

REPORT TO: LICENSING COMMITTEE – 26 SEPTEMBER 2008
REPORT BY: LICENSING MANAGER
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Review of Licensing Fees

The purpose of this report is for the Committee to consider an increase to the existing level of fees payable in respect of private hire and hackney carriage licences and a reduction in the current level of fees charged for the renewal of sex establishment licences.

RECOMMENDED: That the proposed table of licensing fees be approved and implemented with immediate effect subject to any formal public statutory consultation.

1.0 Background Information

It has always been the policy of the Committee to recover, where possible, the cost of undertaking the various licensing functions although for some licences/permits, no fee is payable or the licensing fees are controlled centrally by the Government. In these cases, the Council cannot vary the fees to take into account local administrative on-costs.

In 2006/07 financial year the Council approved a growth bid of £45k for the Licensing Service to upgrade its existing licensing database for the following reasons:

- The existing database is now over 11 years old and does not meet the growing demands of the service since the transfer of the alcohol and gambling licensing functions to PCC; and
- Further development could not be adequately supported by IT Services in the long term.

Further research and investigation in 2007/08 suggested that the projected costs of purchasing and implementing a new system would be closer to £70k and these additional costs were met from within the licensing budget last financial year. The project was also transferred from the Licensing Committee budget into the Capital Programme.

During this current financial year (2008/09) the purchase of a new database has been progressed through the procurement process. A preferred supplier has now been identified but the actual costs, including contingency provision, are closer to £100k. The additional funding cannot be sourced from existing revenue estimates and therefore it will be necessary to increase licensing fees to facilitate the purchase of the database system.

Members are advised that the last fee increase to be incurred by licence holders was in 2004 and it should be borne in mind that the purchase of a new licensing database will benefit the licence holders by improving the efficiency of the services provided by the Licensing Section.

2.0 Table of Proposed Increases to Fees

Licence Type	Existing Fee £	Proposed Fee £
Private Hire		
Operator	300.00	345.00
Vehicle	120.00	138.00
Vehicle – LPG	110.00	127.00
Vehicle – Extension	210.00	225.00
Vehicle – January only	60.00	69.00
Driver	53.00	64.00
Car to Car Transfer Fee	100.00	115.00
Car to Car Transfer – Admin Fee	20.00	23.00
Temporary Car to Car Transfer Fee	50.00	58.00
Vehicle Re-Test Fee	40.00	46.00
Replacement Driver's Licence	10.00	12.00
Hackney Carriage		
Hackney Carriage Vehicle	120.00	144.00
Hackney Carriage Vehicle – LPG	110.00	132.00
Hackney Carriage Vehicle - Extension	210.00	252.00
Hackney Carriage Driver	53.00	64.00
Car to Car Transfer Fee	100.00	120.00
Car to Car Transfer – Admin Fee	20.00	24.00
Temporary Car to Car Transfer Fee	50.00	60.00
Vehicle Re-Test Fee	40.00	48.00
Replacement Driver's Licence	10.00	12.00
Miscellaneous		
Sex Establishment Licence - Renewal	12,000.00	8,000.00

3.0 Summary of Proposed Licence Fee Increases

In order to assist members in considering the proposed fee increases, further background information is provided below as to previous fee reviews and other pertinent information the Licensing Committee may wish to consider.

Private Hire/Hackney Carriage Licences -The last fee increase approved by the Licensing Committee was in 2004. The additional costs associated with the purchase of the new licensing database need to be met through the fees charged by the Licensing Authority.

Members will note that it is proposed to introduce different fee levels in respect of hackney carriage and private hire licences. The proposed slightly higher level of charges associated with hackney carriage licensing reflects the additional costs associated with the administration and enforcement of those particular types of licence.

The administration and enforcement of hackney carriage licensing by the Local Authority includes specific costs relating to the provision, maintenance and review of hackney carriage stands within the city, setting the maximum tariff of fares that may be charged by hackney carriages (which includes giving formal notice of any changes in the local newspaper); compliance with byelaws and testing of meters etc. Similar provisions do not apply to private hire licensing.

It is therefore reasonable and appropriate to propose that those costs should be met by the hackney carriage trade itself as opposed to using revenue from other licensing functions such as private hire.

Such measures are already taken by the Licensing Committee in respect of the current policy of PCC to restrict the number of hackney carriage vehicle licences issued by the authority. In particular, the cost of commissioning a survey to establish whether or not there is significant unmet demand for the services of hackney carriages, is met by the hackney carriage proprietors alone.

Representatives from the private hire and hackney carriage trade have been consulted on the suggested increases and have indicated that they do not propose to object to the proposed increases. The trade understand the need for the increase in fees in order to procure a new licensing database and recognise the need for the Licensing Section to provide an efficient service both in terms of administration and enforcement provisions

Sex Establishment Licence - The last fee review for this Licence type was undertaken in 2004. This fee was set on the basis that any cost involved in the licensing of these establishments should be met from the cost of the licence and not by the Council Tax payer. Previous experience has shown that a significant amount of resources can be expended on processing new applications and which may involve appeals to the Courts.

Portsmouth currently has two licensed sex establishments operating in the City. A licence was first granted in respect of premises situated in Commercial Road in 2003 and which subsequently relocated to Arundel Street in 2007. A further licence was granted to premises in Albert Road in 2004.

It has been identified that income exceeds expenditure in this particular area of licensing. As licence fees cannot cross subsidise other functions and based upon the current circumstances, it is recommended that the renewal fee in respect of sex establishment licences be reduced from £12,000 to £8,000 and that this level of charge be reviewed in the future.

For additional information to Members, operators of sex establishments, including those two operators currently licensed by this Authority, are currently challenging the fees charged by Local Authorities for sex establishment licensing and therefore this review and proposed reduction in fees should demonstrate that the Licensing Authority has sought to address the concerns that have been raised and that the level of fees will be kept under review.

4.0 Conclusion

The proposed fee increases reflect upon an identified need to update and enhance the licensing database and although significant - are proportionate and relevant to the enhancement of the licensing undertaking. However, due regard must be given to the fact that these fees have remained the same for a considerable period of time and it is essential that the Licensing Section are provided with the essential tools to meet the Licensing Authority's statutory obligations in the most efficient and cost effective way possible.

THERE ARE NO BACKGROUND PAPERS ASSOCIATED WITH THIS REPORT.



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