

<b>COMMITTEE:</b>	<b>GENERAL LICENSING COMMITTEE</b>
<b>DATE:</b>	<b>16 SEPTEMBER 2013</b>
<b>TITLE:</b>	<b>PROPOSED HACKNEY CARRIAGE, PRIVATE HIRE AND OPERATORS LICENCE FEES</b>
<b>PURPOSE:</b>	<b>FOR DECISION</b>
<b>AUTHOR:</b>	<b>HEAD OF REGULATORY DEPARTMENT</b>

## **BACKGROUND**

1. A report was submitted to this Committee on 24 June 2013 with a recommendation to approve the proposal of the Head of Regulatory Department to increase all taxi licensing fees by 25%, and proceed towards reclaiming the costs associated with the service in full in 2014/15. (See the Committee report dated 24 June 2013 in full in Appendix 1, along with a table of the proposed fees).
2. The Council is required to review its fees in the context of the licensing of hackney and private hire vehicles on a regular basis.
3. Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 allows increasing fees on a level that is sufficient to reclaim the reasonable costs associated with processing applications for driver and hackney and private hire licences as well as operators' licences.
4. The fees charged must be reasonable and it is the Council's decision whether or not the fees are set at a level which will allow for the reclamation of costs in full or in part. Historically, fees have been set at a low level in Gwynedd in comparison to other local authorities.
5. Costs not recovered through licence fees place a burden on the service's resources, and ultimately, on the Council's taxpayers. A detailed cost analysis of income against expenditure on this function has revealed a significant budgetary deficit which cannot be sustained any longer in the current financial climate. The fees would have to be raised by at least 37% in order to fully recover the costs.
6. The balancing of expenditure against income is a challenge which all businesses, including the Council, have to face. The Council has for several years been subsidizing the actual cost of taxi licensing from its general revenue streams but with the cuts that the Council is currently facing, this is not a situation which can continue unless the resources available for providing other services to residents are to be reduced. Subsidizing licensing costs does not ensure any direct benefit in the form of lower fares for the residents of Gwynedd, as any savings do not have to be passed on to the customers.
7. The recommendation to increase the fees must be subject to a consultation with the industry as well as a statutory public consultation.

## **COMMENTS OF THE HEAD OF FINANCE DEPARTMENT**

8. The Head of Finance Department supports increasing the fees for the purposes of cost recovery as it is no longer possible to sustain the annual budget deficit associated with the service.

## **THE COMMITTEE'S DECISION 24/6/13**

9. The Committee resolved to accept the recommendation of the Head of Regulatory Department to increase all licensing fees by 25% this year and to proceed to reclaim the costs in full in 2014/15 subject to a statutory consultation and assessing the costs of providing the service on an annual basis.

## **PUBLIC CONSULTATION**

10. 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.
11. The notice was placed in the local press on 17 July in accordance with the statutory requirements as well as on the Council's website. The consultation remained open for 28 days.
12. In addition to the statutory consultation, a letter was sent to all taxi vehicle owners in Gwynedd explaining in full the reason for the need to increase the fees. The industry was reminded in this letter that there was an opportunity to submit formal observations during the consultation period.
13. The consultation ended on 15 August and six letters were received from individuals in the taxi industry objecting to the increase in the cost of taxi licences. One of the letters had been sent on behalf of the Dwyfor Taxi Association and included 18 signatures from various individuals (see the letters received in appendix 2 to this report).
14. No increase in fees will come into force until the objections received are considered by this Committee when a final decision will be made on the fee level.

## **THE GROUNDS TO THE OBJECTIONS RECEIVED**

15. There are objections to the increase in fees in the context of the substantial increase seen over the past few years in fuel and insurance costs.
16. Concern is expressed that the additional costs will threaten the livelihood of some operators, owners and drivers, as the increased costs affect the ability of companies to maintain the current level of service.
17. Some respondents are of the opinion that a reduced increase should be implemented for those with private hire licences that are restricted to school contract work only.
18. Concerns were expressed that the customer will refuse the unavoidable increase in taxi hire costs following an increase in licence fees.

19. The Dwyfor Taxi Association expresses their discontent in relation to the level of service available from the Pwllheli Office, as the officer is only in the office on Wednesdays. They are also of the opinion that an insufficient number of checks and inspections of vehicles and driver badges are carried out during the day and night, and that there is lack of action taken in respect of complaints.

**RECOMMENDATION**

**To increase all taxi licensing fees by 25% in accordance with the resolution of this Committee, and what was consulted upon for the purpose of proceeding towards full cost recovery in respect of the service in 2014/15.**