
INCREASES TO TAXI LICENSING FEES AND CHARGES

**Responsible Cabinet Member(s) - Councillor Stephen Harker,
Consumer and Environmental Services Portfolio**

Responsible Director(s) - John Buxton, Director of Development and Environment

Purpose of Report

1. To consider the proposed increase in the fees relating to the licensing of hackney carriages and private hire vehicles, their drivers and operators and objections received from the trade.

Information and Analysis

2. The purpose of licensing hackney carriages and private hire vehicles, their drivers and operators is to ensure the travelling public of Darlington are provided with a safe and reliable service and are protected from all illegal activities associated with the provision of a taxi service. The cost of administering and controlling this service may be recouped by the levy of fees as specified in the legislation governing this area of licensing.
3. To enable the Taxi Licensing Budget for 2006/2007 to be established, a review of the fees and charges levied for this service was undertaken by Officers in November 2005. An advisory letter was sent to the taxi trade on 8 December 2005 and the proposed increases were advertised in the Northern Echo on 14 December 2005 as required by Section 70 (3) of the Local Government (Miscellaneous Provisions) Act 1976. Any objections were required to be submitted to the Council no later than 11 January 2006.
4. The proposed increases of fees and charges is appended at **Appendix A**. These have been the subject of consultation with the trade who have made objections against the proposals.
5. Four letters of objection were initially received in relation to the increases. One was sent on behalf of the Darlington Hackney/Private Hire Group. The remaining three letters were received from individual vehicle proprietors. All letters have been appended as **Appendix B (i to iv)** to this report for Members' attention. Members should note that the objector at **Appendix B (i)** has also included his signature in the Darlington Hackney/Private Hire Group whose full objection is appended at **Appendix D** to this report. Members will also note that two of the objectors requested further information in relation to the cost of providing the taxi licensing service.

6. On 22 December 2005 at a special meeting of the Taxi Liaison Group the matter of the fees was raised. As the trade had requested detailed information, it was agreed that a written response would be sent. This was issued on 13 January 2006 and included the 2005/06 anticipated budget outturn and also the 2006/07 anticipated outturn based on the proposed fees, see **Appendix C**. The consultation period was extended to 31 January 2006 to enable the trade to provide a considered response.
7. At the end of the extended consultation period a further document was received from the Darlington Hackney Carriage/Private Hire Group attached as **Appendix D**. The Group has asked that Members set aside the proposed increases and review the structure of the licensing function, the charging policy, the allocation of staff resources in consultation with the Taxi Trade representatives. The submission is accompanied by a petition signed by 75 Hackney Carriage Proprietors (of whom 61 are also licensed drivers), 17 Private Hire Vehicle Proprietors (of whom 15 are licensed drivers), a further 42 drivers (who may only object to the driver fee) and 5 people who do not appear to hold any licences with the Council.
8. **Appendix E** provides the rationale for each increase, a précis of the objections and associated officer comments.
9. At **Appendix F** is the actual weekly cost for a taxi driver/vehicle licence.
10. As part of the review of the fees and charges the Licensing and Parking Manager undertook an exercise to establish the actual service costs based on the proportion of staff time spent on the Taxi Licensing function and the direct and indirect costs associated with delivering this service. Members will note that, even with the proposed increases to the fees and charges, there is still a deficit that will need to be met out of Council funds (**Appendix C(ii)**). Any reduction in the proposed fees will require an additional subsidy by the Council to enable delivery of the service.
11. The legislation permits the Council to recover all or part of the costs of providing the taxi licensing service, including its administration and control (ie enforcement) or supervision. It does not permit the Council to profit from its fees and charges, thus ring fencing the income to the Taxi Licensing service. The Council may, however, choose to subsidise the service. **Appendix G** to this report replicates the relevant sections of the Local Government (Miscellaneous Provisions) Act 1976 relating to the levy of fees and charges.
12. A cost comparison of the licensing fees of the other Tees Valley Authorities has been provided at **Appendix H**. At the time of preparing this report, Stockton Council was undertaking a review of their fees and charges with a view to reducing some fees and increasing others. Darlington is not the lowest cost across all fee areas, but provides a comprehensive service. This includes regular liaison the consultation with the trade (including the Taxi Liaison Group) regular review of licensing conditions and proactive enforcement in normal working hours and during anti social hours.

Outcome of Consultation

13. Consultation was undertaken as is detailed in the appendix to the report.

Legal Implications

14. This report has been considered by the Borough Solicitor in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

15. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

16. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

17. For the purpose of the 'call-in' procedure this report represents an urgent matter to enable the budget to be implemented for the start of the financial year.

Recommendation

18. It is recommended that:
- (a) Members consider the objections to the proposed increase in fees and associated charges.
 - (b) Approve the implementation of the proposed fees and charges to take effect from 1 April 2006.

Reasons

19. The recommendations are supported to ensure there is sufficient budgetary provision to enable the Council to deliver the taxi licensing service.

John Buxton
Director of Development and Environment

Background Papers

1. Letter from Taxi Trade
2. Consultation Replies
 - (a) Mr Paul Scott letter dated 16 December 2005
 - (b) Ms Lucy Archer letter dated 11 December 2005
 - (c) Mr J Christey letter dated 7 January 2006
 - (d) Darlington HC/PH Association letter dated 12 December 2005
3. Response from Darlington HC/PH Group letter dated 30 January 2006

Appendices

- A (i) Proposed fees and charges/(ii) anticipated income
- B (i) to (iv) initial letters of objection
- C Documentation issued to the taxi trade relating to service costs
- D Trade response to the documentation detailed at Appendix D
- E Rationale for increases, trade objections and Officer responses
- F Weekly cost of licence to trade
- G Extracts from the 1976 Act pertaining to the setting of fees.
- H Fees comparison with other Tees Valley Authorities

Pam Ross Extension 388647

APPENDIX A(i)

PROPOSED INCREASES TO LICENCE FEES AND OTHER CHARGES

	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 levy
	(including £16.00 plate fee)	(excluding plate fee)
PH Operator licence	£145.00 + £27.00 per vehicle Operating levy	£200.00 (operating levy to go 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)

The only fees that must be advertised are the actual licence fees as this is required by the legislation. There are, however, some changes to admin and other fees and these have been detailed for completeness.

**ANTICIPATED REVENUE 2006/2007 BASED ON PROPOSED FEES
(Figures based on October 2005 licence numbers)**

Drivers (single)	321	@ £70	£22470
Drivers (combined)	58	@ £110	£ 6380
Hackney Carriage Vehicles	212	@ £355	£75260
Private Hire Vehicles	74	@ £325	£24050
Private Hire Operating levy	74	@ £30	£ 2220
Annual Rear Plate	286	@ £15	£ 4290
PH Operators	4	@ £200	£ 800
Incidental Income			£ 2000
Total			£135,470

Members should note that the licence numbers fluctuate on a monthly basis dependent on licence renewals. The number of licences for October 2005 was provided to the trade in response to their request. Members will note, however, that at **Appendix C** (anticipated income 2006/07) the above figures have changed due to an updating in December 2005. A current updating in January 2006 shows that the number of licences has fallen and the original income estimate is now lower. These fluctuations mean that a proposed budget can always only be set on the basis of the number of licences issued at the time of preparing the proposed increases.

DEAR MADAM

I WISH TO OBJECT IN THE STRONGEST MANNER TO YOUR PROPOSED INCREASE IN TAXI LICENCING FEES AND CHARGES;

I BELIEVE WE ARE ALREADY PAYING MORE THAN ENOUGH AT THE CURRENT LEVEL AND INDEED PROPOSE THAT THESE FEES SHOULD BE REDUCED .

OUR FEES SHOULD COME UNDER SCRUTINY FOR BEST VALUE AND ALSO BE BENCHMARKED AGAINST OTHER LICENCING AUTHORITIES!

FOR EXAMPLE NORTH TYNESIDE COUNCIL CHARGE £42 FOR A DRIVERS BADGE AGAINST DARLINGTON,S CURRENT £66 , A COMBINED OR DUEL BADGE IN NTC IS £54.00 AGAINST DTONS £100.00; VEHICLE LICENCES FOR HACKNEY IN NTC ARE £272.00 AGAINST DTONS £335.00

I AM GIVEN TO UNDERSTAND THAT UNDER THE ACTS OF PARLIAMENT REGARDING THE CHARGES FOR TAXIS THEY ARE TO BE REASONABLE; I BELIEVE OUR CHARGES ARE UNREASONABLE AND WOULD LIKE TO KNOW IF ALL OF THE MONIES COLLECTED UNDER THE TAXI LICENCING DEPT. IS ONLY USED FOR TAXI LICENCING AND NOT SYPHONED OF FOR OTHER PURPOSES WITHIN THE COUNCIL.

I AM ALSO EXTREMELY CONCERNED OVER THE PROPOSED ADMIN CHARGE OF £35.00

Dear Sir/Madam

In response to your letter dated 6th December regarding price increases in taxi licensing fees and other area.

I would like to declare in writing my opposition to these changes.

I see no justification for these price increases; if anything the prices should have been reduced during the period over which the town centre is changing as it is causing difficulties for hackney carriages that are plying for hire. The sites that remain are regularly disturbed by construction traffic and road works and this is causing major problems.

I see no justification for an increase as facilities we pay our fees for have been reduced. As an independent taxi proprietor I have not been given any support by the council in helping me to overcome the problems that are arising in the town centre.

The fact that there are now a significantly reduced number of rank spaces and yet an increase in fares is on the table I find thoroughly unfair. Our working environment has been turned upside down, our trade disturbed and our job had become increasingly harder.

I do not feel that taxi drivers of this town should be subsidising the council in changing the town centre when it has been of no benefit to us and I have not been shown or informed of any plans to suggest this will change.

As taxi drivers we provide an invaluable service to the general public and feel we should not be penalised in this manner.

I am confident that my colleagues share my feelings about this matter and will be writing with there declarations of opposition as well.

I am writing you in connection with the proposed increases that have been placed in the notices section of the newspapers.

As to these proposed increases I object to in the strongest possible manner and I would like to see clarification as to how these proposed increases have been formulated, as it is my opinion that we have suffered enough burdens of expense due to previous increases over past years.

I would draw your attention to the Best Practice guides and suggest they are applied and due regard given to its codes so as to be fair to all.

I do hope that your office can provide details of expenditure and income so to explain what is proposed.

Dear Sir

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

We would like to object to the proposed increase in fees and charges as advised in the Northern Echo.

In order to prepare our detailed objections we would ask you to provide a detailed analysis of the forecast cost of operating the Taxi Licensing functions which refer to these proposed charges.

On receipt of this information we will prepare our detailed objections and submit them to you.

Please advise the date of the meeting at which these draft proposition fees were provisionally agreed and forward to the above address copy of the Minutes of the Meeting at which these increases were discussed by the Transport Committee.

ESTIMATED BUDGET OUTTURN 31.03.06

Hackney Carriage Trial Estimate of the Trading Account for
Year End 31 March 2006 as at 31 December 2005

Employee Costs		YTD Actual	Estimated
Subjective	Description	up to 31.12.05	Outturn
1275	Employee Turnover		0
1276	Salaries	55,764	74,352
4276	Salaries - Superannuation	7,088	9,451
6276	Salaries - NI	6,443	8,590
7040	Insurances - Employers Liability	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 and 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	500
23055	Computer equipment	0	2,010
23120	Computer software - maintenance	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 Borrowing	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 and IR	960	960
40565	Workplace Nursery	80	80
41460	Director of Development and Environment	4,130	4,130
41470	Development and Environment 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 Carriage - vehicle licence	(47,324)	(71,020)
63309	Private hire - operators 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

ESTIMATED BUDGET OUTTURN 31.03.07

Hackney Carriage Trial Estimate of the Trading Account for
Year End 31 March 2007 as at 12 January 2006

		Annual Budget 2006/2007
Employee Costs		
Subjective	Description	
1275	Employee Turnover	0.00
1276	Salaries	72,502.34
4276	Salaries - Superannuation	13,227.13
6276	Salaries - NI	5,184.94
7040	Insurances - Employers Liability	200.00
7160	Training Expenses	1,000.00
	Total employees	92,114.41
Premises Costs		
11805	Operational Buildings Recharge	2,980.80
12520	Fire Insurance	20.00
	Total premises	3,000.80
Transport Costs		
15250	Repair and maintenance	
16040	Lump sum allowances	2,650.00
16070	Mileage allowances	1,690.00
	Total transport	4,340.00
Supplies and Services Costs		
20315	Equipment	8,100.00
21560	Protective clothing	320.00
22020	Books and publications	540.00
22210	Print and Design recharge	940.00
22310	Printing and stationery	610.00
22636	Legal fees	6,000.00
23055	Computer equipment	2,560.00
23120	Computer software - maintenance	1,000.00
23195	Mobile phones/radios	520.00
23270	Telephone Recharge	331.20
23628	Travel allowance	0.00
24030	Advertising	2,110.00
24400	Insurance - all risks	80.00
50825	Equipment - Prudential Borrowing	200.00
	Total suppliers and services	23,311.20

**Central
Support
Costs**

40417	Financial Services	351.90
40460	Legal Services	4,854.15
40465	Payroll Services	103.50
40510	HR, Policy Development & IR	993.60
40565	Workplace nursery	80.00
41460	Director of Development and Environment	4,274.55
41470	Development and Environment Support Services	8,383.50
41710	Occupational Health	62.10
	Total central support	19,103.30
	TOTAL COSTS	141,869.71

63177	Drivers licence	(27,940.00)
63180	Hackney Carriage - vehicle licence	(74,565.00)
63309	Private hire - operators licence	(1,200.00)
63312	Private hire - vehicle licence	(25,575.00)
66110	Miscellaneous Income (Non VAT)	(8,800.00)
	Total income	(138,080.00)
	TOTAL DEFICIT/(SURPLUS)	3,789.71

RATIONALE FOR FEES INCREASES

Driver Fees

1. In response to trade concerns about the cost to drivers of actual entry to the trade, it is proposed that the fee for the initial knowledge test (currently £17.50 in addition to the driver licence fee) is no longer levied. If, however, the test is failed a charge will have to be levied for any re-sit. To enable us to do this does mean a reduction in income and that cost will have to be borne by the proprietors/operators. This reduction in the initial application fee should, however, make a real impact on new entrants to the trade and will go some way to addressing the current concerns expressed about the problems of attracting drivers into the trade.

Trade Comments

2. The Darlington Hackney /Private Hire Group (**Appendix D pages 10 – 11**) state that the proposed increase in cost of a single driver fee is 6% which is above inflation and the proposed increase in cost of a combined (dual) licence is 10% which is above inflation. The group asks for the evidence to justify the increase.

Officer Response

3. The current actual cost of an initial single licence is £66 plus £17.50 fee for the knowledge test and for a combined (dual) licence is £100 plus £17.50 for the knowledge test. The revised fees of £70 and £110 respectively represent an actual **reduction** of 16% for a single licence and 6% for a dual licence, as the knowledge test will be incorporated into the initial fee. It is accepted that the fee for renewal of licence is above inflation but reflects the actual cost of administering the service, enforcing the legislation (particularly in the light of many drivers failing to wear their badges as required by the legislation), the overall cost of referring drivers to the Licensing Committee for misdemeanours and the cost of appeals, where it is rare for full costs to be awarded.

Hackney Carriage Vehicles

4. The licence fee for a Hackney Carriage is traditionally higher than that for a Private hire Vehicles because of the greater costs incurred. Section 70 (1) (b) of the 1976 Act specifically refers to the fees covering the reasonable costs of providing hackney carriage stands. Additionally each time the hackney carriage trade request an increase in tariff this must be subject to full trade consultation and also advertisement in a local newspaper, all of which has a further cost implication. The costs of the service, detailed at **Appendix C** has not reflected the cost of the provision of hackney carriage stands as the changes to the hackney carriage stands are still at the proposal stage and, therefore, the charge has not yet been identified. The transport service has, however, confirmed that historically the cost of such provision does indeed come from the taxi budget.

5. The cost of the plate has previously been included in the licence fee (the fees shown at **Appendix 1** have been adjusted to indicate the licence fee without this cost). It is proposed to separate this from the actual fee as this removes the need to go to full consultation and advertisement if the cost of materials to supply the plates fluctuates. Members will be aware that a front plate has been introduced (approved by Full Council in September 2005) for both hackney carriage and private hire vehicles and this has been given as a free issue for existing vehicles. The front plate will last for the licensed “life” of the vehicle and only the rear plate, which is date limited, must be replaced each year.

Trade Comments

6. Detailed below:

- (a) The group has identified (**Appendix D pages 6 –7**) that no charge has been indicated in relation to the provision of hackney carriage stands for 2006/07 and has asked what, if any, this cost will be.
- (b) The Group has objected (**Appendix D pages 8 –9**) to the separation of the cost of the plate from the licence fee as this removes the need for consultation if the cost of the plate is to rise. The Group claims that it is usual for Local Authorities to include this cost as part of the licence fee.
- (c) The Group has referred (**Appendix D page 11**) to “the requirement in 2006/07 to purchase a newly instituted front plate.”
- (d) The Group states (**Appendix D page 6**) that “The Act (1847) is silent as to whether any plate is to be provided by the Council or the proprietor.”
- (e) The Group has expressed concern (**Appendix D pages 6 –7**) at the issue of VOSA testing the vehicles with direct payment for the tests to VOSA.

Officer Response

7. Detailed below:

- (a) The cost of provision of hackney stands has been dealt with in the first paragraph of the subsection on hackney carriages. The actual cost has not yet been identified and will be a budget pressure during 2006/07.
- (b) The cost of the vehicle plate may be subject to fluctuation in cost due to the usually increasing costs of materials from suppliers. The implication of subsuming the cost of the plate into the licence fee means that the Council would either have to bear any increased cost itself until the annual revision of fees or go through the costly consultation and advertisement process to address any change. It is true that some Local Authorities do include the cost as part of the licence fee, but equally others do not. The principle of charging for the plate as an additional cost is no different to charging for decals, tariff cards etc. The revision of fees is based on the cost to the trade excluding the plate fee of £16 and

in fact the cost of the plate has been reduced to £15.

- (c) The introduction of the front plate was approved by Cabinet and Full Council in September 2005 after full consultation with the trade (and only one objection) to enable the general public to identify a licensed vehicle more clearly. The front plate does not display an expiry date and lasts for the “life” of a licensed vehicle. All licensed vehicle proprietors current in September 2005 are being given a free issue of this plate and the charge only applies to vehicles presented for first licensing after September 2005. This arrangement was also approved by the Council, after full consultation with the trade. Our neighbouring authorities in the Tees Valley also require a front plate on licensed vehicles.
- (d) With reference to the Act being silent regarding provision of plate, it is clear from Section 58 of the 1976 Act that it is the Council who provides the plate as it states: “On the revocation or expiry of a vehicle licence in relation to a hackney carriage or private hire vehicle or the suspension of a licence under section 68 of this Act a District Council may by notice require the proprietor of that hackney carriage or private hire vehicle licensed by them to return to them within 7 days after the service on him of a notice the plate or disc which, in the case of a hackney carriage, is required to be affixed to the carriage as mentioned in section 38 of the Act of 1847.”
- (e) The principle of VOSA testing licensed vehicles as agents for the Council has been established for some years. It is inappropriate to debate this arrangement as part of a fees report. Members will be aware that Licensing Enforcement Officers also carry out routine inspections of vehicles. It is accepted that the trade has an additional separate cost, paid direct to VOSA for these tests.

Private Hire Vehicles

- 8. In line with the hackney carriage licence fees it is proposed to separate the cost of the plate from the actual fee for the same reason as detailed in the section on hackney carriages.
- 9. It is proposed that 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 which has created problems in the past. This change will have a neutral impact on the Taxi Licensing Budget as it is simply a different way of collecting the income, however, it is proposed that the levy itself be increased to reflect the administration cost of cross referencing vehicles to operators.

Trade Comment

- 10. The Group has reiterated its comments concerning the separation of the cost of the plate from the licence fee.
- 11. The Group has queried (**Appendix D page 9**) the movement of the “Operating Levy” from the Operator to the vehicle Proprietor.

Officer Response

12. The rationale for the separation of the cost of the plate from the licence fee has already been comprehensively covered in the section relating to hackney carriages.
13. The Operating Levy has been applied to Operators in the past and this has caused repeated problems when vehicles have moved from operator to operator. An analysis of private hire vehicles currently licensed shows that 52% are licensed to current operators (therefore there will be no change in payment source) and 48% to independent vehicle proprietors. The effect on the licensing budget is neutral but will simplify the process and will ensure that operators are not disadvantaged when vehicles are moved from operator to operator.

Private Hire Operators

14. As detailed above it is proposed that the collection of the vehicle operating levy be moved from the operator licence fee to the private hire vehicle licence fee. The proposed increase in the operator licence fee is to more accurately reflect the cost of visiting the operating premises, checking booking records etc. Officers are also exploring the possibility of joint licensing and health and safety visits on an annual basis, particularly at premises that provide access to the public and this may further increase the overall costs of the service.

Trade Comment

15. The Group has not made any comment in relation to these charges.

General Issues: Comparison with other Councils/Best Value -

Trade Comments

16. Mr P Scott (**Appendix B(i)**) refers to Best Value and Benchmarking and indicates that licence fees in North Tyneside are less than those in Darlington. The Group refer (repeatedly through Appendix 4) to “another North East Authority” but does not specify which Council this is.

Officer Comments

17. At **Appendix H** is a comparison table for the Tees Valley Authorities. It is difficult to make comparisons unless comparing like with like. Factors that influence service costs include the number of licences issued, level of enforcement, trade liaison etc. Some authorities have very low fee levels, provide a lesser service (for example do not enforce the legislation, do not take prosecutions, do not regularly review policies and conditions and do not engage with the trade). Other Authorities have higher fees but also higher levels of planned enforcement activities, regularly prosecute offenders and routinely review policies and procedures.

Refunds

Trade Comments

18. Although not part of the licence fees review, the Group has asked (**Appendix D page 9**) that refunds be given for un-expired months of a vehicle licence.

Officer Comments

19. The Council's policy is to permit a reduced fee for a replacement vehicle if a vehicle licence is surrendered, with in excess of 6 months licence remaining, because it is no longer roadworthy (ie "written off") or has been stolen and the insurance claim has been settled. It is increasingly commonplace for Local Authorities to implement this type of policy to stop "cashing in" of licences at times of financial hardship. Members will be aware that a large proportion of the cost of administering a licence is at the point of application and therefore it cannot equate to 12 equal portions.
20. The Council's policies and conditions were subject to review in September 2005 after lengthy consultation with the trade and were approved by Full Council. It is not, therefore, within the remit of this report to consider such a change to policy.

Admin Fee

Trade Comments

21. The Group has questioned (**Appendix D pages 9 –10**) the legality of such a charge.

Officer Comments

22. The Council currently levies an administration charge of £35 if a driver makes an application and subsequently withdraws the application prior to it being determined. The charge is levied by way of refund of the application fee less £35. If an application is determined, however, and refused no refund is given at all. It is proposed that this administration charge should also be applied to applications for vehicle and/or operator licences in the same circumstances. This is to cover some of the cost of the administration work undertaken and is perfectly lawful.
23. The only other occasions when such a charge would be levied as £35 per hour or part thereof are as follows:
 - (a) When the Trade require information going back several years to enable them to complete tax returns etc. Staff do try to assist wherever possible but such enquiries are beyond the remit of the licensing function and are time consuming. It is hoped that the levy of such a fee will recover some of the costs entailed in this work.
 - (b) When outside agencies such as solicitors request information which is not within the realms of Freedom of Information but is within the public interest (eg enquiries for insurance details following road traffic accidents) it is proposed that they are advised that an administration

fee will be required.

Proposed Introduction of Increases from 1 April 2006

Trade Comments

24. The Group has queried (**Appendix D page 10**) why a report was not submitted prior to the proposed fees being advertised and has indicated that the scheme of delegation does not indicate who is responsible for the determination of fees.

Officer Comments

25. The Council's Cabinet takes responsibility for approving the budgets and setting of fees is part of this process. Taxi licence fees are required, by statute, to be consulted upon and advertised and any objections must be considered by the Council. A full exercise was undertaken by the Licensing and Parking Manager in relation to the current costs of the Taxi Licensing function and the projected costs for 2006/07 and this formed the basis of the proposed fees. If Cabinet had become involved at this stage it would have been compromised from hearing the objections. The proposed date of 1 April 2006 is in line with the Council's financial year.

Anticipated Income 2006/07

Trade Comments

26. The Group, in general using the October licence numbers have estimated (**Appendix D page 13**) the income to be £140,380.

Officer Comments

27. It should be noted that the actual figures do not add up to this sum due to their omission of the private hire vehicle licences and operating levy. Their entry for vehicle licences with operating levy relates to hackney carriages for which there is no operating levy.
28. The Group has estimated the plate charges as £7,150 rather than £4,290. It would appear that they have included the cost of the front plate (286 @ £10) in this figure. As detailed earlier there is no annual cost for the front plate which does not have an expiry date. The only time such a charge would be levied is when a new vehicle is being presented for first licensing with the Council. Such an incidence has been included in the other additional income, along with charges for decals etc. This would therefore reduce the Group's estimate from £140,380 to £137,520.

Queries Relating to Individual Costs

Trade Comments

29. The Group has queried (**Appendix D pages 12 – 14**) the following:

- (a) Why are salaries lower next year than this?
- (b) Why has equipment increased from £2310 to £8100
- (c) Why are legal fees for next year so high?
- (d) Why are fees for mobile phones/radios so high?
- (e) Query on the accuracy of staff time apportionment

Officer Comments

30. Detailed below:

- (a) The Licensing Enforcement Officers' time has been reduced to 80% as they will pick up new responsibilities within other licensing legislation and therefore the cost to the Taxi Budget will decrease.
- (b) The equipment has been properly identified to cover the cost of materials for plates etc. The new package for the plates was not budgeted for within the 2005/06 budget.
- (c) The legal fees have increased because the number of appeals has also increased. The Courts are not awarding full costs (or in some cases, any costs) when the Council successfully defends an appeal but the legal costs still must be paid. In response to trade members engaging Barristers increasingly Barristers are being instructed by the Council. Trade challenges have resulted in legal opinion being sought and this is extremely costly.
- (d) The radios were not within the 2005/06 budget and have been built into the next year's budget.
- (e) The staff apportionment was extremely conservative. The Principal Licensing Officer for example has been put at 35% but at present more than 50% of her time is taken up with taxi matters. An assessment of time spent is currently being undertaken for the enforcement activities and this is to be extended to the administration activities in due course. This will enable a more precise figure to be provided in 2007/08.

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Trade Comment

31. The group has queried (**Appendix D page 13**) the Council's Medium Term Financial Plan which they state shows a predicted surplus in hackney carriage income for 2005/06 and 2006/07.

Officer Comment

32. Members will be aware that the medium term plan does not indicate the “below the line” charges, ie the central recharges to which every budget is subject.

Comparison with other Local Authorities

33. The Group has repeatedly compared Darlington to an unnamed authority and made comments accordingly. It is not possible for these comments to be addressed for reasons which include the basis of whether the comparison is like for like. Officers however are confident that any scrutiny of the licensing service would satisfy Members that the service costs are a true reflection of the work undertaken.

Additional information

34. Details below:

- (a) In response to trade complaints about illegal taxi activity within the Town a full programme of late night taxi enforcement has been designed and is being implemented. This will involve Officers working alone and with the Police to address the trade concerns. Members, and the trade will appreciate that this will have a cost implication for the Taxi Licensing Service.
- (b) The Group have acknowledged (**Appendix D page 13**) that precise budgeting is impossible and state that they would be satisfied if any “surpluses and deficits as they may arise should be carried forward into future accounting periods.” The Taxi Budget has been set up as a trading account to enable exactly this process to be undertaken.

PROPOSED FEES WEEKLY COST

(NB this reflects only the actual licence cost to the trade, not the cost of running their businesses).

Initial HC/PH Driver Licence	(single)	£ 70.00
	(combined)	£110.00
CRB from 5 April		£ 36.00
DSA		£ 53.50
Medical (average cost)		£ 70.00
Total Cost of New Driver	(single) First Year	£229.50
	(combined) First Year	£269.50
Cost per week (First Year) single licence		£ 4.41
Combined HC/PH Driver (First Year)		£ 5.17
Renewal licence	(single)	£ 70.00
	(combined)	£110.00
Cost per week	(Second Year - single)	£ 1.35
Cost per week	(Second Year – combined)	£ 2.12
Hackney Carriage Vehicle Licence		£355.00
Rear Plate		£ 15.00
Front Plate (One off fee)		£ 10.00
VOSA Test (Two @ £46)		£ 92.00
Door Discs		£ 10.00
Tariff card		£ 2.00
Taxi meter test		£ 20.00
Total Cost		£504.00
Cost per week		£ 9.69
Private Hire Vehicle		£325.00
Operator Levy		£ 30.00
Rear Plate		£ 15.00
Front Plate (One off fee)		£ 10.00
VOSA Test (Two @ £46)		£ 92.00
Total Cost		£472.00
Cost per week		£ 9.08
Operator Licence		£200.00
Cost per week		£ 3.85
By way of comparison the proposed fee cost for a street trader in town centre per week is		£105.77

THE LEGISLATIVE BASIS FOR SETTING FEES

Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 states that:

- (1) Subject of the provisions of Sub Section (2) of this section, a District Council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from to time and as may be sufficient in the aggregate to cover in whole or in part:
 - (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;
 - (b) the reasonable cost of providing hackney carriage stands;
 - (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.
- (2) The fees chargeable under this section shall not exceed:
 - (a) for the grant of a vehicle licence in respect of a hackney carriage, twenty five pounds;
 - (b) for the grant of a vehicle licence in respect of a private hire vehicle, twenty five pounds; and
 - (c) for the grant of an operator's licence, twenty five pounds per annum;or, in any such case, such other sums as a District Council may, subject to the following provisions of this section, from time to time determine.
- (3)
 - (a) If a District Council determine that the maximum fees specified in Sub Section (2) of this section should be varied they shall publish in at least one local newspaper circulating in the district a notice setting out the variation proposed, drawing attention to the provisions of paragraph
 - (b) Of his subsection and specifying the period, which shall not be less than twenty eight days from the date of the first publication of the notice, within which and the manner in which objections to the variation can be made.
 - (c) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of twenty eight days from the date of the first publication thereof be deposited at the offices of the council which published the notice and shall at all reasonable hours be open to public inspection without payment.

- (4) If no objection to a variation is duly made within the period specified in the notice referred to in subsection (3) of this section, or if all objections so made are withdrawn, the variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection or, if more than one, of the last objection, whichever date is the later.
- (5) If objection is duly made as aforesaid and is not withdrawn, the District Council shall set a further date, not later than two months after the first specified date, on which the variation shall come into force with or without modification as decided by the district council after consideration of the objections.
- (6) A District Council may remit the whole or part of any fee chargeable in pursuance of this section for the grant of a licence under section 48 or 55 of this Act in any case in which they think it appropriate to do so.

APPENDIX H

	Proposed From 1 April 2006 Darlington	Current Hartlepool	From 1 April 2006 Middlesbrough	Current Redcar and Cleveland	Current Stockton
Driver Licence (single)	£70	£55	£52	£55	HC £117 and £65 renewal PH £96 and £65 renewal
Driver Licence (dual)	£110	£80	£77	£78	£170 and £80 renewal
HC vehicle licence	£355 excluding tests	£250 including 2 tests	£386 including 2 tests	£304 including 2 vehicle tests	£390 including plates and stickers, excluding tests
PH vehicle licence	£325 excluding vehicle tests and £30 operating levy)	£250 including 2 tests	£376 including 2 tests and £31 operating levy	£268 including 2 vehicle tests	£315 including plates and stickers, excluding tests
Operator licence	£200	£185	£376	£225 + £26 per vehicle operating levy	£131 – 1 vehicle £213 – 2 vehicles £489 – 3 - 7 vehicles £710 – 8 - 12 vehicles £930 – 13 - 17 vehicles £1268 – 18 - 22 vehicles £1494 – 23 - 27 vehicles £1744 – 28 - 32 vehicles £1945 – 33 - 37 vehicles
Knowledge Test	£20 (re-sits only)		£20	£30	£47 HC £26 PH re-sits only
Meter Test	£20		N/A	N/A	N/A
Plate (rear)	£15		£10	£8.50	£10 replacement
Plate (front)	£10		£12	£5.50	£10 duplicate
Door Discs (each)	£5		£6 – HC £2.50 -PH	£8	£7.50
Tariff Card	£2		£1	£3	£1.50
Duplicate Driver Badge	£10		£5	£9	£10
Admin Charge	£35 per hour or part, £35 driver/vehicle/operator.		£30 per hour or part £30 drivers £50 vehicles £50 operators	£30 per hour or part	£36 per hour or part
Vehicle transfer	£13		£25	£30	£40
Change of Operator	£30		£31	£30	N/A
Complaints stickers	N/A		£2.50	N/A	N/A