



Report of: Assistant Chief Executive (Corporate Governance)

To: Executive Board

Date: 8 February 2008

**Subject: Design & Cost Report: 225 York Road Taxi Licensing Extension
(Capital Scheme Number 14076)**

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

Executive Summary

The purpose of the report is to request Executive Board to:-

Inject a further £84k into the Capital Programme, and give authority to incur expenditure on construction £610.0k, equipment £17.6k and fees £78.5k.

1.0 Purpose of this Report

- 1.1 The purpose of the report is to request Executive Board to approve a further injection of £84k into the Capital Programme, and give authority to incur expenditure on construction £610.0k, equipment £17.6k and fees £78.5k.

2.0 Background Information

- 2.1 This extension to the existing purpose built accommodation for the Taxi & Private Hire Licensing Section at 225 York Road is required to accommodate an increase in the number of staff approved by the Chief Officer HR's Delegated Decision Panel on 4 January 2006 and to improve visitor facilities, customer management, storage, meeting and interview facilities.
- 2.2 There are no sources of external funding available for this work. The Local Government (Miscellaneous Provisions) Act 1976 stipulates that the cost of taxi and

private hire licensing should be recovered from the licence fees, and not be funded from any other external source. The legislation does allow for the local authority to part fund the service if required. In Leeds the service is 100% funded through the licence fees and Service Level Agreements with other Council Departments.

2.3 Alternative options considered included: -

- i. Cessation of the Service – This was discounted as this licensing function is statutory and must be provided by the local authority.
- ii. Relocation of the Service – This was discounted as the existing accommodation was purpose built out of available surplus licence fees in 1999. The building is in an ideal location with easy access for customers and the potential cost of relocating the service's specialist vehicle inspection equipment to an alternative location would be prohibitive.
- iii. Relocation of Vehicle Inspection Service – The Council's Business Process Re-engineering (BPR) Team were asked to investigate whether a merger of the Vehicle Inspection service with the Vehicle Management and Maintenance service in Transport Services would lead to efficiencies for the Council. They carried out their investigation during December 2007 and January 2008 and concluded that any such change would incur significant cost, would not be without significant risk and would seriously impact on the quality of service provided. This option was therefore also discounted. A full copy of their report is available on request.
- iv. Make use of alternative accommodation for interview facilities – This was discounted due to the need to provide PACE (Police and Criminal Evidence Act) interview facilities for enforcement officers providing access to PACE interview recording equipment and video playback facilities. The building currently has one PACE interview room which is also used by other enforcement officers from Entertainment Licensing when they need to carry out PACE interviews. The proposed new facilities will continue to be available to officers from Entertainment Licensing and any other Council service requiring use of PACE interview facilities.
- v. Make use of Contact Centre Facilities – The use of the Contact Centre to handle routine taxi and private hire telephone enquiries will be considered separately as part of Customer Service's work programme and does not affect this proposal.
- vi. Take no Action – This option was discounted as the existing accommodation cannot accommodate the increase in staff over the longer term, and comments raised by visitors and external ISO auditors concerning the poor visitor waiting areas and facilities required action to be taken. The poor layout of the administration areas has also been highlighted by the Council's Internal Audit and Risk Assessment Team. Members have also actively encouraged the expansion of the Section having visited the premises regarding the poor public facilities and lack of adequate space for licensing administrative staff.
- vii. Extend Current Accommodation – This was seen as the ideal solution providing minimum disruption to the staff and customers, and continuity of the service is maintained.

- 2.4 The service is funded through the taxi and private hire licence fees and Service Level Agreements with other Council Departments. The licence fees are set against the expected number of new licence applications and renewals based on average figures identified as trends from previous years. The licence fees are also set to accrue a surplus every year to be used for operational matters, such as court costs and funding new developments, such as a replacement ICT system, etc. This method of funding guarantees a surplus every year for use developing the service. Sufficient surplus has accrued over the past few years to allow £187,900 revenue to be used to fund this project. In future years, the cost of the unsupported borrowing will be paid for out of the existing surplus each year. If for any reason the surplus did not meet the repayment costs for a particular year, the required payment would be met from within the existing budget, although this is considered to be a minimal risk based on previous income trends.

3.0 Main Issues

3.1 Design Proposals / Scheme Description

- 3.1.1 Please see attached drawings of the proposed scheme. ADS were asked to provide a design that met the requirement to accommodate an increase in staff and to improve staff/visitor/customer facilities, customer management, storage, car parking, meeting and interview facilities at 225 York Road.
- 3.1.2 The proposed Extension to 225 York Road provides 143.7m² ground floor office accommodation and 143.7m² of storage accommodation to the first floor allowing for future expansion when required.
- 3.1.3 Additional car parking has been achieved with the development of the access driveway to the site.
- 3.1.4 M&E services have been developed to facilitate any future adaptations to the first floor in order to accommodate further office provision.
- 3.1.5 The character of the proposed extension follows the architectural precedence of the existing building.

3.2 Consultations

- 3.2.1 Staff, Members of the Licensing and Regulatory Panel and representatives of the hackney carriage and private hire trade were consulted on these proposals. No objections were received.

3.3 Programme

- 3.3.1 Tender out date: 13 February 2008
Tender in date: 19 March 2008
Chief Officer approval: 2 April 2008
Start on site: 16 April 2008
Finish on site: 19 December 2008
Health and Safety file: 9 January 2009

- 3.3.2 It is intended that the service will continue to be provided from 225 York Road during the construction. ADS will ensure any health and safety considerations are fully addressed.

4.0 Implications for Council Policy and Governance

4.1 Compliance with Council Policies

- 4.1.1 The service contributes towards the Leeds Strategic Plan 2008-11's vision of a Modern Transport System by Improving the quality, use and accessibility of hackney carriage and private hire services in Leeds. The enforcement services the Section provides also contributes to the Strategic Plan's vision of Thriving Places by helping to reduce crime and fear of crime through prevention, detection, offender management and changing behaviours.
- 4.1.2 The requirement to increase the staffing at 225 York Road was a service priority highlighted on the 2005/06 Service Improvement Plan for the service, and the need to extend the building is highlighted as a service priority for the 2007/08 Service Improvement Plan.

4.2 Council Constitution

- 4.2.1 This decision is a Key Decision and eligible for call in.

4.3 Community Safety

- 4.3.1 The proposals contained in the report do have implications under Section 17 of the Crime and Disorder Act 1998, namely: -
- 4.3.2 The building has not been a source of any crime or disorder since it was constructed in 2000. The design of the extension has been developed in consideration of the existing site and respects the existing boundaries of the site so it is not anticipated that this will affect the local community or promote any crime or disorder.

5.0 Legal and Resource Implications

5.1 Scheme Design Estimate

- 5.1.1 The proposed Extension to 225 York Road is estimated to cost £706.1k. This can be analysed as construction £610.0k, equipment £17.6k and fees £78.5k. .

5.2 Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0						

CONSTRUCTION (3)	610.0		50.0	545.0	15.0		
FURN & EQPT (5)	14.5			14.5			
DESIGN FEES (6)	78.5		40.0	30.5	8.0		
OTHER COSTS (7)	3.1			3.1			
TOTALS	706.1	0.0	90.0	593.1	23.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
Unsupported Borrowing	518.2			503.2	15.0		
Revenue Contribution	187.9		90.0	89.9	8.0		
Total Funding	706.1	0.0	90.0	593.1	23.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

5.3 Revenue Effects

5.3.1 The following table illustrates the alterations which will be necessary to the department's revenue budget:

REVENUE EFFECTS	2007/08 £000's	2008/09 and SUBSEQUENT YEARS £000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES		
UNSUPPORTED BORROWING (15YRS)		50.0

5.3.2 The borrowing costs on the unsupported borrowing of £518.2k are estimated to be £50k per annum. These additional costs will be funded by surpluses generated via the taxi and private hire licence fees as stated in para 2.4.

5.4 Risk Assessments

5.4.1 Operational risks will be addressed by effective use of CDM regulations, close supervision with the contractors and continual liaison with the trade and staff at 225 York Road. At this stage there are no known issues relating to design, site conditions, planning and refurbishment.

6.0 Recommendations

6.1 Executive Board is requested to: -

- i. Approve a further injection of £84k to the 2007/08 Capital Programme; and
- ii. Give authority to incur expenditure.