

Board

Date: 3 February 2016

Item: Taxi and Private Hire Licence Fees

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to update the Board on the outcome of the annual taxi and private hire licence fees review.
- 1.2 This topic was discussed and noted at Surface Transport Panel at its meeting on 22 October 2015.
- 1.3 On 21 January 2016, the Finance and Policy Committee endorsed the recommendations in this paper.

2 Recommendation

- 2.1 The Board is asked to note the paper and agree that there would be no change to Taxi and Private Hire licence fees from 1 April 2016.

3 Background

- 3.1 The Metropolitan Public Carriage Act 1869, as amended by the Greater London Authority Act 1999, enables the licensing authority (TfL) to charge licence fees including for taxi driver licence and taxi licence applications, and for licensing application tests and re-tests as well as charging for the issuing of driver and vehicle licences. Private hire legislation allows TfL to charge licence fees for private hire drivers, vehicles and operators. Since 2000, changes have been introduced to reflect the principle that licence holders and applicants alike should pay for the costs of the licensing resources they use.
- 3.2 Licence fees are reviewed every year. The principle behind fee setting is to reflect the cost of carrying out each licensing activity without cross subsidy from one activity to another.

4 Licence Fees

- 4.1 A review of licensing fees for 2016/17 has been undertaken based on the quarter 2 forecast for taxi and private hire licensing costs for the five year period to 2020/21.

5 Policing Costs

- 5.1 £1m of the annual operating costs for Cab Enforcement Unit (CEU) came from taxi and private hire licence fees in 2015/16 and will again in 2016/17. The £1m is used toward the annual cost of the CEU in the Metropolitan Police Roads and Transport Policing Command. The annual cost of the CEU, with 61 police officers dedicated to enforcing the law relating to taxis and private hire vehicles, is approximately £4m. The CEU works in partnership with TfL to:
- (a) improve passenger safety;
 - (b) tackle the illegal cab trade;
 - (c) drive up the standards of compliance across the licensed trade; and
 - (d) support the licensed and law-abiding taxi and private hire trades so they can operate effectively and deliver a high quality service to customers.
- 5.2 While there may be scope in the future to increase the contribution made through licence fees towards the costs of operating the CEU, no further increases to the current £1m per annum contribution are being proposed at this time.
- 5.3 Licence Fees can only be used to offset the costs of policing where it can be clearly shown that the enforcement activity is enforcing taxi or private hire legislation.

6 Proposed Fees

- 6.1 The proposed fees to come into effect from 1 April 2016 are:

Fee Type		Current Fee	Proposed Fee
Taxi Vehicle	Application Fee	£65	No change
	Licence Fee	£33	No change
	Digital Taxi Top Application Fee	£133	No change
	Digital Taxi Top Licence Fee	£33	No change
Taxi Driver	Application Fee	£80	No change
	Licence Fee	£192	No change
Knowledge of London	Appearance Fee	£400	No change
	Written Test Fee	£200	No change
Private Hire Operators	Application Fee	£838	No change
	Licence Fee (small)	£650	No change
	Licence Fee (standard)	£1,988	No change
	Variation Fee (add operating centre)	£300	No change
	Variation Fee (remove operating centre)	£50	No change
Private Hire Drivers	Application Fee	£150	No change
	Licence Fee	£100	No change
Private Hire Vehicles	Application Fee	£65	No change
	Licence Fee	£35	No change

- 6.2 A licence fee freeze will apply to all fees for taxi and private hire drivers, operators and vehicle owners.
- 6.3 The freeze will ensure that taxi and private hire licensing costs are met from fee income without incurring a net cost to TfL.

7 Crime and Disorder

- 7.1 TfL has a duty under section 17 of the Crime and Disorder Act 1998 to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent:
- (a) crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment);
 - (b) the misuse of drugs, alcohol and other substances in its area; and
 - (c) re-offending in its area.
- 7.2 There would be crime and disorder impacts if the CEU is not adequately funded. The on-going £1m contribution from monies collected as licence fees will help ensure the CEU can continue to carry out its valuable work.

8 Equality and Inclusion

- 8.1 TfL must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not under section 149 of the Equality Act 2010. This may involve removing or minimising any disadvantage suffered by those who share a relevant protected characteristic, taking steps to meet the needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. The "protected" characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Compliance with the duty may involve treating people with a protected characteristic more favourably than those without the characteristic.
- 8.2 TfL's review of licence fees identified that there are no issues in respect of the travelling public with regard to the proposed no change to licence fees as detailed in this paper. The proposed no change means no adverse impact is expected on drivers, operators or vehicle owners.

9 Financial Implications

- 9.1 The proposed no change to licence fees, together with ongoing savings from efficiencies, should ensure that taxi and private hire licensing costs are met from fee income without incurring a net cost to TfL.

10 Views of the Finance and Policy Committee

- 10.1 On 21 January 2016, the Finance and Policy Committee considered a similar paper. The Committee raised no specific issues for the attention of the Board and endorsed the recommendations in this paper. The Committee requested that Officers consider the future funding of policing costs.

List of appendices to this report

None

List of background papers

None

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