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| COMMITTEE: | GENERAL LICENSING COMMITTEE |
| DATE: | 15 SEPTEMBER 2014 |
| TITLE: | PROPOSED HACKNEY CARRIAGE, PRIVATE HIRE AND OPERATORS LICENCE FEES |
| PURPOSE: | FOR DECISION |
| AUTHOR: | HEAD OF REGULATORY DEPARTMENT |

BACKGROUND

1. A report was submitted to this Committee on 23 June 2014 with a recommendation to approve the proposal of the Head of Regulatory Department to increase all taxi licensing fees by 19.78% in order to recover the costs associated with the service in full in 2014/15. (See the Committee report dated 23 June 2014 in full in Appendix 1, and 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. 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.
5. 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.
6. 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

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

THE COMMITTEE'S DECISION ON THE 23 JUNE 2014

8. The Committee resolved to accept the recommendation of the Head of Regulatory Department to increase all taxi licensing fees by 19.78%, so as to achieve full cost recovery subject to a statutory consultation and assessing the costs of providing the service on an annual basis.

PUBLIC CONSULTATION

9. 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.
10. The notice was placed in the local press on 16 July 2014 in accordance with the statutory requirements as well as on the Council's website. The consultation remained open for 28 days. (see appendix 2 Public notice)
11. In addition to the statutory consultation, a letter was sent to all taxi vehicle owners in Gwynedd explaining in full the reason for increasing the fees. The industry was reminded in this letter that there was an opportunity to submit formal representations during the consultation period. (see appendix 3)
12. The consultation ended on 13th of August and 1 letter was received from an individual in the taxi industry objecting to the increase in the cost of taxi licences.(Appendix 4)
13. Increase in fees will not come into force until the objection received is considered by this Committee when a final decision will be made on the fee level.

THE GROUNDS FOR OBJECTION

14. The objection to the increase in fees is made in the context of the substantial increases that have already been applied in previous years to the cost of taxi licensing fees.
15. Concern is expressed that the additional costs will prohibit the employment of new drivers; and could even make it difficult to sustain currently employed drivers.
16. The Committee is requested to consider the objection received; as well as the evidence previously submitted in respect of the need to secure cost recovery for the service.

DELETION OF FEE TO TRANSFER LICENCE TO A REPLACEMENT VEHICLE

17. Legal advice has been received recently to discontinue the process of transferring a licence from one vehicle to a replacement vehicle; as there is no provision within the relevant legislation to allow such a process. The industry was informed of this in the letter sent as a part of the fees consultation.
18. Following receipt of this legal advice, you will note that the fee in respect of this process has been deleted from the table of taxi licencing feels attached to this report (appendix 1)

RECOMMENDATION

19. To increase all taxi licensing fees by 19.78% in accordance with the resolution of this Committee, and what was consulted upon for the purpose of achieving full cost recovery in respect of the service.