

David Kennedy
Chief Executive



NORTHAMPTON BOROUGH COUNCIL

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Mr John Kelly
35 South Copse
East Hunsbury
Northampton
NN4 0RY

Our Ref: DK/CT/2059r
Your Ref:
Contact: David Kennedy
Ext/Direct Line 01604 837726
E-mail: dkennedy@northampton.gov.uk
Date: 28th April 2009

Dear Mr Kelly

Re: Increase to existing Hackney Carriage & Private Hire Licensing Fees

I am writing with reference to the above and further to your letter dated 19th March 2009 in which you raised objections to the increase in fees relating to Hackney Carriages and Private Hire.

With regard to your assertion that increasing the Hackney and Private hire fees by 13.33% for vehicles, 13.75% for drivers and by up to 400% for operators is excessive, a financial analysis was conducted before the fees were increased and the Council does not accept that the proposed fees are excessive. In fact the Council's position is that the increases reflect the true cost of providing the licensing function. A breakdown of the true cost of providing the licensing service is attached for your perusal.

Secondly, you have opined that the decisions of the Licensing Committee and Cabinet to ratify the increases are unlawful as the decisions were made without "verifiable documented evidence of increased licensing costs". The Council's position is that the proposed fee increases were based on accounting analysis of the true cost of the service and the information provided to Licensing Committee and Cabinet was sufficient for the purpose for which the meetings were convened.

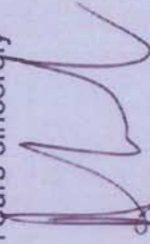
Thirdly, having considered Section 70 Local Government (Miscellaneous Provisions) Act 1976 there is no legal requirement for the licensing department's costs to be ring fenced to a particular budget as suggested; hence we do not accept that the proposed fees derive from anecdotal analysis of the true costs.

Fourthly, in terms of the staffing costs issue, the cost of performing the licensing service is not linked solely to staff salaries. You have omitted to take into account the actual "on" costs for personnel and these have to be absorbed into the licensing service costs.

Finally, you have stated that the present structure of vehicle licensing fees for Hackney Carriages & Private Hire is historically unlawful as a result of actions by Northampton Borough Council when it removed the vehicle inspection component from the vehicle licence fee in 1997. I would advise that this matter should have been raised within 3 months of the decision in 1997 and there is therefore no obligation upon the Council to consider it now.

I hope my response to your queries addresses the issues in your objection sufficiently for you to withdraw your objections. If not, then I shall take a report to Cabinet outlining your objections and our responses.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'David Kennedy', with a stylized flourish at the end.

David Kennedy
Chief Executive

Hackney and Private Hire Vehicles Expenditure & Income

Appendix 2.

			2009/10 budget
<u>Expenditure</u>			
0820A	Licensing Administration	Employees*	102,798
		Transport	5,152
		Supplies & Services	17,950
		Support Services	131,935
		Total Admin costs	257,835
		60% of admin costs**	154,701
		Enforcement Officers	60,848
	Regulatory Services	Licensing & Support Manager (5%)	2,573
		Head of Public Protection (5%)	3,793
08221	Hackney Vehicle Licences	Supplies & Servs/Support Servs	2,390
		Total Expenditure	224,305
<u>Income</u>			
08218	Hackney Driver tests	Income	0
08221	Hackney Vehicle Licences	Income	-20,804
08222	Private Hire Vehicle Licences	Income	-90,811
08223	Hackney Drivers Licences	Income	-9,474
08224	Private Hire Drivers Licences	Income	-46,556
08225	Operators Licence	Income	-16,543
08270	Driver Induction	Income	-17,500
		Total Income	-201,688
		Net Expenditure/(Income)	22,617

Notes

*Excluding Enforcement Officer costs (included separately)

** Approx 60% of Admin costs relate to Hackney & Private Hire Vehicles

Mr K Willsher
12 Gregory Street
Northampton
NN1 1TA

Our Ref: MK/LLI004621
Your Ref:
Contact: Mehboob Kassam
Direct Line 01604 837043
E-mail: mkassam@northampton.gov.uk
Date: 27 April, 2009

Dear Sir

Licensing Fees for Taxis, Drivers and Operators

Thank you for your letter dated 2 April 2009 raising objections to the new licensing fees.

Firstly your assertion that the fee increases have been linked to the RPI is inaccurate, the fee increases were not collated by relying on the RPI. The fee increases were determined after a financial analysis and are a true reflection of providing the licensing service notwithstanding that had, the fee increases been made after taking the RPI into account this would not be challengeable per se. Your interpretation of Section 70 Local Government (Miscellaneous Provisions) Act 1976 is inaccurate.

Secondly you have intimated that the cost of administering the Licensing Act 2003 has been levied on to the Taxi fees. However this is incorrect as the financial data provided to you clearly outlines that the fees are apportioned 60 / 40 to take into account the liquor licensing administrative costs.

Thirdly the staff salary and associated costs were £124,224 for the financial year 2007/2008 and £118,170 for 2004/2005. The costs should have read £124,224 for 2007/2008 and we understand that the incorrect figure was provided due to a typographical error. As you can see the increase from 2004/2005 to 2007/2008 is nominal.

In terms of Section 70 Local Government (Miscellaneous Provisions) Act 1976 there is no obligation to maintain independent accounting records for the Taxi licensing function and your understanding of this section is misguided.

Yours faithfully

Mehboob Kassam
Solicitor
Legal Services



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Mr Shaun Walton
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Our Ref: DK/CT/2044r
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Contact: David Kennedy
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Date: 28th April 2009

Dear Mr Walton

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Firstly, your assertion that the fee increases have been linked to the RPI is inaccurate as the fee increases were not collated by relying on the RPI. The fee increases were determined after a financial analysis and are a true reflection of providing the licensing service. Notwithstanding this, had the fee increases been made after taking the RPI into account, this would not be challengeable per se.

Secondly, you have intimated that the cost of administering the Licensing Act 2003 has been levied on to the Taxi fees. However, this is incorrect. As the financial data provided to you clearly outlines, the fees are apportioned 60 / 40 to take into account the liquor licensing administrative costs.

Thirdly, the staff salary and associated costs were £124,224 for the financial year 2007/2008 and £118,170 for 2004/2005. The costs should have read £124,224 for 2007/2008 and we understand that the incorrect figure was provided due to a typographical error. As you can see, the increase from 2004/2005 to 2007/2008 is nominal.

In terms of Section 70 Local Government (Miscellaneous Provisions) Act 1976 there is no obligation to maintain independent accounting records for the Taxi Licensing function and your understanding of this section is incorrect.

I hope my response to your query addresses the issues in your objection sufficiently for you to withdraw your objections. If not, then I shall take a report to Cabinet outlining your objections and our response.

Yours sincerely

David Kennedy
Chief Executive