

**DARLINGTON HACKNEY/PRIVATE HIRE
ASSOCIATION**

27 January 2006

Mr J Buxton
Taxi Licensing
11 Houndgate
Darlington
Co Durham

Dear Sir

Ref: Proposed Variation of Fees and Charges
Hackney and Private Hire Vehicle Licensing

Further to our letter of **OBJECTION** dated 12 December 2005, in response to the Statutory Notice placed in the press by the Council, pursuant to S70 (3) of the Local Government (Miscellaneous Provisions) Act 1976 AND the Council's response to our enquiry document submitted at the Taxi Liaison Group meeting held on Thursday 22 December 2005, we enclose our detailed arguments against the proposed variation of fees, as our substantive **OBJECTION**.

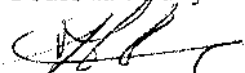
We also enclose a Schedule of Proprietors, Operators and Licensed Drivers in whose names this **OBJECTION** is submitted.

We trust we will be able to be present at the meeting of the Cabinet that will hear our objections and determine the Council's policy in the light of those objections.

Please advise me of the date of the meeting of the Cabinet which will deal with this matter.

In the meantime, if the Council wishes to have clarification of any matter raised in our detailed objection document please do not hesitate to contact me in the first instance.

Yours faithfully



L F Linley (Mrs)
Secretary

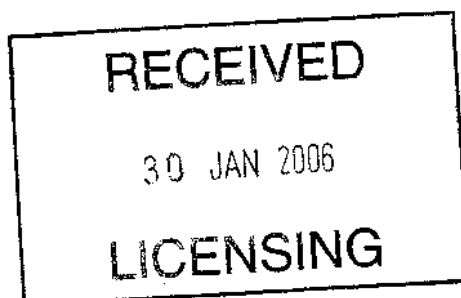
**DARLINGTON HACKNEY/PRIVATE HIRE
GROUP**

DARLINGTON BOROUGH COUNCIL

**HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE
LICENSING, LICENSING OF DRIVER AND
OPERATORS**

**OBJECTION TO PROPOSED VARIATION OF FEES
AND CHARGES FOR IMPLEMENTATION ON
1 APRIL 2006**

27 JANUARY 2006



*by hand
W. B. M. by E. H. MARKU
Principal Licensing officer.*

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- 1) Objection to variation of fees for licensing of Hackney Carriages, Private Hire Vehicles, drivers of such vehicles and Operator licences as advertised by Darlington Borough Council in accordance with S70(3) of the Local Government (Miscellaneous Provisions) Act 1976.

The Group submits this document in support of its letter of **objection** dated 12th December, 2005 and following receipt by us of the detailed answers to our enquiry document passed to officers of the Council at the meeting of the Taxi Liaison Group held on Thursday, 22nd. December, 2005. (see Appendix 6.1)

The Group requests the Council to:-

- i) **Set aside** the proposed variation of fees as advertised

And

- ii) Instruct officers to initiate a review of the Council's current policies and charging /cost allocations in relation to the determination of fees and charges for the licensing functions it carries out under the provisions of the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976.

The review to be conducted with due consideration for the principles of 'Best Value' legislation **and** in comparison with charges levied by other authorities discharging similar functions.

Any review to be carried out in consultation with the Group and reported to the Cabinet.

2) Executive Summary

The Group believes it would be unreasonable to confirm the proposed variation of fees and charges advertised by the Council for the following reasons:-

- 1) No sufficient argumentation has been presented to justify increases of between 6% and 11.3% in fees and charges for the grant of driver and vehicle licences. No written report has yet been prepared and will apparently be produced 'ex post facto' the lodging of any objections to the proposals.
- 2) There are considerable doubts about the validity of the manner in which Darlington currently arranges licensing and the testing of vehicles with direct payment of fees to VOSA by the proprietors.
- 3) The Council's policy of separating fees and transferring costs to charges levied as 'additional charges' is objectionable as it creates a diffuse set of arrangements which render comparison of fees over time and between authorities difficult and places certain charges ostensibly beyond challenge under the sub-section of the 1976 Act intended to allow for objections.
- 4) The cost 'drivers' within the account are generic, as between all authorities, yet Darlington Borough Council is apparently of the view that licence fees 100% higher than those charged in nearby districts are reasonable.
- 5) Comparison of actual costs charged against major headings of expense raise serious doubts that the Council is acting within the constraints of what is 'reasonable' expenditure and 'best value'
- 6) We have doubts that the apportionment of staff resource costs, for the employees working across function boundaries, are based on accurate assessment of the actual inputs.

Accordingly, we urge the Council to initiate a thorough review of the Licensing function, to be conducted on the basis of establishing a 'reasonable' fees structure founded on principles of 'best value' and comparable with similar activity carried out in other authorities.

3) Legal Background

The Council is a unitary authority and exercises powers under the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976 in connection with the grant and supervision of licences for Hackney Carriages, Private Hire Vehicles and Operators of PHV's as well as the drivers of such vehicles.

The Council is empowered to levy fees for the carrying out of those functions, by virtue of S53(2) and S70(1) of the 1976 Act.

Fees charged must be **reasonable** and no more than **sufficient in the aggregate**, in respect of S70, to cover the Council's costs in whole or in part.

It has been established in a number of cases before the courts that a Council may not derive a profit or surplus from such licensing activity.

While the question of what is 'reasonable' can only be resolved by challenge, it seems clear that 'costs' charged to accounts to be recovered by licence fee income must be commensurate with the actual and necessary expenditure of human and material resources.

It follows that the Council must be able to demonstrate that those costs charged directly or by apportionment can be identified as being relevant and proportionate.

Darlington Borough Council has adopted a number of practices which are at variance with the letter and, we would contend, the spirit of the legislation covering the levying of fees and charges.

We are concerned that the Council is continuing to 'hive-off' certain costs from the licence fees: reclassifying these as 'Additional Charges'.

The legal basis for this is not clear. While separate charges for minor items such as tariff cards/labels, replacement of lost items (badges/plates) and door decals/discs is normal practice, the placing of the primary cost for the vehicle ID plate into this latter category is leading to a situation where total costs to licence a vehicle are escalating out of proportion to inflation in the economy generally or any change in legislative requirements placed on the Council.

We would ask the Council to note the following points:-

- i) The Council proposes to charge a fee of £355 for the grant of a Hackney Carriage or Private Hire vehicle licence (including the now to be transferred operator levy). This is an increase of £36 from a base cost of £319 in 2005/06. The cost of the vehicle plate(s) is now to be an 'additional charge'.

Section 70 of the 1976 Act provides that:-

'a district council may charge.....'

ss70 (i) (a) ' the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

Comment Darlington Borough Council does not carry out or arrange such testing directly but requires proprietors to present to the council 'pass' certificates of fitness of the vehicle which must be obtained from VOSA - Darlington depot. Two pass certificates are required in each licence year, at a cost of £46 per test, levied by and paid directly to VOSA.

Thus the licence fee is in reality £355 plus £92 or £447, exclusive of plates - now 2no. - front and rear- charged at £25 (total).

We would ask the Council to note the wording of ss48(5) of the 1976 Act which states that a Council' shall **issue** a plate or disc identifying the vehicle as a private hire vehicle in respect of which a licence has been granted'. For Hackney Carriages the 1847 Act requires the proprietor to display on the vehicle by painted letters or on a plate, the number of persons for which it is licensed. The Act is silent as to whether any plate is to be provided by the Council or the proprietor.

Ss70(1) (b) - ' the reasonable cost of providing hackney carriage stands:'

Comment - Such costs are only relevant to Hackney Carriage proprietors. The Council

has not explicitly identified, in the budgetary information supplied to us, any costs anticipated in relation to such activity for 2006/07.

Is any cost anticipated and how much?

Ss70(1) (c) - ' any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.

Comment Given that there are no costs accruing to the Council in relation to ss70 (1) (a) - testing is carried out by VOSA and paid for directly by the proprietor- AND no costs in relation to hackney carriage stands have been identified, it appears that the entire £355 per vehicle must be attributable to 'the control and supervision of hackney carriages and private hire vehicles'

In our opinion that is an unreasonable cost.

By way of comparison, another local authority in the North East is charging £236 (vehicles under 4 years old) and £274 (vehicles over 4 years old - having two tests), for a vehicle licence. The licence fee includes; testing once or twice per year (carried out at the Council's own authorised MOT Testing Station), issue of identity plate, door discs/decals AND all other costs. No charge is ever made for testing of meters in either Hackney Carriages or PHV's (where fitted).

Replacement plates and badges are charged at a nominal fee.

Net of testing costs paid to that Council's DLO garage and plate purchase/production costs of approximately £7 per vehicle, this provides a comparison fee of £184 or £191 (vehicles over 4 years old) for licensing under S70(1).

We cannot accept a difference of 86% on a 'like for like' basis as being 'reasonable'

Note: Both Councils are seeking to recover the 'full' costs of licensing activity.

We would draw to the Council's attention the comments of Lord Justice Schiemann In Kelly v Liverpool City Council [2003] EWCA Civ197, in relation to the separation of costs for the various aspects of licensing different types of vehicle - see paragraph 15 of the transcript of the 'handed down' judgement delivered on 20th. January, 2003.

We also note the requirements of 'best value' legislation

Has the Council carried out any exercise in relation to taxi licensing activities in the

context of CPA and any Audit Commission comparators available for this activity?

4) Detailed commentary in support of the objection

- i)** Letter - Ms. P Ross to all proprietors - 7 12 05
(Appendix 6.3)

We refer to the letter from the Council advising proprietors of 'an exercise to review fees..... with a view to such an increase being introduced.....' after 1st. April, 2006.

From the above extract it seems that an increase in fees was a foregone conclusion. No argumentation is provided in support of the increased charges proposal.

A number of proposed changes to the way in which income is generated and costs charged are mentioned:-

Plates - The cost of plates is now to be collected separately as an 'additional charge' on the grounds that this will divorce plate costs from the general licensing fee for administrative ease, removing the need to provide for statutory advertising of increased charges to recover any inflation in the costs of purchasing and providing plates.

We find this argument flawed on two grounds.

Firstly, the cost of plates is fractional in the context of a vehicle licence fee rising to £355 excluding plates - an additional front plate being proposed for introduction. If the Council seeks to recover the costs of operating licensing functions it is inconceivable that increases in salary and associated costs will not far outweigh any minor increases in the purchase cost of plates. Therefore we do not accept that any instance of needing to allow for cost/price inflation in relation to plates could warrant an increase in the charges levied on proprietors, which needed to be implemented ahead of any review of charges in relation to the principal licence fee.

Secondly, as noted in our review of the legal background to district councils' powers in relation to setting fees, we believe the cost of the ID plate should remain subsumed within the licence fee for Hackney Carriages and PHV's.

Operator Levy - This charge, previously collected from Operators, is now to be levied on vehicle proprietors. If the charge has any validity, distinct from a general Operator licence fee, we question the need to identify it separately if it is to be collected from ALL Private Hire Vehicle proprietors. The authority does not, so far as we are aware, 'hypothecate' any of the licence fee income and any 'additional charges' collected for specific purposes.

Will the Council allow part-year refunds to any proprietor leaving the trade for any reason during the periodicity of a licence?

Refunds - general policy.

At present the Council will only allow the unexpired portion of a plate fee to be transferred from an existing vehicle being taken off the road to be credited against a replacement vehicle.

Why will the Council not grant refunds for unexpired whole months (say) of licences?

This could be a general entitlement or restricted to specific circumstances e.g. death of proprietor/driver, permanent incapacity or inability to continue to drive not arising from the culpable actions of the licence holder.

Whilst the licence fee in most authorities is collected to cover vehicle testing that is not the case in Darlington. The licence fee being required only to support year round administration and supervision, it would seem reasonable to allow refunds. In particular, where there are extenuating circumstances.

We would ask the Council to give favourable consideration to this issue.

Admin Charge

In our enquiry submitted on 22 12 05 we asked the Council to advise the basis upon which this charge had been derived at '£35 per hour or part'.

The response merely advises that this is the existing fee - that is not an explanation.

We question the validity of seeking to make additional charges in connection with the

administration and supervision of licensing matters when the Council is issuing licences at a fee which under the relevant legislation is intended to defray such costs.

We do not believe the charge as framed is lawful.

Please outline the circumstances in which the Council believes such a charge is justified.

4(ii) Proposed revision of fees to be effective on 1st. April, 2006.

We note from the reply to our enquiry - Question a) - please provide a copy of any report submitted by Licensing Officers to the Head of Function or Council body to request authority to promulgate the proposed fee increases - that no formal report has yet been presented to any responsible body within the Council in support of the proposed variation of fees.

We cannot see any reference in the Council's Scheme of Delegation specifying where, or by whom, the scale of fees is to be determined. It would seem that to date the decision to vary fees and the determination of the various increases has been that of the Licensing and Parking Manager, in consultation with her line manager

What background papers, if any, exist to support the decision to increase fees?

It seems that at present that there is no document to evidence the decision to increase fees.

S70 (3) (a) states - ' If a district council determine that the maximum fees specified in sub-section (2) of this section

We note the following increases in fees which are well in excess of general inflationary cost pressures:-

Driver Licences - Single - plus £4 - a 6% increase over current fee

Combined - plus £10 - a 10% increase over current fee

Vehicle Licences

Hackney Carriage Increase from £319 to £355 - plus £36 - an increase of 11.3%

Private Hire Vehicle Increase from £319 to £325 plus Operator levy of £30 (new)

Total fee £355 - an increase of 11.3%

Licence fees are only a means to an end therefore the weighting of increases between Driver Licences and Vehicle licences might be viewed as a matter of no legal significance. However, it must be borne in mind that S53(2) (Driver Licences) states that a council may 'demand and recover for the grant to any person of a licencesuch a fee as they may consider reasonable with a view to recovering the costs of issue and administration. (our emphasis)

What separate evidence does the Council have to justify the increases proposed for the grant of driver licences?

As we have argued above, the Council's fees charged in relation to powers under S70 (1) are seemingly only in relation to ss70 (1) (c). What evidence has the Council got to suggest that those costs will escalate to the extent requiring an 11.3% increase in vehicle licence fees?

Taking account of the intention to charge separately for plates - including the requirement in 2006/07 to purchase a newly instituted front plate - the overall increase in fees for a vehicle to be licensed is:-

£335 (incl. plate) 05/06 to £380 (with 2 plates) an increase of 13.4%

We do not believe this increase is reasonable.

We object to the Council dividing up the fee for licensing and transferring elements of

the cost of licensing into the category of 'additional charges' which by inference in Ms. Ross's letter are not amenable to challenge under the terms of S70(3) of the 1976 Act.

4 (iii) Commentary on financial information provided re:-

- i) Financial estimates for 2006/07
- ii) Outturn to 31 12 05 and forecast to 31 03 06
(see Appendix 6.2)

We would draw to the Council's attention the following matters in respect of the financial estimates for 2006/07, which indicate cost and income anticipated. Where necessary we draw comparison with the forecast outturn to 31. 03. 06.

- i) Salaries and associated employer's costs.

We do not understand why these costs are forecast to be lower in 2006/07 than in the current year.

- ii) A/c 20315 - Equipment

We note that the cost of equipment (plates?) is set to rise from £2310 to £8100 in 06/07. What change justifies this?

- iii) A/c 22636 - Legal fees £6000

What change of practice indicates that these costs will be 12 times the anticipated outturn in 05/06?

- iv) A/c 23195 - Mobile phones/radios - £520

Why is this figure 10 times the anticipated costs for 05/06?

v) Income from fees and 'additional charges'

Using the figures for anticipated plates and badges to be issued in 2006/07, per your reply to our inquiry, we would believe budgeted income should be:-

	£
Drivers' licences	28850
Vehicle licences (inc. Operator levy)	75260
Operator Licences	1200
Plate charges	7150
Other additional income	1650
Total	140380

Thus, were it not for an additional £5500 of legal fees anticipated and the understatement of income from the proposed increased fees, the licensing account might actually be in surplus for 06/07.

We would state clearly that we do not expect fees and charges to be budgeted exactly to achieve an exact breakeven. Commonsense dictates that the many hundreds of separate licences in issue, constantly changing in total quantity, makes precise budgeting impossible.

Provided the Council recognises that surpluses and deficits, as they may arise, should be carried forward into future accounting periods, we would, on that issue, be content.

We are concerned to note from the Cabinet papers released for the Meeting on 1st February, which is to consider the revision of the Medium Term Financial Plan 2006/07, that the Revenue estimates for the Development and Environment Function contain forecast surpluses of £48K (2005/06) and £67K (2006/07) in respect of 'Hackney Carriages' (sic). - Appendix 10 to the main report
These surpluses if accurately forecast are contrary to the legislation and totally at variance with the information supplied to us in response to our enquiry

4 (iv) - Costs and Income comparison with another authority.

In the following paragraphs we draw comparison with the cost elements in Darlington's taxi licensing function and those applying in another NE authority ('the other Council').

We believe it is reasonable to draw such comparison because of the wide disparity in fees charged to the trade by the two councils.

a) Staff costs - (see also below - 4 (v) - Staff resources)

For 2005/06 Darlington forecasts an outturn of £93421. By comparison, The other Council's budget for 05/06, for a similar staff profile is £140061.

Taking into account the difference in volumes of licences to be issued - vehicles, 286 - Darlington, and 1060 - the other Council, and with driver licences - 379 Darlington, and 1300 the other Council, the staff complement and/or percentages recharged to taxi licensing in Darlington appears to be excessive.

b) Premises costs - we do not believe any comparison is valid on this head given the idiosyncratic nature of the historical evolution of departments and allocation of space within buildings of varying ages and construction types. Nevertheless, on this aspect the relative costs charged are roughly in line with the relative scale of licensing activity.

c) Transport costs - no comment

d) Supplies and services

Darlington costs in 2005/06 are forecast at £11179. This is expected to increase to £23311 in 06/07 - mainly attributable to the revised plate (equipment) costs and additional legal fees expected. By contrast the other Council forecast outturn for 05/06 is £26000 approximately after excluding non-relevant or not comparable items i.e. £20,000 CRB fees and £94000 of payments to the Council's DLO garage. Thus Darlington is incurring costs at approximately the same level as the other Council with only just over a quarter the number of licences in issue.

e) Central support costs

These are roughly comparable on a weighted basis - Darlington £18960 for 05/06 and £84414 in the other Council (which includes legal support costs).

f) Income

Darlington is collecting £128598 of fees in 05/06 - almost half the relevant fees income in the other Council after excluding garage testing fees transferred at net to that Council's DLO contractor.

Note - Licence fees charged and accounting practices in the other Council were reviewed (November 2003 - March 2005) following a formal objection lodged with the District Auditor.

The auditor's findings included concerns regarding the lack of supporting evidence to justify apportionments of salary costs for posts not wholly engaged on taxi licensing activities.

The auditor's recommendations prompted the external review noted in section 4 (v) below, which has 'inter alia' demonstrated considerable dissonance between the subjective apportionment of salary costs applied to the Hackney Licensing Account for the two posts charged by percentage of deemed time commitment and the actual contribution to delivery of activity within the function as measured by the job content analysis carried out.

For that reason we believe Darlington Borough Council should seek independent evidence of the commitment of time by officers to taxi licensing if no objective empirical

data has been collected in the course of any 'Best Value' analysis undertaken recently (last four years).

4v) Staff Resources: Direct and Indirect

The Council has provided job descriptions for several employees engaged in carrying out licensing functions in relation to taxis. In addition we have been advised of the percentage allocation of salaries and associated employer's oncosts charged to the taxi licensing account.

We note that staff time attributed to taxi licensing matters is equivalent to 3.75 full-time posts (FTE). This seems quite high and we set out below a comparison with another NE authority which licences and supervises a much larger number of vehicles and drivers using only 6.75 FTE posts.

What objective evidence supports the allocation of the percentages of officers' total

time (and thus salary costs) to the cost centre for Taxi Licensing?

For the purposes of this comparison we have 'grossed up' the actual staff resources in Darlington to reflect the relative numbers of vehicles licensed.

Darlington Borough Council licenses 286 vehicles per annum est. 06/07

The other Council licences 1060 vehicles (October, 2005)

The other Council is licensing 3.7 times as many vehicles. We have applied that ratio as a multiplier to the actual staff resource applied in Darlington to draw the comparison as shown in Table 1 below.

TABLE 1 COMPARISON OF STAFF ESTABLISHMENTS - DBC and Other Council

Post	Darlington Borough Council		the other Council	
	FTE Alloc	'Grossed up.' [X 3.7]	FTE	Post
Licensing & Parking Manager	0.3	[1.1]	0.25	Snr. EHM
Principal Licensing Officer	0.35	[1.3]	0.5	Team Leader
Licensing Enfnmt. Officers (2) 0.8	1.6	[5.9]	2.0	Lic. Enf.Offrs
Licensing Officer	0.35	[1.3]	1.0	Support Offr.
Asst Licng. Officer	0.1	[0.4]	3.0	Support Asst 3 no.
Admin assistants	1.0	[3.7]	n/a	
	3.70	[13.7]	6.75	

On the basis of the comparison in Table 1 it can be seen that the staff costs allocated/charged on a like-for-like basis suggest a considerably greater input of staffing resource by Darlington Borough Council.

Is the Council satisfied that the apportionment of staff costs made is 'reasonable' and demonstrable?

Note: The other Council recently employed an outside consultancy - Validus Consulting Limited- to review the operation of the taxi licensing function. That consultancy involved a 'root and branch' review of all of the 'processes' involved and a time analysis of every element of each task undertaken in the licensing department.

The resulting capacity planning model revealed considerable imbalances in the job loadings of postholders and has been used to inform a plan to re-orient activity within the taxi licensing function towards a more risk-based approach to licensing with more resource available for enforcement and supervision, reducing and streamlining administrative processes which were found to be overly complex and repetitive. The function was found to be resourced for 'peak loadings' and 'overprocessed'. Two full-time posts (equivalent) are recommended for re-allocation towards enforcement with no additional resource required to be 'imported'.

Comment- While caution is required when drawing comparison between authorities of differing size, it remains the case that the basic functions carried out are identical - the granting and supervision of licences for drivers and proprietors of vehicles. Even allowing for differences of scale it seems improbable that Darlington Borough Council needs to apply twice the staffing resource to this licensing activity.

Conclusion

It is our belief that the Council should consider the following two issues, both of which may be contributing to the apparently excessive level of staff costs *attributed* to taxi licensing activity.

- a) Are all of the allocations of time 'reasonable' and supported by empirical evidence?

And

- b) Is the Council satisfied that the resources apparently consumed by the taxi licensing function are wholly and necessarily required for the efficient discharge of the Council's statutory duties in the context of 'best value' Legislation?

5 Conclusions

We believe that the arguments we present in Sections 3 and 4 of our OBJECTION document merit serious consideration by the Council.

We believe the proposed fee increases for implementation in April, 2006 should be set aside pending a review of the structure of the Licensing function and the charging policy in relation to allocation of staff resources.

We would ask the Council to carry out the review we request in consultation with trade representatives.

Finally, we would ask the Council to note the following measure of functionality applicable to all authorities licensing taxis and drivers.

Darlington Borough Council - Working days in the Department 250 per annum approx.

Vehicle licences issued $\frac{286}{250}$ = 1.15 licences to process per day

Driver licences issued $\frac{379}{250}$ = 1.52 licences to process per day

By no measure can it be argued that the application of 3.75 FTE posts to this activity (25 hours of time per day approximately) represents 'best value' or an efficient set of arrangements.

Darlington Hackney Carriage and Private Hire Group

Darlington Borough Council - Licensing Fees and Charges

Proposed revision of fees to come into effect on 01 04 06

Information requested from the Council to allow the Group to consider its response and Objection to the proposed scale of fees.

We ask the Council to provide the following information at the earliest opportunity; pending receipt of which we are unable to formulate our detailed Objection.

We trust that we will be permitted to submit our detailed response as soon as practicable after receipt of the information requested.

- a) Please provide a copy of any report submitted by Licensing officers to the Head of Function or any Council body to request authority to promulgate the proposed fee increases.
- b) Please provide a copy of the financial estimates for the operation of the Taxi Licensing function for 2006/07 .
- c) Please provide details of the number of vehicle licences, driver licences and operator licences the Council envisages issuing in the year.
- d) Please provide a copy of the Job description of each member of staff wholly or partly employed in the carrying out of the vehicle, driver and operator licensing function. For staff not wholly employed on such activity please advise the percentage of time charged to the taxi and non-taxi activity in their job descriptions.
- e) Please advise details of the staff and management structure in respect of taxi licensing.
- f) Please advise details of staff costs charged directly to the licensing account
- g) Please provide a copy of the Subjective Cost Centre(s) Budget(s) for taxi licensing activity showing the estimated costs for 2006/07 against each relevant nominal ledger cost code. Please also supply a copy of the year to date outturn to the last available accounting period and any forecast outturn for the current financial year.
- h) Please provide details of how recovery of corporate overhead and any other indirect or apportioned charges are calculated for the Taxi Licensing Subjective cost centre(s).

- i) Administration Fee – Please advise the basis upon which this fee has been derived at £35-00 per hour.
- j) Please advise which body will consider Objection(s) entered in respect of the proposed scale of charges recently advertised by the Council.
- k) Please advise, under the Council's Constitution and scheme of delegation, which Cabinet member(s) and Officers have responsibility for the determination of the Council's policies and practice in respect of any matters relating to its powers under the Town Police Clauses Act 1847 and The Local Government (Miscellaneous Provisions) Act 1976.

20.12.05

11 Houndgate, Darlington DL1 5RF
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DX 69280 Darlington 6
Web site: <http://www.darlington.org.uk/council>

Mrs L F Linley
Darlington Hackney carriage and Private Hire Group
25 Ampleforth Way
DARLINGTON
DL1 5RFF

Date : 13 January 2006
Please ask for : Ann Marku
Direct Line : 01325 388559
Your Reference :
Our Reference :
Document Name :

Dear Mrs Linley

**Local Government (Miscellaneous Provisions) Act 1976
Objection to the Proposed Increase in Fees Relating to
Private Hire and Hackney\Carriage Licensing**

I refer to your letter received on 13 December 2005 and subsequent list of detailed questions received on 22 December 2005 relating to the cost of administering the private hire and hackney carriage licensing functions.

I have enclosed for your attention all the documentation you requested. The Council are aware that this response has taken some time to put together and therefore has agreed that you will need a little extra time to respond.

I would be grateful if you could forward your response to me no later than Monday 30 January 2006. Due to the timescale for the production of a report for the Council's Cabinet, this response date cannot be extended.

Should you have any queries regarding any of the content of this letter please do not hesitate to contact me.

Yours sincerely



Ann Marku
Principal Licensing Officer



Director : John Buxton



INVESTOR IN PEOPLE

Review of Fees Relating to Hackney Carriage and Private Hire Licensing
Response to questions raised by the Darlington Hackney Carriage and Private Hire Group

Question A

Please provide a copy of any report submitted by Licensing Officers to the Head of Function or Council body to request authority to promulgate the proposed fee increases.

Answer

The proposals come directly from the Licensing and Parking Manager and a report has not been submitted to any more senior officer or Member, though the proposals were discussed and agreed with the Assistant Director Public Protection. A report will be written and submitted to Cabinet once objections have been received.

Question B

Please provide a copy of the financial estimates for the operation of the taxi licensing function for 2006/07.

Answer

A copy of the budget for next year is enclosed.

Question C

Please provide details of the number of vehicle licences, driver licences and operator licences the Council envisages issuing in the year.

Answer

The estimated numbers of licences to be issued in 2006/07 are:

<i>Drivers (single)</i>	<i>321</i>
<i>Drivers (combined)</i>	<i>58</i>
<i>HC vehicles</i>	<i>212</i>
<i>PH vehicles</i>	<i>74</i>
<i>PH operators</i>	<i>6</i>

Question D

Please provide a copy of the job description of each member of staff wholly or partly employed in the carrying out of the vehicle, driver and operator licensing function. For staff not wholly employed on such activity please advise the percentage of time charged to the taxi and non-taxi activity in their job descriptions.

Answer

Copies of the following job descriptions are enclosed:

- Licensing & Parking Manager*
- Principal Licensing Officer*
- Licensing Enforcement Officer*
- Licensing Officer*
- Assistant Licensing Officer*
- Admin Assistant**

**This job description is generic but the equivalent of one full time officer works on the hackney carriage and private hire licensing function.*

The percentage of time allocated by staff to the hackney carriage and private hire licensing function are:

- Licensing & Parking Manager 30%
- Principal Licensing Officer 35%
- Licensing Enforcement Officer 80%
- Licensing Officer 35%
- Assistant Licensing Officer 10%
- Admin Assistant* 100%

Question E

Please advise details of the staff and management structure in respect of taxi licensing.

Answer

The relevant structures are attached.

Question F

Please advise details of staff costs charged directly to the licensing account.

Answer

The staff costs are included in the budget sheets provided.

Question G

Please provide a copy of the Subjective Cost Centre(s) Budget(s) for taxi licensing activity showing the estimated costs for 2006/07 against each relevant nominal ledger cost code. Please also supply a copy of the year to date outturn to the last available accounting period and any forecast outturn for the current financial year.

Answer

The relevant budget sheets are enclosed.

Question H

Please provide details of how recovery of corporate overhead and any other indirect or apportioned charges are calculated for the taxi licensing subjective cost centre(s).

Answer

The basis of apportioning central recharges is dependent on the specific area in question and is as listed below:

<i>Description</i>	<i>Basis</i>
<i>Operational Buildings</i>	<i>Area Occupied</i>
<i>Telephone</i>	<i>Number of handsets</i>
<i>Financial Services</i>	<i>Number of transactions processed</i>
<i>Legal Services</i>	<i>Timesheets</i>
<i>Payroll</i>	<i>Number of employees</i>
<i>Human Resources</i>	<i>Number of employees/% of Corporate Strategy etc</i>
<i>Workplace Nursery</i>	<i>Historical basis</i>
<i>Director of Development & Environment</i>	<i>Number of employees in department</i>
<i>Development & Environment Support Services</i>	<i>Time based</i>
<i>Occupational Health</i>	<i>Number of employees</i>

Question I

Administration fee – please advise the basis upon which this fee has been derived at £35.00 per hour.

Answer

This has been extended from the existing fee already set for drivers.

Question J

Please advise which body will consider objection(s) entered in respect of the proposed scale of charges recently advertised by the Council.

Answer

This matter will be considered by Cabinet.

Question K

Please advise under the Council's constitution and scheme of delegation which Cabinet member(s) and officers have responsibility for the determination of the Council's policies and practice in respect of any matters relating to its powers under the Town Police Clauses Act 1847 and The Local Government (Miscellaneous Provisions) Act 1976.

Answer

This area falls under the Portfolio of Councillor Stephen Harker (Consumer and Environmental Services) and John Buxton, Director of Development and Environment.

DFD30106BH

11 Houndgate, Darlington DL1 5RF
Tel: (01325) 388582 Fax: (01325) 388555
DX 69280 Darlington 6
Web site: <http://www.darlington.org.uk/council>

Date : 7 December 2005
Please ask for : Pam Ross
Direct Line : 01325 388647
Your Reference:
Our Reference :
Document Name:

**Local Government (Miscellaneous Provisions) Act 1976
Increase of Fees Relating to Hackney Carriage and Private Hire Licensing**

An exercise to review the fees and charges associated with the licensing of hackney carriages and private hire vehicles and their drivers/operators has been undertaken with a view to such an increase being introduced in respect of all licences due on or after 1 April 2006.

As you are aware, any increase in the actual licence fee must be advertised in the press and provide a 28 day period for written objections to be received. I wish to advise you of this information prior to the advertisement appearing in the Northern Echo, during week commencing 12 December 2005. You will see there have been some proposed changes:

	Current	Proposed
Driver licence (single)	£ 66.00	£ 70.00
Driver (Combined)	£100.00	£110.00
HC vehicle licence	£335.00	£355.00
	(including £16.00 plate fee)	(excluding plate fee)
PH vehicle licence	£320.00	£325.00 + £30.00 operator
	(including £16.00 plate fee)	levy
PH Operator licence	Operating levy £145.00 + £27.00 per vehicle	(excluding plate fee) £200.00 (operating levy to go
	Operating levy	with vehicle licence fee)
 Additional Charges		
	Current	Proposed
Knowledge/Regs Test	£17.50	£20 re-sits only
Taxi Meter Test	£17.50	£20.00
Plate (rear)	£16.00	£15.00
Plate (front)	N/A	£10
Door Discs (each)	£5.00	£5.00
Tariff card	£1.50	£2.00
Duplicate Driver Badge	£11.00	£10.00
Admin Charge	£35.00 (part fee) drivers only)	£35.00 per hour or part (all applicants)

In response to your concerns about the cost to drivers of actual entry to the Trade, I am proposing that the fee for the initial knowledge test is no longer levied. If however the test is failed there will be a charge for any re-sit. To enable us to do this does mean that the cost will have to be spread between the proprietors/operators but should make a real impact on new entrants to the Trade.

The operating levy, which has been applied to the operator fee dependent on the number of vehicles being operated, is now to be linked to the vehicle fee. This will simplify matters and remove the need for "credits" when vehicles cease to be operated.

The vehicle licence fee will no longer include the cost of the plate. The reason for this is that any fluctuations to the cost of the plate currently need to be advertised as part of a change to the licence fee. There will however be a small reduction in the cost of the plate.

The only fees that will be advertised are the actual licence fees as this is required by law. There are however some changes to admin and other fees and I have detailed these for completeness. If objections are received to the licence fee proposals, they will be considered by the Council's Cabinet in the New Year.

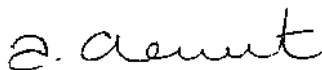
This letter is being circulated to all Trade members including drivers. I would however be grateful if you could also bring it to the attention of your drivers.

Cleanliness of Vehicles

The adverse weather conditions have affected all vehicles and the dirt thrown up from the roads is often obscuring number plates and vehicle licence plates. Please ensure that your vehicles are cleaned on a regular basis with particular attention given to the plates.

Finally, make I take this opportunity, on behalf of all of the Licensing Staff, to wish you and your families a very happy Christmas and a healthy, prosperous and peaceful New Year.

Yours sincerely



Pam Ross
Licensing & Parking Manager



Director : John Buxton



INVESTOR IN PEOPLE

Hackney Carriage Trial Estimate of the Trading Account for v/e 31.03.07, as at 12.01.06

	Annual Budget 2006/2007
Employee Costs	
Subjec	Description
1275	Employee Turnover
1276	Salaries
4276	Salaries - Superann
6276	Salaries - NI
7040	Insurances - Employers Liab'ty
7160	Training Expenses
	Total employees
Premises Costs	
11805	Operational Buildings Recharge
12520	Fire Insurance
	Total premises
Transport Costs	
15250	Repair & maintenance
16040	Lump sum allowances
16070	Mileage allowances
	Total transport
Supplies and Services Costs	
20315	Equipment
21560	Protective clothing
22020	Books & publications
22210	Print & Design recharge
22310	Printing & stationery
22636	Legal fees
23055	Computer equipment
23120	Computer software - maint
23195	Mobile phones/radios
23270	Telephone Recharge
23628	Travel allowance
24030	Advertising
24400	Insurance - all risks
50825	Equipment - Prudential Borrowi
	Total suppliers and services
Central Support Costs	
40417	Financial Services
40460	Legal Services
40465	Payroll Services
40510	HR, Policy Development & IR
40565	Workplace nursery
41460	Director of Dev & Environment
41470	Dev & Env Support Services
41710	Occupational Health
	Total central support
	TOTAL COSTS
	141,869.71
63177	Drivers licence
63180	Hackney cart - vehicle licence
63309	Private hire - op licence
63312	Private hire - vehicle licence
66110	Miscellaneous Income(Non VAT)
	Total income
	3,789.71
	TOTAL DEFICIT/(SURPLUS)
	3,789.71

Hackney Carriage Trial Estimate of the Trading Account for v/c 31.03.06, as at 31.12.05

Employee Costs	YTD Actual	Estimated
Subject Description	up to 31.12.05	Outturn
1275 Employee Turnover	0	
1276 Salaries	55,764	74,352
4276 Salaries - Superann	7,088	9,451
6276 Salaries - NI	6,443	8,590
7040 Insurances - Employers Liab'ly	118	118
7160 Training Expenses	561	910
Total employees	69,974	93,421
Premises Costs		
11805 Operational Buildings Recharge	2,880	2,880
12520 Fire Insurance	24	24
Total premises	2,904	2,904
Transport Costs		
15250 Repair & maintenance	0	0
16040 Lump sum allowances	1,928	2,570
16070 Mileage allowances	1,230	1,640
Total transport	3,158	4,210
Supplies and Services		
20315 Equipment	2,198	2,310
21560 Protective clothing	131	170
22020 Books & publications	0	0
22210 Print & Design recharge	359	540
22310 Printing & stationery	718	1,010
22636 Legal fees	230	300
23055 Computer equipment	0	2,010
23120 Computer software - maint	674	700
23195 Mobile phones/radios	38	50
23270 Telephone Recharge	320	320
23628 Travel allowance	1	5
23830 Subscriptions	5	5
24030 Advertising	2,447	3,310
24400 Insurance - all risks	66	66
50825 Equipment - Prudential Borrowi	183	183
Total suppliers and services	7,370	11,179
Central Support		
40417 Financial Services	340	340
40460 Legal Services	4,690	4,690
40465 Payroll Services	100	100
40510 HR, Policy Development & TR	960	960
40565 Workplace Nursery	80	80
41460 Director of Dev & Environment	4,130	4,130
41470 Dev & Env Support Services	8,100	8,100
41710 Occupational Health	60	60
Total central support	18,460	18,460
TOTAL COSTS	101,865	130,175
63177 Drivers licence	(18,713)	(26,990)
63180 Hackney carr - vehicle licence	(47,324)	(71,020)
63309 Private hire - op licence	(3,094)	(3,200)
63312 Private hire - vehicle licence	(24,248)	(24,248)
64310 Court costs recovered	(320)	0
66110 Miscellaneous Income(Non VAT)	(1,470)	(3,140)
Total Income	(95,169)	(128,598)
TOTAL DEFICIT/(SURPLUS)	6,696	1,577

Hackney Carriage Proprietors	<u>75</u>
Of which are Drivers	61
Private Vehicle Proprietors	<u>17</u>
Of which are Drivers	15
Hackney Drivers	<u>15</u>
Private Drivers	<u>20</u>
Dual Badge	<u>7</u>
No Licence/Query	<u>5</u>