

<b>COMMITTEE</b>	<b>GENERAL LICENSING COMMITTEE</b>
<b>DATE:</b>	<b>12 June 2023</b>
<b>TITLE:</b>	<b>PROPOSED TAXI LICENCE FEES 2023/24</b>
<b>PURPOSE:</b>	<b>TO APPROVE THE PROPOSED FEES FOR PUBLIC CONSULTATION</b>
<b>AUTHOR:</b>	<b>HEAD OF ENVIRONMENT DEPARTMENT</b>

## **1.0 BACKGROUND INFORMATION**

- 1.1 The Council is required to review its fees in respect of taxi licensing (i.e. hackney carriage licences, private hire vehicle licences, private hire operator licences and drivers' licences) on a regular basis. This Committee decided back in 2013 that taxi fees would be reviewed annually.
- 1.2 Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 provide that fees may be charged at a level sufficient to cover reasonable costs -
- For granting a driver's licence for a hackney or private hire vehicle – costs associated with processing, administration and issuing licences.
  - For granting a vehicle and operator's licence – inspection costs, hackney carriage stand, public notices, management and supervision of vehicles and any other costs associated with processing an application.
- 1.3 The fees charged must be reasonable and it is the Council's decision whether to set the fees at a level which will allow it to recover the costs in full or in part. **This Committee resolved in 2013 that taxi licensing fees must be revised to fully recover costs.**
- 1.4 Taxi fees were increased by 25% in 2013 and 19.78% in 2014, and 10.78% in 2015 in order to fully recover the costs. The fees were not increased at all in 2016/17 or in 2017/18, and it was agreed to increase the fees at an average of 28% across the various taxi licensing fees for 2018/19.
- 1.5 A report was presented to this Committee in March 2021, with a recommendation that all taxi fees be increased only in line with inflation at the time, which was 2.59%. The fees were reviewed at the time, and although a 2.59% increase was not enough to fully recover the Council's costs for administrating and processing Taxi licences, the Licensing Authority was of the view that the taxi industry had faced significant losses during the lockdowns of the Covid crisis; and thus, it was decided not to recommend the full recovery of costs. For these reasons, this Committee resolved on 15th March 2021 not to increase taxi licensing fees at all beyond the level set in 2018/19.

## **2 EFFECT OF THE INCREASE IN COSTS OF LIVING**

- 2.1 Several global factors and some that are unique to the UK have negatively affected the economy, which has led to a substantial increase in living costs. The rate of inflation, which currently stands at 8.7%, has increased significantly over the past 18 months which has a negative impact on our citizens, taxi firms and also places pressure on the Council's provision of services.
- 2.2 The Licensing Authority recognises that vehicle maintenance costs, insurance costs and fuel costs have been rising over the past 18 months, and that the situation has been

difficult for the taxi industry as it emerged from the effects of the global Covid pandemic.

- 2.3 Nevertheless, there are signs that fuel prices are stabilising and dropping slightly, and it is important that the licensing authority takes all these factors into account.

### **3. FINANCIAL ASSESSMENT AND PROPOSAL FOR 2023 - 24**

- 3.1 The fees have not been changed since 2019. It was decided to keep the fees unchanged for 2021/21 when the situation was reviewed in March 2020; as the effects of Covid on the industry were starting to emerge then. This Committee rejected the recommendation to increase fees to a level that equated to the inflation level at the time in 2021.
- 3.2 As the members of this Committee are aware, the huge increase we have witnessed in inflation has left a significant financial deficit in the Council's coffers; and the licensing service like all the Council's other services has recently had to identify options for realising significant savings and cuts to budgets.
- 3.3 The licensing team is very small; and in order to save jobs and our ability to provide the same level of service by recovering the actual costs of providing the taxi licensing service - the Cabinet has voted in favour of allowing the Licensing Unit to proceed to recover costs in full.
- 3.4 We must bear in mind of course, as already noted; that taxi fees cannot be increased for the purpose of raising income; only for the purpose of recovering the costs of receiving, processing and administering licences.
- 3.4 It is not only inflation that has increased the costs of providing the taxi licensing service. There are also factors such as officers' training needs, the costs of advertising and consulting on fee changes, and an increased level of checks required to ensure the suitability of drivers, vehicles and operators.
- 3.5 There are changes on the horizon, such as completing the review of the Combined Taxi Policy, which will adopt the recommendations of the Department for Transport's National Statutory Hackney and Private Hire Vehicle Standards; as well as incorporating the proposed far-reaching changes that are likely to emerge from the Welsh Government's White Paper consultation on how the taxi industry is regulated.
- 3.6 Having considered all the factors noted, we believe there is not much choice but to increase the fees if we are to maintain the service that is expected by the public and the industry.
- 3.7 The deficit in the income received for the different taxi licences varies; depending on the extra effort that takes place in processing applications and verifying compliance. The fee levels recommended to allow for the recovery of costs means an average increase of 12%. Please see the enclosed table for details of the proposed fees.

### 3.2 TABLE OF CURRENT AND PROPOSED FEES

proposed taxi fees	current fee £	Proposed fee £ 2023/24
one year driver's licence	233	254
3 year driver's licence	270	353
new HACKNEY vehicle licence	232*	259
renewal of HACKNEY vehicle licence	197*	213
Fee for transfer of HV licence to a new owner	75	75
New PH licence	268*	295
Renewal of PH licence	197*	213
Fee for transfer of PH licence to a new owner	75	75
One year operator's licence	236	257
3 year operator's licence	275	300
5 year operator's licence	329	358

\*Total includes internal and external plates (hackney and private hire), and sticker (private hire)

## 4. CONSULTATION WITH THE INDUSTRY

- 4.1 Following this Committee's decision on the proposed fees, a full public consultation will be held in accordance with the statutory requirements.
- 4.2 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 states that a public notice of the proposed fee changes must appear in the local press. There is a designated timetable for the public consultation; and no proposed changes will come into force until any response to the formal consultation has been considered by this Committee at a later date. There will be a direct consultation by letter before the date the notice appears in the local press in order to allow enough time for the industry to highlight any concerns.
- 4.3 The notice in the press will include the date upon which the fees will come into force, 28 days after the date of the notice, providing there are no objections to the fees. Any objections to the fees must be considered by this Committee at its next meeting in September 2023, and a decision will have to be made on the fee levels accordingly. New fees will not come into force until a final decision is made by this Committee.

## RECOMMENDATION

That the Committee approves the proposal to raise the fees to the recommended level; subject to consultation with the taxi industry and consultation through public notice.