

North Yorkshire Council

Environment Executive Members

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

27 March 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 for Managing our Environment, with a proposal for the review of all 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 On 23 January 2026, the Corporate Director considered a proposed variation to hackney carriage and private hire licence fees. The proposed fees were calculated based on the cost of delivering hackney carriage and private hire licensing functions in North Yorkshire with due regard to the relevant legislation, case law and guidance. The fee review reflects an increase in costs to administer some applications and a reduction in relation to others to account for changes in personnel, salaries, overheads and operational service delivery. The report and its accompanying documents are attached (Appendix A).
- 3.2 The Corporate Director subsequently approved the publication of a statutory notice in a local newspaper setting out the proposed variation in accordance with section 70 of the Local Government (Miscellaneous Provisions) Act 1976.
- 3.3 The public notice was published in the Yorkshire Post on 29 January 2026 and displayed at Council offices across North Yorkshire for 28 days. A copy of the public notice is attached. Details of the proposed variation were also sent directly to approximately 1700 licensed drivers, proprietors and operators in North Yorkshire (Appendix B).

- 3.4 The Council has received a total of 64 responses to the proposed variation of the licence fees. The objections relate to the cost of living, increased costs relating to training for licensed drivers, a decline in income, the decision to retain the current hackney carriage fares, the Council's service delivery and the expectation that local government reorganisation would lead to savings for the trade. Anonymised details of the objections are attached (Appendix C).
- 3.5 Licence fees are not calculated based on the income and expenditure of licence holders but on the costs incurred by the Council in relation to the delivery of licensing functions. There are legitimate expectations that local government reorganisation would reduce the total cost burden on the Council and efficiency savings have been made to offset increased staffing costs. The Licensing Team continues to explore opportunities to make efficiency savings and any cost implications arising from streamlined services and personnel changes will continue to be taken into account for future fee reviews.
- 3.6 In accordance with section 70 of the Local Government (Miscellaneous Provisions) Act 1976, the Council must consider the objections and set a date (not later than 27 April 2026) for the variation to come into force, with or without modification.

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 modifying the proposed variation or 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). The cost calculations are included within the accompanying documents (Appendix A).
- 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, and (Appendix A).
- 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.

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.
- 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 included within the accompanying documents (Appendix A).

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 is included within the accompanying documents (Appendix A).

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 included within the accompanying documents (Appendix A).
- 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 included within the accompanying documents (Appendix A).
- 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 included within the accompanying documents (Appendix A).

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 of Environment, in consultation with the Executive Member for Managing our Environment, approves the proposed variation to hackney carriage and private hire licence fees with or without modification effective from 01 April 2026.

APPENDICES:

Appendix A – Report to Corporate Director

Appendix B – Public notice

Appendix C – Objections to proposed variation

BACKGROUND DOCUMENTS:

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

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