

# AGENDA

## Regulatory Committee

Date: **Tuesday 22 May 2012**

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Time: **2.00 pm**

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Place: **The Council Chamber, Brockington, 35 Hafod Road,  
Hereford**

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Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

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If you would like help to understand this document, or would like it in another format or language, please call Pete Martens, Committee Manager Planning & Regulatory on 01432 260248 or e-mail [pmartens@herefordshire.gov.uk](mailto:pmartens@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the Meeting of the Regulatory Committee

## Membership

<b>Chairman</b>	<b>Councillor JW Hope MBE</b>
<b>Vice-Chairman</b>	<b>Councillor RC Hunt</b>
	<b>Councillor CM Bartrum</b>
	<b>Councillor PL Bettington</b>
	<b>Councillor BA Durkin</b>
	<b>Councillor Brig P Jones CBE</b>
	<b>Councillor PJ McCaull</b>
	<b>Councillor C Nicholls</b>
	<b>Councillor FM Norman</b>
	<b>Councillor GA Powell</b>

## GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS

### What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

### What do I need to do if I have a personal interest?

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

### What is a prejudicial interest?

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

### What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.

**AGENDA**

	<b>Pages</b>
<b>1. APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
<b>2. NAMED SUBSTITUTES (IF ANY)</b> To receive details any details of Members nominated to attend the meeting in place of a Member of the Committee.	
<b>3. DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
<b>4. MINUTES</b> To approve and sign the Minutes of the meeting held on 27th April, 2012 and 8th May 2012.	1 - 6
<b>5. TO RECONSIDER OBJECTIONS TO PROPOSED INCREASES TO THE TAXI LICENCE FEES AND CHARGES</b> To give further consideration to the views and objections from the trade in relation to the proposed increases in fees and charges.	7 - 30



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- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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## **HEREFORDSHIRE COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Regulatory Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Friday 27 April 2012 at 10.00 am**

**Present:** Councillor JW Hope MBE (Chairman)  
Councillor RC Hunt (Vice Chairman)

Councillors: CM Bartrum, PL Bettington, Brig P Jones CBE, PJ McCaull and C Nicholls

**In attendance:** Councillors JLV Kenyon

**26. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors BA Durkin, RC Hunt, FM Norman and G Powell.

**27. NAMED SUBSTITUTES (IF ANY)**

Councillor EMK Chave was appointed named substitute for Councillor FM Norman and Councillor RB Hamilton was appointed named substitute for Councillor RC Hunt.

**28. DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting.

**29. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 21<sup>st</sup> February, 2012 be approved as a correct record and signed by the Chairman.

**30. TO CONSIDER OBJECTIONS TO PROPOSED INCREASES TO THE TAXI LICENCE FEES AND CHARGES**

A report was presented by the Acting Head of Environmental Protection and Licensing about objections which had been received from the trade to the proposed increase in hackney carriage/private hire licence fees and charges for 2012/2013. He explained that the increases were aimed at full cost recovery so that the service was no longer subsidised. This was in line with a resolution previously made by Cabinet regarding all the services provided by the Council. He outlined the approach used in calculating the fees and charges, the comparisons made with other councils and the advice that had been received from the accountants and external consultants.

The Acting Head of Environmental Protection and Licensing outlined the advertising process which had been followed regarding the proposals and consultation with the trade and public. He provided a summary of the responses which had been received. He said that the trade had also enquired about a taxi marshalling scheme whereby officers would queue and direct taxis to collect passengers leaving clubs in the Commercial Road area of Hereford. The cost of this was likely to be £52 per hackney carriage to be cost neutral to the council tax payer. Although there had been a number of supportive comments for such a scheme, overall the consultation responses indicated that the trade were not prepared to cover its cost. The Acting Head of Environmental Protection and Licensing was not therefore recommending the

introduction of the Scheme. He also said that since the consultation process had started, revised corporate support service costs had become available which had enabled the original proposed fee increases to be significantly reduced but still enable full cost recovery. He explained the options available to the Committee in considering the proposals.

The Chairman invited comments from the trade and allocated ten minutes per speaker. Mr Jones, Mr Lane and Mr Preen spoke on behalf of the trade. The trade were very unhappy about the level of the proposed increases in a difficult financial climate for them. They contested a number of aspects and in particular the calculations involved. They did not feel these accurately reflected the number of licences issued by the Council and the revenue it obtained from them. Their main areas of complaint were:

- too many taxi licences and this is a way to put people out of business;
- there are 250 taxis but only 30 rank spaces for them;
- the representatives did not feel that all the points that they had made as part of the consultation process were properly reflected in the report;
- the proposed increases seem exceedingly high; more information needed to be provided about how the costs were arrived at;
- the increases were excessive given the fuel and operational costs facing the trade;
- the headline figures had been provided in the report but not the detail by way of a spread sheet mentioned by the officer;
- fees should be reduced during a time of recession to help a vital service to the public;
- there should be greater emphasis on cutting red tape;
- the £30 medical check was excessive, especially to the over 65's who have to have an annual check;
- more time should be given to enable all the relevant facts to be compiled to enable more accurate figures to be arrived at;
- the latest audit which showed the increases needed to be provided as part of the assessment;
- Hereford was a small city and should not be compared with larger ones for the fee comparison;
- were the resources of the licensing department used in the right way?;
- the impact on the cost to the licence payer of the various premises moves the Council has made over the last few years should be shown;
- could the Council demonstrate that value for money was being given?;
- there was a very inefficient system for making contact with the licensing department;



- not all of their comments were reflected in the report;
- many drivers were already on a very low income and had to seek charitable assistance;
- in today's economic climate the Council needed to set its spending at a more realistic level; and
- the rises were well above inflation and the Council is not imposing a council tax rise this year. Licensing now operated from a shared office therefore costs should be reduced. We have looked at neighbouring Council's and found that Herefordshire's costs are high given the demographics of the County. The increases will only have a detrimental result on a trade already struggling with an economic down-turn, and the net effect will be loss of jobs, less maintenance and longer driving hours – some firms may have to lay off drivers and the proprietor increase his driving hours.

Councillor JVL Kenyon one of the local ward members spoke on behalf of his constituents in the trade. He felt that there was a need for more work to be done in arriving at the charges and felt that the matter should be differed for consideration by Overview and Scrutiny.

The Committee discussed the various points that had been made and the Acting Head of Environmental Protection and Licensing answered some of the questions which had been raised by the trade. The Committee noted the need for a decision to be made as soon as possible because of the budgetary implications involved. On balance it was felt that there was a need for further discussions to be held with the trade and that this should be by way of the Member/Officer/Trade Working Group in the first instance.

A proposal that the matter should be deferred was not seconded. It was decided instead that the recommendation should be approved in principle but that a meeting should be held with the trade prior to a decision being made.

## **RESOLVED**

### **THAT:**

- (a) **the Committee approves in principle the recommendation to increase the fees as set out in the report of the Acting head of Environmental Protection and Licensing; subject to the figures provided in Appendix 2 being further reviewed while considering any background papers not previously made available to the Committee;**
- (b) **a meeting be held between interested parties with the intention of securing agreement if possible; and**
- (c) **the Committee to sit and consider the meeting's findings at the earliest opportunity thereafter.**

## **31. DATE OF NEXT MEETING - 8TH MAY 2012**

The meeting ended at 11.30 am

**CHAIRMAN**



**MINUTES of the meeting of Regulatory Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Tuesday 8 May 2012 at 2.00 pm**

**Present:** Councillor JW Hope MBE (Chairman)  
Councillor RC Hunt (Vice Chairman)

Councillors: CM Bartrum, C Nicholls and FM Norman

**In attendance:** Councillors PM Morgan

**32. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors BA Durkin, Brig P Jones MBE, PJ McCaull, FM Norman and G Powell.

**33. NAMED SUBSTITUTES (IF ANY)**

There were no named substitutes present at the meeting.

**34. DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting.

**35. DISCHARGE OF GUARDIANSHIP UNDER THE MENTAL HEALTH ACT 1983**

A report was presented by the Principal Lawyer about the Council's function in relation to the Discharge of Guardianship under the Mental Health Act 1983. He explained the powers and duties of the Council as a Local Social Services Authority (LSSA); and the requirements of the Statutory Code of Practice relating to the Act. He outlined what was involved regarding the discharge a patient from Guardianship and the steps that should be taken to review or renew the arrangements that were in place.

At present there were no formal arrangements in place to enable the Council to carry out its duties in this regard. A committee or Sub Committee was required to oversee matters under the provisions of the legislation and the proposal was for the Regulatory Committee to fulfil this role under its miscellaneous functions. It was noted that Sarah Cox, Mental Health Lead, People's Services commissioning would provide the Committee with further information about the new arrangements in due course. The Committee decided that the arrangements for dealing with guardianship should be delegated to the Regulatory Sub-Committee.

**RESOLVED THAT**

**The Committee notes that it will carry out the Council's functions in relation to Discharge of Guardianship under the Mental Health Act 1983 and delegates this function to the Regulatory Sub Committee.**

**36. REPORT ON ACTIVITY OF COMMUNITY PROTECTION TEAM**

The Committee Manager presented an information report about the main activities of the Community Protection Team during the past year.

**RESOLVED THAT**

**The report of the community Protection Team be received and noted and that the team be thanked for the important enforcement work they were undertaking.**

**37. REPORT ON REGULATORY ACTIVITY BY ENVIRONMENTAL HEALTH & TRADING STANDARDS, HEALTH & WELLBEING SERVICE**

The Acting Head of Environmental Protection and Licensing presented a report about the main regulatory activities of Environmental Health & Trading Standards service during the past year.

The Committee expressed their appreciation for the work which was undertaken by the Department.

**RESOLVED THAT**

**The report be received and noted and that the Environmental Health and Trading Standards Team be thanked for the important work they were undertaking.**

The meeting ended at 3.10 pm

**CHAIRMAN**

<b>MEETING:</b>	<b>REGULATORY COMMITTEE</b>
<b>DATE:</b>	<b>22 MAY 2012</b>
<b>TITLE OF REPORT:</b>	<b>TO RECONSIDER OBJECTIONS TO PROPOSED INCREASES TO THE TAXI LICENCE FEES AND CHARGES</b>
<b>REPORT BY:</b>	<b>MARC WILLIMONT ENVIRONMENTAL HEALTH &amp; TRADING STANDARDS HEALTH &amp; WELLBEING SERVICE</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

The committee has already resolved to implement full cost recovery for taxi licensing, following the initial public hearing on 27<sup>th</sup> April 2012.

Therefore, the purpose of this hearing and this report is to reconsider the views and objections from the trade in relation to the proposed fee increases in order to agree (1) the amount of extra income needed to move this service area towards full cost recovery and (2) the fee structure required to deliver this.

The report also poses the further question as to whether additional costs should be implementing to deliver a non subsidised Taxi Marshalling Scheme.

### **Recommendation**

#### **THAT COMMITTEE:**

**Agrees the proposed fees as scheduled in Appendix 2 excluding the additional cost of £52 per hackney carriage renewal application for implementing a Taxi Marshalling Scheme.**

### **Key Points Summary**

- The fee increases intend the service to move towards 'full cost recovery' i.e. so that it is no longer subsidised. This follows the resolution made at Cabinet in June 2011.
- Full details of the proposed fee increases together with a consultation letter was sent to the trade and made available for public comment for 28 days.
- The increase was also advertised in the Hereford Journal.

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Further information on the subject of this report is available from  
Marc Willimont, Acting Head of Environmental Protection & Licensing (01432) 261986

- Before this 28 day consultation period commenced, the Taxi Association's committee was briefed at a meeting with the Cabinet Member and Director of People's Services.
- A Taxi Marshalling Scheme was also mentioned in the consultation letter, at a proposed additional cost of £52 per Hackney Carriage to deliver, if it were to be cost neutral to the Council Tax Payer. Although there were a number of supportive comments for such a scheme, overall the consultation responses indicate that the trade were not prepared to cover its cost. Therefore a Taxi Marshalling Scheme is not being recommended by this report.
- Since the release of the consultation letter and the original report delivered on 27<sup>th</sup> April, revised corporate support service costs are now available which have enabled the original proposed and consulted increases to be reduced for full cost recovery.

## Alternative Options

There are a number of alternative options available to the Committee:

1. **Reject the proposed 'Full Cost Recovery' increases in Appendix 2 in their entirety and keep the fees the same as for 2011/12 or with only an RPI uplift.**

**Advantages:** Keeps the costs the same or similar to 2011/12 for the taxi trade.

**Disadvantages:** Will mean that the regulation of taxis will remain subsidised by the Council Tax Payer, thereby not fulfilling the resolution and instruction of Cabinet.

2. **Reject or amend some of the increases proposed in Appendix 2.**

**Advantages:** Does allow some increases to offset the current subsidy, but keeps other fees the same.

**Disadvantages:** It is likely that the Taxi Licensing service costs will still be greater than the fees and charges recovered, thereby not fulfilling the resolution and instruction of Cabinet.

3. **Agrees to the additional funding for a Taxi Marshalling Scheme**

**Advantages:** Improves traffic congestion and public safety in Commercial Road.

**Disadvantages:** Adds additional costs for trade and does not reflect the opinion from the consultation responses.

4. **Defer the decision.**

**Advantages:** Keeps the costs the same for the time being and could allow more time to resolve any disputes or conflicts with the trade.

**Disadvantages:** Any deferral will postpone the service's ability to achieve full cost recovery and make this more difficult in the remainder of the 2012/13 financial year.

## Reasons for Recommendations

5. Cabinet resolved at their meeting in June 2011 that all services should seek to increase their fees to secure 'full cost recovery'.

The consultation responses indicated that the Taxi Marshalling Scheme should not be recovered from an increase in taxi licence application fees. This is because there appears to be a general feeling amongst the trade that taxi marshalling does not benefit the trade as a whole, but only those trade members who operate the nightshifts in Hereford City.

## Introduction and Background

6. The Council has the power to levy certain discretionary fees and charges for several of the regulatory services it provides. Taxi licensing is one such service area. For the past two years these fees have increased at an agreed inflationary uplift of 2%, although for several years before this, they remained static.
7. A new fees and charges policy was agreed by Cabinet on 30<sup>th</sup> June 2011. This included moving towards full cost recovery.
8. Full cost recovery was therefore proposed for taxi licensing as shown in [Appendix 1](#) and this was consulted upon. This used the best and most up to date financial information available at that time. Since this consultation exercise, the 2012/13 budget has been finalised and since the initial Regulatory Committee public hearing on 27<sup>th</sup> April, a better prediction of support service costs has become available. Both have been used to confirm the more favourable fees that were originally consulted upon. These revised proposed fees are presented in [Appendix 2](#). Supporting work has been undertaken to individually map a number of these key fees (e.g. taxi driver applications) to ensure that full costs are reflected in these individual charges, i.e.

*Officer time x total officer full costs + management overheads + material costs + hidden support service costs.*

9. If approved and once set, it is the intention to uplift these individually reset fees thereafter in accordance with the amount annually set and agreed by cabinet.
10. Benchmarking (see [Appendix 3](#)) shows that staffing costs are comparable and tend to be cheaper than our neighbouring councils.
11. Benchmarking (see [Appendix 4](#)) also shows that a number of these fees are comparable with our neighbouring councils.
12. In order to keep costs to the trade at the lowest possible level, Environmental Health & Trading Standards expenditure has been reduced from 2011/12's budget, being achieved through the Council's Organisational Design Project and the reduction of a senior management post. Support service costs to other council departments and Hoople have also been reduced, further bringing costs down. In addition to this, the Council is also undertaking a 'root and branch review' of all the Council's regulatory services, which includes taxi licensing. This should hopefully enable future annual rises to be kept to a minimum, although the outcome of this will not be known until later this year.
13. The finalisation of a draft 2012/13 budget and the more up to date support service costs means that the unit cost for taxi licensing full cost recovery can be lessened, meaning that the fees can be reduced from those consulted upon. This will reduce the burden on the taxi trade.
14. The Council is also looking to reduce the burden to the trade further by re-examining certain costs, including the need for the £30 medical fee check and the need for taxi drivers to hold a County Transport Badge if they already hold a taxi badge (dual drivers licence). This is work in progress.
15. In the recent past, the council has heard cases put by the trade against fee increases of 2% in 2010/11 and 2% in 2011/12, despite no increases being implemented for several years preceding them. In both cases, and despite objections from the Taxi Association, the Regulatory Committee agreed the 2% uplifts.
16. Legislation & case law requires that taxi income cannot exceed the total expenditure of

running the taxi licensing service, although enforcement action cannot be recharged. Legislation requires that any new fees are advertised for 28 days and that any challenge made to a public advertisement is put before the local authority for reconsideration. That is why the Regulatory Committee heard the initial case on the 27<sup>th</sup> April and are re-hearing the objections today at a public hearing. The legislation does not say that these fees need to be considered in an open public meeting. However, in the interests of transparency this is how the meeting on the 27<sup>th</sup> April was held and how today's meeting is also intended.

17. When the Regulatory Committee heard the objections from the trade on the 27<sup>th</sup> April it resolved that full cost recovery should be implemented subject to the following:
  - (a) that the figures provided in Appendix 2 should be further reviewed while considering any background papers not previously made available to the Committee;
  - (b) a meeting be held between interested parties with the intention of securing agreement if possible; and
  - (c) the Committee would sit and consider the meeting's findings at the earliest opportunity thereafter.
  
18. Since the 27<sup>th</sup> April hearing both the trade and three members of the Regulatory Committee have met with the Council's Licensing Manager, Strategic Financial Advisor and the Acting Head of Service for Licensing & Environmental Protection on more than one occasion. At these meetings the financial accounts have been provided and explained, as have the metrics for taxi transactions. A spreadsheet detailing the total costs and the reasoning behind the fee structure has also been provided to the trade and the members, which can be seen in [Appendix 6](#). Therefore points (a) and (b) in the paragraph above have been fulfilled.
  
19. Point (c) in paragraph 17 above has also been fulfilled, i.e. by holding today's hearing on 22<sup>nd</sup> May 2012.
  
20. The revised accounts available since 27<sup>th</sup> April now reveal that circa £28k income needs to be recovered to move towards full cost recovery. The table below therefore outlines the predicted financial position of the taxi licensing service if full cost recovery is adopted:

**TABLE 1: Taxi Licensing Service Full Cost Recovery**

<b>Taxi Service</b>	<b>Predicted total above and below line expenditure 2012/13</b>	<b>Predicted total income 2012/13 at present rates</b>	<b>Extra income predicted from proposed increases over 12 months</b>	<b>Total predicted income over 12 months</b>	<b>Predicted subsidy (cost to Council Tax Payer) over 12 months</b>	<b>Percentage recovery of total predicted expenditure</b>
	<b>(£000s)</b>	<b>(£000s)</b>	<b>(£000s)</b>	<b>(£000s)</b>	<b>(£000s)</b>	
<b>Predicted Expenditure / Recovery:</b>	158.7	130	24.8	130 + 24.8 = 154.8	3.9	97.5%

21. The fees and charges proposed in Appendix 2 therefore move us towards full cost recovery



and allows a safety margin of nearly £4k to ensure that the service does not inadvertently make a profit.

22. Members should be aware that prior to consultation an additional full cost recovery option was also recommended for the implementation of a taxi marshalling scheme, should one be adopted. This meant that the fee for Hackney renewals would have incurred a further increase of £52 per year (See hackney option in [Appendix 1](#)). Such a scheme would operate every weekend of the year in the Commercial Road area of Hereford, with two marshals directing taxis into the bus station behind the cinema and marshalling them to a rank(s) in Commercial Road. A pilot scheme in December 2011 proved successful with unanimous approval from the Taxi Association and strong support from the police, due to the very significant reduction in crime and disorder resulting from effective dispersal of revellers. Such a scheme would equate to £1 per weekend per taxi, i.e. 50p per Friday and 50p per Saturday night. A taxi marshalling scheme would not only help reduce crime and disorder and alcohol related admissions to A&E, but would also help fulfil several of the aims of the joint corporate plan. However, following consultation with the trade, responses have indicated that the trade does not wish to pay for this scheme as it does not benefit the whole County but just a small area within Hereford City. Therefore this report recommends that if the trade will not pay for the scheme, the scheme will not be implemented.

## Key Considerations

Whether or not to accept the proposed fees in Appendix 2.

## Community Impact

It is felt that any decision will have only a minor impact on the community as a whole as it relates specifically to the taxi trade.

## Equality and Human Rights

The diversity issues have been discussed with the Equality, Human Rights & Partnership Team and it is considered that a full equality impact assessment is not required, as no 'relevant' section of the community will be disproportionately discriminated against or disadvantaged as a result of a change in fees. An equality analysis has been undertaken and supports this assumption.

## Financial Implications

The increase in income to the Council over a 12 month period would amount to about £25k, making total income predicted to be £155k. However, over the remainder of the 2012/13 financial year, we predict if fees were implemented on 1<sup>st</sup> June the extra income would fall in the region of £21k.

The taxi licensing service and its corporate support costs are predicted to fall in the region of £159k for 2012/13. As taxi numbers will vary these figures will naturally fluctuate also. The intention is that the proposed fees will make the service cost neutral to the Council Tax Payer over a 12 month period, although this is a best estimate only.

If Committee wish to also implement the additional £52 levy on hackneys to cover taxi marshalling, this will again secure cost neutrality for this scheme which is estimated to cost around £14k per year.

## Legal Implications

Local Government (Miscellaneous Provisions) Act 1976, section 53(2), allows control of the dual drivers and section 70 for hackney carriage proprietors, vehicles and operators. The case of R v Manchester City Council ex p King states that the cost of a licence has to be related to the cost of the licensing scheme itself.

## Risk Management

The taxi service has a real risk of costing the Council in the region of £29k in 2012/13 unless the proposed fees are implemented.

However, if member's approve full cost recovery, the taxi trade may wish to legally challenge the council's case although it is EHTS's understanding that the fee increases would not be suspended until the outcome of this were known.

## Consultees

The increase was posted to every taxi driver, operator and vehicle owner. It was also advertised in the Hereford Journal and the fees were placed on the Council's consultation web page. A number of representations were received as shown in [Appendix 5](#).

27 responses were received, including an in-depth response from the Taxi Association. One response had to be discounted, leaving 26.

The overall responses show that although 23% of responses were accepting of the increase, the vast majority objected. It should also be noted that the comments from both the Taxi Association and some of the operators would represent a high number of drivers, therefore skewing this further against trade acceptance. However, this is not unexpected as the consultation letter proposed an increase in charges.

The consultation exercise also showed that about 38% of the responses were generally supportive of taxi marshalling and a number ambivalent, although most did not want to pay for it. Again, comments from both the Taxi Association and some of the operators would represent a high number of drivers, which should be taken into account. Prior to formal consultation, the Taxi Association had inferred that this would be the likely response from the trade and again this is not unexpected.

## Appendices

Appendix 1: Consulted Proposed Fees and Charges

Appendix 2: Revised Proposed Fees and Charges

Appendix 3: Benchmarking of service costs with other councils.

Appendix 4: Benchmarking of fees with other councils.

Appendix 5: Responses from the 28 day consultation exercise.

Appendix 6: Financial accounts to support the reasoning behind the fee structure

## **Background Papers**

None identified.



## APPENDIX 1

### CONSULTATION ON FEES AND CHARGES

#### TAXI LICENSING FEES from April 2012 with comparison to 2011

#### Taxi and Private Hire Licensing

TAXI AND PRIVATE HIRE LICENSING		2012 fees	2011 fees
Hackney Carriage vehicle	New / Renewal/Transfer plate (inc vehicle compliance test)	295.00 + 52.00 for Taxi Marshall Scheme = 347.00	239.00
Private Hire vehicle	New / Renewal/Transfer plate (inc vehicle compliance test)	295.00	239.00
Private Hire Operator	1 vehicle	122.00	83.00
	2-5 vehicles	182.00	124.00
	Over 5 vehicles	243.00	187.00
	Plus (Annual Standard CRB cost if applicant has not had one previously)		
Dual driver badge	New (including CRB, medical and knowledge test as part of this fee)	339.00	206.00
	3 year renewal (plus medical fee and/or CRB if due)	195.00	157.00
	Annual Self declaration renewal (not new or 3 year renewal)	50.00	47.00
Change of Proprietor of vehicle		107.00	67.00
Change of vehicle on plate (3 months or less)	(inc vehicle compliance test)	230.00	217.00
Change of vehicle on plate (6 months or less)	(inc vehicle compliance test)	170.00	155.00
Change of vehicle on plate (9 months or less)	(inc vehicle compliance test)	100.00	88.00
Application for a certificate of readiness	(inc vehicle compliance test)	202.00	145.00
Application for temporary insurance vehicle replacement	(inc vehicle compliance test)	142.00	135.00
Replacement of driver badge		12.00	11.00
Replacement of vehicle plate	without brackets	6.00	5.50
Replacement of vehicle plate	with brackets	13.00	12.50
CRB		47.00	44.00
DVLA check		6.00	6.00
Knowledge test		13.00	12.50
Vehicle Test Rotherwas		47.50	47.50
Doctors examination	Cost payable by applicant to own GP		
Occupational Health Doctors paper medical referral		30.00	30.00
Application that varies from standard conditions	(Plus new application fee)	160.00	153.00



## APPENDIX 2

### REVISED PROPOSED FEES AND CHARGES

#### TAXI LICENSING FEES from April 2012 with comparison to 2011

#### Taxi and Private Hire Licensing

TAXI AND PRIVATE HIRE LICENSING		2012 fees	2011 fees
Hackney Carriage vehicle	New / Renewal/Transfer plate (inc vehicle compliance test)	285.00  (£52.00 extra if Taxi Marshall Scheme i.e. £337.00)	239.00
Private Hire vehicle	New / Renewal/Transfer plate (inc vehicle compliance test)	285.00	239.00
Private Hire Operator	1 vehicle	110.00	83.00
	2-5 vehicles	170.00	124.00
	Over 5 vehicles	233.00	187.00
	Plus (Annual Standard CRB cost if applicant has not had one previously)		
Dual driver badge	New (including CRB, medical and knowledge test as part of this fee)	320.00	206.00
	3 year renewal (plus medical fee and/or CRB if due)	185.00	157.00
	Annual Self declaration renewal (not new or 3 year renewal)	50.00	47.00
Change of Proprietor of vehicle		97.00	67.00
Change of vehicle on plate (3 months or less)	(inc vehicle compliance test)	230.00	217.00
Change of vehicle on plate (6 months or less)	(inc vehicle compliance test)	170.00	155.00
Change of vehicle on plate (9 months or less)	(inc vehicle compliance test)	100.00	88.00
Application for a certificate of readiness	(inc vehicle compliance test)	190.00	145.00
Application for temporary insurance vehicle replacement	(inc vehicle compliance test)	142.00	135.00
Replacement of driver badge		12.00	11.00
Replacement of vehicle plate	without brackets	6.00	5.50
Replacement of vehicle plate	with brackets	13.00	12.50
CRB		47.00	44.00
DVLA check		6.00	6.00
Knowledge test		13.00	12.50
Vehicle Test Rotherwas		47.50	47.50
Doctors examination	Cost payable by applicant to own GP		
Occupational Health Doctors paper medical referral (being reviewed)		30.00	30.00
Application that varies from standard conditions	(Plus new application fee)	160.00	153.00





## APPENDIX 3

### STAFF AND EXPENDITURE BENCHMARKING

#### Taxi Licensing comparison between Herefordshire, Worcestershire and Shropshire

	Herefordshire	Worcestershire	Shropshire
<b>Number of licensing staff (all disciplines)</b>	6 staff Ratio per head of population 6:176,000 1 staff to 29,333 people	15.85 staff Ratio per head of population 16:560,000 1 staff to 35,000 people	15 staff Ratio per head of population 15:292,800 1 staff to 19,520 people
<b>Number of taxi staff</b>	2.5 staff	8	Data requested
<b>Budgeted Full Taxi expenditure 2011/12</b>	£154k	£517.4k	£190k not including below line (support & management etc) costs
<b>Population</b>	176,000	560,000	292,800
<b>Taxis</b>	650 taxi drivers 250 hackneys 100 private hires 40 operators	Total taxis 1400 Drivers. 3000	566 taxi drivers 92 hackneys 291 private hires



## APPENDIX 4

### BENCHMARKED FEES WITH NEIGHBOURING COUNCILS

	<b>New Hackney Plate</b>	
Worcester	399	
Herefordshire (Consulted)	<b>295</b>	
Herefordshire (Proposed)	<b>285</b>	
Malvern	278	
Telford & Wrekin (2011/12)	269	
Herefordshire (Current)	<b>239</b>	
Gloucester	183	
Wychavon	168	
Forest of Dean	167	
Shropshire	143	committee proposed on 17th Jan: full cost recovery = £410

	<b>New Private Hire Plate</b>	
Worcester	399	
Herefordshire (Consulted)	<b>295</b>	
Herefordshire (Proposed)	<b>285</b>	
Malvern	278	
Telford & Wrekin (2011/12)	258	
Herefordshire (Current)	<b>239</b>	
Gloucester	183	
Shropshire	159	committee proposed on 17th Jan: full cost recovery = £336
Forest of Dean	157	
Wychavon	151	

	<b>Private Operator (1 car) 1 year licence</b>	
Malvern	450	
Gloucester	240 to 930	
Worcester	245	
Telford & Wrekin (2011/12)	223	
Forest of Dean	162	
Shropshire	150	(full cost recovery = £250)
Herefordshire (Consulted)	<b>122</b>	
Herefordshire (Proposed)	<b>110</b>	
Herefordshire (Current)	<b>83</b>	
Wychavon	79	

**New Driver Badge  
Adjusted to 3 years**

<b>Worcester</b>	263 (1 year only) 3 x 263 = <b>789</b>
<b>Shropshire</b>	196 (1 year only) 196 x 3 = <b>588</b>
<b>Malvern</b>	194 (1 year only) 194 x 3 = <b>583</b>
<b>South Gloucestershire Telford &amp; Wrekin (2011/12)</b>	<b>490</b> <b>451.50</b>
<b>Forest of Dean</b>	143 (1 year only) 143 x 3 = <b>429</b>
<b>Herefordshire (Consulted)</b>	<b>339.00</b>
<b>Herefordshire (Proposed)</b>	<b>320.00</b>
<b>Wychavon</b>	<b>264.6</b>
<b>Herefordshire (Current)</b>	<b>206.00</b>

committee proposed on 17th Jan: full cost recovery =  
£351

**Driver Badge Renewal  
Adjusted to 3 years**

<b>South Gloucestershire</b>	382
<b>Malvern</b>	294
<b>Wychavon</b>	198.45
<b>Herefordshire (Consulted)</b>	<b>195.00</b>
<b>Herefordshire (Proposed)</b>	<b>185.00</b>
<b>Herefordshire (Current)</b>	<b>157.00</b>
<b>Shropshire</b>	136

committee proposed full cost recovery =  
£321

## APPENDIX 5

### CONSULTATION RESPONSES ON FEES AND CHARGES – APRIL 2012

Number	Name	Address	Comment
1	Andrew Simpson	Hereford	Doesn't agree with fee increases. I see no need for any increases. It is another go at taxi driver's pockets and you reduce where we can park. Why don't traffic wardens move private cars on in Bewell St instead of moaning at taxi drivers.  Marshalling is a good idea but why should he pay for a service he won't be using.
2	Neil Watkins	Hereford	Agrees with fee increases if we need it.  Agrees marshalling is needed on Commercial Road.
3	Keith Preen	Hereford	Disgraceful proposal to increase fees. Taxi licensing has issued too many taxi licences and this is a way to put people out of business. This is constructive dismissal which is illegal and court action will follow.
4	Paul Baker	Leominster	Marshalling is useful but not everyone works on those nights. I cannot disagree with this.
5	M J Pember	Hereford	Not currently doing hackney work but a good scheme. These charges will need to be passed on to our customers.  Happy with marshalling scheme.
6	Paul Rone	Hereford	Fees increase ok but change of proprietor should be higher. This would stop the dealing in plates. Temp insurance vehicle should also be a lot higher as it is always short notice and a rush to get done.  Marshalling scheme is excellent.
7	D.J Aubrey	Marden Hereford	The fee increases should match inflation. Knowledge test should be a lot higher and be a proper test costing £50-£60 not a tick box exercise.  Marshalling only benefits a few vehicles when everyone is expected to pay.

<b>8</b>	W.D Astbury	Moreton on Lugg Hereford	Fee increases should be introduced in smaller amounts.  Hereford Council has issued too many licences and should therefore be responsible for the costs involved in marshalling. The fee increase is too much especially with the cost of fuel and a lack of trade.
<b>9</b>	D.F Probert	Hereford	Only drivers that work when the scheme is on should pay extra. No comment regarding fee increase.
<b>10</b>	KF Francis		I would be happy to pay an extra £1 a week for the marshalling scheme. The scheme works well but other ranks need attention too.
<b>11</b>	Vasko Grpovski	Hereford	The proposed fee increase is good.
<b>12</b>	Bromyard Taxis	Bromyard	The proposed marshalling scheme is good. Proposed increases seem exceedingly high; a breakdown of costs should be shown. Fuel and insurance price increases already hit the trade.
<b>13</b>	Peter Kinton		Those who do not work in Hereford City should not have to pay for a service they don't use. No incidents have occurred rurally. Please distinguish between Hereford & rural Herefordshire. The only thing that concerns me is the cost of the 3 year renewal which at nearly 25% more than 2011 is excessive.
<b>14</b>	Anonymous		No comments on taxi marshalling. Excluded from table as it was deemed to be racist.
<b>15</b>	K.S Harris Transport	Hampton Park Hereford	How can you justify such increases when we are already struggling to survive. Increases should be smaller.
<b>16</b>	Mrs MacGillivray	Hereford	We do not operate taxis in Hereford so should not participate in any fee for marshalling scheme. The fee increase is ok.
<b>17</b>	Patrick Meredith	Sutton St Nicholas Hereford	The taxi marshalling scheme is a good idea. Fees should be reduced in recession to help a vital service. Cut the red tape. The £30 medical check is a disgrace especially to the over 65's who have to have an annual check.
<b>18</b>	PW Addis Fuller	Belmont Hereford	I do not work nights and oppose the taxi warden scheme at suggested costs. Fine with proposed fee increase.  The taxi marshalling scheme is a good idea.

<b>19</b>	Brian Morris	Hereford	<p>Hackney carriages from outside the area should pay more per year to be allowed to come to area.</p> <p>Marshalling is not the problem; it's the attitude of the drivers who think they are above the law.</p>
<b>20</b>	John Jones on behalf of Hi Town Taxis	Hereford	<p>Would like more time allowed for all the relevant facts to be compiled before a rise is implemented.</p> <p>Would like to compare with other licensing authorities.</p> <p>Requests a copy of the latest audit which shows the increases needed.</p> <p>Hereford is a small city and should not be compared to Worcester.</p> <p>It can be argued and evidenced that there has been a colossal waste of time and resources by the licensing department and licence holder should not pick up the tab.</p> <p>Would like to be informed of the cost to the licence payer of all the various premises moves the council has made over the last few years and has it had an impact on costs.</p> <p>Are we receiving best value because I doubt it.</p> <p>Why do we have to share the cost of having such an inefficient system for making contact with the licensing department?</p> <p>In today's economic climate it is commonly understood that councils need to reign their spending back to more realistic levels. The rise is unsustainable and is sucking the life blood from those of us who are trying to earn a living.</p> <p>Taxi Marshalling is an enforcement issue and should be carried out by licensing outside of normal office hours. Should not pass on costs to the trade.</p>
<b>21</b>	Philip J Davies	Hereford	<p>Exorbitant.</p>
<b>22</b>	Goldline Taxis	Leominster	<p>The proposed fee increase is impudent nonsense and varies considerably from other Council's. Proposed fee increases are unjustified. Taxi drivers do not make as much money as council staff and the proposed increase is quite offensive. We ask the fees to be reduced to a reasonable level.</p> <p>This increase is a problem for drivers who are not based in Hereford City. Taxi firms/drivers have extremely difficult times and cannot afford to keep Herefordshire Council Staff in the comfortable style they have become accustomed.</p>
<b>23</b>	Scott Downs		<p>I have concerns about increases as business is hard and costs, particularly fuel and insurance costs, are spiralling upwards. I accept that there may be a need for increases but these are quite substantial.</p>

<b>24</b>	Herefordshire Hackney Carriage and Private Hire Association		<p>At a recent meeting of the Herefordshire Hackney Carriage and Private Hire Association your proposal was widely discussed and the general feeling is that an increase by the amounts you are suggesting would be totally unacceptable, as well as being well above inflation. We note the Council has not asked for a council tax rise this year, Licensing now operate from a shared office therefore costs should be reduced. We are often told by yourselves best practice is to look at what our neighbouring Council's do, we have and find we are by far the highest, even compared to authorities with similar demographics. Therefore, we contend if Licensing go ahead with this increase it will only have a detrimental result on a trade already struggling with an economic down turn, and the net effect will be loss of jobs, less maintenance, longer driving hours, and that is bad for all of us. The Government is calling for austerity, we would ask you to look for ways to save money.</p> <p>Marshalling is an enforcement issue and the responsibility of the Licensing Authority. Would like an electronic system installed. It is an abuse of the law to make people pay for a service they will not use. Would like more rank spaces.</p>
<b>25</b>	Philip Burgess	Kerrys Gate Herefordshire	<p>Many of the proposed fees exceed 20% of the present fee. This is a scandalous and unacceptable increase. Any increase in fees should be reflected in taxi tariff. The licensing office should be re-structured in order that costs could be reduced.</p> <p>Marshalling has become essential. A small number of drivers now persist on illegal ranking outside the Barrels pub and Commercial Road.</p>
<b>26</b>	Mr M Davies	Grafton, Hereford	<p>Wishes to object to the very high increase. We have only had a 7% increase in fares, have the other licence fees gone up?</p> <p>Marshalls are not our responsibility to pay for. What about all the other ranks?</p>
<b>27</b>	Roger Jones	Clehonger, Hereford	<p>Do you think we are made of money? Our fare increase was minimal and the cost of fuel is increasing all the time. Why do we have this ridiculous increase?</p> <p>We do not need marshalls on Friday and Saturday nights other than in Commercial Road, the ones who use it should pay.</p>



# APPENDIX 6

## PREDICTED INCOME AND COSTS

### FULL COST RECOVERY OPTION

	expected 2012/13 Number	Current Fee	Projected income	Proposed Fee	Extra Income	remaining 10 months Extra Income over
New plate (Hackney)	258	239	61662	285	11868	9890
New plate (Private)	94	239	22466	285	4324	3603
Private Hire Operator (1 vehicle)	12	83	968	110	315	263
Private Hire Operator (2 - 5 vehicles)	3	124	413	170	153	128
Private Hire Operator (over 5 vehicles)	3	187	561	233	138	115
New Dual Driver Badge	20	206	4120	320	2280	1900
Dual Driver Badge (3 year renewal)	175	157	27527	185	4909	4091
Change of Proprietor of vehicle	10	67	670	97	300	250
Change of vehicle with plate (3 mth)	5	217	1085	230	65	54
Change of vehicle with plate (6 mth)	5	155	775	170	75	63
Change of vehicle with plate (9 mth)	5	88	440	100	60	50
Certificate of Readiness	3	145	435	190	135	113
Application for Temporary Insurance	20	135	2700	142	140	117
Application Variation Std Conditions	6	153	918	160	42	35
<b>Total Significant Transactions</b>	<b>619</b>				<b>24805</b>	<b>20671</b>
				Shortfall of £	3,913	8047

<b>Taxi Licensing C05027</b>	<b>Annual Budget 2012/13</b>
<b>Total C05027 Expenditure</b>	106,073
Total Above Line Expenditure	<b>106,073</b>
<b>Total Support Service Costs</b>	33,151
EHTS Management costs plus recharges	7200
EHTS Business Support Costs & recharges	12294
Total Below Line Expenditure	<b>52,645</b>
<b>TRUE TOTAL EXPENDITURE</b>	<b>158,718</b>
<b>Expected Income for EHTS in 2012/13</b>	<b>130,000</b>
<b>Extra Income needed for cost neutral in 2012/13</b>	<b>28,718</b>

# TOTAL EXPENDITURE AND SUPPORT SERVICE COSTS

## Analysis of Taxi Income and Expenditure

	2010/11 Actual	Notes	2011/12 Actual	Notes	2012/13 Budget	2012/13 Estimate
<b>Income</b>	<b>(161,732)</b>		<b>(129,954)</b>		<b>(158,480)</b>	<b>(153,726)</b>
Direct Pay Costs	70,835		54,800	Maternity Leave / cover not charged	66,888	66,888
Other Pay Costs	255		1,078		630	630
<b>Total Pay Costs</b>	<b>71,090</b>		<b>55,878</b>		<b>67,518</b>	<b>67,518</b>
Vehicle Costs	21,890		22,902	MOT testing	22,800	22,800
Equipment	6,443	plates / taxi roof signs Medical/legal/IT	5,519		5,345	5,345
Fees	9,427	licences	9,918	inc survey costs	4,210	4,210
Non Staff CRB checks	11,304		3,657		3,000	3,000
Advertising	830	Statutory advertising	1,195		1,300	1,300
Phones	43	mobiles (land +£375)	495		550	550
Stationery	0	not apportioned (£30) not apportioned	176		250	250
Postage	0	(£1120)	1,142		650	650
Printing	525		897		450	450
<b>Total Non Pay Costs</b>	<b>50,462</b>		<b>45,901</b>		<b>38,555</b>	<b>38,555</b>
<b>Net before Overheads</b>	<b>(40,180)</b>		<b>(28,175)</b>		<b>(52,407)</b>	<b>(47,653)</b>
Revenues recharge	7,577		5,611		5,611	5,611
Purchase recharge	47		51		51	51
Debtors recharge	0		16		16	16
HR and training recharge	3,429		990		990	990
Accommodation recharge	7,502		2,798		2,798	2,798
				Revenues dept allocated by No MI slips processed		
				Number purchase invoices processed		
				Number sales invoices raised		
				Charge @ cost per person		
				Cost per desk for cost of building occupied		

Contact Centre recharge	0	inc in Cust svcs	608	Charge @ cost per person	608
Finance recharge	0	not apportioned	2,227	Proportion time spent	2,227
Legal recharge	1,772		1,567	Proportion time spent	1,567
Diversity recharge	0	inc in HR	430	Charge @ cost per person	430
Recruitment charge	0	nil recruitment	789	Cost per person recruited	789
Procurement Recharge	1,878		1,597	Charge @ cost per person	1,597
Customer Services recharge	25,082		11,042	Est @ 25% of total charge to licensing - actual income ratio taxi / general 35/65%	11,042
ICT technology support recharge	9,557		4,355	Cost per person for ICT support service inc licence costs etc	4,355
Comms and Web recharge	1,406		1,070	Charge @ cost per person	1,070
<b>Total Corporate recharges</b>	<b>58,250</b>		<b>33,151</b>		<b>33,151</b>
<b>Total before service charges</b>	<b>18,070</b>		<b>4,976</b>		<b>(14,502)</b>
Business Support	9,744		9,919	0.5 FTE	9,919
Business Support recharges			2,375	Cost pp charges only x0.5 FTE	2,375
Management Time	4,617	MW only not AD	6,546	10% of MW salary	6,725
Management Time recharges			475	Cost pp charges only x0.1 FTE	475
<b>Service Overheads</b>	<b>14,361</b>		<b>19,140</b>		<b>19,494</b>
<b>Total Overheads</b>	<b>72,611</b>		<b>52,291</b>		<b>52,645</b>
<b>Net Cost</b>	<b>32,431</b>		<b>24,116</b>		<b>4,992</b>