be balanced with the increase in fee. The 2024/25 accounts are attached (Appendix C).
- 3.7 The proposed fees arising from the cost calculations reflect an increase in relation to some licences and a reduction in relation to others to account for changes in personnel, salaries, overheads and operational service delivery.
- 3.8 In accordance with section 70 of the Local Government (Miscellaneous Provisions) Act 1976, the Council must publish a notice in a local newspaper setting out any proposed variation to the fees. The notice must also be displayed at the Council offices for a period of at least 28 days.
- 3.9 The notice must specify a date, not less than 28 days from the date of publication, by which objections must be made. If no objections are lodged, the fees will come into effect on that date. The matter will be referred to the Corporate Director for further consideration if any objections are received.

#### **4.0 CONTRIBUTION TO COUNCIL PRIORITIES**

- 4.1 The Council is committed to protecting communities, safeguarding children and ensuring the safety and wellbeing of the public.
- 4.2 A regular review of licence fees is essential to ensure that the licensing regime is adequately resourced to deliver its public protection functions. Effective delivery in this regard also supports economic growth.

#### **5.0 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The Council may consider retaining the existing licence fees for a third successive year. However, any failure to recover costs permitted by statute would require an unnecessary subsidisation of the hackney carriage and private hire licensing regime at the expense of the Council's taxpayers.

#### **6.0 FINANCIAL IMPLICATIONS**

- 6.1 The fees have been calculated with a view to recovering all costs associated with the applications concerned (where permitted by statute).
- 6.2 Any income received must only be used to fund service delivery relating to hackney carriage and private hire licensing and therefore it must be emphasised that an increase in fees will not lead to any additional revenue for the Council.

## **7.0 LEGAL IMPLICATIONS**

- 7.1 The legislative framework for setting hackney carriage and private hire licence fees has been explored at sections 2 and 3 of this report.
- 7.2 In accordance with *R (on the application of Cummings) v Cardiff City Council* [2014] EWHC 2544 (Admin), the Council must separate its income when collecting licence fees for different licence types to prevent cross-subsidy and the Council must not use licence fees as an income-generating scheme. In the event of any surplus arising from income in relation to a particular licence type, the surplus must be used to reduce the relevant fees charged at the next review.
- 7.3 In accordance with *Rehman (On Behalf of the Wakefield District Hackney Carriage and Private Hire Association), R (On the Application Of) v The Local Government Association* [2019] EWCA Civ 2166, the cost of monitoring and enforcing the behaviour of licensed drivers can be recovered as an 'administration' cost. However, the cost of enforcement relating to unlicensed activities cannot be recovered through licence fees.
- 7.4 The licence fees cannot be varied unless the Council has satisfied the public notice requirements in section 70 of the Local Government (Miscellaneous Provisions) Act 1976 and considered any objections received during the specified period (as set out in paragraphs 3.8 and 3.9 of this report).

## **8.0 EQUALITIES IMPLICATIONS**

- 8.1 On 21 February 2023, the Executive of North Yorkshire County Council resolved to waive the fees relating to wheelchair accessible vehicles until such time as an Inclusive Service Plan is completed, and any subsequent changes to the Hackney Carriage and Private Hire Licensing Policy are implemented.
- 8.2 This approach was intended to encourage the provision and retention of licensed wheelchair accessible vehicles in North Yorkshire. The costs associated with applications in respect of wheelchair accessible vehicles have been subsidised by the Council's general fund (not by other licence holders) since 01 April 2023. This totals around £31,000 per annum.
- 8.3 The formulation of a new Inclusive Service Plan is underway with a view to identifying potential methods of improving service provision for wheelchair users. Its recommendations will be considered alongside the full review of the Hackney Carriage and Private Hire Licensing Policy.
- 8.4 The proposed review of licence fees recommends a continuation of existing arrangements, including in relation to wheelchair accessible vehicles to make the necessary provision while the policy review progresses. The Equalities Impact Screening document is attached (Appendix D).

## **9.0 CLIMATE CHANGE IMPLICATIONS**

- 9.1 The fees are not considered to be at a level that would discourage the trade from investing in high quality, low-emission vehicles. The Climate Impact Assessment document is attached (Appendix E).

## **10.0 POLICY IMPLICATIONS**

- 10.1 In accordance with the Council's Fees and Charges Policy, the default charging method is to recover the full costs (including overheads, capital charges and recharges) with a view to ensuring no element of subsidy from local taxpayers. The Policy is attached (Appendix F).
- 10.2 HM Treasury's Managing Public Money publication promotes a standard approach to calculating costs and setting charges. Annex 6.1 of the document explores how to calculate the cost of public services. The relevant extract is attached (Appendix G).
- 10.3 The Local Government Association (LGA) has published guidance on locally set fees (December 2023) setting out the legislation, case law and details of the costs that may be recovered. The guidance is attached (Appendix H).

## **11.0 REASONS FOR RECOMMENDATIONS**

- 11.1 The Council is expected to conduct regular reviews of licence fees to ensure that, where statutory powers exist, the cost of the hackney carriage and private hire licensing regime is recovered from applicants and licence holders.

## **12.0 RECOMMENDATION**

- 12.1 It is recommended that the Corporate Director – Environment in consultation with the Executive Member – Managing our Environment to approve the proposed variation to hackney carriage and private hire licence fees and to approve the publication of the relevant statutory notices, with or without amendments.

### **APPENDICES:**

Appendix A – Current and proposed fees  
Appendix B – Cost calculations  
Appendix C – 2024/25 accounts  
Appendix D – Equalities Impact Screening  
Appendix E – Climate Impact Assessment  
Appendix F – North Yorkshire Council's Fees and Charges Policy  
Appendix G – Extract from 'Managing Public Money' (HM Treasury)  
Appendix H – Local Government Association guidance on locally set fees

### **BACKGROUND DOCUMENTS:**

Department for Transport's Taxi and Private Hire Vehicle Licensing Best Practice Guidance (November 2023)

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