

**LICENSING AND SAFETY COMMITTEE  
2 OCTOBER 2008**

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**FEES AND CHARGES  
(Chief Officer: Environment and Public Protection)**

**1 PURPOSE OF DECISION**

- 1.1 Each service area is required to review the fees and charges it levies as part of the budget review process. Traditionally a report has come to this Committee in the new year following recommendations put forward by CMT as part of the budget process.
- 1.2 By bringing the matter to the Committee at this stage in the cycle it provides the Committee with the opportunity to fully examine the basis upon which fees are set and for them to influence the process at an early stage. Members are asked to consider the proposed fees attached at Appendix A, and agree a set of fees that will go forward for public consultation and agreement by the Executive as part of the budget review process.

**2 RECOMMENDATION**

- 2.1 **That the Committee approves the proposed fees and charges document at Appendix A for public consultation.**

**3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

- 3.1 The legal implications are identified within the report.

Borough Treasurer

- 3.2 Fees and charges should take account of inflation, market factors and the need to recover reasonable costs.

Equalities Impact Assessment

- 3.3 The fees proposed seek to include provision to ensure that the fees are appropriate and levied in an equitable way.

Strategic Risk Management Issues

- 3.4 There are no strategic risk management implications arising from the adoption of the recommendation.

## **4 SUPPORTING INFORMATION**

- 4.1 The Licensing Section is responsible for the processing of over 1600 licences or consents per year to permit certain businesses to trade. These vary and include such matters as taxi licences, premises licences, street trading consents and caravan site licences. Attached to these licences are a number of conditions that have to be complied with primarily for the health and safety of residents and users of the services, and to ensure a level playing field for businesses to complete.
- 4.2 Officers within the section carry out a number of roles from giving advice to potential and current licence holders, processing applications and issuing licences, and ensuring compliance by risk based inspection regimes and responding to complaints from residents who are dissatisfied with the licensed service provided. Officers also receive a number of complaints from licence holders about other licence holders, which are also investigated.
- 4.3 The Council is entitled to recover its costs in respect of the work associated with some pieces of legislation. In some instances, such as caravan site licences and charitable collection permits, the Council is not entitled to charge for the service it provides. In other cases, such as licences issued under the Licensing Act 2003, the fees are set centrally by Government through legislation and do not allow for any local discretion.
- 4.4 The largest number of licences issued by the Licensing Section Team relate to taxi and private hire provision. Within the relevant legislation a local authority is able to charge a fee which recovers reasonable costs including administration, issue, control and supervision. The Council has created a separate budget for the licensing of taxis and appropriated costs to that budget. In 2007/8 the Council had an income of £118,000 and an expenditure of £149,000. This equates to a deficit of £31,000.
- 4.5 Within the other areas of licensing, costs to the Council amount to £173,000 with an income of £125,000 giving a deficit of £48,000. The major income generators within this area are licences under the Licensing Act 2003, for which the fees are set centrally by regulation. The only service areas within this budget that can be set by the council are: gambling premises, street trading, animal premises and cosmetic piercing premises. With regard to street trading, the Council may recover from a licence holder such reasonable charges as they may determine for the collection of refuse, the cleansing of streets, and other services rendered to the licence holder. Other licence fees can be determined by the local authority.
- 4.6 There is a view that licensing is a business expense that should be met by businesses and recovered by them through their charges to their customers. Accordingly, fees should be set at a level to recover reasonable costs incurred by the licensing authority such that the Council taxpayer should not be subsidising the costs of that service. In the area of taxi licensing, it is estimated that there is subsidy in the order of £31,000. However, taxis provide a social and environmental benefit and therefore this has in the past been considered as justifiable. Within other areas the subsidy is in the order of £48,000, however this includes work carried out by officers to inspect and respond to requests for advice and assistance in relation to caravan sites and charitable collection permits for which charges cannot be made. The cost recovery basis for centrally set fees may be similarly set too low to achieve true cost recovery and the Government has received evidence from Local Authorities setting out this position and is presently carrying out a review of fees.

- 4.7 If the rechargeable element of the service is to be cost neutral, it is necessary to consider cutting costs within the service or increasing the licensing fees. The staffing levels are kept constantly under review to ensure that the Council is able to meet the obligations placed upon it to deliver safe and compliant licensed businesses for the benefit of both residents and businesses. Such reviews include a look at skill levels to ensure that the appropriately graded staff are doing the most appropriate job. The total resource committed to Licensing is approximately 5.1 full time equivalents (FTE), of which approximately 2.4 FTEs are utilised on taxi related matters. Given the present workload it is not envisaged that a lesser staffing level is appropriate or achievable. The alternative is to increase the level of fees and attached to this report is data from other authorities on relevant charges for comparison.
- 4.8 At present the cost to a Hackney Carriage owner driver to license a vehicle and themselves as a driver is a maximum of £288 per annum. To put this in context at today's price of diesel, this equates to 52 gallons, which at an average 45 miles per gallon would give a mileage of 2,340. Given that a taxi can expect to cover in excess of 40,000 miles per year, it can be seen that the licensing fees are an insignificant business expense, when taken into account with other matters such as fuel, insurance, road tax, vehicle depreciation, servicing and repairs.
- 4.9 Attached to this report at Appendix A is a document containing the proposed fees for 2009-2010. The fees which are set centrally by Government have not been included within this document as the Council is unable to amend or increase these fees.

Background Papers  
Fees and Charges 2008/2009

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