

Appendix 1

COMMITTEE:	CENTRAL LICENSING COMMITTEE
DATE:	23 JUNE 2014
TITLE:	PROPOSED HACKNEY CARRIAGE, PRIVATE HIRE AND OPERATORS LICENCE FEES
PURPOSE:	FOR DECISION
AUTHOR:	HEAD OF REGULATORY DEPARTMENT

BACKGROUND

1. The Council is required to review its fees in respect of the licensing of hackney carriages and private hire vehicles on a regular basis.
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 the grant of a drivers licence for hackney carriage or private hire vehicle – costs associated with processing, administration and issue of licence.
 - For the grant of a vehicle and operators licence – inspection costs, hackney carriage stands, public notices, control and supervision of vehicles; and any other costs associated with processing an application.
3. The fees levied must be reasonable, and it is at the Council’s discretion whether or not the fees are set at a level to enable full or partial cost recovery. Historically, fees have been set at a low level in Gwynedd in comparison to other local authorities.
4. Costs not met by the levy of fees become a burden on the Service and, ultimately, on the Council tax payer. A detailed cost analysis of income against expenditure on this function in 2013 revealed a significant budgetary deficit and it was determined that the fees would have to be raised by at least 37% in order to achieve full cost recovery.
5. In a report to the Central Licensing Committee on 24th June 2014, an increase of 25% on all taxi fees was proposed; with a further increase to move towards full cost recovery in 2014/15. The report also stated that, in future, the costs of providing the service will be assessed annually.
6. The proposed increase was approved by the Committee, subject to statutory consultation, on 24th June 2013 and was subsequently confirmed on the 16th September 2013.
7. An assessment of the cost of providing those parts of the taxi licensing function in respect of which the Council is permitted to recover reasonable costs in 2013/14 indicates the following:

Gross expenditure	£126,705
Income from fees, etc	£106,122
Net expenditure	£ 20,593

8. For cost recovery to be achieved, based upon the most recent figures available, fees therefore need to be raised by 19.78%.

PROPOSAL

9. **A increase of 19.78% is proposed on all taxi fees; to achieve full cost recovery. The proposed increase, if approved, will be subject to statutory consultation.**
10. The full list of current and proposed fees is attached to this report

CONSULTATION WITH THE TRADE

11. The intention to raise fees to move towards cost recovery has been consulted upon with the Cabinet Member, Councillor John Wyn Williams. The proposed fees have also been consulted upon internally with the Head of Finance. Once this Committee makes a decision on the proposed fees a thorough public consultation will commence in accordance with the statutory requirements.
12. S70 of the Local Government (Miscellaneous Provisions) Act 1976 requires that a public notice of the proposed fee variations appear in the local press. The notice will be placed in the local press on or before the 16th of July 2014, and the taxi trade will also be directly consulted before this date; allowing for sufficient opportunity for any concerns to be addressed. This notice must include a date which the fees become operational, 28 days after the date of the notice; if there are no objections to the fees. Any objections to the fees would have to be considered by this Committee during it's next meeting on September the 15th 2014, and the fee levels determined accordingly. New fees will not become operational until a final decision is made by this Committee.

CONSIDERATION OF RISKS

13. There are potential risks to the financial viability of the taxi and private hire trades in respect of raising taxi fees; but there are also risks to other Council services associated with not achieving cost recovery.
14. In the current economic context it is appreciated that any increases in fees will be seen as an additional burden on the taxi trade. However, the increase equates to an additional £20.27 for a taxi driver's licence and £22.75 for a vehicle licence. For an owner/driver with one vehicle, the increase will be less than one pound per week. If full cost recovery is achieved this year, in future years changes in the fees will only need to reflect changes in the cost of providing the service.
15. After consideration of all the relevant factors it is submitted that cost recovery is the most equitable way of balancing the interests of the taxi and private hire trades with those of the residents and council tax payers of Gwynedd..

RECOMMENDATION

16. The Committee is requested to consider and approve the proposal of the Head of Regulatory department to increase all taxi fees by **19.78%**.
17. The proposed increase if approved will be subject to statutory consultation and the costs of providing the service will be assessed annually.