

<b>MEETING:</b>	<b>REGULATORY COMMITTEE</b>
<b>DATE:</b>	<b>5 APRIL 2011</b>
<b>TITLE OF REPORT:</b>	<b>TO CONSIDER A 2 % UPLIFT ON THE TAXI LICENCE FEES AND CHARGES</b>
<b>PORTFOLIO AREA:</b>	<b>ENVIRONMENTAL HEALTH &amp; TRADING STANDARDS PUBLIC HEALTH DIRECTORATE</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To consider a 2% fee increase on the licence application fees for Hackney Carriage and Private Hire licences.

### **Key Decision**

This is not a Key Decision.

### **Reason for Urgency**

An objection to the fee increase was not received until the 30<sup>th</sup> March 2011. It had been intended to increase the fees from 1<sup>st</sup> April, provided there were no objections.

### **Recommendation**

**THAT Committee:**

**agree the 2% fee increase;**

### **Key Points Summary**

- The fee increase was advertised for a two week period ending on the 31 March 2011.
- Chairman of the Taxi Association made an objection on 30 March 2011 (Appendix 1)

Further information on the subject of this report is available from  
Marc Willimont Tel 01432 383324

## Alternative Options

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

### **Reject the proposed 2% increases 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

There has been an instruction for all services to uplift fees and charges by 2%.

In the case of taxi licensing, the increase in fees and charges is necessary to help recover some of the costs associated with the provision of this service.

## Introduction and Background

1. For various reasons the taxi licence fees and charges were not been reviewed between April 2007 and June 2010, resulting in a widening of the gap between income and the cost of running the service.
2. This was partially addressed last year when the taxi licence fees were increased by 2% by the Regulatory Committee on 1<sup>st</sup> June 2010. This followed a 2-week public notice in the newspaper and an objection to this from the Taxi Association.
3. For 2011/12 all service fees and charges across the council are expected to be uplifted by 2%.
4. 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 Journal newspaper for two weeks, consulting on a proposed 2% increase in fees to come into effect on 1<sup>st</sup> April 2011, subject to committee ratification, rejection or alteration should there be an objection. This public notice is shown in Appendix 2.
5. At the time of writing this report (on 30<sup>th</sup> March 2011) for the year 2010 / 2011, the full cost of the Taxi Licensing Service plus expected corporate costs amounts to £183,142 and the full income recovered amounts to £160,799. Therefore the service is expected to make a loss and therefore be subsidised in the region of £22,000 by the Council Tax Payer.

6. In 2011/12, the taxi licensing service is expecting to receive a reduced income of around £143,000 (less due to the cycle of three year driver renewals). A 2% increase implemented on 5<sup>th</sup> April 2011 is likely to increase this to around £146,000, i.e. increase income by about £3000 only. Bearing in mind the service is expecting to cost around £194,000 with its corporate costs, a 2% increase will mean that the service is being subsidised by an increased sum of about £48,000.
7. The Taxi Association has objected to a 2% increase. Their objection is included as Appendix 1.
8. 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 be revised to ensure full cost accounting and cost recovery to recover the anticipated £48,000 shortfall.

## **Key Considerations**

- 9 Whether or not to accept the fee increase.

## **Community Impact**

- 10 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.

## **Financial Implications**

- 11 The increase in income to the Council would amount to about £3000, although the taxi licensing service and its corporate costs would still be heavily subsidised by about £48,000.

## **Legal Implications**

- 12 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.

## **Consultees**

- 13 The increase was advertised in the Hereford Journal for 2 weeks. One representation was received from the Taxi Association on 30 March 2011.

## **Appendices**

- 14 Appendix 1 – objection to increase  
Appendix 2 – advert for increase

## Background Papers

- None identified.