

LICENSING REGULATORY COMMITTEE

Options for Reducing the Licensing Fees Deficit 3rd September 2015

Report of Chief Officer (Governance)

PURPOSE OF REPORT

To enable the Committee to consider options for reducing the shortfall of income from hackney carriage and private hire licensing fees.

This report is public

RECOMMENDATIONS

(1) The Committee's views are sought.

1.0 Introduction

- 1.1 At its meeting on the 26th March 2015, the Committee considered objections to proposed increases in vehicle and operator licence fees which had been advertised in accordance with the Local Government (Miscellaneous Provisions) Act 1982. The increases, which were subsequently confirmed at that meeting, were 3%, and the approved budget indicated that this would result in a shortfall of around £67,100 in 2015/16 between the costs of taxi licensing and the projected income from fees.
- 1.2 At the meeting, Members requested that options for reducing the deficit be presented to the Committee.
- 1.3 Subsequently at the meeting of Council on the 15th April 2015, in response to a question on notice about the shortfall, the Leader noted that Cabinet was responsible for determining the structure and scale on which the Licensing service is provided, and asked for a report to enable Cabinet to consider all the options available. The attached report (Appendix 1) was due to be considered by Cabinet at its meeting on the 1st September 2015, and the views of Cabinet will be reported orally at this meeting.
- 1.4 This report addresses the options available to this Committee for reducing the deficit.

2.0 Proposal Details

- 2.1 As indicated in the Cabinet report, the level of service provision is a matter for Cabinet. However, the setting of licence fees is a matter for this Committee. Fees are set annually in February each year for the forthcoming financial year.

- 2.2 The Local Government (Miscellaneous Provisions) Act 1982 provides that a council may charge such fee for a hackney carriage or private hire driver's licence as it considers reasonable with a view to recovering the costs of issue and administration. The Act further provides that a council may charge such fees for vehicle and operators' licences as may be sufficient in the aggregate to cover in whole or in part the reasonable cost of carrying out inspections of vehicles for the purpose of determining whether a licence should be granted or renewed, the reasonable cost of providing hackney carriage stands, and the reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles. The legislation provides that any variation of the fee for an operator's licence or a vehicle licence must be publicly advertised, and any objections considered.
- 2.3 The LALPAC software currently used by Licensing staff has a recently enhanced facility for recording time against itemised tasks, and this is being used to review the time that is spent in respect of each type of licence, and this information will inform the proposals for the licence fees for 2016/17. This will enable the proposals to indicate as accurately as possible the costs which may be recovered from the licence fees. It is inevitable that a small element of the work undertaken, in particular driver enforcement, will not be recoverable through the fees. At the start of this financial year, the non-recoverable costs of taxi licensing were calculated at around £15,700. The streamlining of administrative processes recently has enabled officers to reduce the time spent on processing taxi driver and vehicle licence renewals and for more time to be spent on Licensing Act 2003 and Gaming Act 2005 applications. Likewise, more enforcement officer time has been allocated to inspecting premises licensed under the 2003 and 2005 Act, and this reallocation of staff time means that it is likely that the projected taxi shortfall for 2016/17 will be significantly reduced.
- 2.4 Clearly, the most obvious option for reducing any shortfall is for the Committee to set fees that will provide an income that meets the costs that are permitted to be recovered under the Local Government (Miscellaneous Provisions) Act 1982. This could be done immediately in the next financial year or on a phased basis. It is recognised, however, that this is not straightforward, given the requirement in recent legislation to issue drivers' licences for three years and operators' licences for five years, so that a steady stream of income may not be received in each financial year. Further, it is accepted that to recover all the rechargeable costs through the fees may result in an increase in some licence fees, which may result in objections from the trade, and a possible reduction in income if fees are increased and some licences are not renewed.
- 2.5 Whilst the scale on which the service is provided is a matter for Cabinet, some reductions in costs could potentially be made if the Committee were minded to delegate more decisions, for example the refusal of licence applications, or the approval of minor amendments to the rules and regulations, to officers. This would reduce the officer time spent on preparing reports for Committee and attending Committee. However, it is difficult to quantify in advance how much these savings would be.

3.0 Details of Consultation

- 3.1 There has been no consultation. This report is to be considered in conjunction with the views of Cabinet following its meeting on the 1st September.

4.0 Options and Options Analysis (including risk assessment)

4.1 The Committee's views are sought as to whether it wishes officers to look at any specific changes to its delegations and procedures which would save officer time and thus reduce the costs of the licensing service.

5.0 Conclusion

5.1 The Committee's views are sought.

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

None directly arising from this report.

LEGAL IMPLICATIONS

The legislation prescribes the licensing costs that may be recovered through the licence fees.

FINANCIAL IMPLICATIONS

As stated in the report, the cost of providing the various hackney carriage and private hire licences is to be reviewed as part of the 2016/17 budget process. Any proposals regarding the level of service arising from both the Cabinet report and this report will be included within that review. The current estimated shortfall on the taxi licensing account for 2015/16 is £67,100.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None

Information Services:

None

Property:

None

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The report has been prepared by the Monitoring Officer in her role as Chief Officer (Governance)

BACKGROUND PAPERS**None****Contact Officer:** Mrs S Taylor**Telephone:** 01524 582025**E-mail:** STaylor@lancaster.gov.uk**Ref:**