

RATIONALE FOR INCREASED FEES/RESPONSE TO TRADE OBJECTION

1 Trade letter 11 December 2006

The Trade state that they only had the time from 8 December 2006 to respond to the information supplied and prepare a submission. Members are advised that the group has not had the opportunity to comment on Ms Linley's response but should accept the response comes from those who objected to the 2006/07 increases and that a schedule of those supporting the objection will be sent in due course.

Officer Response

The Trade were advised of the proposed increases and the likely date of statutory advertisement in a letter sent 7 November 2006. The advertisement appeared in the Northern Echo on 11 November 2006. The letter from the Darlington Hackney/Private Hire Group requesting further information was not received until 7 December 2006 and the information was made available on 8 December 2006. The accompanying letter specifically asked for details of the membership of this group. No response has been received in relation to this request.

2. Variance between January 2006 estimate and projected outturn

The Darlington Hackney/Private Hire Group has stated that there is a considerable variance in the projected budget for 2006/07 as estimated in January 2006 and the projected outturn. They have detailed their concerns as follows:

a. Salaries and on costs

The Group expresses its view that the total staff costs are excessive and up to 100% higher than in "a number of other North East authorities

Officer Response

The staff costs are based on the % of time spent by individual officers on providing the taxi licensing function. When making comparisons with other local authorities it is difficult to establish whether this is "like for like". Authorities such as Darlington are committed to a programme of proactive enforcement and trade liaison whereas some authorities do no more than rubber stamp applications and have minimal enforcement. As the Group has not indicated the local authorities to which they refer it is difficult to respond further.

b. **Operational Buildings**

The Group queries the £950 increase against budget and asks if the office has been reassessed on a square footage basis.

Officer Response

The increased buildings recharge for Houndgate is as a result of reassessments of occupancy levels.

c. **Lump sum & mileage allowances**

The Group notes that there is a budgetary saving and asks whether mileage or the number of vehicles has reduced.

Officer Response

The transport related costs are based on the % of officer time allocated to the taxi licensing function. There has also been a reduction in mileage incurred as enforcement officers have been working with the police in police vehicles and have spent more time on foot in the Town Centre area.

d. **Equipment Costs**

The Group asks why there has been £5100 less expenditure than predicted.

Officer Response

This needs to be linked to (j) **sundry costs**. There was an anticipation that there would be a higher expenditure on vehicle identification plates and that this in turn would bring in increased revenue from the resale of the same. This has not proved to be the case and in effect the equipment costs and sundry costs cancel each other out.

e. **Legal Fees**

the The Group notes that the expected outturn in 2006/2007 is £4300 less than budget.

Officer Comments

The 2006/07 predicted budget was set in November 2005 and slightly adjusted in January 2006. At that time the taxi licensing function was facing a series of court appeals and preparing to attend the High Court in relation to another matter. The budget was set with this in mind and the anticipation of further legal costs, over and above the legal services recharge. Fortunately these have not materialised and the projected outturn is now considerably lower than initially expected.

f. **Advertising**

The Group expresses concern at the cost of statutory advertising.

Officer Comments

The Council has a statutory obligation to advertise “in at least one local newspaper” any proposed increased to the hackney carriage tariffs and any proposed increases to the fees and charges levied by the Council. The trade applied for an increase in the tariffs within the 2006/07 budgetary year and this had to be advertised. The increases that are the subject of this report similarly had to be advertised. The Northern Echo has traditionally been used to ensure that the public notices are seen by as wide an audience as possible. The Council has no control over these advertising costs.

g. **Accounting Services**

The Group queries why this appears in the budget when it was not identified in January 2006 & further asks how the sum is derived.

Officer Comments

The accounting services have a monthly input into the taxi-licensing budget and also into the annual fees and budget setting process. The taxi licensing budget has been subject to very close scrutiny in the past 8 months due to detailed trade enquiries and this scrutiny has revealed that several of the central recharges have been understated and the accounting services has previously been omitted from the recharges.

h. **D & E Support Services**

The Group queries why there has been an increase of £7400 in the recharge.

Officer Comments

To a large extent this has been covered in the previous comment. Close scrutiny of the budget has revealed that the equivalent of 0.7fte post has been omitted from the recharge (50% of one post and 10% of 2 other posts – all directly related to the taxi licensing function and based in the front office of Houndgate). Members are also reminded that the central support services also cover typing support and general admin such as post.

i. **Income**

The Group notes the reduction in income and in licences and suggests that this trend will continue because of the licensing policy and regime in Darlington.

Officer Comments

The budget can only ever be based on a snapshot picture of the number of licences at any given time. This figure inevitably fluctuates. The 2006/07 budget was initially based on the following figures:

Drivers (single/dual)	£379
HC vehicles	£212
PH Vehicles	£74
PH Operators	£4

This was revised to:

Drivers	£361
HC Vehicles	£200
PH Vehicles	£68
PH Operators	£5

The budget for 2007/08 was based on the end of October figures. The November figures show an additional 23 drivers. This could reduce next month if people do not renew their licences.

j. **Sundry Income**

The Group expresses concern that the sundry income is forecast at only £1600 against a budget of £8800 & asks for an explanation.

Officer Response

Please see (d) above as this explains how the equipment costs cancel out the sundry income. The sundry income will also be reduced because the knowledge test fee was removed from the cost of the driver licence in 2006/07 and the council no longer charges for the guidance booklet for the Trade.

General

The Group has not made any specific objection to the increase of £10 on the vehicle licence fees or the increase of £25 on the operator licence fee. The objection appears to be based on several queries on the line by line budgetary charges. Members will note that the 2006/07 budget is expected to show a deficit and even with these modest increases the Council is still facing a deficit in 2007/08.