

ITEM NO: 6

DECISION-MAKER:	Licensing Committee		
SUBJECT:	Review of Licensing Fees		
DATE OF DECISION:	14 th November 2007		
REPORT OF:	Solicitor to the Council		
AUTHOR:	Name:	Richard Black, Licensing Officer	Tel: 023 8083 3523
	E-mail:	richard.black@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

SUMMARY Members to approve the variation of certain fees relevant to specific areas of licensable activities

RECOMMENDATIONS:

- (i) To consider the scale of discretionary fees and charges for licences and services carried out by the City Council set out in Appendix 1 to this report, and
- (ii) To authorise the publication of the amended fees structure.
- (iii) In the absence of any representation to authorise the Solicitor to the Council to implement the fees as advertised.
- (iv) To authorise the grant of Hackney Carriage and Private Hire Drivers Licences for a period of three years from such date as the Solicitor to the Council considers reasonable.

REASONS FOR REPORT RECOMMENDATIONS

1. As a matter of good practice, the City Council should regularly review the scale of fees and charges for licences, permits and registrations, where it has discretion as to the level of the fee concerned.
2. Such reviews are usually carried out on an annual basis however with the implementation of the Licensing Act 2003 and the Gambling Act 2005 many of the fees over which the Council had discretion have either been set by statute or the Licensing Committee has considered and set them for the time being, the latest example being the Gambling Act fees earlier this year.

CONSULTATION

3. The fees in relation to Hackney Carriage and Private Hire licensing were discussed with the trade representatives on 30th October 2007. Their views were mixed were that there was a need for further enforcement and that the level of increase was acceptable..
4. The fees in relation to sex shops are for the Council to set so at this time there has been no consultation except with Finance colleagues.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. The alternative option is to not review the fees but with rising costs of the administration of the service this is not considered to be either fair or equitable.

DETAIL Licensing Fees General Information.

6. Where the City Council has discretion as to the level of fees, the law makes it clear that the City Council may only charge a reasonable fee for the purpose of recouping the costs of administering a licensing system and not treat licensing fees as an opportunity to raise general revenue. The effect of this is that licensing fee income must be ring fenced and devoted to the licensing function, including using a holding account in respect of future capital investment in items such as IT, and that the income from one such function must not be used to cross subsidise a deficit in another area.

Hackney Carriages and Private Hire Licensing.

7. Hackney Carriage and Private hire fees were last increased in April 2000. Since that date there have been significant changes in the administration of driving licenses for both hackney carriage and private hire vehicles. As an example, Criminal Records Bureau (CRB) checks are carried out every three years as are DVLA history checks. These checks are complicated and time consuming and therefore an increase in fee is sought to cover the increase in workload and a contribution to the improvements required to the computer systems to run an efficient and effective service.
8. Since the last fee increase Hackney Carriage vehicle numbers have increased by 40 and Private Hire Vehicles by about 220. Operator numbers have increased by about 50. The number of staff in the licensing section has as a result been increased and the number of complaints in relation to illegal or unauthorised activities has increased significantly leading to the need for increased enforcement targeting vehicles and operators. The number of vehicles and operators are fairly fluid and officers will confirm precise numbers at the meeting.
9. Additionally, "knowledge tests" for new drivers are currently carried out in written format and officers have to mark and assess passes. In order to adequately fund future tests to a relevant standard a small increase is requested.
10. A considerable amount of time is spent administering transfers of vehicle licences and also licensing of replacement and temporary replacement vehicles. For this reason a charge to cover this administration has been requested.
11. Lost plates, licences and badges are becoming a frequent occurrence and in order to instil an element of responsibility in drivers and proprietors and to cover administration and miscellaneous consumables an increase in this fee is requested. An increase in the deposit paid on plates will assist in ensuring the return of plates when vehicles are taken off the road.
12. Officers also seek approval to issue Hackney Carriage and Private Hire

Drivers licences for a period of three years as soon as it is possible to develop a suitable IT and administration system which will adequately support the process. In due course this will reduce the administration required and lead to a more streamlined service to the trade.

13. All of these additional costs are reflected by the increases as set out in Appendix 1 to this report
14. The City Council is required in law to advertise any proposed variations to fees in relation to hackney carriage, private hire vehicles and operators. If members approve the fees as included in Appendix 1 then those fees will be advertised and in the event of any representations a further report will be brought before this committee. In the absence of representations it is requested that the Solicitor to the Council be authorised to implement the proposed changes.
15. Members will see from the table of fees in the appendix that there is an apparent reduction in fees for the grant of Hackney and Private Hire drivers licences. This is an anomaly produced by the fact that the knowledge test fee will be separated from the initial fee, but will still be charged as a separate item, therefore not affecting any income stream.
16. Major enforcement initiatives are planned in relation to illegal plying for hire by Private Hire Vehicles and also in the Docks area where there are many unlicensed vehicles operating. All these issues are matters of public safety and the Authority has a responsibility to ensure compliance and for this reason the increases in Vehicle and Operator are necessary

Sex Establishment Licensing.

17. The fees for sex establishment licenses were last reviewed in April 1999 at which time the fee was set at £11,610 and there was one establishment. Since that date there has been an increase in the number of establishments and at present there are four.
18. This fee was set on the basis that any cost involved in the licensing of these establishments should not fall to Council Tax payers. This approach remains the basis upon which fees must be set.
19. It has been recognised that with the increase in the number of licenses income exceeds expenditure in this licensing area and as previously stated the fees cannot cross subsidise other functions. In the circumstances it is recommended that the fee for Sex Establishments be reduced to £7,500 and be reassessed in the future.
20. Some Local Authorities are currently being challenged in relation to the level of fees they charge and this review and action should protect the City Council from any challenge in the short term provided that there are regular reviews of fees.
21. The setting of fees at this level will not require any contribution from Council funds to support the administration of this area, including enforcement action.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

22. No capital implications

Revenue

23. It is estimated that the fee increases detailed in this report would generate on average an additional £23,200 in a full year.

The fee variations and anticipated additional income are detailed in appendix 1.

Any increase in income as a result of the increase in these fees will be ring fenced within Hackney and Private Hire Licensing and used to fund additional out of hours enforcement, administration and system enhancements. which will be required because of the increase in numbers of Private Hire Vehicles and Operators

Property

24. No property implications.

Other

25. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

26. As a matter of law, the City Council can only charge reasonable fees for the purpose of recouping the cost of administering the Licensing system. Relevant statutory provisions for the setting of the fees outlined include:
S53,S70 Local Government(Miscellaneous Provisions) Act 1976
Schedule 6, Local Government Planning and Land Act 1980
S46 Town Police Clauses Act 1847
Paragraph 19, Schedule 3, Local Government (Miscellaneous Provisions) Act 1982.

Other Legal Implications:

27. In the case of fees for hackney carriages, private hire vehicles and private hire operators, the City Council is required to advertise any proposed variations to the fees and consider any representations made.

POLICY FRAMEWORK IMPLICATIONS

28. None

SUPPORTING DOCUMENTATION

Appendices

1.	Table of fees and proposed increases to relevant Licensing areas

Documents In Members' Rooms

1.	N/A

Background Documents

Title of Background Paper(s)

Relevant Paragraph of the
Access to Information
Procedure Rules / Schedule
12A allowing document to be
Exempt/Confidential (if
applicable)

1.	N/A	

Background documents available for inspection at: N/A

FORWARD PLAN No:

N/A

KEY DECISION?

No

WARDS/COMMUNITIES AFFECTED:	N/A
------------------------------------	-----