

# LICENSING REGULATORY COMMITTEE

## PROPOSED LICENCE FEES 2011/12 17th February 2011

### Report of the Licensing Manager

#### PURPOSE OF REPORT

This report is to enable Members to consider the level of fees for 2011/12

**This report is public**

#### RECOMMENDATIONS

- (1) **Members are recommended to approve the proposed changes for the hackney carriage vehicle and driver licences and the private hire vehicle, driver and operator licences for 2011/2012 , as set out in Appendix C, and to authorise the Head of Governance to advertise the proposed increases for vehicle and operator licences in accordance with the statutory requirement.**
- (2) **Members are recommended not to make any change to the fees for miscellaneous licences**

#### 1.0 Introduction

- 1.1 The report is concerned with the setting of the licence fees for hackney carriage and private hire licences and miscellaneous licences issued by the Council. As Members will be aware, licences issued under the Licensing Act 2003, together with the licences issued under the Gambling Act 2005 fall within the remit of the Licensing Act Committee and not this Committee. Members are reminded that for the purpose of 2010/2011 budgetary process the Committee approved an increase for the hackney carriage vehicle licence fee for 2010/11 from £215.00 to £308.60 to cover the additional costs of the Hackney Carriage Demand Survey, the Committee was satisfied that there should be no further increase in licence fees for hackney carriages and private hire licences and for miscellaneous licences. Indeed, there have been no increases in fees for the above categories since April 2007. The cost of the survey is a one off every 3 years and as such should be removed from the hackney carriage vehicle licence fee, before any further increases are applied. Refunds will be made to the extent that the amount raised through the one-off increased fee exceeded the final cost of the survey.
- 1.2 As Members are aware, it has for many years been the policy of the Council for the licensing service to be self-financing. There are some licences, for example street collection permits, where no fee may be charged. There will inevitably be a deficit in respect of these miscellaneous licences.

- 1.3 The annual revision of fees seeks to ensure that the costs of the service will, so far as possible, be met from the income. However, it is not lawful for the Council to seek to make a profit from licence fees that are within its discretion. In particular, with regard to hackney carriage and private hire licensing, Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a District Council may charge such fees for the grant of vehicles and operators licences as may be sufficient to cover in whole or in part the reasonable costs of carrying out inspections of hackney carriages and private hire vehicles, the reasonable costs of providing hackney carriage stands, and any reasonable administrative or other costs in connection with the control and supervision of hackney carriages and private hire vehicles. Fees charged for drivers' licences may also be set at an appropriate level to cover the cost of issue and administration.
- 1.4 Following a financial assessment of time allocations for licensing staff, internal departmental re-charges together with other costs born by the licensing service over the last year, the current fees charged for hackney carriages and private hire vehicle licensing and miscellaneous licensing have been reviewed. As a result of this exercise, it was established that substantially more officer time is being spent on hackney carriage and private hire licensing than was the case twelve months ago, and, taking this into account, the budgeted cost of hackney carriage and private hire licensing for 2011/12 will be £226,300, and for miscellaneous licensing £14,900.
- 1.5 It is of course impossible to estimate with any degree of certainty the amount of income from licence fees, given that some licence holders may decide not to renew their licence, and there may or may not be a number of new applications for licences. However, on the basis of the best possible estimate of numbers of licences that will be issued in 2011/12, it is estimated that, if the fees remain at the same levels as in 2010/11, income from hackney carriage and private hire licensing will be £159,000 and for miscellaneous licensing £13,600.
- 1.6 Officers consider that it is necessary to increase the hackney carriage and private hire licensing fees but not necessary to increase the fees for miscellaneous licences. With regard to miscellaneous licensing, this does mean that there will be a budgeted deficit of £1,300, but it is felt that this properly reflects the work undertaken in respect of licences where a fee cannot be recovered. For Members' information, the above two categories of fees are attached to this report at Appendices A and B.
- 1.7 Officers recommend that an increase of 10% is applied across the fees for hackney carriage and private hire licensing, with an exception being made for private hire operators licence fees. Officers recommend that the increase is only applied to large operators with 26 or more vehicles. Based on the disproportionate amount of time that officers have spent dealing with vehicle licensing this would still leave a shortfall of £51,400. Officers recommend that this is closely monitored throughout 2011/2012, and should this trend continue a further increase would be required in 2012/2013.
- 1.8 It is also recommended that the issuing of a dual badge for private hire and hackney carriage drivers be approved, with the fee being set at £85.
- 1.9 Members should note that the cost for a private hire and hackney carriage plate has been reduced to £6, this is to reflect the reduced cost of the materials since the introduction of the new plates in June. In addition the fee of £6 each for the door signs has been added to the table of fees, as these had previously been supplied by an external supplier direct to the proprietors, with proprietors paying the supplier.

1.10 The control of hackney carriage and private hire vehicles, and associated drivers and operators, is a time consuming and costly exercise, and it is quite legitimate for a local authority to recover as much of their costs as they are able to in relation to this. Those involved in the hackney carriage and private hire trades are in a business and it would be difficult to justify an approach whereby a local authority subsidises private enterprise by refusing to recover as much of the costs associated with its statutory duties as it is able to do so.

## **2.0 Options and Options Analysis**

2.1 The options are as follows :-

**Option 1** – to adjust the fees for hackney carriage vehicle licences to take in to account the £93.60 increase applied in 2010/2011 to pay for the unmet demand survey and to approve the revised fee for hackney carriage and private hire licensing as set out in Appendix A.

**Option 2** – to approve an alternative fee structure.

**Option 3** – to make no change to the current fee structure (save for an adjustment in respect of the survey fee)

2.2 The Officers' preferred option is Option 1. It is not in accordance with the Council's policy for the cost of licensing to be born by the council taxpayers. However, given the increase in officer time spent on hackney carriage and private hire licensing over the last twelve months, it is felt reasonable not to seek to recover the whole of the budgeted deficit through a higher increase in licence fees at this stage, but to keep the position under review over the next year.

## **3.0 Conclusion**

3.1 The legislation requires that any increase in the licence fees in respect of private hire operators and hackney carriage and private hire vehicles to be advertised, and a period of 28 days allowed for objections. Members are therefore recommended to approve the increase in the hackney carriage vehicle and driver licence fee, and the private hire vehicle, operator and driver licence fees and to authorise the Head of Governance to advertise the proposed increases as required by statute.

### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

The proposed change does not have the potential to cause negative impact or discriminate against different groups in the community based on age, disability, gender, race/ethnicity, religion or religious belief (faith), sexual orientation, or rural isolation.

### **FINANCIAL IMPLICATIONS**

Financial Services have been consulted and have assisted the Licensing Manager in the preparation of the report. They are satisfied that the proposed fees will contribute to generating sufficient income to comply with the Council's policy of having, so far as possible, a self-financing licensing service, however the position will need to be closely monitored. The proposal would generate an additional income of approximately £15,000.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no comments to add

**LEGAL IMPLICATIONS**

Legal Services have been consulted and their comments have been incorporated in the report.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

None

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