

LICENSING AND REGULATION COMMITTEE

25 JANUARY 2011

FEES AND CHARGES 2011/12

REPORT OF HEAD OF LEGAL SERVICES

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RECENT REFERENCES:

[LR320](#) – Licensing Fees and Charges – Taxis and Private Hire Licences – 10 June 2010

EXECUTIVE SUMMARY:

This report sets out proposals for fees and charges in respect of the Licensing functions of the Council for 2011/12. The report does not cover fees under the Licensing Act (which are fixed by legislation), or Sex Establishments (which are considered in a separate report elsewhere on the agenda).

It takes account of previous Member discussions on the matter in respect of fees for Hackney Carriage and Private Hire licences, and revises the basis on which the fee for operators' licences is calculated. An increase of 4% is proposed, but an option of a reduced fee three-year licence is suggested.

In respect of fees under the Gambling Act 2005, increases are proposed for certain fees (where these are below the statutory ceilings).

RECOMMENDATIONS:

- 1 That the Head of Legal Services be authorised to give public notice of the proposed increases in hackney carriage/private hire vehicle and operators' licences as set out in Appendix 2 to come into effect at the end of the objection period if the Head of Legal Services considers that there are no material objections and in the event of material objections being received the matter be brought back to the Committee.
- 2 That the Head of Legal Services be authorised to increase fees and charges for other licensing functions with effect from 1 April 2011, as set out in Appendices 3 and 4.

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REPORT OF HEAD OF LEGAL SERVICES

DETAIL:

1 Introduction

- 1.1 This report gives details of proposals for those fees and charges which are set by the City Council in respect of its licensing functions.
- 1.2 In respect of hackney carriage and private hire fees, the report takes into account Members' previous discussions on fees, in particular Members' wish for more information on the costs of administering the service, the principle that fees should be as low as possible whilst covering the cost of the service, and consideration of offering longer licence periods.
- 1.3 An increase of 4% in hackney carriage and private hire fees is proposed, to cover additional costs since the last increase two years ago. A three-year licence at a 5% discount is recommended to be introduced on a trial basis, and the basis of the operators' licence fee is amended to become a flat fee, regardless of the number of vehicles operated.
- 1.4 Fees under the Licensing Act 2003 are fixed by legislation, and are not therefore included in this report.
- 1.5 The report also reviews fees for other licensing functions, and sets out proposals for setting fees under the Gambling Act 2005.

2 Hackney Carriage and Private Hire Fees.

- 2.1 The statutory framework allows the Council to set fees so as to recover its reasonable administrative costs. Public advertisement has to be given of any changes to the operators' and vehicle licence fees and any public comments considered before a final decision is made. This requirement does not extend to drivers' licences.
- 2.2 Recent fee reviews have harmonised fees for hackney carriage and private hire drivers. Fees have also been introduced where drivers fail to turn up to test appointments, or where a retest of the knowledge test is required.
- 2.3 As Members will be aware, the Licensing Section is part of the Legal Services Team. The costs of the Team (staff costs, the costs of supplies and services, and internal costs), are all charged to the Legal Trading Account in the

Council's Budget. These costs are offset by internal recharges to other Teams in the Council to whom the Legal Services Team provides services.

- 2.4 A separate cost centre in the budget deals with the costs of Taxi and Private Hire licensing. As the Licensing Section staff costs are included in the Legal Trading Account, a recharge is made from the Legal Trading Account to the Taxi and Private Hire cost centre to reflect this. As well as these internal costs, other direct costs (such as materials and equipment incurred specifically to provide these licensing services) are also included in this cost centre. This expenditure is then largely offset by income from licensing fees.
- 2.5 The Budget for 2011-12 is being worked up at present, but Appendix 1 shows the calculations based the current year (2010-11). This indicates likely expenditure of £134,838 in 2011/12. Licence fees therefore need to be set to seek to recover this as far as possible.
- 2.6 Members reviewed the fees being charged in 2010/11 against fees charged by other authorities in Hampshire at the meeting of the Licensing and Regulation Committee of 10 June 2010 (LR320 refers). The comparison considered by the Committee suggested that in most cases, the City Council's fees were not significantly out of step with those charged by these other authorities. The Committee agreed that it should be supplied with further information on the Council's costs to operate this function, when it next considered taxis and private hire licence fees. The Committee also agreed with the principle that the cost of the licences should be kept as low as possible, whilst covering the cost of the service.
- 2.7 One fee which was higher when compared to other authorities was the operators' licence fee, which is currently comprised of a flat fee plus a charge per vehicle operated. This can result in high fees of over £1000 for large operators, although the administration and enforcement costs will normally be similar regardless of the number of vehicles operated. Only one other authority used a formula to calculate the fee in this way. It is therefore proposed that the Operator Licence should comprise of a single fee only, and should not vary according to the number of vehicles.
- 2.8 The other issue Members wished to consider was that of offering drivers licences for periods of more than one year. Government guidance encourages this approach, to reduce the burden on drivers having to re-apply annually. Against this is the fact that under the current system, drivers meet the licensing officers on an annual basis, and deal with any issues or concerns they have, as well as ensuring that they are aware of any changes or developments in the licensing function. It was suggested at the June 2010 meeting that drivers could have to "earn" the right to apply for a three-year licence, although it is not considered that this is practical or appropriate.
- 2.9 Six out of the thirteen authorities offer a three-year licence, at a small discount to take account of the fact that there is reduced administration in issuing a three -year licence compared to a one-year one.

- 2.10 Other than hackney carriage driver licences, the numbers of licences issued have generally reduced, although the costs of providing the service have remained similar to previous years, as any time saved on administration can be used to carry out enforcement work instead, something which the drivers are keen on in order to ensure that all drivers adhere to the standards required by the Council.
- 2.11 RPI Inflation as at November 2010 is 4.7%. It is proposed to apply an increase of 4% on fees, and change the operators' licence to a single fee regardless of the number of vehicles. At the same time, an option for drivers to apply for a three-year drivers' licence is proposed, with a 5% discount. This would be on a trial basis for the 2011/12 year in the first instance, and only available on renewal (not the grant) of a new licence. This would allow officers to assess the impact of this option and review it for 2012/13.
- 2.12 The current budget for 2010-11 expects a deficit of some £28,000. The projected income from the fees proposed in this report has been calculated, on the assumption that numbers remain at similar levels but with some take-up of the proposed three-year licences. As set out in Appendix 1, a deficit of some £19,000 is still projected for 2011/12, based on the likely income from fees proposed in this report.
- 2.13 Fees have not increased since April 2009. The increase in fees, linked to the option of a three-year licence, seek to meet the Committee's intentions of keeping fees as low as possible whilst meeting the cost of the service. The change in operators' licence fees will also bring these onto the same footing as the majority of other Hampshire authorities.

3 Other Licensing

- 3.1 The budget excludes the base budget for the Licensing Act 2003 which is now treated as a separate account as the fees will be set by the Government. However, "other licensing" includes a number of licences which are administered by the Head of Legal Services. Fees were not increased in 2009-10, and it is proposed to increase fees for 2011-12 by 4% to cover inflation and increased costs since then. Details of these revised fees are set out in Appendix 3.

4 Gambling Act 2005

- 4.1 The City Council is the Licensing Authority under the Gambling Act 2005. Fees can be charged, on a cost-recovery basis, subject to prescribed maxima.
- 4.2 An inflation increase of approximately 4% is proposed to cover increased costs, for those fees which are below the prescribed maxima, and the table of fees is set out in Appendix 4.

OTHER CONSIDERATIONS:

5 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 5.1 The licensing function primarily relates to the outcome of “Safe and Strong Communities”.

6 RESOURCE IMPLICATIONS:

- 6.1 These fees and charges have been set on the basis of maintaining the policy of cost recovery across those areas of the licensing function where the City Council has the power to set fees. Changes to the basis of fees would need to take this into account.
- 6.2 The proposed 4% fee increase for Hackney Carriage and Private Hire licences and reduced fee three-year licence are expected to increase income by £3,428 for 2011/12. However, in order to fully recover costs an increase of c17% would be required.
- 6.3 The proposed 4% increases in ‘Other Licensing’ and ‘Gambling Act 2005’ fees are forecast to increase income by below £500 in total. As income to date in 2010/11 is slightly below budget it is recommended that the budgets remain at 2010/11 levels.

7 RISK MANAGEMENT ISSUES

- 7.1 The licensing function does not directly relate to any risks which the Council is exposed to, but clearly plays a major part in ensuring that the public are safe when using taxis and private hire vehicles, and other facilities to which the licensing fees in this report relate.

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix 1 - Background to Fee Calculations

Appendix 2 – Proposed Fees for Hackney Carriage and Private Hire Vehicles 2011/12

Appendix 3 – Other Licensing Fees 2011/12

Appendix 4 – Proposed Gambling Act Fees 2011/12

Background to Fee Calculations (figures from 2010-11 Budget).

1. Legal Trading Account

The following table shows the annual costs (2010/11) of the Legal Business Unit. These include the staffing and other indirect costs of the taxi and private hire service.

Legal Business Unit	£
Employees	591,567
Transport	37,689
Supplies and Services	67,255
Management Overheads	255,703
Total Legal Business Unit costs	952,214

2. Recharges from Legal Trading Account to Taxi and Private Hire Cost Centre

The Legal Services Team is made up of the Legal Section and the Licensing Section. An assessment of time spent by Licensing Section staff indicates that 12% of total Legal Services staff time is expended on taxi and private hire work.

Applying this to the total Legal Business Unit costs produces a total cost (in terms of staff time, including overheads) of the taxi and private hire service of **£115,027**.

3. Direct Costs of Taxi and Private Hire Cost Centre

In addition to this staff time, there are direct costs associated with the service (such as the costs of testing vehicles, materials to produce plates, etc) of **£21,811**.

4. Total Costs and Income of Taxi and Private Hire Cost Centre

The following table summarises the above costs, and shows the budget for 2010/11, and estimates for 2011/12 taking into account projected income from fees proposed in this report. Supplies and services costs have been reduced given the small reduction in vehicles (and therefore the reduced costs of testing from the Council's contractor). It will be noted that the costs of the service still exceed the income expected to be received from licence fees.

Taxi and Private Hire Licensing Cost Centre	2010/11 budget (£)	2011/12 estimate (£)
Recharge from Legal Trading Account	118,712	115,027
Supplies and Services	21,811	19,811
Total Costs	140,523	134,838
Total Income from Licence Fees	(112,425)	(115,853)
Deficit Expenditure over Income	28,098	18,985

WINCHESTER CITY COUNCIL**FEES FOR HACKNEY CARRIAGES AND PRIVATE HIRE VEHICLES 2011/12**

LICENCE	EXISTING FEE 2010/11	PROPOSED FEE 2011/12
Private Vehicle Hire Operator *	£210 + £27 for 2nd and each subsequent vehicle	£220
Private Hire Vehicle *	£218	£227
Hackney Carriage Vehicle *	£218	£227
Hackney Driver (One year)	£107 Initial £79 Renewal	£112 Initial £ 83 Renewal
Hackney Driver (Three year)	N/A	£237
Missed appointment fee for Hackney Carriage/Private Hire Vehicle test	£52	£54
Retest fee for Hackney Carriage/Private Hire Vehicle	£21 if retested within three working days £59 for all other retests	£22 if retested within three working days £61 for all other retests
Hackney Driver and Private Hire Knowledge Re-Test	£28	£29
Private Hire Driver	£107 Initial £79 Renewal	£112 Initial £ 83 Renewal
Private Hire Driver (Three year)	N/A	£237
Replacement Plate	£26	£27
Transfer of Licensed Vehicle (including test)	£97	£100
Transfer of Licensed Vehicle (no test required)	£36	£37
Replacement of Lost/damaged licence	£12	£12
Issue/replacement of Permit Exemption	£12	£12

* fees subject to public advertisement prior to coming into effect, as set out in the Report.

WINCHESTER CITY COUNCIL**OTHER LICENSING FEES 2011/12**

LICENCE	EXISTING FEE 2010/11	PROPOSED FEE 2011/12
St Maurice Covert	£34	£35
Street Trader Permit	£99	£103
Tables and Chairs on Highway	£210	£218
Banner Hiring (NB additional fee (currently £76) payable to Serco for erection/removal)	£37	£38
Street Collections, Carol Singing, House to House Collections	NO FEE	NO FEE

Proposed Gambling Act 2005 Fees 2011/12
(existing fees in brackets)

* = maximum fee

Permit Type	New Application	Annual Fee	Application to Vary	Application to Transfer
Bingo Club	(2130) 2215	(1000) 1000 *	(900) 936	(645) 670
Betting premises (Excluding Tracks)	(3000) 3000 *	(600) 600 *	(900) 936	(645) 670
Tracks	2420 2500 *	(1000) 1000 *	(900) 936	(645) 670
Family Entertainment Centre	(2000) 2000 *	(750) 750 *	(900) 936	(645) 670
Adult Gaming Centre	(2000) 2000 *	(1000) 1000 *	(900) 936	(645) 670

Permit Type	Application for Re-Instatement	Application for Provisional Statement	Licence Application (Provisional Statement Holders)	Copy Licence	Notification of Change
Bingo Club	(690) 715	(835) 870	(950) 960	25	50
Betting premises (Excluding Tracks)	(690) 715	(835) 870	(950) 960	25	50
Tracks	(690) 715	(835) 870	(950) 960	25	50
Family Entertainment Centre	(690) 715	(835) 870	(950) 960	25	50
Adult Gaming Centre	(690) 715	(835) 870	(950) 960	25	50