

<b>16 November 2023</b>		<b>ITEM: 5</b>
<b>Licensing Committee</b>		
<b>Setting of Licensing Fees 2024/2025</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Paul Adams, Licensing Manager		
<b>Accountable Head of Service:</b> Michael Dineen, Assistant Director for Investigation, Enforcement and Community Protection & Safety (Incl. Emergency Planning and Resilience)		
<b>Accountable Director:</b> Claire Demmel, Director of Public Realm		
<b>This report is:</b> Public		

## Executive Summary

This report sets out the process and methodology for the setting of Licence Fees associated with licence applications under the remit of the Licensing Committee and proposes the licencing fees for the 2024-2025 financial year for consideration.

### 1. Recommendation(s)

**1.1 To agree for the proposed fees and charges as set out in Appendix 2 for the 2024- 2025 financial year.**

### 2. Introduction and Background

2.1 Most licence applications attract a fee, different licensing regimes have different ways in which the fees are set, which generally is by one of three ways:

- A statutory set fee.
- A locally set fee that has by statute, a capped maximum amount.
- A locally set fee with no maximum cap.

2.2 With the exception of the statutory set fees, any fee charged must be based on cost recovery, no profit can be made on the licence fee income.

2.3 Fees that are set by statute, cannot be varied and must be charged as they are set within the legislation, this relates to all licences under the Licensing Act 2003 (Alcohol and Entertainment).

- 2.4 Fees that can be set locally with a capped maximum, must be set on a cost recovery basis up to the cap. If the cost recovery is less than the capped amount, then less than the cap should be charged. If the cost it is higher than the cap, then a loss will need to be made. This relates to fees under the Gambling Act 2005. Fees are currently set at the maximum cap.
- 2.5 Fees that can be set locally without a cap, must be set on a cost recovery basis only, they cannot be used to generate an income to perform other functions of the Council. This relates to Taxis, Sex Establishments, Scrap Metal Dealers, Street Trading, MST and all Animal Welfare Licences.
- 2.6 Guidance does exist in relation to fee setting in the form of:
- Home Office Guidance on setting Scrap Metal Dealers Act 2013 Fees.
  - Draft LGA Guidance on Locally Set Fees, issued September 2013.
  - DEFRA Guidance, Animal Welfare Licence Fees - A Practical Guide to Fee Setting
  - Welsh Technical Panel Templates
  - Case law.
- 2.7 Cost recovery includes the covering the full cost of administering and ensuring compliance with the licensing regime. Each licensing regime has some slight differences but generally the costs that could be included calculations and apportioned appropriately are:
- Administration - processing of the licence, officer time, printing, postage and licensing software, etc.
  - Visits - officer time for initial visits, renewal inspections, etc.
  - Third Party Costs – veterinary visits, vehicle inspections etc.
  - Consultation and liaison with third parties – engaging with Responsible Authorities and other stake holders.
  - Management Costs – apportioned cost of the management involvement in any process.
  - Democracy costs – committee costs for determining applications
  - On Costs – payroll, accommodation, finance, legal, travel
  - Training – For officers and members
  - Policies – development, consultation, publishing and review.
  - Web material – compliance with EU Directive, online applications.
  - Compliance work – ensuring licence holders are compliant with the licence.
  - Fees – setting and reviewing of fees
  - Appeals - legal costs of appeals
  - Maintaining registers – local and national
- 2.8 There are costs that are unrecoverable; this should include the cost of enforcement action in relation to un-licensed persons/premises/vehicles. This type of action should be funded out of the Council's General Fund.

- 2.9 In order to ensure that fees remain reasonable and proportionate it is necessary to carry out a regular review of the fees.
- 2.10 Generally fees cannot make a profit, case law has established that any surplus must be carried forward, and any deficit can also be carried forward and recouped.
- 2.11 Benchmarking of fees could be used only as a comparison and should not be used as a fee matching exercise. Each authority will have different costs, structures and processes, which could create significant differences in fees.

### **3. Issues, Options and Analysis of Options**

- 3.1 Thurrock Council's locally set licence fees were last increased in 2023.
- 3.2 A set of trading accounts have been prepared which have included the cost of providing each area of licensing based on the percentage of time officers spend on each activity, against the income against each area, which can be found in **Appendix 1**.
- 3.3 Based on the trading accounts, the proposed fees and charges for the 2024 – 2025 period are attached as **Appendix 2**. It is intended that these fees and charges will come into effect from 1<sup>st</sup> April 2023. A summary of any the proposed fees for each licensing area is provided below.
- 3.4 Hackney Carriage and Private Hire Drivers fees. No increase is required. While there is a small deficit between the income and the expenditure, there is a small deficit on the Hackney drivers account and a small surplus on the private hire driver account. This will be monitored to ensure that the overall costs across the following years remains cost neutral. We currently have 317 licensed drivers.
- 3.5 Hackney Carriage and Private Hire Vehicles. No increase is required. the. There is a surplus between the income and expenditure which is being used to reduce the overall deficit. This will be monitored to ensure that the overall costs across the following years remains cost neutral. We currently have licensed 72 Hackney Carriage vehicles and 171 Private Hire Vehicles.
- 3.6 Private Hire Operators. No increase is required. While there is a deficit being carried forward there is a small surplus between income and expenditure. This will be monitored to ensure that the overall costs across the following years remains cost neutral.
- 3.7 Animal Licences. An increase is required for the animal establishment licences due to the deficit between the income and the expenditure. These licences included pet shops, dog boarders and breeders etc. We currently issue 47 licences.

- 3.8 Street Trading Consents. An increase is required. There is a small deficit between the income and the expenditure. This will be monitored to ensure that the overall costs across the following years remains cost neutral.
- 3.9 Sex Establishments, Massage and Special Treatments (MST), Scrap Metal Licensing. An increase is required as there is a deficit between the income and the expenditure. This will be monitored to ensure that the overall costs across the following years remains cost neutral.
- 3.10 A new charge has been introduced for the rating of films to cover the cost in providing this service. No charge was made previously as this service was rarely used, however in the last couple of years we have seen requests for local film festivals. The introduction of this charge will ensure cost recovery.
- 3.11 A benchmarking exercise has been provided on the current fees charged for the 2022- 2023 period by other Essex Authorities. As attached as **Appendix 3**. The information has been taken from the information published on each authority's website, and has no reflection on the different costs, structures and processes that each authority may have.

#### **4. Reasons for Recommendation**

- 4.1 is important that all licence fees are subject to regular review to ensure that they remain reasonable and proportionate. Where there is to be a significant change to the licensing fee, sufficient consultation must be undertaken to ensure compliance with legislation and to seek a balanced view of the proposed changes.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 Consultation on the proposed fee change is not being undertaken. Consultation should be undertaken on any significant proposed changes to fees, or where consultation is required by statute as below. None of the changes proposed meet these criteria.
- 5.2 Under the Local Government (Miscellaneous Provisions) Act 1976, with regards to hackney carriage proprietors' licences, private hire vehicle licences and private hire operator licences, there is a requirement where the fee charged is greater than £25 to consult on the proposed fee as prescribed by the legislation.
- 5.3 The procedure requires that a notice must be published in a local newspaper, and at the offices, which must give 28 days from the date of publishing for objections to be lodged and advertise the date the fees will come into effect.
- 5.4 If objection is received and has not been withdrawn then the council must consider the objections. If this is the case, then this committee will consider the objections.

## **6. Impact on corporate policies, priorities, performance and community impact**

6.1 This review will ensure the licensing service continues to be cost recovery where possible.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Laura Last**  
**Finance Manager**

As part of the annual budget setting process, the Council is required to review its fees and charges. This report sets out information for the Licensing Committee, the process of setting fees in accordance with legislation, guidance, and good practice. It is important that, where possible, the Licensing fees and charges are set to cost recovery.

The effect of any changes to fees and charges on individual income targets will be determined as part of the 2024-25 budget setting process in which Corporate Finance and the service areas will review anticipated levels of demand, fee increases, previous performance and potential associated costs.

### **7.2 Legal**

Implications verified by: **Adam Rulewski**  
**Deputy Principal – Housing, Civil and Prosecutions (Advocate)**

A Council is entitled to charge a reasonable fee for the grant of a licence, in accordance with relevant legislation, with a view to recovering the costs of issue and administration of those licences. This report set out what is considered reasonable and the process to be followed.

### **7.3 Diversity and Equality**

Implications verified by: **Natalie Smith,**  
**Head of Community Development.**

A Community Equality Impact Assessment has been completed. The proposed fees and charges are not considered to any have known equality impacts.

7.4 **Other implications** (where significant) i.e. Staff, Health, Sustainability, Crime and Disorder, or Impact on Looked After Children

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

- Appendix 1 – Licensing Trading Accounts.
- Appendix 2 – Proposed Fees 2024/2025.
- Appendix 3 – Benchmarking.
- Appendix 4 – Licensing Fees - Community Equality Impact Assessment

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