

Dear, Steve Smith, on behalf of the TTCG.

With reference to your response to the consultation in relation to the setting of Driver Licence fees, that has been presented to the Licensing Committee in full for their consideration, when deciding on the fees. You specifically requested a written response to two points in your letter from the Head of Service, as the position of Head of Service no longer exists for either The Licensing Department or Financial Services, I will be making the response as the Environmental Health and Trading Services Licensing Manager which has the oversight of the Licensing Department at Brentwood. I will deal with all points of your response in turn:

1. There is no disagreement that there is a substantial increase in the fee. However, the current figure of £240 does not include the additional £52 for the DBS check or the additional £15 that also has to be paid by drivers for the DVLA annual check during the duration of the three year licence whereas the £406 proposed fee does include these charges.

The increase in the renewal fee is £99 and not £166 as suggested in your representation when you include all the relevant costs given above

The increase whilst substantial is essential to ensure that the service operates on a cost recovery basis.

2. There is no disagreement that TFL licensed drivers, such as those operated by Uber, are providing an increasing competition for Brentwood licensed drivers which is likely to be having an impact on the income of the Brentwood licensed trade. However, the fees proposed are based on a cost recovery model and only reflect the cost to Brentwood Council of licensing their drivers.
3. With approximately 350 licensed drivers, the Council have not been in receipt of the same level of complaints regarding the service received from the Licensing Department. The Council generally is changing the way it engages with its customers, and is trying where possible to utilise online and email communication, as opposed to telephone and face to face contact. This supports the Council's new ways of working such as hot desking/remote working. The Licensing Department has a dedicated email address licensing@brentwood.gov.uk which they are advising communication through where possible, and most applications are now accessible via the website. The way in which drivers access the service has changed, but this has not resulted in a drop in the level of service, most enquires, and requests are responded to within an appropriate time frame dependent on their urgency.
4. The Report that went to Committee on the 3 November 2015 did have two fundamental issues, the first related to the prediction of the income for future

years. This principally related to the prediction that had been made with the expected number of new or renewed licences that would be processed in the following years. As an example, the predicted number of renewals for the 17/18 period was given at committee as 151, whereas the actual figure drawn from the licensing database shows that this figure for renewal will only be 31, which resulted in a £28,800 reduction in income, based on a £240 application fee.

It was also provided in the notes at the bottom of Appendix C of the report of the 3 November 2015, on page 43 that:

“From 1 October 2016 there will be a significant reduction (estimated at approximately £25,000 PA) in income caused by the loss of 1 and 2-year licences. Whilst this would be likely to require an increase in fees, there should be an associated reduction in costs by 2017/18. Therefore, this will be monitored and adjusted as appropriate.

Whilst expecting to make a year on year loss from 2016/17, there is an expected surplus of £41,716 by the end of the current financial year. In order to reduce this, the overall fees have been reduced by £115. However, these will need to be closely monitored and assessed to reflect potential changes following the change to three-year licences only, which will reduce income and may reduce expenditure to compensate.”

The second issue that contributed to the accumulated deficit, was discovered after TTCG questioned the figures from previous years, when Finance looked back at the figures it was noted that the figures that had been used by licensing in the preparation of the 3 November 2015 report had been based on predicted income over the previous years and the spreadsheet at the end of the relevant financial years had not been updated with actual data for that year. Once this data was refreshed it contributed further to the deficit on the account.

It is accepted that these errors have hidden what was a deficit on the account. The proposal to not carry forward this deficit into future fee setting is the recognition of this error and there is no cost passed onto the trade.

5. Central support calculations are a very lengthy process and has to be looked at across the Council as a whole. The methodologies used for the Council's Central Support recharges are reviewed on an annual basis. Financial Services is one of the recharging departments and its full costs including recharges received from other central support departments (e.g. Office Accommodation and Human Resources) are apportioned to services across the Council. The figures reported are those that were attributed to the Licensing Accounts for those periods.

As an example, the total cost of Financial Services for 2012/13 was £1,376,994 and in accordance with accounting practice this full value is then recharged to each of the services which the Finance function supports. For 2012/13, a total recharge of £68,958 was made to Licensing, this equates to 5% of the total costs

of Financial Services. From this figure, £31,207 was then charged to the Taxi Licensing trading accounts based on time allocations from the direct operational staff. This equates to 2.27% of the Total costs of the Finance Department.

The cost of Financial services has reduced over the years as efficiency savings and restructures have taken place, this is reflected in the 16/17 accounts which allocate £11,374 to the taxi licensing which is a reduction on the years that you refer to.

6. This point has been addressed in point 5 above.
7. Time monitoring by the Licensing Department has been undertaken during periods since August 2017 there is no requirement in legislation or any guidance on fee setting that requires continuous time monitoring at all times. It is for the Council to utilise a system that it can accurately allocate its time spent against each licensing regime. For the last two years there has been no time monitoring undertaken.

In 2013 time monitoring was carried out constantly for that year which demonstrated that it spends 18.64% of its time on driver licensing related activities. The service has not really changed much between then and 2016, where there was a reduction in the team with the post of licensing administrator being deleted and the position of Principal Licensing Officer being reduced to two days per week. It's worth noting that the current percentage of time that is allocated to drivers licences for this current year is 12.83% which has been estimated down to reflect the changes in staffing structure.

The TTCG have been previously advised that time monitoring will be reinstated so that it can re assess the percentage of time it is providing to each licensing regime, particularly to reassess the time that is being spent with the new structure.

A system is now in place that is recording the time spent by all members of the Licensing Team. This process will be continued for as long as the Council feels necessary to justify its fees, and will be revisited where necessary in the future. There is no commitment or requirement that this will be a process that will be carried on continuously, but is something that will be reviewed where there are further significant changes or when the council feels necessary. The results of the time monitoring will be incorporated into the fee calculations, and if less time is being spent then costs will be reduced, conversely if the time is greater costs will rise.

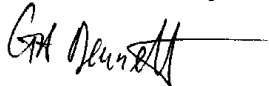
8. This point has been addressed in point 7 above, although it is emphasized that it is not required in legislation that time recording is undertaken.
9. Assurances can be given that:

- i) As mentioned above in point 7, time recording is now in place and will continue for as long as necessary to establish the cost of each licensing regime.
- ii) Time recording is already and will be subject to at least a quarterly review by management to ensure that all members of staff are recording their time correctly.
- iii) A system is already in place between Finance and the Licensing Department to monitor the budgets for the accounts relating to Licensing Department on at least a quarterly basis.
- iv) A summary will be made of the quarterly review findings which will be shared at TTCG meetings.
- v) As per current process the TTCG will be consulted on any fee setting, which would include consultation over any future deficit or surplus on any of the taxi licensing accounts.

10. Assurances have been given to you in relation to all the points you have requested, which I hope satisfies your requirement to not oppose the proposed licence fees.

I understand the frustrations of the trade with the previous confusion around the fee setting process and in particular the potential to have year to year changes in fees to balance as closely as possible the fees collected for driver licences with the costs to the Council of administering these licences. Staff turnover prevents us from calling upon officers in post at the time of previous fee setting processes to clarify the circumstances around their decisions at that time, however I am confident that with the level of scrutiny that both Paul Adams and the Finance Department have given to ensure the accuracy of the historical information, and with the systems that they have put in place to accurately monitor the budgets and to collate the relevant information, will ensure a transparent fee setting process on a cost recovery basis.

Yours sincerely



Gavin Dennett
Environmental Health and Licensing Manager