

LICENSING REGULATORY COMMITTEE

Proposed Licensing Fees 2019/20 21st March 2019

Report of the Licensing Manager

PURPOSE OF REPORT

The report provides detailed budget information for the Licensing services and sets out proposed fee levels to enable Members to consider setting fees for 2019/20.

This report is public.

RECOMMENDATIONS

That the licensing fees for Taxi, Private Hire and Miscellaneous licences be determined for 2019/20 on consideration of the information and options contained in this report.

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

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 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

2.0 Setting Fees

- 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 Regulatory 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.

3.0 Method of Fee Construction

- 3.1 As set out in last year's report, a full review of the current fee-setting framework has been undertaken by the Licensing Manager and Finance Officer, including, time monitoring exercises, scrutiny of previous year's data and analysis of potential anomalies in projected figures.
- 3.2 An updated list of licence fees which reflect the review is attached at **Appendix A**. Also included is the projected fees should members prefer applying the current rate of inflation 2.1% (2019/20 RPI) to current fees.

4.0 The Legal Position

- 4.1 Traditionally the fees charged for licences have included the costs of the administration and issue of the licence, the costs of monitoring compliance, and the costs of enforcing against those unlicensed and licensed.

However, the case of *Hemmings v Westminster City Council* has clarified the costs that local authorities can include when setting licence fees. Local Authorities can no longer reflect costs of addressing unlicensed business activity when setting fees.

Taxi and Private Hire Licences

- 4.2 The power to charge a fee for a driver's licence (both Hackney Carriage and Private Hire) is found in section 53(2) of the Local Government (Miscellaneous Provisions) Act 1976, which provides that:
 - *Notwithstanding the provisions of the Act of 1847, a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.*
- 4.3 Therefore the fee must reflect the costs for the administration and issue of hackney carriage or private hire drivers licences.

4.4 The power to levy a fee for vehicle and operator's is contained within s.70:

- *Subject to the provisions of subsection (2) of this section, a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—*

(a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

(b) the reasonable cost of providing hackney carriage stands; and

(c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.

Therefore, the fee must reflect the costs of providing hackney carriage stands, control and supervision of licensed vehicles operating in the district, carrying out vehicle inspections and the administration and issue of hackney carriage or private hire vehicle and operator licences.

4.5 A licensing authority is entitled to set either the same or different fee levels for different types of applications: i.e. grant, renewal, variation, alteration or transfer.

5.0 Budget analysis

5.1 The net costs for the Licensing function covering hackney carriages, private hire vehicles and miscellaneous licenses for the years 2018/19 (outturn) and 2019/20 (projected outturn) are set out in the table below. The analysis also contains an updated projection for future years up to 2021/22.

5.2 Members will recall that whilst fee charging is designed to recover costs of administration and management of the Licensing function, full cost recovery was not achievable under the old framework. This was because not all licences are charged for and the Council is limited to recover the costs for those licenses that do attract a fee. A proportionate deficit is therefore expected.

BREAKDOWN OF COSTS FOR THE LICENSING FUNCTION					
	2017/18	2018/19	2019/20	2020/21	2021/22
Hackney Carriage/Private Hire	Actual	Forecast	Forecast	Forecast	Forecast
Central Overhead	152,600	146,600	156,700	165,800	170,800
Other Direct Costs	50,200	49,600	57,600	50,500	51,600
Licence Income	-135,200	-126,600	-114,300	-144,500	-135,400
Other Income	-47,600	-47,600	-56,600	-49,500	-50,400
Deficit	20,000	22,000	43,400	22,300	36,600
Less Non-Recoverable costs	-16,000	-16,200	-16,400	-16,600	-16,800
Revised Deficit/(Surplus)	4,000	5,800	27,000	5,700	19,800
Average Revised Deficit	12,460				
	2017/18	2018/19	2019/20	2020/21	2021/22
Miscellaneous Licences	Actual	Forecast	Forecast	forecast	Forecast
Central Overhead	22,200	21,300	22,800	24,100	24,900
Licence Income	-12,100	-9,300	-14,000	-10,700	-9,800
Deficit	10,100	12,000	8,800	13,400	15,100
Average Deficit	11,880				

6.0 Options

The options available to members are:

- i. To maintain current fees and charges
- ii. To amend to reflect the review of fees and charges by the Licensing Manager and Finance Officer to allow for full cost recovery, or;
- iii. Apply the current rate of RPI to determine new fees and charges for 2019/20.

7.0 Conclusions

- 7.1 The analysis of the budget carried out by the Licensing Manager, in conjunction with the Finance Officer, indicates that the proposed fees will continue to allow for full cost recovery where permissible.
- 7.2 Members are recommended to set the fees for hackney carriage, private hire and miscellaneous licences for 2019/20, in accordance with the statutory provisions on licence fees.
- 7.3 Should members decide to introduce a different fee structure then this will need to be proposed and agreed.

CONCLUSION OF IMPACT ASSESSMENT

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

None.

FINANCIAL IMPLICATIONS

Financial Services have been consulted and assisted the Licensing Manager in the preparation of the report. For information, the 2019/20 budget was agreed at Budget Council on 27th February 2019, i.e. before the review was concluded and as a result has been set at £3,200 higher than the figures shown in the main body of the report. 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.

LEGAL IMPLICATIONS

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

BACKGROUND PAPERS

None

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