

Report to:	Licensing Committee
Date:	20 January 2022
Title:	Approval of Licensing Fees
Report of:	Director of Service Delivery
Ward(s):	All
Purpose of report:	To recommend the licensing fees proposed within Appendix 1 to apply from 1 April 2022
Officer recommendation(s):	To recommend to Full Council to approve the licensing fees proposed within Appendix 1 to apply from 1 April 2022.
Reasons for recommendations:	To ensure that the licensing fees are approved by the Licensing Committee.
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1 Introduction

- 1.1 Lewes District Council carries out a variety of Licensing functions. Licensing fees should be considered by the Licensing Committee and then recommended to Full Council. The table at 2.2 summarises the estimated financial impact of the fees proposed to apply from 1 April 2022 as detailed in Appendix 1.
- 1.2 The current financial year has been extremely challenging following a nationwide lockdown because of the Covid-19 Pandemic. Not only has this impacted many businesses adversely but it has had an impact on the service we offer with all face to face contact ceasing for a period of time.
- 1.3 Issues were experienced with the hackney carriage and private hire trade as the ability to access garages for MOT's, vehicle suitability tests and drivers' medical checks was problematic due to many of these services temporarily closing. The majority of these services have subsequently restarted but it is taking time to collect fees as a result from the suspension of these activities.

2 Financial Overview

- 2.1 The table shows the estimated financial impact of changes in usage levels experienced during the current year, which has been impacted due to the global coronavirus pandemic.

2.2

Lewes District Council Services	Budgeted income estimate for 2021/22 £	Additional income forecast for 2021/22 £	2022/23 indicative income forecast £
Discretionary charges (i.e. where fees are set by Lewes District Council)			
Consent Streets (Street Trading)	3,000	1,500	4,500
Hackney Carriage Licensing	38,850	0	38,850
Private Hire Vehicle Licensing	38,850	0	38,850
Private Hire Operator Licensing	7,300	0	7,300
Drivers Licensing	65,000	(21,800)	43,200
Gambling Act 2005	5,000	0	5,000
Environmental Health Licensing	2,000	0	2,000
Animal Welfare	6,000	0	6,000
Total Discretionary Charges	166,000	(20,300)	145,700
Statutory charges (i.e. where fees are prescribed by Government)			
Licensing Act 2003	82,300	(12,300)	70,000
Total income estimates	248,300	(32,600)	215,700

3 Financial Impact

- 3.1 The taxi licensing service operate on a self-financing, year-by-year basis. Street trading operate on a similar basis. This means that the Council has the discretion to set fees for these services on a cost recovery basis with appropriate adjustments for any over or under spend from the previous years.
- 3.2 The current surplus at year end 2020/21 stands at £182,158. This has reduced from a surplus of £298,653 in 2019/20.
- 3.3 It is still necessary for steps to be taken for this amount to be reduced. From April 2020 in recognition of the difficulties experienced by taxi and private hire drivers as a result of the global pandemic vehicle renewal fees were reduced for

a period of 1 year to assist vehicle proprietors during a period of financial uncertainty. This reduction will remain in place for a further year together with including the initial knowledge test fee in the application cost. Reductions have been made on some licence variation options, see lines 30-36 in Appendix 1.

- 3.4 A number of measures are now being taken to address the surplus which includes the following: additional staff to increase and improve administration; a new bespoke licensing software package to improve efficiencies and mobile work solutions and training for current drivers on the new upcoming guidance. It is anticipated that with a reduced income from fees and increased cost of running the service the surplus will be significantly reduced.
- 3.5 Members are asked to note that over the last year there has been an extensive internal review of taxi and private hire licence fees to ensure that they are correctly accounted for and to confirm that the fees relate to the costs of the service.
- 3.6 The table above also lists the Licensing Act 2003 fees and charges, these are statutory services where fees and charges are prescribed by Government. Changes in the level of fees are implemented as and when they are issued by the appropriate Department and communicated to service users through appropriate channels, e.g. through the Council's website. The Government has not announced any change in these fees for 2022/23.
- 3.7 Since 2018/19 there has been a gradual decline in the number of premises licences which at its peak in 2018 had receipts of £89,000 which reduced to £83,400 in 2019, £74,000 in 2020 and £68,000 in 2021. Premises numbers in the Lewes District are expected to remain stable making the anticipated income in 2022/23 being £70,000.
- 3.8 Members are asked to note that there is a proposal for a substantial increase in the licence fees relating to a Dangerous Wild Animal Licence. In Appendix 1 at lines 79,80 & 81, these fees fall under the heading of Miscellaneous Licences but in fact it is a discretionary fee. There are currently no Dangerous Wild Animal Licences in Lewes, but if such an application were to be received, it is anticipated that the current fee would not cover Council's costs. The proposed new fees are in line with those of neighbouring Local Authorities.
- 3.9 Members will see at Appendix 1 the proposed fees for 2022/23.

Financial appraisal

- 4.1 Should the revised fees be approved, then the reduction in budgeted income of £32,600 will be reflected in the final 2022/23 budget to be approved by Council in February 2022.

5 Legal implications

- 5.1 Licensing fees must be charged in accordance with the requirements of the particular legislation and the relevant case law. Members are asked to note that in terms of licensing fees some fees are set by central Government and some

are locally set. For example, for street trading consent fees the Local Government (Miscellaneous Provisions) Act 1982 Schedule 4 para. 9(1) states that the Council may charge such fees as they consider reasonable. The Local Government (Miscellaneous Provisions) Act 1976 section 53(2) controls the fees of hackney and private hire drivers licences and states that the Council may demand such fees as they consider reasonable with a view to recovering the costs of issue and administration and section 70 of the 1976 Act provides a similar provision in relation to vehicle and operators licences.

- 5.2 For those fees that are locally set there are some limitations. In deciding what is reasonable case law has clarified that reasonable does not imply a wide discretion but that the fees charged shall relate to the level of costs reasonably incurred in providing the service. Further, Members must take account of the European Services Directive 2006 (which does not strictly apply to private hire/hackney and gambling licences) which reinforces the principles to be applied to the setting of local fees and charges in that such a process shall be reasonable, proportionate, non-discriminatory, justifiable, clear and transparent.
- 5.3 Members should note that case law has established that if there is any surplus or deficit in fees generated in the previous financial year that must be taken into account when setting the following year's fees. Any surplus should be carried forward and applied to the same account in the following year.
- 5.4 The Legal Section considered this Report on 12 January 2022 (IKEN- 10728-MW).

6 Risk management implications

- 6.1 If the Council does not have an effective fee setting process that is subject to proper oversight by Councillors it will not be able to demonstrate that it has in place adequate means to safeguard council assets and services, and it could be subject to criticism from the council's external auditor or the public.

7 Equality analysis

- 7.1 It is not expected that the proposed amendments to fees and charges will impact on protected characteristics.

8 Environmental sustainability implications

- 8.1 There are no significant sustainability implications as a result of this report.

9 Appendices

- 9.1
- Appendix 1 – Proposed Licensing Fees and Charges 2022/23

10 Background papers

- 10.1 None.