

Board



Date: 19 July 2017

Item: Taxi and Private Hire Licence Fees

As provided for under section 100B(4)(b) of the Local Government Act 1972, the Chair is of the opinion that this item should be considered as a matter of urgency. The views of the Customer Service and Operational Performance Panel on the proposed fees were sought on 13 July 2017, after the papers for this meeting were published. Further work on the proposed fees is required but a decision is required before the next scheduled meeting of the Board on 19 September 2017.

This paper will be considered in public

1 Summary

Decision required	The Board is asked to delegate authority to approve the proposed changes to the fees for Private Hire operators, drivers and vehicles; and to the licence fees for taxi drivers and taxis to the Finance Committee.
Sponsoring Director	Contact Officer: Peter Blake Number: 020 3054 8089 Email: PeterBlake@tfl.gov.uk
Information classification	Public.
Summary	
<ul style="list-style-type: none">• The fees applicable to private hire operators were subject to a public consultation as we are proposing a new vehicle-based licence fee structure to reflect the costs to TfL of regulatory, licensing and enforcement activities associated with private hire operators.• The proposals that were consulted on were discussed by the Customer Service and Operational Performance Panel at its meeting on 13 July 2017.• The results of the consultation and further correspondence are still under consideration including alternative suggestions to the proposals consulted on. Therefore the Board is asked to delegate authority to the Finance Committee to approve the proposed fees to be applied to taxi and private hire licensees.	

2 Recommendations

2.1 The Board is asked to note the paper and to:

- (a) delegate authority to the Finance Committee to approve proposals to make, amend or revoke the fees for taxi drivers and taxis, and for private hire operators, drivers and vehicles; and**
- (b) subject to approval by the Finance Committee in accordance with paragraph 2.1(a) above, to authorise the Commissioner to make the necessary changes to the Private Hire Regulations to implement any changes in fees.**

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. This includes fees associated with taxi driver applications, licensing application tests and re-tests and licence grant fees for taxi drivers and vehicles. Private hire legislation allows TfL to charge licence application and grant fees for private hire drivers, vehicles and operators.
- 3.2 Licence fees are reviewed every year to reflect the cost of licensing and regulating the taxi and private hire trades.
- 3.3 The Mayor's Taxi and Private Hire Action Plan, published in September 2016, set out a number of measures to improve safety and standards in the taxi and private hire industry. This included a commitment to quadruple the number of dedicated on-street compliance officers, with 250 more in post by summer 2017. These officers undertake a range of compliance and enforcement duties such as on-street driver and vehicle checks, operator inspections and they investigate and take enforcement action against illegal activity. The Action Plan also committed to a review of operator licence fees so that fees charged are more closely aligned with the costs of regulating operators.
- 3.4 TfL can only use licence fee revenue to meet the costs of licensing, compliance and enforcement activity. However the current fee structure for operators does not recover these costs. Currently an operator with 15-20 vehicles pays the same licence fee as operators with hundreds of vehicles.
- 3.5 Enforcement and compliance activities benefit all licensees, as it includes action to deter and detect unlicensed vehicles, drivers and operators and other illegal activity. For this reason, we also propose an uplift of fees for private hire drivers and vehicles, and for taxi drivers and vehicles to reflect the regulatory cost associated with regulating vehicles and drivers. These fees were frozen for the previous financial year.

- 3.6 In spring 2015 we began an extensive consultation process on the Regulations applicable to the private hire industry in London. The second stage of this consultation proposed a review of the current operator licence fee structure. This was supported by 57 per cent of respondents and was endorsed by the Board, along with a package of other measures, in March 2016.
- 3.7 The consultation on operator licence fees ran from 20 April to 16 June 2017. It proposed a change to the fee structure whereby the existing categories of “small” and “standard” operator would be replaced by a new five-tier structure. This would reflect the actual cost of licensing and compliance activities that we are able to recover.
- 3.8 The results of the consultation and recent correspondence are still under consideration, including alternative suggestions to the proposals consulted on. Therefore the Board is asked to delegate authority to the Finance Committee to approve the proposed fees to be applied to taxi and private hire licensees.

List of appendices to this report

None

List of background papers

Mayor’s Taxi and Private Hire Action Plan, September 2016

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