



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Licensing Committee

Friday 20 December 2024

ENV 892

Report of Councillor Philip Knowles,
Cabinet Member for Corporate
Governance and Licensing

LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976 & TOWN POLICE CLAUSES ACT 1847

Report Author

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Purpose of Report

To provide an update following the implementation of the new Hackney Carriage and Private Hire Licensing Policy as requested by the Licensing Committee.

Recommendations

That the Licensing Committee:

- 1. Notes the report and the impact of the implementation of the Council's new Hackney Carriage and Private Hire Licensing Policy.**
- 2. Considers any amendments to the existing Policy it may wish to recommend to Full Council for approval.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective Council Sustainable South Kesteven Enabling Economic Opportunity
Which wards are impacted?	All wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 There are no specific financial implications associated with this report, however, in the event of the applicant making an appeal against a decision which was then subsequently upheld the council may incur additional legal costs.

Legal and Governance

- 1.2 There are no significant legal or governance implications arising from this report which are not already referenced in the body of the report. Any amendments to the Council's Hackney Carriage and Private Hire Licensing Policy require approval by Full Council.

Community Safety

- 1.3 Community Safety implications will be considered in accordance with Section 17 of the Crime and Disorder Act 1998.

2. Background to the Report

- 2.1 The Department for Transport (DfT) issued updated Taxi and Private Hire Guidance in November 2023. The updated Hackney Carriage and Private Hire Licensing Policy ("the new policy") was reviewed and approved by Full Council on 23 May 2024.
- 2.2 Notification was issued to all licence holders outlining the main changes to the policy prior to its scheduled implementation date. The following six points reflect the main feedback received at that time:

- 1) The overall cost of both the new requirements and renewals could lead to drivers obtaining licenses elsewhere and result in competitive disadvantage.
- 2) The new testing requirements should only apply to new applicants and not existing drivers in relation to renewals.
- 3) A question as to why existing drivers, without any complaints about their driving, should be required to undertake a driver proficiency test when the DVLA do not require the same for a standard driving licence.
- 4) A question as to why someone who has lived in England all their life needs to demonstrate they have a qualification or undertake an English test.
- 5) Requests for compensation for those drivers who have invested in vehicles to match the previous age criteria associated with vehicles.
- 6) The environmental impact and requirement for daily walkaround checks.

2.3 A response to these points was considered at the meeting of the Licensing Committee on Friday 28 June 2024 and three drivers attended to outline their concerns.

2.4 In summary, the main points outlined by the drivers at the meeting were::

- The taxi trade is struggling. The increase in costs is having a detrimental effect on the trade and it is difficult to attract new drivers into the trade as a result.
- It is difficult for the taxi operators to remain competitive with increased costs.
- Of significant concern were the extra costs that had been introduced with all the additional tests that are required. From 1 August 2024 an application would cost £738.
- Drivers and operators were very supportive of the changes introduced in relation to the age of vehicles.
- A question as to why experienced drivers, who had held a licence and been driving for a number of years, needed to undertake a proficiency test. Tests for new drivers was an understandable requirement, but not for those who are renewing their licenses. This was especially the case for the English test.
- Tests were facilitated by companies outside of South Kesteven, so the money was not even contributing to the local economy.

2.5 Taking these comments into account, the Licensing Committee agreed that the implementation of the new Policy would be reviewed, allowing for it to be embedded for at least three months. It was agreed that the review would focus on the requirement of undertaking the daily walk around check and the English language test, as well as evaluate the charges applied by other local authorities.

2.6 Since the Licensing Committee last met to consider this Policy, a driver recently made representations objecting to the requirement to take an English test as part of their renewal. This resulted in coverage in regional and local media. The Council was unable to deviate from the Policy agreed by Full Council.

3. Key Considerations

3.1 With regard to the feedback that has been received, the Licensing Team do not have discretion to deviate from the approved Policy. Whilst a Hackney Carriage and

Private Hire Licensing Policy may make definite statements, known as 'bright lines' it can never fetter a Licensing Committees discretion when making an individual determination. Licensing authorities can depart from their own policy where they consider there are exceptional circumstances which warrant the departure. Therefore such cases that do not meet the existing policy requirements or an applicant cannot meet application requirements can be referred to committee for consideration.

- 3.2 The costs relating to driver proficiency training (£87) and English language skills testing (£46.50) will not usually be required to be completed again. Unless reasonable grounds arise, which identified through enforcement activity or a substantiated complaint that this was required.
- 3.3 There is not a national Hackney Carriage or Private Hire Licensing Policy and as such there is not a national fee charging mechanism. Each Licensing Authority sets its own fees and charges, taking account of legislation and government guidance. For Hackney Carriage and Private Hire licensing, the fees and charges are set on a cost recovery basis. This means that no profit should be made from it, nor can it subsidise another area of the Council.
- 3.4 Local authorities and organisations such as the Local Government Association have previously considered cost recovery and charging models. Councils should take a holistic approach to costs and think about the total cost of the service provided and not just officers' salary costs. Other elements should be considered when setting licence fees, such as the following:
 - **Administration** – covering the costs to process the licence applications, resources such as photocopying, postage, handling fees and engagement with other service areas of the Council. This can also include the cost of specialist licensing software to maintain an effective database and printing of licences.
 - **Initial visits/attendance** – covering the average officer time to attend premises/meetings as part of the authorisation process (such as attending Knowledge/English tests).
 - **Third party costs** –examples include DBS costs, equipment costs such as driver badges wallets, clips, badge templates/holograms and National Anti-Fraud Network costs (NR3 registration).
 - **Local democracy costs** – necessary expenditure in arranging committee meetings/hearings to consider applications/licences.
 - **On costs** – including recharges for payroll, accommodation, heating, lighting, IT hardware, supplies and services connected to the licensing function.
 - **Development, determination and production of licensing policies** – the cost of consultation and publishing policies can be fully recovered.
 - **Advice and Guidance** – this includes advice in person, via the telephone, via email or letter and the production of documents and leaflets such as the drivers' guidance packs which sit alongside the application documentation.

- **Setting and reviewing fees** – this includes the cost of time associated with the review, as well as the cost of taking to committee for approval.
- **Additional monitoring and inspection** – during the life of a licence there are additional checks such as DBS/DVLA/Immigration (if appropriate) licence checks that are accounted for as these incur additional administrative costs/management time.
- **Enforcement costs** - Taxi and Private Hire vehicle licensing case law is clear that driver enforcement costs cannot be covered by vehicle licences, they should be covered by driver licence fees. This was established by the R (Rehman) v Wakefield case.
- **Registers and national reporting** – legislation requires the publishing of registers for taxi and private hire vehicles, drivers and operators throughout the year and the submission of data to the DfT annually.

3.5 As part of annual fee setting, the Council reviews each category of licence to ensure that the hourly rate and time spent per activity is reflective of the above charging elements.

3.6 Attached in Appendix 1 is a spreadsheet outlining research that has been carried out of fees charged by other local authorities (as at October 2024). It identifies that the SKDC application cost is £588.25. Having spoken to other local authorities within Lincolnshire, they have all confirmed that they undertake the same fee setting method. However, it was acknowledged by some that either their fees do not reflect their current costs and/or they are expecting fee increase recommendations in the near future.

3.7 As can also be seen from the spreadsheet, the requirements of each licensing authority vary and not all policies have been reviewed since the updated Taxi and Private Hire Guidance in November 2023 was issued by the DfT.

3.8 Below is a table showing the number of Drivers, Vehicles and Operators at six monthly intervals since September 2022 and then from June 2024 (when the new policy was implemented for new drivers and existing drivers from 1 August 2024) to date:

	Sept 2022	Mar 2023	Sept 2023	Mar 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024
Drivers	362	354	368	379	383	381	381	371	364	365
Vehicles	314	319	320	324	323	322	325	338	321	317
Operators	22	22	23	25	25	28	30	31	31	32

3.9 Since 1 August 2024, of the 21 drivers having renewed their SKDC drivers licences, only one has been required to undertake an English test.

3.10 There have been 12 non-renewals. The reason for non-renewal has never been requested, therefore, the Council does not know the reason for non-renewal.

- 3.11 There has been no further feedback regarding the vehicle walkaround check. The guidance remains per the DfT updated guidance issued in November 2023.

4. Other Options Considered

- 4.1 The Licensing Committee may decide to take on board the feedback but agree to leave the Policy as currently implemented.
- 4.2 The Licensing Committee may wish to request that the Policy be reviewed again after an agreed period of time to understand whether the changes have had any further impact on new and/or renewal applications.
- 4.3 The Licensing Committee may wish to provide recommendations to Full Council to amend all or some of the changes implemented.

5. Reasons for the Recommendations

- 5.1 The policy supports the Council in fulfilling its statutory duties associated with the licensing of hackney carriage and private hire trades and takes into account the latest government guidance from the DfT.

6. Consultation

- 6.1 No consultation has taken place.

7. Background Papers

- 7.1 [Taxi Policy June 2024.pdf \(southkesteven.gov.uk\)](#)
- 7.2 [Department for Transport Statutory Taxi and Private Hire Vehicle Standards](#)
- 7.3 [Taxi and Private Hire Vehicle Licensing Best Practice Guidance](#)
- 7.4 [Councillor Handbook: Taxi and PHV Licensing](#)
- 7.5 [Licensing Committee on Friday, 28th June, 2024, 10.00 am | South Kesteven District Council](#)

8. Appendices

- 8.1 Appendix 1 – Comparison of neighbouring authority application fees