

# Report

## Cabinet Member for Communications and Culture

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### Part 1

Date: 11 March 2025

**Subject** **Revision of Licence Fees for Hackney Carriages and Private Hire Vehicles**

**Purpose** Following, and taking into consideration, members feedback to a previous request, to ask the cabinet member to agree to consultation with relevant businesses in Newport regarding the revision of the licence fees for Hackney Carriages and Private Hire Vehicles, and should the council not receive unresolved objections, the introduction of the new fee structure after 28 days.

**Author** Licensing and Business Compliance Manager

**Ward** All

**Summary** Following, and taking into consideration, members feedback to a previous request, to ask the cabinet member to agree to consultation with relevant businesses in Newport regarding the revision of the licence fees for Hackney Carriages and Private Hire Vehicles, and should the council not receive unresolved objections, the introduction of the new fee structure after 28 days.

**Proposal** **To carry out a consultation with relevant businesses in Newport regarding the revision of the licence fees for Hackney Carriages and Private Hire Vehicles, and should the council not receive unresolved objections, the introduction of the new fee structure after 28 days.**

**Action by** Head of Environment and Public Protection

**Timetable** Immediate

This report was prepared after consultation with:

- Public Protection Service Manager
- Head of Environment and Public Protection
- Head of Finance
- Head of Law and Standards
- Head of People Policy and Transformation

**Signed**

## Background

1. The Local Government (Miscellaneous Provisions) Act 1976 provides that the Council may fix reasonable fees for the licensing of hackney carriage and private hire vehicles, drivers and operators, and to vary those fees, in accordance with certain statutory procedures. Any fees levied must be reasonable and should be set at a level to enable full cost recovery for:
  - Issuing and administration of hackney carriage and private hire drivers licences.
  - Assessing the suitability of applicants including criminal history checks.
  - Issuing the badge and other associated administrative tasks.
  - Inspection of hackney carriages and private hire vehicles for the purpose of determining whether a licence should be granted or renewed.
  - Providing hackney carriage stands.
  - Control, supervision and enforcement of hackney carriages and private hire vehicles.
  - Reasonable administrative or other costs covering the above.
  - The 1976 Act states that for each hackney vehicle, private hire vehicle and private hire operator's licence the fees chargeable shall not exceed £25. However, where the council consider it appropriate to charge more than that figure, a 28-day public notice of the proposed fee must be advertised with which time any person may object to the variations. If no objections are made or if all objections are withdrawn the fees come into effect at the end of the 28-day period. Where objections are not withdrawn, the council should 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.
2. The present fees were implemented on 1 April 2016 and routinely have been reviewed without the necessity to increase or decrease the fees. The Licensing and Business Compliance Manager has considered this issue further and proposes it is now appropriate to revise the licensing fees.
3. Currently the licensing budget runs on a "cost neutral" basis, although the licensing budget has no inclusion of the wider corporate costs associated with running a council service. There has been an increase in the number of licences, that has naturally resulted in an increase in the workload and demand on the team and the officers. More resources are needed to deal with the work.
4. The fees have been formulated in accordance with the Local Government Association (LGA) guidance. The guidance follows High Court rulings stating that councils must not use fees to make a profit or act as an economic deterrent to deter certain business types from operating in an area. Charges must be reasonable and proportionate to the cost of the processes associated with the licensing regime; as such it is important that fees are reviewed frequently.
5. This review identifies a number of decreases on fees and a small increase for new driver applications and the replacement of licences. It is noted that these activities and the effect of these activities present the greatest workload pressure to officers. Forecasting of the budget sees the overall effect of the changes to be balanced and "cost neutral". This balanced effect is delivered by the counteraction of the reduced income from current drivers and the forecasted increased income from new drivers.
6. A copy of the 2016 fees alongside the proposed changes in licensing fees can be found in Appendix A of this report.

7. These fees are being reviewed outside of the annual Fees and Charges Review for the whole of the council just for this year. Any changes as a result of this consultation will need to be reported separately to Cabinet member. The consultation will set the fees for the remainder of the 2024/25 financial year, and for the 2025/26 financial year. Thereafter the review of these fees will then return to the annual Fees and Charges Review for the whole of the Council.
8. **It is important to note that without the proposed changes to the fee structure, next year the council will be at risk of making intentional profit from the taxi industry. This is not permitted and has been the subject of national level litigation where councils did not adjust charges appropriately.**
9. **It is important to note the council is not permitted to provide an incentive to any type of vehicle or driver. This means there is no option to provide a discount for vehicles that may be newer and thought to be more energy efficient and better for air quality. (It is also important to note that there is no strict correlation between vehicle age and improved environmental performance, as such the council has a policy related to encouraging vehicles with better 'emission standards' rather than relying on age as a factor).**

### Financial Summary (Capital and Revenue)

There are no direct costs or financial implications relating to consulting on the draft policy.

All Licensing fees and charges are recovered on a cost recovery basis and would feature in a separate report.

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
<b>Costs (Income) Net Costs (Savings) Net Impact on Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

### Risks

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
Incorrectly set fees that do not allow cost recovery, leading to an inefficient service.	H	M	Careful forecasting and financial planning.	Licensing and Business - Compliance Manager
Drivers and operators unhappy at the fee structure.	H	H	Deliver the consultation and communicate clearly and explain the approach to fee setting that rewards existing drivers and sets the higher fees for the new entrants responsible for the greater levels of work.	Licensing and Business Compliance Manager

## **Links to Council Policies and Priorities**

Ensuring that appropriate control of the taxi licensing regime and the correct level of funding for the service will support the following Council Policies and Strategies:

Newport City Council's Corporate Plan 2022-2027 (An ambitious, fairer, greener Newport for everyone)

There are four well-being objectives that will prioritise our focus over the next five years and will support our longer-term vision for Newport over the next 20 years:

Economy, Education and Skills - Newport is a thriving and growing city that offers excellent education and aspires to provide opportunities for all.

Environment and Infrastructure – Newport is a city that seeks to protect and enhance our environment whilst reducing our carbon footprint and preparing for a sustainable and digital future.

Quality Social Care and Community Services - Newport is a supportive city where communities and care are at the heart of what we do.

An Inclusive, Fair and Sustainable Council - Newport City is an inclusive organisation that places social value, fairness and sustainability at its core.

A correctly resourced licensing service and an effective and affordable fee structure for businesses, supports these aims.

## **Options Available and considered.**

- To approve the proposed business consultation, and should the council not receive unresolved objections, the introduction of the new fee structure after 28 days.

*(Should the council receive unresolved objections, a further report will be prepared explaining in full the basis of the objections for the consideration of the cabinet member).*

- Not to approve the proposed business consultation and retain the existing fee structure.

## **Preferred Option and Why**

- To approve the proposed business consultation, and should the council not receive adverse comments, the introduction of the new fee structure after 28 days.

## **Comments of Chief Financial Officer**

Whilst it is reported that there won't be any direct cost or financial implication resulting from this consultation itself, a number of charges in Appendix A are advocated to reduce from traditional levels. Any net loss in income experienced consequential to the reduction in individual fee rates will need to be managed by the service.

## **Comments of Monitoring Officer**

The relevant legal considerations are set out in the report. As set out in the body of the report, under the Local Government (Miscellaneous Provisions) Act 1976. the Council may charge reasonable fees for the grant of vehicle and operators' licences as may be resolved by the Council from time to time. The Cabinet Member may determine the response to any consultation document specific to the portfolio or service area and determine and amend any policy in relation to licensing and taxis. The report also correctly points out that the Council

may not intentionally generate a profit/surplus from the fees referred to; such fees should be based on the cost to the Council of providing the service in question.

## **Comments of Head of People, Policy, and Transformation**

This report seeks Cabinet Member approval to consult with relevant businesses in Newport regarding the revision of the license fees for Hackney Carriages and Private Hire Vehicles. The proposal is in line with the Council's Corporate Plan and supports its four Well-being Objectives. The principles of the Well-being of Future Generations (Wales) Act 2015 and its five ways of working are supported. A Fairness and Equalities Impact Assessment was not required for this report. There are no staffing or HR related issues arising directly from this report.

## **Comments of Non-Executive Members**

### Councillor D Harvey:

I fundamentally disagree with the savings for taxi companies when we are increasing charges for community centres and pitches! Also I would like to understand more about the legislation and has it changed historically, I've looked at other LA's and we are not, in my opinion over charging in any sort of excess.

### Response:

There is an acknowledgement that costs are rising across the council and some charges have increased. Councillor Harvey draws attention to higher costs for the hire of community centres and sporting facilities. On first consideration it does seem odd that whilst some charges to residents are rising, that these charges to taxi drivers are reducing. However, the service simply has no choice but to reduce these costs. Income derived from taxi licences is not permitted to be used for any other purpose apart from the general provision of a service that supports the taxi licence regime. This issue has been tested at the High Court and the result is a precedent that such income is effectively 'ring fenced'. Newport City Council receives an ever-increasing number of applications for drivers. The service is well managed and is able to process these efficiently. If the fees regime remains as it is, and the numbers of licences continue to increase as forecast, and the team continue to improve their performance, there is a risk the council will profit from the income. This cannot happen, even though it may seem that these extra funds could be used to keep down costs elsewhere. To counteract the risk, the revised fee structure will maintain the correct level of receipts to maintain the service alone. Comparison with other neighbouring authorities is difficult as they do not deal with the high numbers of applications as Newport. The service will review the fees and charges for taxis again in the Autumn (as it does each year), to check this approach has worked. If changes are required, they can be implemented for the 2026/27 financial year

### Councillor Perkins:

I do not agree that the fees should be reduced when all other charges are increasing. I do not think it is right that the new drivers face higher fees, the stated reason for this being, as they create the higher workload compared to the previous registered drivers, drivers who had previously paid the same fee when they themselves were the new drivers. Use any excess that might be created, by charging the previously registered drivers the same fee as new driver, to employ more officers to handle the extra workload thus using the fees charged to run the department at cost.

I would also like to understand when the legislation was changed that older vehicles cannot be charged at a higher rate, as this report mentions that the fees have not changed since 2016, and we have been charging older vehicles a higher rate since then at least. How long have we been on the wrong side of the legislation?

What is the reason for the decision to reduce the fee for the operator's license for 1 to 9 vehicles by 30% while the other groups remain the same. If you are an operator with 9 vehicles and then wish to add another 9 vehicles to your fleet, it would be cheaper to put those 9 vehicles under a different name and pay the fee for the 1 to 9 vehicles as this would save the operator £100 pounds per year. The reduction by 30% brings the gap to the next fee level to £800 while the gap between the other levels remains at £500, so I think this should be reviewed.

Response:

There is an acknowledgement that costs are rising across the council and some charges have increased. On first consideration it does seem odd that whilst some charges to residents are rising, that these charges to taxi drivers is reducing. However, the service simply has no choice but to reduce these costs. Income derived from taxi licences is not permitted to be used for any other purpose apart from the general provision of a service that supports the taxi licence regime. This issue has been tested at the High Court and the result is a precedent that such income is effectively 'ring fenced'. Newport City Council receives an ever-increasing number of applications for drivers. The service is well managed and is able to process these efficiently. If the fees regime remains as it is, and the numbers of licences continue to increase as forecast, and the team continue to improve their performance, there is a risk the council will profit from the income. This cannot happen, even though it may seem that these extra funds could be used to keep down costs elsewhere. To counteract the risk, the revised fee structure will maintain the correct level of receipts to maintain the service alone. Comparison with other neighbouring authorities is difficult as they do not deal with the high numbers of applications as Newport.

I have been informed the service will review the fees and charges for taxis again in the Autumn (as it does each year), to check this approach has worked. Consideration will be given to the points raised by Councillor Perkins regarding new drivers and operator charges. If changes are required, they can be implemented for the 2026/27 financial year.

Legislation and case law prohibits reduced fees based on any incentives (including the age of the vehicle). So, 10-year-old vehicles cannot be charged a different fee to newer vehicles. Also, it does not follow that older cars are more polluting. The policy adopted by the service has always been fully compliant with guidance and legislation.

It is acknowledged there is a small increase for new driver applications and the replacement of licences. It is noted that these activities and the effect of these activities present the greatest workload pressure to officers. I am informed officers feel this is a reasonable and balanced approach.

## **Scrutiny Committees**

N/A

## **Fairness and Equality Impact Assessment:**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011.

The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities.

Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful

discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not.

The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the category identified the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

The Council ensures that it treats all individuals who are renewing or making new applications for licenses, with equal respect in line with Equality policy and law.

### **Wellbeing of Future Generation (Wales) Act**

This report and associated proposals contribute to the Well-being Goals. A robust taxi licensing service and a content taxi fleet provide the city with an important travel and transport option. Relevant goals are "A more equal Wales" and "A prosperous Wales". They are consistent with the five ways of working as defined within the sustainable development principle in the Act. There is an emphasis on prevention as the licensing process ensures that a number of checks and safeguards are in place before a licence is granted. There is also involvement particularly through the consultation process for applications allowing other agencies and the community to input into the decision-making process.

### **Crime and Disorder Act 1998**

The care with which the service prepares licence applications and carries out its enforcement functions increases the compliance within the sector and reduces the risk of crime and disorder.

### **Consultation**

**The report was circulated for member consultation in December 2024. The report resulted in a number of member comments. These comments and officer responses are included at Appendix B and also largely dealt with by paragraphs 8 and 9 in the Background section of the report.**

A statutory Notice will be placed in a local newspaper, as required by law, providing information about the proposed licence fees and the way in which consultation responses could be made. The statutory period of 28 days was given for any responses to be submitted.

Email correspondence will also be sent to all relevant licence holders regarding the proposed draft fees.

### **Background Papers**

Newport City Council Taxi [Policy](#) (Within the policy is an Emissions Standards Policy)

**Dated: 11 March 2025**





## Appendix A

### Newport City Council Current and Proposed Fees

Fee Type	Current Fee	Proposed 24/25 Fee	Increase decrease
Knowledge Test	£75	£75	0%
New Driver Fee (3 years)	£249	£279	12%
DBS fee new driver (including admin fee)	£50	£50	0%
Renewal Drivers Fee (3 years)	£249	£228	-8.4%
DBS update service renewal.	£13 per year	£13 per year	0%
Vehicle less than 5 years old	£166	£166	0%
Vehicles 5 but less than 10	£228	£208	-8.8%
Vehicles over 10 years	£332	£208	-37.3%
Replace Plate	£19	£25	31.6%
Replace internal Plate	£12	£15	25%
Replace Badge	£19	£25	31.6%
Transfer Plate	£65	£28 (includes plate and Bracket Deposit £15)	-57%
Change of Vehicle	£115	£57	-50.4%
Operators (5-year licence)			
1-9 vehicle	£1000	£700 (instalments available)	-30%
10-19 vehicles	£1500		0%
20-35 vehicles	£2000	£1500	0%
36+ vehicles	£2500	£2000	0%
		£2500	
Deposits			
Plate	£10	£10	0%
Bracket	£5	£5	0%

## Appendix B

### Member Comments and Officer Responses

Councillor	Date Received	Comment	Response
Y Forsey	08/01/24	<p>I wish to make the following comments with regard to the Revision of Licence Fees for Hackney Carriages and Private Hire Vehicles.</p> <ul style="list-style-type: none"> <li>The use of older vehicles should be discouraged as they are likely to be more polluting and to have a negative effect on air quality. The fees should not be reduced for vehicles over 10 years old.</li> <li>The use of electric vehicles which are cleaner and greener should be encouraged. A separate, modestly priced category should be introduced for electric vehicles.</li> </ul>	<p>Legislation and case law prohibits reduced fees based on any incentives (including the age of the vehicle). So, 10-year-old vehicles cannot be charged a different fee to newer vehicles. Also, it does not simply follow that older cars are more polluting.</p>
D Harvey	08/01/24	<p>I completely agree Yvonne</p>	<p>Legislation and case law prohibits reduced fees based on any incentives (including the age of the vehicle). So, 10-year-old vehicles cannot be charged a different fee to newer vehicles. Also, it does not simply follow that older cars are more polluting.</p>
L Lacey	08/01/24	<p>I'm disappointed to see the significant reduction in fees for older vehicles, which are generally more polluting and seem to contradict the ongoing work on improving air quality management in the city.</p> <p>I also want to raise serious concerns about the timing of the original paper for comment. Issuing it between the 20th and 27th of December, during the festive period when many were off work, didn't allow enough time for it to be fully reviewed and considered.</p>	<p>Legislation and case law prohibits reduced fees based on any incentives (including the age of the vehicle). So, 10-year-old vehicles cannot be charged a different fee to newer vehicles. Also, it does not simply follow that older cars are more polluting.</p> <p>This point is understood. And whilst officers had completed the member consultation correctly, the fact that a significant number of members wished to comment, but the Christmas period had prevented this, it seemed sensible to allow the comments to be considered, and then to resubmit the consultation request to Cabinet Member,</p>

Councillor	Date Received	Comment	Response
			albeit with reference to the comments and responses, to allow a better decision to be made.
J Hughes	08/01/24	<p>I'm finding it hard to understand the thinking behind this revision of fees. As a former cabinet member for Environment and chair of licensing it doesn't feel in line with our Councils air quality objectives especially in relation to older vehicles.</p> <p>At a time, we are also rising fees across the board to meet budgetary requirements it also seems a bizarre and unjustified group to offer concessions to when there really has been no public outcry for the change, and we risk being accused of favouring a particular group over other potentially more needy ones. I really struggling to find a justification for this within our council vision and at the present time would struggle to support this proposal</p>	<p>Legislation and case law prohibits reduced fees based on any incentives (including the age of the vehicle). So, 10-year-old vehicles cannot be charged a different fee to newer vehicles. Also, it does not simply follow that older cars are more polluting.</p> <p>Legislation and case law requires licensing fees to be ring fenced for the cost of running the service. The recent in-year budget review has taken place, in line with statutory guidance, and this has guided the service to reduce the fees, rather than the service receiving additional sums over and above what is needed.</p>
B Perkins	08/01/24	<p>My questions would have been, why is it being proposed to reduce Taxi Licencing fees?</p> <p>Fees being reduced on vehicles over 10 years old, most likely to be higher pollutants this surely does not go with a greener Newport and our nett 0 targets.? With the smaller operators, 1-9 vehicles, fees being reduced by 30%.</p> <p>Will all these reductions mean less checks are carried out on the safety of the vehicles and drivers, what reductions will be made as there will be less monies coming in. In a time of budgetary pressures, I do not believe that reducing fees is the right decision, can this in any way be reversed?</p>	<p>Legislation and case law prohibits reduced fees based on any incentives (including the age of the vehicle). So, 10-year-old vehicles cannot be charged a different fee to newer vehicles. Also, it does not simply follow that the older the car, the less polluting.</p> <p>There will be no reduction in the numbers of checks and enforcement of drivers and vehicles.</p> <p>Legislation and case law requires licensing fees to be ring fenced for the cost of running the service. The recent in-year budget review has taken place, in line with statutory guidance, and this has guided the service to reduce the fees, rather than the service receiving additional sums over and above what is needed.</p>