

Meeting Cabinet

Portfolio Area Communities, Community Safety and Equalities

Date 8th October 2025



THE REVIEW OF THE TAXI & PRIVATE HIRE LICENSING FEES AND CHARGES.

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NON-KEY DECISION

1 PURPOSE

To consider the Council's proposal to increase the fees and charges relating to taxi and private hire licensing, whilst ensuring that the fees set by the Council remain fair, transparent and proportionate to the cost of administering the licensing service. This review has allowed the Council to assess whether current charges adequately cover operational expenses, comply with legal requirements, and support the delivery of a high-quality, safe and efficient licensing regime that meets the needs of the public and the licensed trade.

2 RECOMMENDATIONS

- 2.1 That Cabinet approve the proposed fee increase with a phased implementation, whereby 50% of the proposed increase is applied in 2026/27, with the full increase coming into effect in 2027/28 plus any inflation related increase part of normal 2027/28 fees and charges review.
- 2.2 That Cabinet support the advice of the Council's Climate Action Team and approve a reduced fee structure to incentivise the use of environmentally sustainable vehicles.
- 2.3 That Cabinet note that the discounted licensing structure remains in place until the end of 2030 to align with the Council's target to achieve zero emissions by

2030 and National policy commitments, including the planned phased out of new petrol and diesel vehicle sales by 2030.

3 BACKGROUND

- 3.1 This review has allowed the Council to assess whether current charges adequately cover operational expenses, comply with legal requirements, and support the delivery of a high-quality, safe and efficient licensing regime that meets the needs of the public and the licensed trade
- 3.2 Taxis and private hire vehicles provide a valuable transport service to residents and communities in Stevenage.
- 3.3 Public safety is the Council's priority when making decisions on taxi and private hire licences. Fees and charges paid to the Council for taxi and private hire licensing should cover the costs of this work.
- 3.4 The Licensing Team committed to doing a full review of the taxi licensing fees and charges in December 2024. This followed a period of over 15 years without a formal review of the fees and charges. The findings of the review indicate that the current fee structure does not fully recover the costs of delivering the Taxi Licensing service.
- 3.5 Government guidance is that taxi and private hire licensing should not operate at a cost to the wider taxpayer. Fees should be set at a level that fully recovers the cost of administering the service, without generating a profit. Any deficit or surplus should be considered when fees are next reviewed to ensure the service remains cost neutral.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The Licensing Authority, in exercise of its powers under Sections 53 (2) and 70 of the Local Government (Miscellaneous Provisions) Act 1976, has determined that the fees charged for the licensing of Private Hire and Hackney Carriage Drivers, Vehicles and Private Hire Operators should vary as specified below:

Service	2025/26 Fee	2026/27 Original Proposed Fees & Charges	2026/27 Revised Proposed Fees & Charges (phased)	2026/27 Proposed Increase (£)	2026/27 Proposed Increase (%)	Average number service utilised per year across last 2 years	Extra revenue generated (£) per full year
PH Operator licence applications							
1 year licence	£250	£275	£263	£13	5.00%	13	£163
5 year licence	£1,000	£1,009	£1,005	£5	0.45%	2	£9
Hackney Carriage/Private Hire Vehicles							
1 year licence/change of vehicle, vehicle compliance is included	£230	£327	£279	£49	21.09%	305	£14,793
Temporary vehicle	£110	£184	£147	£37	33.64%	14	£518
Transfer of vehicle and licence	£62	£103	£83	£21	33.06%	5	£103
Vehicle Compliance test	Currently stated as £55. This service to be removed as it is already included and priced accordingly as part of 1 year licence.						
Voluntary change of vehicle/grant of licence for replacement vehicle	Currently stated as £230. This service to be removed as it is not provided.						
Hackney Carriage/Private Hire Drivers Licence							
1 year licence	£105	£232	£169	£64	60.48%	70	£4,445
3 year licence	£300	£558	£429	£129	43.00%	43	£5,547
Enhanced D.B.S. check	£69	£99	£99	£30	43.48%	123	£3,690
English language test (moving from in-person to online)	£45	£91	£91	£46	102.22%	88	£4,048
Knowledge test (in-person to online and safeguarding & equality)	£75	£173	£173	£98	130.67%	41	£0
Once knowledge test is moved online, the test fee will be paid directly to the test provider, expected from January 2026.							
Miscellaneous - no increase in price as costs already covered							
Replacement paper licence	£10	£10	£10	£0	0.00%		£0
Replacement badge	£25	£25	£25	£0	0.00%		£0
Replacement plate	£50	£50	£50	£0	0.00%		£0
						Extra Revenue Total:	£33,314.50
Notes:							
(1) 2026/27 Revised Proposed Fees & Charges are based on 50% of the Original Proposed Charges. Remaining 50% to be implemented in 2027/28 plus any CPI related increases, if applicable.							
(2) Enhanced DBS check and English Language test increases are not phased implemented as based on fixed costs.							
(3) Replacement licence, badge and plate charges remain the same as cost already covered.							

- 4.2 Service costs and overheads have been reduced, where possible. It is proposed that fees for taxi and private hire licensing should increase. These fees should not be subsidised by the local taxpayer
- 4.3 The revised charges outlined above are proposed to come into effect from **1st January 2026**. These charges have been calculated with due consideration given to the cost of materials as well as the officer time required for the delivery of each individual taxi licensing service. Details on how the proposed fees have been calculated can be found in **Appendix A**.
- 4.4 The proposed fees were originally presented to the Council's Commercial and Investment Working Group in March 2025 and were supported by Members. The only changes to the proposed fees since then are an £18 increase for the one-year vehicle licence and a £1 decrease for the one- and three-year driver licences respectively. This is the result of the intention to move to a direct fulfilment which offers an improved service to applicants. A copy of the briefing paper which includes results of benchmarking against other authorities is available in background documents.

Subsidised fees for zero or ultra-low emission vehicles

- 4.5 In March 2024, during the review of the Council's Hackney Carriage and Private Hire Licensing Policy and Conditions of Licence, the Council resolved to actively promote the adoption of cleaner, low-emission vehicles within the licensed taxi and private hire fleet.

- 4.6 To support this initiative, **Paragraph 10.4** of the policy suggests a subsidised licence fee for electric and hybrid vehicles. This financial incentive aims to encourage vehicle owners to transition to cleaner fuel alternatives, thereby contributing to tackling climate change and to improved air quality and environmental sustainability in the borough. A copy of this policy can be found in the background documents.
- 4.7 To support the implementation of a fair and effective subsidised fee structure, the Council sought guidance from the Climate Action Team, who undertook a review of car emission standards. Based on the research and evidence gathered, the following recommendations were proposed. Two-tier discount structure for Zero and Ultra Low Emission Vehicles (ULEVs):
- A 50% discount on the licence fee is recommended for zero-emission vehicles (e.g. fully electric vehicles).
 - A 25% discount is proposed for Ultra Low Emission Vehicles, defined as vehicles with CO₂ emissions of 50g/km or lower.
 - It is recommended that the discounted fee structure remains in place until the end of 2030, aligning with both the Council's zero-emissions target and national policy to end the sale of new petrol and diesel cars by that date. A copy of the report is attached at **Appendix B**.
- 4.8 At present, the taxi and private hire fleet includes five electric vehicles, and four vehicles classified as Ultra Low Emission Vehicles, with CO₂ emissions of 50g/km or lower.
- 4.9 It is anticipated that the proposed discount will result in a potential loss of income of approximately £1,000 in year one (2026/27) based on the current number of vehicles that meet the eligibility criteria.

Consultation

- 4.10 In line with the statutory requirements set out in sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976, the Council must undertake a 28-day public consultation on the proposal to amend taxi licensing fees and charges.
- 4.11 To ensure compliance with this statutory duty, the Licensing Authority conducted a 28-day public consultation on the proposed revisions to taxi and private hire licensing fees and charges. The consultation was held between **7th July and 4th August 2025**.
- 4.12 The Council published full details of the proposed fees and charges on the Council's website. The webpage included: a list of the proposed licensing fees, an explanation of the reasons for the changes, information about the consultation period and Instructions on how to submit representations

- 4.13 In addition to this, a Public Notice was displayed at the Customer Service Centre, Daneshill House, and published in the Comet newspaper on **10th July 2025**. An email notification was also circulated to all Stevenage-licensed taxi and private hire drivers, vehicle proprietors, and operators; and a taxi forum was held during the consultation period, where the Licensing team were available to discuss the proposals, answer queries and listen to any concerns raised by members of the trade.

Consultation Findings

- 4.14 A total of 41 responses were received during the public consultation, primarily from Stevenage-licensed drivers (85%), with additional input from operators (8%), vehicle licence holders (5%), and trade representatives (2%).

Demographic Profile:

68% of respondents identified as being from ethnic minority backgrounds, predominantly Asian-British, Pakistani, and Bangladeshi.

- 4.15 **Key Themes:**

- **Economic Hardship:**
Respondents referred to increasing fuel, insurance, and maintenance costs, loss of trade to app-based platforms (e.g., Uber), and unregulated competition from out-of-area drivers as major pressures on the trade.
- **Impact on Livelihoods:**
Many reported declining income, with proposed licensing fee increases considered unaffordable and likely to worsen financial strain.
- **Fairness and Equity:**
Concerns were raised over perceived inequities, with local licensees facing stricter regulation and higher costs than out-of-area drivers.
- **Suggestions:**
Respondents recommended scaling back proposed fee increases and phasing in changes gradually.

- 4.16 **Low Emission Vehicle Fee Proposal:**

Opinions were mixed: 43% supported a reduced licence fee for vehicles emitting less than 50g CO₂/km; 56% opposed.

- **Supporters** highlighted environmental benefits and incentives for cleaner vehicles.
- **Opponents** cited affordability issues, fairness concerns, and risk of cost burdens shifting to others.

- 4.17 **Taxpayer Funding of Licensing Service:**

Responses were divided:

- 26% agreed it is acceptable for taxpayers to subsidise the service.
- 13% disagreed.

- The remainder gave qualitative or neutral responses.

4.18 **Common Themes:**

- **Taxis as public transport:** Suggested eligibility for limited public support.
- **Fee concerns:** Resistance to sudden increases without service improvements.
- **Comparisons with other authorities:** Frustration over higher local fees.
- **Efficiency and innovation:** Calls for digital platforms and modernisation to reduce costs.
- **Balanced approach:** Preference for sustainable service funding with gradual adjustments.

4.19 **Conclusion -**

The consultation highlighted widespread concern about affordability, fairness, and efficiency. There is strong support for:

- Reviewing operational costs
- Exploring digital transformation
- Benchmarking fees regionally
- And adopting a phased approach to fee changes.

These findings will inform future decisions on the structure and funding of the taxi licensing service. Full responses are provided in **Appendix C**.

- 4.20 Following careful consideration of the feedback received during the consultation period, the following recommendations are submitted for members' approval:

Licence Fee Increase with phased implementation.

- 4.21 While there was a general acknowledgement of the need for a fee increase to ensure continued service provision and regulatory oversight, concerns were raised regarding the immediate financial impact on drivers and operators.
- 4.22 In response to these concerns, it is recommended that members approve the proposed fee increase with a phased implementation, whereby 50% of the proposed increase is applied in Year One (2026/27) with the full increase coming into effect in Year Two (2027/28) plus any normal inflation related increases.
- 4.23 This approach aims to balance the financial sustainability of licensing services with the economic realities faced by licence holders. However,

please note that a phased increase is not recommended for the fees pertaining to door signs, the English language test or the DBS check, since there are fixed costs associated with these which are passed onto the Council.

- 4.24 The proposed fee structure will help to generate £33k additional income which will contribute towards the cost recovery.

Risks associated with an increase in taxi and private hire licensing fees and charges.

- 4.25 Licensed drivers and Operators may experience financial strain as a result of increased fees, which could impact their ability to maintain the necessary licences. This may lead to a reduction in the number of licensed vehicles operating within the district, thereby limiting the availability of taxi and private hire services, particularly affecting those who rely on them most, such as the elderly and vulnerable. Furthermore, increased financial pressure could make it more difficult for drivers to afford essential vehicle maintenance, potentially resulting in public safety concerns.

Reduced Fees for Low and Zero Emission vehicles

- 4.26 Although Public responses on this matter were nearly evenly split, it is recommended that members support the advice of the Council's climate Action Team and approve a reduced fee structure to incentivise the use of environmentally sustainable vehicles, in line with local and national climate goals.
- 4.27 It is proposed that zero emission vehicles (e.g. fully electric vehicles) receive a 50% discount on the applicable licence fee, whilst Ultra Low Emission Vehicles (ULEVs), defined as vehicles emitting 50g of CO₂/km or less, receive a 25% discount.
- 4.28 It is recommended that the above discounted licensing structure remains in place until the end of 2030, in alignment with the Council's target to achieve zero emissions by 2030 and National policy commitments, including the planned phased out of new petrol and diesel vehicle sales by 2030.
- 4.29 These proposals aim to balance environmental objectives with economic fairness and support a gradual, manageable transition for the licensed trade.

5 IMPLICATIONS

5.1 Financial Implications

All the Council Fees and Charges are set on the principle of recovering the full cost of delivering the service. As the charges have not been reviewed for the

last 15 years, phased implementation of increased charges will help to recover the full cost of the service over the two years (2026/27 and 2027/28).

- 5.1.2 The Council's published Medium Term Financial Strategy noted that the revisions would generate an additional £44k of income. Following further development and considering the phasing proposal the income uplift for 2026/27 will be £33k with a further £25k being secured in 2027/28 to cover the full cost
- 5.1.3 In the Council's Financial Security Group meeting on 4th September 2025, members have unanimously supported the new pricing structure and phased introduction over the two years

5.2 Legal Implications

- 5.2.1 Under Sections 53(2) and 70 of the Local Government (Miscellaneous Provisions) Act 1976, the Council has the power to demand and recover fees for the grant of licences to drive hackney carriages or private hire vehicles, as well as for the grant of vehicle and operator licences. These fees must be considered reasonable and are intended to enable the Council to recover the costs associated with the issue and administration of such licences. The legislation also provides discretion for the Council to remit the whole or part of the fee for a private hire vehicle where it considers it appropriate to do so.
- 5.2.2 However, the exercise of this power is subject to the procedural requirements set out in Section 70 of the Act. These procedures include requirements around public notice and consultation, which must be strictly followed to ensure that the process is lawful and to mitigate the risk of legal challenge.

5.3 Equalities and Diversity Implications

An Equalities Impact Assessment was carried out in August 2025, to assess and monitor the implications of the proposed changes. This has identified potential equalities and diversity considerations.

- 5.3.1 Many licensed taxi and private hire drivers come from ethnic minority backgrounds, and a significant proportion are self-employed individuals on relatively low incomes. This includes drivers who are semi-retired or working part-time, for whom increases in licensing fees may represent a more substantial financial burden.
- 5.3.2 As such, any increase in fees and charges may have a disproportionate socio-economic impact on these groups. The proposed changes could place additional pressure on individuals with limited earning capacity, potentially affecting their ability to remain in the trade. This may inadvertently affect workforce diversity within the sector, and careful consideration should be given to mitigating any adverse impacts where possible. A copy of the Equalities Impact Assessment can be found at **Appendix D**.

5.4 Community Safety Implications

- 5.4.1. The proposed increase in taxi and private hire licensing fees may place additional financial pressure on licensed drivers and operators. This could impact their ability to maintain the necessary licences, potentially leading to a

reduction in the number of licensed vehicles operating within the district. A decrease in the availability of licensed services may disproportionately affect those who rely on them most, including the elderly, people with disabilities, and other vulnerable members of the community, thereby limiting their access to safe and reliable transport.

- 5.4.2 Furthermore, increased financial strain may reduce drivers' capacity to invest in ongoing vehicle maintenance or safety improvements. This presents a potential risk to public safety, as poorly maintained vehicles may not meet the required safety standards. It is therefore essential that any changes to fees are carefully balanced to ensure that they support the sustainability of the licensing regime without unintentionally compromising public safety or access to essential transport services.

BACKGROUND DOCUMENTS

- BD1 [Local Government \(Miscellaneous Provisions\) Act 1976](#)
- BD2 Consultation -Public Notice
- BD3 [Hackney Carriage and Private Hire Policy \(V1\)](#)
- BD4 Briefing Paper including benchmarking exercise



Background Docs
-Item 6. Briefing Pap

APPENDICES

- A A copy of Taxi licensing fee review 2025
- B Car Emission Standards Review
- C Summary of Taxi Fees and Charges consultation Responses
- D EqlA – Taxi Licensing Fees