

REPORT TITLE: Annual review of Fees and Charges 2026/2027

To:

Licensing Committee – 26th January 2026

Report by:

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Wards affected:

All

Director Approval: Director Sam Scharf confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Licensing Committee for decision.

| 1. | Recommendations |
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| 1.1 | <p>It is recommended that Licensing Committee:</p> <ol style="list-style-type: none">1. Members are recommended to approve the level of the fees and charges with effect from 1st April 2026, as set out in Appendix D.2. Members are to request officers to communicate changes with members of the public, businesses and taxi trade. |
| 2. | Purpose and reason for the report |
| 2.1 | Cambridge City Council, as the Licensing Authority, is responsible for processing and issuing licences for a wide range of activities. |
| 2.2 | The Council needs to demonstrate that the fees it charges for such licences have been set in accordance with the law and best practice, so as to recover its allowable costs in administering the various licensing regimes for which it is responsible. |

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| 2.3 | Fees should be set so as to avoid either a surplus or a subsidy where possible and adjusted, if necessary, in succeeding years to achieve and maintain the correct balance. |
| 2.4 | The calculation of the taxi and private hire fees and charges 2026/27, considered specific officer role and their time involved in the issuing and processing of applications, in addition to the administration and monitoring of compliance with conditions. |
| 2.5 | The costs involved in carrying out all the processes and the true costs of running a taxi service, have been calculated and these are the fees that went out for consultation as attached in Appendix A. |
| 2.6 | This report sets out the revised fees and charges for licences and associated items, which it is proposed should be made with effect from 1st April 2026. The approved charges will be submitted to Full Council to note on 26th February 2026. |
| 3. | Alternative options considered |
| 3.1 | As fees are set to avoid a surplus or subsidy where possible, there are no alternative options to the fees proposed in Appendix D. |
| 4. | Background and key issues |
| 4.1 | Cambridge City Council is required to review any charges which it makes for licences and other associated items, from time to time. Council policy provides that an annual review of these fees and charges will be undertaken. |
| 4.2 | The Council must seek to recover the costs associated with processing applications for licences as well as the administration and monitoring of compliance with conditions. The fees charged should be capable of withstanding legal challenge, should the need arise. |
| 4.3 | It is not permitted to make a surplus, nor to subsidise, licence holders, and so where necessary fees are adjusted in succeeding years to achieve and maintain the correct balance. |
| 4.4 | The cost to the Council of this work is regularly checked and real time costs are used in compiling the figures. Where it is possible to reduce costs by use of more efficient working this is reflected in the charges made. |
| 4.5 | Fees for Animal Welfare Licensing: |
| 4.6 | The fees for the majority of Animal Welfare Licensing were adopted by Licensing Committee on 1st October 2018, following on from the Animal Welfare (Licensing of |

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| | Activities Involving Animals) (England) Regulations 2018 taking effect on 1st October 2018. These fees have increased by 3.5%, in line with inflation. |
| 4.7 | In contrast the fees for both zoos and dangerous wild animals have not changed regime and have increased by 3.5%, in line with the rate of inflation. |
| 4.8 | Fees for Skin Piercing Registrations and Sex Establishment Licensing: |
| 4.9 | Fees for skin piercing practices and sex establishments have increased by 3.5% in line with the rate of inflation. |
| 4.10 | Fees for Hackney Carriage and Private Hire licensing: |
| 4.11 | Section 53 and 70 of the Local Government (Misc Provisions) Act 1976 (“Act”) allows the council to change and levy costs for the grant of licences in respect of hackney carriage and private hire drivers, vehicles and operators. |
| 4.12 | Section 53(2) of the Act states, in relation to drivers' licences for hackney carriage and private hire vehicles: “Notwithstanding the provisions of the Act of 1847, a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.” |
| 4.13 | Section 70 of the Act states, in relation to vehicle and operators' licences: “(1) Subject to the provisions of subsection (2) of this section, a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part— (a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed; (b) the reasonable cost of providing hackney carriage stands; and (c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.” |
| 4.14 | The costs recoverable within licence fees include, costs of issuing and administering licences. This includes costs associated with the monitoring and enforcement of such licenses. |

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| 4.15 | There has been previous unclarity, if monitoring and enforcement, could be charged under Section 53 (2) in respect to drivers. |
| 4.16 | <p>However, in 2019 in a Court of Appeal with Master of the Rolls, King LJ and Lavender J stated:</p> <p><i>“46. In any event, we consider that the costs of enforcing the behaviour of licensed drivers can be recovered through the driver’s licence fee under section 53(2). The relevant words in that provision are “the costs of issue and administration”. The costs of “administration” must be something other than, and in addition to, the costs of “issue”. There is no difficulty in interpreting “administration” in its statutory context as extending to administration of the licence after it has been issued. It naturally includes the costs of suspension and revocation, which are events expressly mentioned in Part II of the 1976 Act.</i></p> <p><i>Suspension and revocation rest on non-compliance with the requirements and conditions for continuing to hold the licence. As we have said, it would therefore have been obvious to Parliament, when enacting the 1976 Act, that costs would be incurred by the district council in monitoring compliance with such requirements and conditions.”</i></p> <p><i>“48. For those reasons, both on the literal wording of section 53(2) and, if and so far as necessary, applying a purposive interpretation, we consider that the costs of monitoring and enforcing the behaviour of licensed drivers can be recovered through the fee under section 53(2).”</i></p> |
| 4.17 | The Council cannot make a profit from licence fees and there must be a carry forward of any surplus. There can also be recovery of any deficit. |
| 4.18 | In <i>R v Westminster City Council, ex parte Hutton</i> (1985) 83 L.G.R. 461. The court held that where the fee income generated in one year fails to meet the costs of administering the licensing system, it is open to the local authority to make a proportionate increase in the licence fee for the following year so as to recoup the cost of the shortfall (Hutton at p 518). |
| 4.19 | This longstanding principle was confirmed in Hemming [2012] EWHC 1260 (Admin). |
| 4.20 | In the case of Hemming (2012), The court determined licence fee surpluses as well as deficits are to be carried forward. The licensing authority is not entitled to make a profit. The court did not require pin-point precision year on year. |
| 4.21 | The council does not have to adjust the licence fee every year to reflect any previous deficit or surplus, so long as it ‘all comes out in the wash’ eventually. And the adjustment does not have to be precise: a rough and ready calculation which is broadly correct will |

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| | suffice. |
| 4.22 | Recent years Fees and Changes: |
| 4.23 | In April 2023 and April 2024 fees increase by a large amount, however this was due to the freeze on prices in 2021 and 2022, due to Covid-19. As some fees increased by a considerable amount, a number of these were then reduced after the consultation period and in consultation with the Chair of Licensing. |
| 4.24 | In 2025/26 following feedback from the consultation and discussion with the Chair of Licensing, the Driver 1 Year Renewal Fee was reduced. In 2023 it was proposed that the fee should increase from £84 to £235. It was decided to increase it to £100 from 2023. In 2024 the proposed figure was £250. That was reduced to £150. For 2025/26, when working out the costs involved in the process, the proposed figure was £255. This was reduced to £200. |
| 4.25 | Proposed fees and charges: |
| 4.26 | The calculation of the taxi and private hire fees and charges 2026/27, considered specific officer role and their time involved in the issuing and processing of applications, in addition to the administration and monitoring of compliance with conditions. |
| 4.27 | The draft proposed fees and charges 2026/27 compared to those in 2025/26 are attached as Appendix D. There is a reduction on a number of fees, in addition to many fees remaining the same. Reduction in fees reflect a change in process in the administration of licences, in which applications are received via an online portal. |
| 4.28 | There are a couple of fee increases. This includes operators fees. This is due to this process not going to the online portal, which is used for other licence types. Additionally, the annual renewal fee has also increased. In previous years, following response from trade and discussions with Licensing Chair, this fee has been reduced below the calculated fee (this is detailed within 4.24) . Although proposed 2026/27 fee is an increase from current fee, the proposed fee is £30 lower than the proposed fee of 2025/26. |
| 4.29 | Where changes to fees are indicated, these have been made with reference to the costs involved in the work required, rather than a standardised approach. |
| 4.30 | The DVLA Data Checks charges are determined by the provider Licence Bureau/continuum. The proposed charge is the current cost. Any future changes set out by company will take effect on date License Bureau/continuum determine. |
| 4.31 | Amendments following consultation |

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| 4.32 | Consultation responses and petition were considered. No changes to the proposed licence fees and charges have been made following consultation. |
| 4.33 | Fees and Charges for training |
| 4.34 | Fees for training given by Council officers in respect of Award for Personal Licence Holders Level 2 online option, has increased by 3.5%. |
| 4.35 | Fees for the in person Level 2 Award for Personal Licence Holders has increased by 3.5% in line with the rate of inflation. |
| 4.36 | Fees for licences and permits issued under the Licensing Act 2003 |
| 4.37 | Fees for licences issued under the Licensing Act 2003 are currently fixed by central government and are included for information only. Cambridge City Council is not permitted to deviate from these figures. |
| 4.38 | Fees for licences and permits issued under the Gambling Act 2005 |
| 4.39 | Fees for permits issued under the Gambling Act 2005 are currently fixed by central government and are included for information only. Cambridge City Council is not permitted to deviate from these figures. |
| 4.40 | In contrast licences issued under the Act are subject to maximum levels as laid down by the Department of Culture, Media and Sport. |
| 4.41 | Fees for street trading licences |
| 4.42 | City Centre Management administer the fees for street trading licences. The current fees have been reviewed and officers have confirmed that the fees have been increased by 3.5% in line with rate of inflation. |
| 5. | Consultation, engagement and communication |
| 5.1 | Under the Local Government (Miscellaneous Provisions) Act 1976, the Council is required to consult on any changes to the fees and charges in respect of vehicle and operator licences. |
| 5.2 | There is no such requirement under section 53 (2) for the Act for driver licences to be advertised. However the same procedure has been adapted. |
| 5.3 | A public consultation took place from 17 November 2025 to 14 December 2025. The consultation was advertised by public notice in Cambridge News. All licence holders were advised of consultation via the Taxi Newsletter that was emailed to all licence holders. The attendees of the Taxi Trade Forum held on 17 October 2025 were also |

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| | made aware of the consultation, and further all licence holders were made aware when minutes from Taxi Trade forum were distributed. |
| 5.4 | 36 consultation responses were received on Council Consultation platform, Engage, which are illustrated in Appendix B. Responses were varied from both members of the public and those within the taxi trade. Responses objecting to proposed fees and charges varied with some objecting increases, and some objecting to decreases. |
| 5.5 | <p>A petition was received from Members of the Cambridge City Licensed Taxi trade. Licensed taxi drivers of Cambridge wrote to formally object to the immediate implementation of the newly issued Daily Vehicle Checklist and any proposal for increasing license fees.</p> <p>The Petition included 151 signatures.</p> <p>As the petition covered two topics, in response to petition, Licensing officer sought further detail on the fees and charges being objected. No response was received.</p> |
| 5.6 | Consideration was taken to responses received, in respect to fees and charges by Strategic Environmental Health & Public Safety Lead and Environmental Health and Licensing Support Team Leader. |
| 6. | Anticipated outcomes, benefits or impact |
| 6.1 | The new fees and charges will make sure the Council is charging the correct amounts for the services provided to ensure cost neutral fees. |
| 7. | Implications |
| | Financial Implications |
| 7.1 | The charges are set to recover the Council's allowable costs. The Council cannot make a profit and must carry forward any surplus. Any deficit is carried forward and will be recovered in subsequent years. Surpluses or deficits will be considered when fee setting in future years with the objective of recovering or refunding any surplus or deficit |
| | Legal Implications |

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| 7.2 | None. |
| | Equalities and socio-economic Implications |
| 7.3 | Advice was sought from the Equality and Anti-Poverty Officer and a Equality Impact Assessment is not required for this committee report, as legislation indicated that licensing fees are either set nationally or must be cost neutral, and therefore no discretion. |
| | Net Zero Carbon, Climate Change and Environmental implications |
| 7.4 | None |
| | Procurement Implications |
| 7.5 | None |
| | Community Safety Implications |
| 7.6 | None |
| 8. | <p>Background documents</p> <p>Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985</p> |
| 8.1 | <p>Hemming (2012) EWHC 1260 (Admin)</p> <p>Hemming [2013] EWCA Civ 591</p> <p>Rehman (On Behalf of the Wakefield District Hackney Carriage And Private Hire (2019 EWCA Civ 2166</p> <p>Taxi Licensing Calculation of Fees for 2026/27 Spreadsheet</p> |

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| 9. | Appendices |
| 9.1 | <p>Appendix A - Consultation document shared as part of public consultation</p> <p>Appendix B - Consultation responses via Council consultation platform Engage</p> <p>Appendix C - Petition received details</p> <p>Appendix D – Table of proposed fees and charges 2026/27</p> |
| | <p>To inspect the background papers or if you have a query on the report please contact</p> <p>Yvonne O'Donnell, Strategic Environmental Health & Public Safety Lead E-mail</p> <p>yvonne.odonnell@cambridge.gov.uk</p> |