



Licence Fee Changes for 2010/11

Taxi and Private Hire licence fees are reviewed annually to reflect the basic legal principle that the costs of providing the licensing service and operation are recoverable through the fees payable by licensees and licence applicants and that these fees should be kept under review.

A review of the licensing fees for 2010/11 has been undertaken and the following fees have been revised as set out in the table below. Revised fees take effect from Tuesday 6 April 2010.

Description	2009/10 Fee	2010/11 Fee
Taxi licence application / inspection	£111	£101
Taxi annual licence	£53	£53
Taxi inspection re-test	n/a	£50
Taxi driver – replacement badge	£0.15	£15
Knowledge appearance – Suburban (yellow badge) taxi driver applicants	£150	£200
Private hire operator variation fee (removal of existing centre)	£25 per centre	£50 per centre
Private hire operator variation fee (addition of an operating centre)	£25 per centre	£200 per centre

Taxi licence application and inspection, and introduction of re-test

The taxi licence application and inspection fee has been reduced by £10 to £101 with the introduction of a £50 re-test fee for vehicles that fail the first time inspection.

There are two key reasons that we are introducing the re-test fee:

- The current system is unfair to vehicle owners that make the effort to ensure vehicles pass the annual inspections first time as they subsidise those that don't;
- The first time pass rate remains low at below 40 per cent and we need to take steps to address this and to encourage a higher first time pass rate. We need to use all the mechanisms available to us to try and increase this rate and

provide the travelling public with as much reassurance as possible that they are using a safe, well maintained taxi.

The effect of the £10 reduction in the annual licensing fee is expected to balance out the additional income received from the re-tests. However, if this proves not to be the case any surplus will be used to further reduce the fees next year. SGS, our service provider that carries out the inspections, will not financially benefit from these changes so there is no incentive for them to fail your vehicles.

We have decided to phase the implementation of the re-test fees to help us to closely monitor the effects that it has on the trade.

Therefore, with effect from 6 April, taxis that fail inspections for one or more of the following conditions (taken from the vehicle inspection manual) will be subject to the £50 re-test fee:

Category	Sub-category
Brakes	Service brake performance
	Performance of parking brake
	Condition of mechanical brake components
	Condition of brake pipes and hoses
	Condition of servos, exhausters and hydraulic components
	Anti-lock braking system (ABS)
Steering	Steering linkages
	Steering mechanism
	Power steering
	Stub axles, king pin assemblies and wheel bearings
Tyres / Wheels	Rear hub bearings
Underbody	Condition of chassis
	Underpanels, sills and body mountings
	Fuel tank and pipelines
	Front suspension
	Rear suspension

For the short term, all other reasons for failure will remain unchargeable conditions of a re-test, however we will look to phase in these additional reasons throughout 2010. We will publish updates to the list of chargeable items on our website – www.tfl.gov.uk/tph along with information held at the SGS vehicle inspection centres.

Taxi driver replacement badge

The increase from 15 pence to £15 reflects the full cost of the production and administration involved in the process of issuing a replacement badge.

Knowledge appearance – Suburban (Yellow Badge) taxi driver applicants

The increase to £200 brings this into line with the appearance fee for All London (Green Badge) taxi driver applicants and it reflects the real cost of administering the Knowledge examination arrangements.

Private hire operator variation fee – removal of existing operating centre

The increase from £25 to £50 per operating centre reflects the increased cost of administration of this function since its inception in 2001.

Private hire operator variation fee – addition of an operating centre

The increase to £200 per operating centre is necessary to take into account the real cost of administering this change. Adding new operating centres requires an on site visit by a TfL member of staff which has a significant impact on costs.

All other fees remain unchanged from the 2009/10 levels as instead TfL have looked to make efficiency savings by improving back office processes. Unfortunately many of our back office processes are manual, time consuming and labour intensive and we are working hard to make improvements in these areas.



John Mason
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7 April 2010

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