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**INCREASES TO TAXI LICENSING FEES AND CHARGES**

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

**Responsible Director - John Buxton, Director of Development and Environment**

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**Purpose of Report**

1. To consider the proposed increase in the fees relating to the licensing of hackney carriages and private hire vehicles and operators in the light of an objection 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. 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 A** to this report replicates the relevant sections of the Local Government (Miscellaneous Provisions) Act 1976 relating to the levy of fees and charges.
3. To enable the Taxi Licensing Budget for 2007/2008 to be established, a review of the fees and charges levied for this service was undertaken by Officers in October 2006 in consultation with the relevant Cabinet Member. An advisory letter, attached as **Appendix B**, was sent to the taxi trade on 7 November 2006 informing them about the increases and the fact that the statutory advertisement would probably appear in the Northern Echo on 11 November 2006. The proposed increases were then advertised in the Northern Echo on 11 November 2006 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 12 noon on Monday 11 December 2006. The proposed increases to fees are attached at **Appendix C**.
4. As the taxi trade have expressed concern at the rising cost of entry to the trade for drivers the 2007/2008 budget has reflected this by leaving the fees for single and dual driver licences at their 2006/2007 level. The proposed increases in vehicle license fees have been held at around 3%, and proposed operator fees are still competitive compared with the other Tees Valley authorities.

5. 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. This is attached as **Appendix D** (2006/2007 projected outturn), **Appendix E** (anticipated revenue from proposed fees) and **Appendix F** (anticipated budget for 2007/2008). 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 Any reduction in the proposed fees will require an additional subsidy by the Council to enable delivery of the service.
6. The proportion of Officer time allocated to the Taxi Licensing function is attached as **Appendix G**. Members will note a small reduction in time allocation for the enforcement officers. This is to reflect increasing work on the Licensing Act 2003 and an anticipated small proportion of officer time for the new Gambling Act 2005.
7. **Appendix H** is the actual weekly cost for a vehicle, driver and operator licence.
8. A cost comparison of the licensing fees of the other Tees Valley Authorities is attached as **Appendix I**. At the time of preparing this report, Middlesbrough Borough Council was undertaking a review of their fees and charges with a view to increasing fees from 1 April 2007.
9. On 7 December 2006 a letter of objection was hand delivered to the Licensing Section from the Darlington Hackney/Private Hire Group. The letter, attached as Appendix J, requested a substantial amount of information and further time to consider the information before providing a detailed objection. Given that the trade have been aware of the proposed fees since early November 2006 this group were advised that no extension would be granted.
10. On 11 December 2006 a further letter was hand delivered from the Darlington Hackney/Private Hire Group detailing their objection which is attached as **Appendix K**.
11. **Appendix L** provides the rationale for each increase, a précis of the objections and associated officer comments.

### **Legal Implications**

11. 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**

12. 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**

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

## **Decision Deadline**

14. 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**

15. It is recommended that:

- (a) Members consider the objection to the proposed increase in fees and associated charges.
- (b) Members approve the implementation of the proposed fees relating to hackney carriage licences, private hire vehicle licences and private hire operator licences to take effect from 1 April 2007.
- (c) Members approve the proposal not to increase charges for driver licence fees and the cost associated with the licensing of drivers, vehicles and operators.

## **Reasons**

16. The recommendations are put forward to ensure that the costs of delivering the taxi licensing service can be met.

**John Buxton**  
**Director of Development and Environment**

## **Background Papers**

1. Local Government (Miscellaneous Provisions) Act 1976
2. Letter from Taxi Trade

## **Appendices**

- A Extracts from 1976 Act pertaining to setting of fees
- B Letter to trade 7 November 2006
- C Proposed increases to fees
- D Projected outturn 2006/07
- E Anticipated income from proposed fees
- F Anticipated budget 2007/08
- G Proposed allocation of Officer time 2007/08
- H Weekly cost of taxi licences
- I Fees comparison with other tees valley Authorities
- J Trade letter of objection to increase in fees 07.12.06
- K Trade letter of objection 11.12.06
- L Rationale for increase.

Pam Ross Extension 388647

**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 time 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.

LETTER TO TAXI TRADE 7 NOVEMBER 2006

**DEVELOPMENT & ENVIRONMENT  
DEPARTMENT**

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

TO: *Hackney Carriage & Private Hire  
 Proprietors and Private Hire Operators*

Date : 7 November 2006  
 Please ask for : Licensing  
 Direct Line : 388577  
 Your Reference :  
 Our Reference : Pam Ross  
 Document Name : DF031106BH

Dear Member of the Trade

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

I have undertaken an exercise to review the fees and charges associated with the licensing of hackney carriages and private hire vehicles and their drivers/operators with a view to an increase being introduced in respect of some licences due on or after 1 April 2007. This, of course, is subject to approval by the Council's Cabinet following the statutory consultation exercise.

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 am writing to you to supply you with this information prior to the advertisement appearing in the Northern Echo (probably on Saturday 11 November 2006). When considering the fees I have particularly taken into account your comments that it is expensive for new drivers to enter the trade and that this causes problems for you in obtaining licensed drivers. I am proposing, therefore, to leave the driver fees at their current level for the next year. I will then review the situation once again. The proposed fees for the period 1 April 2007 to 31 March 2008 are as follows:

	<b>Current</b>	<b>Proposed</b>
Driver Licence (Single)	£ 70.00	No Change
Driver (Combined)	£110.00	No Change
HC Vehicle Licence	£355.00	£365.00
	(excluding plate fee)	(excluding plate fee)
PH Vehicle Licence	£325 + £30 operator levy	£335 + £30 operator levy
	(excluding plate fee)	(excluding plate fee)
PH Operator Licence	£200.00	£225.00

I propose that there will be no increase this year in relation to any of the administrative and other fees.

If objections are received to the licence fee proposals, the Council's Cabinet will consider these in January 2007.

This letter is being circulated to all Vehicle Proprietors and Private Hire Operators. I would, however, be grateful if you could also bring it to the attention of your drivers for their information.

### **Cleanliness of Vehicles**

The early darkness and adverse weather conditions tend to affect all vehicles and the dirt thrown up from the roads often obscures number plates and vehicle licence plates. Please ensure that your vehicles are cleaned on a regular basis with particular attention given to the plates.

### **Hackney Carriage Colour Policy**

As you are aware the Council requires all hackney carriage vehicles to be red in colour.. Although there has been a specification of RAL 3020 or similar, there has always been the facility for proprietors to check with the licensing section if uncertain about a colour. Since the revision of the conditions and policies in September 2005 I have advised the licensing section to simplify our approach to the issue of colour by asking proprietors to establish what will appear on the vehicle registration document in relation to the colour of the vehicle. If the colour appears as "red" the vehicle will be licensed.

Yours sincerely

**Pam Ross**  
**Licensing & Parking Manager**



## APPENDIX C

### PROPOSED INCREASES TO LICENCE FEES AND OTHER CHARGES

	<b>Current</b>	<b>Proposed</b>
Driver licence (single)	£ 70.00	£ 70.00 (no change)
Driver (Combined)	£110.00	£110.00 (no change)
HC vehicle licence	£355.00	£365.00
	(excluding plate fee)	(excluding plate fee)
PH vehicle licence	£325.00 + £30 operating levy	£335.00 + £30.00 operating
	(excluding plate fee)	levy (excluding plate fee)
PH Operator licence	£200.00	£225.00
<b>Additional Charges</b>	<b>Current</b>	<b>Proposed</b>
Knowledge/Regs Test	£20 re-sits only	no change
Taxi Meter Test	£20	no change
Plate (rear)	£15	no change
Plate (front)	£10	no change
Door Discs (each)	£5.	no change
Tariff card	£2	no change
Duplicate Driver Badge	£10	no change
Admin Charge	£35.00 per hour or part	no change
	(all applicants)	

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

**APPENDIX D**

**Hackney Carriage 2006/07 Projected Outturn as at 16.11.06**

<b>Employee Costs</b>		Proj. Outturn	2006/2007
Subjective	Description		
1276	Salaries		71,990.00
4276	Salaries - Superannuation		13,000.00
6276	Salaries - NI		5,150.00
7040	Insurances - Employers Liability		200.00
7145	Staff Advertising		1,461.00
7160	Training Expenses		3,100.00
	<b>Total employees</b>		<b>94,901.00</b>
<b>Premises Costs</b>			
11805	Operational Buildings Recharge		3,930.00
12520	Fire Insurance		20.00
	<b>Total premises</b>		<b>3,950.00</b>
<b>Transport Costs</b>			
16040	Lump sum allowances		1,730.00
16070	Mileage allowances		920.00
	<b>Total transport</b>		<b>2,650.00</b>
<b>Supplies and Services Costs</b>			
20315	Equipment		3,000.00
21560	Protective clothing		320.00
22020	Books & publications		540.00
22210	Print & Design recharge		940.00
22310	Printing & stationery		610.00
22636	Legal fees		1700.00
23050	Computer consumables		500.00
23055	Computer equipment		2,560.00
23195	Mobile phones/radios		270.00
23270	Telephone Recharge		420.00
23628	Travel allowance		50.00
23830	Subscriptions		50.00
24030	Advertising		1,610.00
24075	Bank Charges		100.00
24400	Insurance - all risks		80.00
50825	Equipment - Prudential Borrowing		180.00
	<b>Total suppliers and services</b>		<b>12,930.00</b>
40415	Accounting Services		2,880.00
40417	Financial Services		350.00
40460	Legal Services		5,670.00
40465	Payroll Services		220.00

40510	HR, Policy Development & IR	1,060.00
40565	Workplace nursery	10.00
41030	Engineers	200.00
41460	Director of Dev & Environment	4,550.00
41470	Dev & Env Support Services	15,780.00
41710	Occupational Health	100.00
	<b>Total central support</b>	<b>30,820.00</b>
	<b>TOTAL COSTS</b>	<b>145,251.00</b>
63177	Drivers licence	(27,230.00)
63180	Hackney Carriage - vehicle licence	(71,000.00)
63309	Private hire - op licence	(1,000.00)
63312	Private hire - vehicle licence	(25,210.00)
66110	Miscellaneous Income (Non VAT)	(1,600.00)
	<b>Total income</b>	<b>(126,040.00)</b>
	<b>TOTAL DEFICIT</b>	<b>19,211.00</b>

**ANTICIPATED REVENUE 2007/2008 BASED ON PROPOSED FEES  
(Figures based on October 2006 licence numbers)**

Drivers (single)	278	@ £70	£19,460
Drivers (combined)	70	@ £110	£ 7,700
Hackney Carriage Vehicles	200	@ £365	£73,000
Private Hire Vehicles	71	@ £335	£23,785
Private Hire Operating levy	71	@ £30	£ 2,130
Annual Rear Plate	271	@ £15	£ 4,065
PH Operators	6	@ £225	£ 1,350
Incidental Income			£ 1,600
<b>Total</b>			<b>£133,090</b>

Members should note that the licence numbers fluctuate on a monthly basis dependent on licence renewals. The above numbers are based on the position at 1 November 2006 and may change. Such 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.

## Hackney Carriage Anticipated Budget 2007/08 (as at 16.11.06 )

<b>Employee Costs</b>		Annual Budget
Subject	Description	2007/2008
		-
1276	Salaries	72,230.00
4276	Salaries - Superannuation	13,610.00
6276	Salaries - NI	5,200.00
7040	Insurances - Employers Liability	180.00
7160	Training Expenses	2,000.00
	<b>Total employees</b>	<b>93,220.00</b>
<b>Premises Costs</b>		
11805	Operational Buildings Recharge	4,070.00
12520	Fire Insurance	20.00
	<b>Total premises</b>	<b>4,090.00</b>
<b>Transport Costs</b>		
16040	Lump sum allowances	1,430.00
16070	Mileage allowances	700.00
	<b>Total transport</b>	<b>2,130.00</b>
<b>Supplies and Services Costs</b>		
20315	Equipment	2,150.00
21560	Protective clothing	320.00
22020	Books & publications	540.00
22210	Print & Design recharge	940.00
22310	Printing & stationery	610.00
22636	Legal fees	0.00
23055	Computer equipment	1,500.00
23120	Computer software - maintenance	1,300.00
23195	Mobile phones/radios	100.00
23235	Radio pagers	200.00
23270	Telephone Recharge	430.00
23830	Subscriptions	100.00
24030	Advertising	2100.00
24400	Insurance - all risks	90.00
50825	Equipment - Prudential Borrowing	190.00
	<b>Total suppliers and services</b>	<b>10,570.00</b>
<b>Central Support Costs</b>		
40415	Accounting Services	2,980.00
40417	Financial Services	360.00
40460	Legal Services	5,870.00

40465	Payroll Services	230.00
40510	HR, Policy Development & IR	1,100.00
40565	Workplace nursery	10.00
41460	Director of Dev & Environment	4,710.00
41470	Dev & Env Support Services	16,330.00
41710	Occupational Health	100.00
	<b>Total central support</b>	<b>31,690.00</b>
	<b>TOTAL COSTS</b>	<b>141,700.00</b>
63177	Drivers licence	(27,160.00)
63180	Hackney carr - vehicle licence	(73,000.00)
63309	Private hire - op licence	(1,350.00)
63312	Private hire - vehicle licence	(25,915.00)
66110	Miscellaneous Income(Non VAT)	(5,665.00)
	<b>Total income</b>	<b>(133,090.00)</b>
	<b>TOTAL DEFICIT</b>	<b>8,610.00</b>

## OFFICER TIME ALLOCATION

The proportion of Officer time allocated to Taxi Licensing is as follows:

<b>Post</b>	<b>2006-07</b>	<b>2007-08</b>
Licensing Manager	30%	30%
Principal Licensing Officer	35%	35%
Licensing Enforcement Officer (x2)	80%	75%
Licensing Officer	35%	35%
Licensing Assistant	10%	10%
Licensing Admin Asst (x2)	50%	50%
Licensing admin support (x2)	10%	10%

## APPENDIX H

### PROPOSED FEES WEEKLY COST

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

<b>Initial HC/PH Driver Licence</b>	(single)	£ 70.00
	(combined)	£110.00
CRB from 5 April		£ 36.00
DSA		£ 58.50
Medical (average cost)		£ 70.00
Total Cost of New Driver	(single) First Year	£234.50
	(combined) First Year	£274.50
Cost per week (First Year) single licence		<b>£ 4.51</b>
Combined HC/PH Driver (First Year)		<b>£ 5.28</b>
<b>Renewal licence</b>	(single)	£ 70.00
	(combined)	£110.00
Cost per week	(Second Year - single)	<b>£ 1.35</b>
Cost per week	(Second Year – combined)	<b>£ 2.12</b>
<b>Hackney Carriage Vehicle Licence</b>		£365.00
Rear Plate		£ 15.00
Front Plate (One off fee)		£ 10.00
VOSA Test (Two @ £52 from 1/1/07)		£ 104.00
Door Discs		£ 10.00
Tariff card		£ 2.00
Taxi meter test		£ 20.00
Total Cost		<b>£526.00</b>
Cost per week		<b>£ 10.12</b>
Private Hire Vehicle		£335.00
Operator Levy		£ 30.00
Rear Plate		£ 15.00
Front Plate (One off fee)		£ 10.00
VOSA Test (Two @ £52 from 1/1/07)		£ 104.00
Total Cost		<b>£494.00</b>
Cost per week		<b>£ 9.50</b>
<b>Operator Licence</b>		£225.00
Cost per week		<b>£ 4.33</b>
<b>By way of comparison the proposed fee cost for a street trader in town centre per week is £115.38</b>		



**APPENDIX I**

**TEES VALLEY FEES COMPARISON TABLE**

	From 1 April 2007 Darlington	Current Hartlepool	Current Middlesbrough	Current Redcar and Cleveland	Current Stockton
Driver Licence (single)	£70	£55	£52	£55	HC £122 (inc CRB) + £55 and £55 renewal PH £102 (inc CRB)+ £55 and £55 renewal
Driver Licence (dual)	£110	£80	£77	£78	£122 (inc CRB) + £70 and £70 renewal
HC vehicle licence	£365 excluding tests	£260 including 2 tests	£386 including 2 tests	£304 including 2 vehicle tests	£370 including plates and stickers, excluding tests
PH vehicle licence	£335 excluding vehicle tests and £30 operating levy)	£260 including 2 tests	£376 including 2 tests excluding £31 operating levy	£268 including 2 vehicle tests	£295 including plates and stickers, excluding tests
Operator licence	£225	£190	£376	£225 + £26 per vehicle operating levy	No. Grant Ren 1 veh £118 £ 88 2 vehs £200 £170 3 - 7 £476 £446 8 - 12 £697 £667 13 - 17 £917 £887 18 22 £1255 £1225 23 -27 £1481 £1451 28 32 £1722 £1692 33 37 £1932 £1902 38-42- £2142 £2112 43-47 £2347 £2317 each additional 5 vehicles or part attracts an additional fee of £200
Knowledge Test	£20 (re-sits only)	N/A	£20 (re-sits only)	£17.50 (re-sits only)	£50 HC £30 PH re-sits only PH to Dual £70 HC to Dual £30
Meter Test	£20	N/A	N/A	N/A	N/A
Plate (rear)	£15	£24	£10	£8.50	£10 first replacement £45 further replacement (including decals etc)
Plate (front)	£10	£24	£12	£5.50	£10 duplicate
Door Discs (each)	£5	N/A	£6 – HC £2.50 -PH	£8	£7.50
Tariff Card	£2	N/A	£1	£3	£1.50
Duplicate Driver Badge	£10	No Charge	£5	£9	£10
Admin Charge	£35 per hour or part, .	N/A	£30 per hour or part (inc drivers) £50 vehicle/operator	£30 per hour or part	£36 per hour or part
Vehicle transfer	£13	£15	£25	£30	£40
Change of Operator	£30	N/A	£31	£30	N/A
Complaints stickers	N/A	N/A	£2.50	N/A	£4
Vehicle Test	£52 (from 1/1/07) direct to VOSA	£18 (re-tests only)	£46 (re-sit)	£30	£50 £55 inc MOT

**APPENDIX I (cont)**

TEES VALLEY LICENCE NUMBERS COMPARISON  
(at 28 November 2006)

	Darlington	Hartlepool	Middlesbrough	Redcar and Cleveland	Stockton
No. Single Drivers	278	600	640	309	412
No. Dual Drivers	70	60	274	182	268
No. HC Vehicles	200	160	348	136	300
No. PH Vehicles	71	180	250	225	222
No. Operators	6		8	25	30

At the time of preparing this comparison, Middlesbrough Council were in the process of reviewing their fees from 1 April 2007 but no information on proposed increases was available.