

MEETING:	REGULATORY COMMITTEE
DATE:	1 JUNE 2010
TITLE OF REPORT:	TO CONSIDER A 2 % UPLIFT ON THE TAXI LICENCE FEES AND CHARGES LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976
	REPORT BY ASSISTANT DIRECTOR - ENVIRONMENTAL HEALTH & TRADING STANDARDS

CLASSIFICATION: Exempt

Wards Affected

Countywide

Purpose

To determine whether or not to accept a 2% increase on taxi licence fees and charges.

Key Decision

This is not a Key Decision.

Recommendation

THAT the Committee:

accept the 2% uplift as an interim price increase, prior to a more detailed review being undertaken as a full cost recovery exercise.

Introduction and Background

1. The taxi licence fees have not been reviewed since April 2007.
2. For 2010/11 Service fees/charges are expected to be uplifted by 2%.
3. Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 requires taxi fees to be advertised in a local newspaper and for any objections to be considered. A public notice was placed in the Hereford Times newspaper on Thursday 29th April 2010, consulting on a proposed 2% increase in fees to come into effect on 1st June 2010, subject to committee ratification, rejection or alteration should there be an objection.

4. The revised fees are set out in Appendix 1.
5. In the year 2009 / 2010, the full cost of the Taxi Licensing Service amounted to £231,397 and the full income recovered amounted to £145,730. Therefore the service made a loss and was in effect subsidised in the region of £85,000 by the Council Tax Payer.
6. A 2% increase in last year's income would have given a revised income figure of about £148,000. Therefore, even a 2% uplift could be considered more than reasonable to the taxi trade as the service would have continued to be effectively subsidised in the region of £83,000.
7. Prior to this advert being placed, the Chairman of the Taxi Association was also consulted by email (see Appendix 2).
8. No objections were received as a consequence of the public notice. However, the Taxi Association objected to the 2% increase following their specific consultation. Their objection is included in the summarised email presented in Appendix 3.
9. Bearing in mind the points above, the committee should be aware that, in line with Central Government and Audit Commission guidance, Herefordshire Council is currently developing an overall Charging Policy for Services. This policy will review the current level of subsidy provided by council tax payers towards council services and will consider options for full-cost recovery for the provision of relevant services. The policy is likely to result in changes to charging levels which will be implemented over the medium-term. In summary, the 2% fees proposed today may shortly be revised to ensure full cost accounting and cost recovery.
10. To assist the committee, Appendix 4 benchmarks Herefordshire's key current and proposed fees with our neighbours.

Key Points Summary

To determine whether or not to accept a 2% increase on taxi licence fees and charges.

Alternative Options

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

Reject the 2% increases proposed in Appendix 2 in their entirety.

Advantages: Keeps the costs the same.

Disadvantages: Will mean that the Taxi Licensing service actually costs more than the fees and charges recovered.

Reject some of the increases proposed in Appendix 2.

Advantages: Does allow some to increase by 2%, but keeps the remainder the same.

Disadvantages: Is likely to result in the Taxi Licensing service costs still being greater than the fees and charges recovered.

To defer the decision.

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

Disadvantages: Any deferral will postpone the service's instruction to increase fees by 2%.

Reasons for Recommendations

Instruction to uplift fees and charges by 2%.

Key Considerations

Whether or not to accept the fee increase.

Community Impact

It is felt that any decision made will have only a limited impact on the community.

Financial Implications

The increase in income would amount to about £2000 to £3000, although the taxi licensing service would still be heavily subsidised.

Legal Implications

The Council is empowered to increase taxi fees under the Local Government (Miscellaneous Provisions) Act 1976.

Appendices

- Appendix 1 – List of proposed 2% fee increases.
- Appendix 2 – Email to Taxi Association
- Appendix 3 – Objection email from Taxi Association
- Appendix 4 - Benchmarking of Neighbouring Council Taxi Fees

Background Papers

None