

**Name of meeting and date: Licensing & Safety Committee
 24th September 2013**

Title of report: Proposals for increases in Licensing Fees

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Is it in the Council's Forward Plan ?	Not applicable
Is it eligible for "call in" by Scrutiny ?	Yes
Cabinet member portfolio	Cllr Peter McBride

Electoral [wards](#) affected and ward councillors consulted: All wards

Public or private: Public

1. Purpose of report

To seek approval to determine new fees for discretionary licensing fees for taxi and private hire and sex shop licensing.

2. Key points

2.1 Background

The Council periodically reviews the licensing fees and charges that it sets and this report brings forward for consideration a proposed Schedule of Licensing Fees and Charges

The Council may elect to subsidise licensing fees and charges but cannot raise revenue through its licensing activities. In previous years the Council has sought to recover its reasonable costs through its licensing fees and charges.

Some, but not all, of the relevant statutory provisions require that where it is proposed to revise Licensing Fees and Charges the Council publish a notice of its intention and afford a reasonable time for representations to be made and considered before proceeding.

The last increase in licensing fees was implemented in April 2011. That increase was at the then rate of inflation in recognition of the economic downturn. No increase was implemented last year due to the service financial position and an acknowledgment of the need to assist businesses in the current climate.

This year it is recognised that there is a forecast shortfall in taxi and private hire licensing in that the fees currently charged will not cover the full cost of service delivery. In recognition of the on-going economic downturn the proposal is to limit the increase in fees to 3.5 %

The increases in fees are proposed to ensure the Licensing Section receives appropriate resources to:-

- i. carry out its administrative and inspection activities and maintain it's enforcement role.
- ii. ensure that the section receives sufficient resources to ensure continued service delivery
- iii. achieve cost recovery.

2.2 Detailed Proposal

Taxi & Private Hire Licensing

An increase (less than inflation for the period since the last increase) of 3.5% is proposed across all discretionary fees covering taxi & private hire licensing. (Members are reminded that fees relating to licences issued under the Licensing Act for alcohol, entertainment, and late night refreshment activities, are set by central government and have not been increased since the Act came into force in 2005.)

The full range of fees for taxi and private hire licensing are at appendix 1. The fee setting processing combines all of the officer's average timings for carrying out their functions for the particular application process and management of that licence with a chargeable hourly rate. The timings have been established for the average application or licence, that being one that fits the norm rather than a complex or simple application. Although there will be applications and licences that are more or less complex than the norm, these tend to balance each other out. The hourly rates have been calculated for each of the different bands of officers involved in the process which takes into account not only the officer's salary costs but also the direct costs associated with that licensing regime, e.g. central service recharges such as HR, IT building maintenance to direct charges for legal, Committee Services, etc.

To calculate the fee the officer's hours are put together and the costs for those timings established. The total amount is then deemed to be the reasonable fee for that application process and to ensure compliance for that particular licence

Sex Shop Licensing

Due to an existing and anticipated decrease in compliance/enforcement costs during the next licence period the Licensing Service have reviewed the current sex

shop licence fees to ensure that they adequately reflect the costs associated with processing, administration and compliance of this licensing regime. The proposed fees reflect this reduction in costs and will enable the Council to reasonably recover its costs in relation to sex shop licensing.

In calculating the fee for these categories of sex establishment licences (sex shop, sex cinema) we have recalculated the approximate processing, administration, determination and compliance costs associated with each application type. There are currently 3 licensed sex shops in Kirklees.

The proposed fee for new and renewal licence applications will be £750.00 this is a reduction of £1825 from the current application fee. The cost relating to processing new applications and renewals includes the processing, administration and determination process the officer's salary costs and also the direct costs associated with that licensing regime, e.g. central service recharges such as HR, IT building maintenance to direct charges for legal, Committee Services, etc.

The review of the fee for these licences also accords with the decision in a recent case against Westminster City Council in 2012. The court reinforced the well-established legal principle that where a Council profits from licence fees, it must carry those surplus fees forward when determining any fees for future years. *R (Hemming & Others) –v- Westminster City Council 16th May 2012*

3. Implications for the Council

3.1 Positive implications

- i. An estimated £13k increase in overall taxi licensing fee income which will help maintain the level of Licensing's enforcement role across the licensable activities, including maintaining vehicle and driver standards within the Kirklees taxi and private hire fleet.
- ii. continue to achieve cost recovery

3.2 Negative implications

- i. Any increases in fees, particularly during a period of economic downturn, may cause anxiety within the taxi trade. Discussions with individual representatives of the trade will be carried out at in the statutory advertising period. It remains to be seen if objections will occur once the final proposals are published to drivers, proprietors and operators.

4. Consultees and their opinions

The fees relating to taxi & private hire licensing were published in a statutory Notice in newspapers across Kirklees on Friday 23rd August 2013. Representations were invited by Friday 20th September 2013. At the time of writing this report no representations had been received. Officers will update Committee on this aspect at the hearing.

5. Officer recommendations and reasons

Jacqui Gedman (Director Place), Paul Kemp (Acting Assistant Director Investment & Regeneration) Neal Fearn (H of S Building Control & Licensing), Catherine Walter (Licensing Manager) – Investment & Regeneration

The above officers recommend that Cabinet approve the proposals in full as otherwise there will be a shortfall in taxi & private hire licensing income which in turn will impact on service delivery and on enforcement issues in particular.

6. Cabinet portfolio holder recommendation

Cllr Peter McBride - recommends that the new fees be implemented.

7. Next steps

The taxi elements of the new approved fees required publishing by way of formal public notice and to allow 28 days for any representations as detailed above. Due to this the increases for all licences are proposed to be implemented from 1st October 2013.

8. Contact officer and relevant papers

Catherine Walter, Licensing Manager 01484 456860
Neal Fearn, Head of Service (Building Control and Licensing) 01484 221552

Appendix 1

Taxi Licensing 2013

		Current	Proposed	Difference	Approx No Per Year	Increase in Income
New Driver Application *		£252.80	£261.64	+ £8.84	158	£1,396.72
Annual Driver Renewal *		£49.50	£51.23	+ £1.73	2350	£4,065.50
New Private Hire Vehicle Licence (12 Months)		£243.06	£251.57	+ £8.51	300	£2,553
New Hackney Carriage Vehicle Licence (12 Months)		£243.06	£251.57	+ £8.51	50	£425.50
Operators Licence	less than 3 Vehicles	£92.70	£95.94	+ £3.24	65	£210.60
	more than 3 Vehicles	£195.70	£202.55	+ £6.85	65	£445.25
* Note – includes £7.76 for DVLA Check on Driver Renewals						
TOTAL						£9,096.57

General Licensing

	Current	Proposed	Difference	Approx No Per Year	Decrease in Income
Sex Establishments	£2,575	£750.00	-£1825	3	£5475
				TOTAL	