

Licensing Committee

Licensing Fees and Charges 2023/24 – Consultation Responses

8 June 2023

Report of Licensing Manager

PURPOSE OF REPORT

The purpose of the report is for members of Licensing Committee to consider consultation responses regarding proposed licensing fees and charges, and set animal, miscellaneous and hackney carriage/private hire licensing fees and charges for 2023/24.

This report is public.

RECOMMENDATIONS

- (1) **Members are requested to consider the responses received as part of the public consultation, and;**
- (2) **Set fees and charges for taxi/private hire licensing, animal related licences and all other miscellaneous licences administered by the licensing function of the Council. (Eg. Scrap metal/Tattoo/Street Cafes/Second hand dealers/SEVs).**

1.0 Introduction

1.1 This report is concerned with the setting of licence fees for the following licences.

- Driver, Vehicle and Operator Licences (Taxi and Private Hire)
- Transfer of Ownership and Change of Vehicle Licences
- Scrap Metal Dealers (Mobile and Site)
- Street Cafes
- Skin Piercing Registration (Personal and Premises)
- Sexual Entertainment Venues
- Sex Shops
- Boatman and Pleasure boats
- Second-hand goods dealer/Market trader
- Animal-related licences

The setting of such fees is a non-executive function and is therefore a matter for this Committee.

1.2 Licensing fees for taxi/private hire, animal and miscellaneous licensing are considered and set under the following legislation.

- Local Government Miscellaneous Provision Act 1976

- Local Government Miscellaneous Provision Act 1982
- Scrap Metal Dealers Act 2013
- Highways Act 1980
- County of Lancashire Act 1984
- Public Health Acts amended Act 1907
- The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018

2.0 Background

2.1 The Council's Fees & Charges Policy states that when setting discretionary charges, the general aim is to cover the cost of the service, accurately reflecting the full cost of provision including recharges. However, fees must be reasonable and proportionate. The fees and charges policy in relation to licensing fees offers a standard of good practice, although it is not legally binding on Licensing Committee.

2.2 It is also a requirement of the Council's fees & charges policy that fees be reviewed annually to ensure that costs are appropriately recovered. It is not lawful however, for the council to seek to make a profit from licence fees that are within its discretion.

2.3 Licensing fees have remained consistent with those set in 2019, when a full review of the service fees and charges were determined by the then, Licensing Regulatory Committee. The coronavirus pandemic followed in March 2020, during this time and to assist business recovery, fees set by Lancaster City Council were frozen, therefore no review of licensing fees and charges has been undertaken since 2019.

2.4 A full and detailed review of the current fee-setting framework has been undertaken by the Licensing Manager and Service Finance Officer. Including, time monitoring exercises, scrutiny of previous year(s) data and analysis of potential anomalies in projected figures and subsequent income.

2.5 Updated fees reflecting the review were proposed and considered by Licensing Committee in March 2023.

It was agreed "That licensing and miscellaneous licence fees would be increased, not by the recommended amount, but by 20% (to the nearest pound) now; and to affect a further increase in the following year with a view to achieving full cost recovery in 24/25, accepting that the fee increases may again be above inflation. The reason for the two-stage increase is to smooth the impact on the trade." and

"That the Committee approve the new licensing fees for animal-related licences as detailed in the review". (full cost recovery)

2.6 The proposed fees were advertised as required by s70 of Local Government Miscellaneous Provisions Act 1976 as part of a public and trade consultation. For completeness/transparency of process all fees subject to change were advertised as part of the consultation.

The advert was placed in the Lancaster Guardian, at both Morecambe and Lancaster Town Hall, Lancaster City Council website, additionally members of the licensed trade were invited to make comments on the proposed fees.

A copy of the consultation advert is attached at **Appendix 1**.

3.0 Consultation Responses

- 3.1 During the consultation period 10 responses were received, all from licensed hackney carriage or private hire drivers/operators. Each response raised an objection to the proposed increase in licensing fees.

Consultation responses are attached at **Appendix 2**.

- 3.2 In summary, those raising an objection to the fee increase felt that increasing the fees by 20% was too much and that it would have a negative impact on the licensed trade. Currently, there is a shortage of licensed drivers, increasing fees would further exacerbate the issue. Further comments are noted regarding poor levels of service and problems in contacting the licensing service.
- 3.3 No responses to the consultation were received from any miscellaneous, animal related licence holder or any other persons.

4.0 Options

The options available to members are twofold:

- i. To set fees and charges to allow for full cost recovery as proposed by the Animal Licensing Manager and Finance Officer for animal related licences.
- ii. Increase miscellaneous/taxi related fees by 20% as proposed, set out in **Appendix 1**, with a view to achieving full cost recovery by 2024/25.
- iii. Upon consideration of the consultation responses, members may wish to amend/maintain any licence fee as appropriate.

6.0 Conclusion

- 6.1 Licensing fees have been frozen since 2019/20, current fees and charges do not reflect the cost of running the licensing service. If current fees are maintained, the service would continue to run at a significant loss. The review and proposed increase in fees are necessary to balance the budget and cost of service delivery by 2024/25.
- 6.2 It is important to acknowledge the consultation responses and concerns of the those making representation. It has been widely reported that numbers of drivers both locally and nationally have reduced significantly, it is part of the licensing workplan for 2023/24 to increase driver numbers and work with internal/external partners to promote the profession. Furthermore, the private hire and hackney carriage licensing policy (adopted by this committee in April 2022) will be reviewed in the coming months, application standards will be reviewed as part of this process.
- 6.3 It is suggested by those making representation that the proposed fees do not represent the level of service expected by licence holders. It is important to highlight that the licensing service is not solely funded by taxi/PH and miscellaneous licence fees, the scope is wide and the workload ever increasing. Licence fees are set on a cost recovery basis, with the fee payable accounted for the time taken to process and administer each individual licence.

6.4 Members are requested to provide full and detailed reasons for their decision.

CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

None.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no adverse comments to make regarding the content of the report.

FINANCIAL IMPLICATIONS

Licensing fees have been frozen since 2019/20, The volume of licences also dropped over that period, but costs have continued to rise, consequently the Licensing function has been running at an average deficit of circa £80K pa over the period 2020/21 to 2022/23. It is not proposed to seek to recover the losses from previous years but set fees with a view to achieving full cost recovery. At present the fees for Licensing Act 2003 and Gambling Act 2005 are set nationally so we are unable to recover any potential losses on these.

The fee income for the current year will be reviewed as part of the closure of accounts and the Council's usual monitoring arrangements with any significant variances being reported as appropriate.

BACKGROUND PAPERS

Licensing Committee March 2023

- Proposed Licensing Fees 23/24
- Review of Licensing Fees for Animal-related Licensing

Contact Officer: Jennifer Curtis

Telephone: 01524 582732

Email: jcurtis@lancaster.gov.uk

Ref: FEES23/24