

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

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.