



Important Changes to Taxi and Private Hire Licence Fees

Transport for London (TfL) has today confirmed that, following a consultation, a number of changes will be made to taxi and private hire licence fees.

The most notable changes will be made to the fees private hire operators are charged for the cost of licensing, compliance and enforcement activity. The new fees more accurately reflect the resources required to regulate firms, based on the size of their operations.

TfL has listened to feedback, which identified that the original proposals penalised small and medium-sized operators, and has now created additional charging bands. To further support successful businesses, TfL has also included provision allowing operators in the largest six categories to pay fees in annual instalments.

The new fee structure will replace the existing two 'tiers' with eight; with charges ranging from £2,000 for a five year licence for those with 10 vehicles or fewer, to £464,000 per year for the largest operator. This would ensure the licence fee structure for private hire operators reflects the costs of compliance activity according to the scale of each operator.

Previously, a 'small' operator, with no more than two vehicles, would pay £1,488 and 'standard' operators – all those with more than two vehicles, regardless of the size of their fleet - would pay £2,826 for a licence lasting five years. There are around 2,400 private hire operators in the Capital. Close to

half have 10 vehicles or fewer, with just five per cent of companies in charge of fleets of over 100 vehicles.

Private hire operator licence fees have not increased since April 2013; since then, the Capital's private hire industry has grown dramatically, from 65,000 licensed drivers in 2013/14, to more than 116,000 today. The number of vehicles has increased from 50,000 to 88,000 over the same period. With this growth, there has been a substantial increase in the cost of ensuring private hire operators fulfil their licensing obligations and in tackling illegal activity to keep passengers safe. It is estimated that over the next five years enforcement costs alone will reach £30 million, up from a previous estimate of £4m.

The total projected cost for licensing, enforcement and compliance for the taxi and private hire trades over the next five years is £209m.

The fees for both taxi and private hire driver and vehicle licences have also been revised to account for the increased cost of licensing, enforcement and compliance activities.

The law allows the recovery of costs incurred for licensing, regulatory and enforcement activity through the licence fee process. Income from these fees will be used to contribute to funding the extra 250 Compliance Officers.

Operator fees

Number of vehicles	Current Fee (£) (Total)	Proposed 5 year fee (£)			Proposed Fee as an average annual cost (£)
		Application	Grant of licence	Total	
0-10	1,488	400	1,600	2,000	N/A
11-20	2,826	1,200	4,800	6,000	N/A
21-50	2,826	3,800	15,200	19,000	3,040

Number of vehicles	Current Fee (£) (Total)	Proposed 5 year fee (£)			Proposed Fee as an average annual cost (£)
		Application	Grant of licence	Total	
51-100	2,826	6,000	24,000	30,000	4,800
101-500	2,826	30,000	120,000	150,000	24,000
501-1,000	2,826	70,000	280,000	350,000	56,000
1,001-10,000	2,826	140,000	560,000	700,000	112,000
10,001+	2,826	580,000	2,320,000	2,900,000	464,000

Driver and Vehicle fees

Fee Type		Current Fee (£)	Proposed fee (£)
Taxi vehicle	Application Fee	65	66
	Licence Fee	33	44
	Total	98	110
	Digital Taxi Top Application Fee	133	No change
	Digital Taxi Top Licence Fee	33	No change
	Total	166	No change
Taxi Driver	Application Fee	80	120
	Licence Fee	192	180
	Total	272	£300
Knowledge of London	Appearance Fee	400	No change
	Written Test Fee	200	No change

	Total	£600	No change
Private Hire Drivers	Application Fee	150	124
	Licence Fee	100	186
	Total	250	310
Private Hire Vehicles	Application Fee	65	84
	Licence Fee	35	56
	Total	100	140

If you need further guidance having looked at the information on our website, please email us at tph.enquiries@tfl.gov.uk or call our licensing team on 0343 222 4444 (Monday to Friday, 08.00 – 18.00).

Regards,



Helen Chapman
General Manager
London Taxi and Private Hire

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