

# AGENDA

## **Regulatory Committee**

Date:	Tuesday 30 April 2013
Time:	10.00 am
Place:	The Council Chamber, Brockington, 35 Hafod Road, Hereford
Notes:	Please note the <b>time, date</b> and <b>venue</b> of the meeting. For any further information please contact:
	Ricky Clarke, Democratic Services Officer Tel: 01432 261885 Email: rclarke@herefordshire.gov.uk

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## Agenda for the Meeting of the Regulatory Committee

Membership

Chairman Co Vice-Chairman Co

Councillor JW Hope MBE Councillor RC Hunt

Councillor CM Bartrum Councillor PL Bettington Councillor BA Durkin Councillor Brig P Jones CBE Councillor PJ McCaull Councillor C Nicholls Councillor FM Norman Councillor GA Vaughan-Powell

## AGENDA

Pages

#### 1. APOLOGIES FOR ABSENCE

To receive apologies for absence.

#### 2. NAMED SUBSTITUTES (IF ANY)

To receive any details of Members nominated to attend the meeting in place of a Member of the Committee.

#### 3. DECLARATIONS OF INTEREST

To receive any declarations of interest by Members in respect of items on the Agenda.

#### 4. OBJECTION RECEIVED TO PROPOSED 2% TAXI FEE INCREASE

7 - 14

To consider the proposed 2% increases in fees and charges for Hackney Carriage and Private Hire licences, these increases being proposed in line with Council Policy following an objection from one member of the trade.

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## HEREFORDSHIRE COUNCIL

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MEETING:	REGULATORY COMMITTEE
DATE:	30 APRIL 2013
TITLE OF REPORT:	OBJECTION RECEIVED TO 2% TAXI FEE INCREASE
REPORT BY:	MARC WILLIMONT ENVIRONMENTAL HEALTH & TRADING STANDARDS, ENVIRONMENT, ECONOMY & CULTURE, PLACES & COMMUNITY DIRECTORATE.

## 1. Classification

Open

## 2. Key Decision

This is not a key decision

## 3. Wards Affected

County-wide

## 4. Purpose

To consider the proposed 2% increases in fees and charges for Hackney Carriage and Private Hire licences, these increases being proposed in line with Council Policy following an objection from one member of the trade.

## 5. Recommendation(s)

THAT:

(a) the Committee agrees to the proposed 2% increase in fees and charges for Hackney Carriage and Private Hire licences.

## 6. Key Points Summary

- The proposed fee increase follows the corporate decision to annually uplift all fees across the council by 2%.
- Full details of the proposed fee increases together with a consultation letter was e-mailed to the trade members, including operators, who we have e-mail addresses for and made available for comment for up to 28 days. The increase was advertised in the Hereford Journal for a period of one week in accordance with our statutory requirement.

Further information on the subject of this report is available from Claire Corfield on (01432) 383324

• One objection to this proposal has been received and can be found at Appendix 2.

## 7. Alternative Options

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

#### Reject the proposed 2% increase.

**Advantages:** Keeps the costs the same as 2012/13 for the taxi trade. **Disadvantages:** Will mean that Taxi License fees do not follow the rest of the Council's 2% uplift policy and may not achieve full cost recovery, leading to subsidy from the Council Tax payer.

#### 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 2013/14 financial year.

## 8. Reasons for Recommendations

At their meeting on 30 June 2011, Cabinet resolved that all services should seek to increase their fees to secure 'full cost recovery'. For 2013 the council's corporate policy is to uplift all fees by 2%. This aims to keep the taxi service at full cost recovery.

## 9. Introduction and Background

- 9.1 Places and Communities' Environmental Health & Trading Standards service (EHTS) has the ability to levy certain discretionary fees and charges for several of the regulatory services it provides. Taxi licensing is one such service area.
- 9.2 Cabinet resolved on 30 June 2011 that Herefordshire Council should support any service that wishes to move towards full cost recovery. This was therefore proposed for the taxi licensing service and to attain this significant fee increases were agreed at the Regulatory Committee hearing on 22 May 2012. As a consequence, full cost recovery was effectively achieved for 12/13, the performance of these fees being reviewed and sanctioned by the Regulatory Committee on 15 January this year.
- 9.3 The 2% proposed annual increase for 2013/14 will further support this commitment, enabling the service to adhere to the Committee's previous decision to maintain full cost recovery.
- 9.4 When the fees were reviewed in January this year, the resolution included an intention to alter fees thereafter in accordance with agreed annual uplift, provided monthly income and expenditure continued to follow the same trend. This trend continued which is why this report recommends the acceptance of 2%.
- 9.5 Legislation & case law requires that taxi income cannot exceed the total expenditure of running the taxi licensing service.
- 9.6 Legislation requires that any new fees are advertised and that the consultation remains open for 28 days and that any challenge made to a public advertisement is put before the

Formal Report Template DRAFT 3Oct12

local authority for reconsideration. That is why the Regulatory Committee are being presented this report, fulfilling the role of a public hearing due to an objection.

- 9.7 It is estimated that in 2012/13 the taxi licensing service was subsidised in the region of £8k. Therefore a 2% increase should not adversely affect the income / expenditure balance as this 2% rise should lead to circa £3k additional income potentially reducing this margin down to only circa £5k. If driver/vehicle numbers increase then income will also increase and this small margin will ensure that the service still balances.
- 9.8 The Committee may recall that they granted the taxi trade a 7% increase in fare tariffs, which was approved in December 2012. This was a significant increase and should have helped the trade to offset last year's increased fees to the trade, enabling normal annual inflation to follow.

## 10. Key Considerations

Whether or not to follow corporate policy to implement a 2% annual fee increase.

## **11.** 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.

As the incremental increase to fees will only be small (e.g. varying in the range of 15p extra for a replacement plate up to £6 extra for a new dual driver badge) then the impact on the taxi trade should also be small, as most of these fees are a one-off per year.

## 12. Equality and Human Rights

The diversity issues have been discussed with the Corporate Diversity 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 undertaken by EHTS supported this assumption.

## **13.** Financial Implications

The increase in income to the Council could amount to about £3k, making total 13/14 income predicted to be circa £155 - 160k. The taxi licensing service and its corporate support costs for the present financial year of 2013/14 are unknown at the time of writing this report, although they are expected to be similar to the previous year, i.e. the estimate of £158.7k. As the council would expect the expenditure in 2013/14 to also have an annual inflationary increase, it is predicted that the proposed 2% rise should enable the service to retain full cost recovery (i.e. a 2% increase to £158.7k expenditure should be circa £160k, still leaving a healthy margin for fluctuation for a predicted income of circa £155 – 160k).

## 14. 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.

## 15. Risk Management

The taxi service has a risk of having to be subsidised by the Council in 2013/14 unless the 2% increase is implemented.

However, if members approve the increase, 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.

## 16. Consultees

The increase was advertised in the Hereford Journal and e-mailed to Operators and trade members with e-mail contact details. Only one representation was received, as shown in Appendix 2.

## 17. Appendices

Appendix 1: Current and Proposed Fees and Charges

Appendix 2: Consultation responses.

## 18. Background Papers

None identified.

#### **APPENDIX 1** DIRECT SCALE OF FEES AND CHARGES PROPOSED TAXI LICENSING FEES FROM MAY 2013

## Taxi and Private Hire Licensing

TAXI AND PRIVATE HIRE LICENSING		2012 fees	2013 2% increase
Hackney Carriage vehicle	New / Renewal/Transfer plate (inc vehicle compliance test)	295.00	300.00
Private Hire vehicle	New / Renewal/Transfer plate (inc vehicle compliance test)	295.00	300.00
Private Hire Operator	1 vehicle	122.00	124.00
	2-5 vehicles	182.00	186.00
	Over 5 vehicles	243.00	248.00
	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	345.00
	3 year renewal (plus medical fee and/or CRB if due)	195.00	199.00
	Annual Self declaration renewal (not new or 3 year renewal)	50.00	51.00
		407.00	400.00
Change of Proprietor of vehicle		107.00	109.00
Change of vehicle on plate (3 months or less)	(inc vehicle compliance test)	230.00	235.00
Change of vehicle on plate (6 months or less)	(inc vehicle compliance test)	170.00	173.00
Change of vehicle on plate (9 months or less)	(inc vehicle compliance test)	100.00	102.00
Application for a certificate of readiness	(inc vehicle compliance test)	202.00	206.00
Application for temporary insurance vehicle replacement	(inc vehicle compliance test)	142.00	145.00
Replacement of driver badge		12.00	12.25
Replacement of vehicle plate	without brackets	6.00	6.15
Replacement of vehicle plate	with brackets	13.00	13.25
CRB		47.00	47.00
DVLA check		6.00	6.00
Knowledge test		13.00	13.25
Vehicle Test Rotherwas		47.50	Under review
Doctors examination	Cost payable by applicant to own GP		IEVIEW
Occupational Health Doctors paper medical referral		30.00	
Application that varies from standard conditions	(Plus new application fee)	160.00	163.00

**Revised May 2013** 

From: Poole, AdySent: 18 April 2013 10:12To: Corfield, ClaireSubject: FW: Objection to a further increase LGO case number 12008969

From: johnjones
Sent: 03 April 2013 12:59
To: Poole, Ady
Cc: K.Chesterman; Matthew Lane
Subject: Objection to a further increase LGO case number 12008969

03/04/13

Dear Adrienne Poole,

Further to my email of yesterday I would like to add the following to my objection for the proposed increase in licensing fees.

On the agenda publication dated Tuesday 11th September 2012 the minutes for the meeting held Tuesday 22<sup>nd</sup> May 2012 confirm that the increase that has now been implemented "predicted a 97.5% recovery". We hear how the council is making cuts and savings in all departments, if that is true, surely it would be reasonable to expect that the 2.5% shortfall for full recovery has already been achieved. If this cost reduction has not been made by the department then something is drastically wrong and we are being misled.

On the same minutes it confirms that a "full review" would take place within 8 months from the date of the meeting. That would have been by 22<sup>nd</sup> January 2013. Please confirm that this "full review" has taken place.

It was also mentioned on a number of occasions that the percentage increase had been put up to allow the department to recoup the shortfall over a shorter period of time than the initial expected period because of the delay in reaching the decision to increase the prices. It must be born in mind that the delay was due to the inaccuracy of the figures provided by the council. The council's spread sheet titled Impact of Revised Fees has done the working out over a 10 month period not 12.It therefore follows that the following year the price would have come down by a margin because the rise would now be spread over 12 months. Why has this not been taken into account?

Please confirm that both emails will be put to the meeting as official objections to the proposed increase. I will be sending a copy of both emails to the Ombudsman because it seems to me that this proposed increase is unjust and possibly illegal. I understand the difficult financial position all councils find themselves in but it is wrong to pass a problem of their own making onto the taxi trade and expect us to subsidise them, we cannot afford to do so.

Yours sincerely,

John Jones

PTO

#### 1st email sent to council 02/04/13

#### Dear Adrienne Poole,

I am objecting to the proposed increase on a number of grounds.

For one, the last increase is still in the process of being investigated by the Ombudsman and I fail to see why you should consider that they will automatically find in the council's favour.

Secondly, you have sent an attachment with the following information: **"THE COUNCIL HAS ALREADY MADE SIGNIFICANT CHANGES TO THE WAY IT RUNS, TO TAKE OUT MANAGEMENT COSTS AND TO BE AS EFFICIENT AS IT CAN BE".** If this statement is true then we should have seen a fall in costs which should be sufficient to cover any perceived shortfall.

Thirdly, the last rise was passed by the council with the proviso that it would be reviewed. I am not aware that the review has in fact taken place and yet we are now facing another rise.

Lastly, I think that it is the council's job to notify all the individual licence holders that could be affected by the intended rise/consultation and this obligation has not been carried out. It is only the licensing department that has the relevant information to contact the people that should be consulted therefore I find the consultation process to be flawed.

I am have pasted and copied from my last email to the Ombudsman regarding the last rise:

#### Dear Mrs Chesterman,

Your emailed arrived whilst I was on holiday. I also received an email from the council regarding another intended rise. According to the vote taken for the rise, that we are in the process of questioning, the decision was supposed to have been reviewed. I'm not aware that a review has taken place. If a review has taken place I question why we, as an interested party, were not involved or notified

I find it hard to believe that the council has put forward this proposed increase whilst there is a question mark over the last increase and before the outcome of your enquiry. It would seem that the council considers that your decision in their favour is a foregone conclusion.

I will paste and copy both the email and the two attachments from the council. You will note that they have not put this out to the general trade just to a very small handful of proprietors. I do not accept that it is our responsibility to pass this on to the trade; we do not have the resources' or sufficient information to do their job for them.

Yours sincerely,

John Jones

Chairman of High Town Taxis and Spokesperson for Herefordshire Hackney Carriage and Private Hire Association