

LICENSING COMMITTEE

PROPOSED LICENSING FEES 2025/26

6 February 2025

Report of the Licensing Manager

PURPOSE OF REPORT

To provide members with the necessary information to enable the setting of licence fees for 2025/26 (Taxi, Private Hire and Miscellaneous licences).

This report is public.

RECOMMENDATIONS

That the licensing fees for Taxi, Private Hire and Miscellaneous licences be determined for 2025/26 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)
- Skin Piercing Registration (Personal and Premises)
- Sexual Entertainment Venues
- Sex Shops
- Boatman and Pleasure boats
- Second-hand goods dealer/Market trader
- Pavement 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 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
- County of Lancashire Act 1984
- Public Health Acts amended Act 1907

- The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018
- Business and Planning Act 2020

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 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.

The Council's fees and charges policy is attached at **Appendix 1**.

2.3 A full and detailed review of Licensing fees and charges has been undertaken in conjunction with financial services. This has included time/task analysis for each licence type, scrutiny of application data and consideration of the operational changes within the Licensing service.

3.0 Method of Fee Construction

3.1 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. They can however recover inspection costs and monitoring compliance relating to those already licensed.

3.2 Therefore, time spent by the Licensing Service investigating unlicensed or alleged illegal activity has not been included in any time/task analysis.

Taxi and Private Hire Licences

3.2 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.*

3.3 Therefore the fee must reflect the costs for the administration and issue of hackney carriage or private hire drivers licences.

3.4 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.

3.5 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.

4.0 Proposed Fees

4.1 The Licensing service has historically been running at a deficit. It should be noted that not all time can be recovered so there will always be an overall deficit on Licensing for this. At present the fees for Licensing Act 2003 are set by central Government so we are unable to recover any potential losses. e.g. The cost of a temporary event notice is £21.00, the processing of this notification involves a consultation process and potentially may involve Licensing Sub-Committee hearings, all time and associated costs cannot be recovered.

4.2 A thorough costing exercise has been undertaken on taxi and miscellaneous licences, with a view to returning to full cost recovery where possible, attached at **Appendix 2** are the proposed fees for 2025/26; It is not proposed to seek to recover the losses from previous years.

4.3 It is important to highlight some of fees, the reason for their adjustment (increase/decrease).

- At a previous meeting of the Licensing Committee members agreed the use of a third party to manage the disclosure and barring application and interim check process. The cost of Interim checks is £7 per driver, per year, which is a direct cost that has to be passed to individual applicants/drivers. (£21.00 - 3-year licence)
- Reduction in cost of Hackney Carriage Vehicle Licence - £31.00 per year removed as a direct cost as a result of the Licensing Committee decision to make the prescribed roof-sign optional, the loss of income was accepted at the time.
- Pavement licence fees are maintained at maximum as determined by Licensing Committee (June 2024). Licensing and administrative officers are spending a significant proportion of time responding to non-compliance (from those licensed).

During the summer months licence-holders require significant monitoring, particularly in the town centres of Lancaster and Morecambe.

- Sexual entertainment venues (SEVs) and sex shops has seen a minor decrease in fees, Lancaster City Council do not have any licensed SEVs and has minimal administration and monitoring of the 1 licensed sex shop in the district.
- Other fees have seen a minor increase due to the review of the task/time analysis.

4.4 In line with Cabinet's recent endorsement of the latest version of the fees and charges policy and proposed inflationary uplift, the Animal Licence fees will be increased by 2.6% from 1st April 2025. Attached at **Appendix 3**.

5.0 Options

The options available to members are:

- a. To maintain current fees and charges
- b. Adjust fees as proposed at **Appendix 2**.
- c. Amend any individual licence/registration fee, and
- d. Advertise the updated fees as required by s70 of Local Government Miscellaneous Provisions Act 1976.

6.0 Conclusions

6.1 A thorough costings review has been undertaken, the Officer activity to administer and monitor individual licences has been scrutinised. The digitalisation of the taxi application processes is yet to be accurately reflected in licensing fees as the project still requires significant Officer time and resources, particularly for miscellaneous licences (digitalisation not yet implemented).

6.2 It is recommended that members set the fees for hackney carriage, private hire and miscellaneous licences for 2025/26, in accordance with the statutory provisions.

6.3 Should members decide to introduce a different fee structure then this will need to be proposed and agreed prior to advertisement.

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

None.

FINANCIAL IMPLICATIONS

The fees proposed in this report will have no overall impact on the budget, with the total income remaining roughly in line with the total income budgets recommended as part of the 2025/26 budget report to be presented to Council 26th February 2025 due to some increases and some decreases based on current costs.

LEGAL IMPLICATIONS

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

BACKGROUND PAPERS

None

Contact Officer: Jennifer Curtis

Telephone: 01524 582732

E-mail: jcurtis@lancaster.gov.uk

Ref: Fees 2025/26