

**LICENSING FEES AND CHARGES FOR 2022 - 2023**

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**Purpose of the Report**

1. The purpose of this report is to invite Members to determine the fees relating licensing. The fees are based on the cost recovery of administering and where appropriate enforcing the relevant legislation relating to such licences.

**Background**

2. Councils are responsible for administering a range of licences and for the majority of these regimes the costs are recovered through fees set by each council and paid by the licence applicant. It is an accepted principle in relation to these schemes that those who benefit from the system (licence holders) should cover the cost of it. Locally set fees are a vital means of ensuring that full costs can be recovered, reducing the risk of a subsidy from local tax payers, and that businesses do not pay more than they should.
3. Legislation permits the Council to recover all or part of the costs of providing the licensing service, including its administration and control (i.e. enforcement or supervision). It does not permit the Council to profit from its fees and charges thus ring fencing the income to the licensing service. Surpluses **must** be carried forward and deficits **may** be carried forward to future years within each ring-fenced licensing budget. The Council may, however, choose to subsidise the service. Some fees, notably in relation to the Licensing Act 2003, are set nationally within legislation and the Council has no control.
4. While Full Council previously determined the levy of all fees and charges in respect of the licensing service, a report was considered at a meeting of Full Council on 28 January 2016 to delegate the setting of those fees and registrations to the General Licensing Committee.
5. Full Council duly approved the delegation and the Council's Constitution was amended accordingly. This enables in depth consideration to be given by members in a specialist committee, whenever the need arises.

**Information and Analysis**

6. In order to manage the finances within Licensing there are three broad headings: General, Hackney Carriage and Private Hire. There can be no cross subsidy between these licensing regimes.
7. This financial year has seen unprecedented changes within the licensing environment due to the on-going Covid-19 national emergency. Demand on licensing for advice greatly

increased as government regulations designed to ensure public safety frequently changed. Those businesses requiring a licence in the hospitality industry have been hit particularly hard and are still working towards recovery. Taxi provision, which is closely linked to the night-time economy has also had to suffer the impact of a driver shortage, creating a great deal of uncertainty within the trade for the future.

8. Prior to the Covid-19 pandemic, DBC Licensing carried a modest surplus, which allowed licence fees to remain unchanged. As the number of applications reduced during the pandemic, it lowered the amount of income generated, however this was offset from separate covid funding. This would otherwise have seen the licensing budget go into deficit.
9. Whilst all areas of licensing have been impacted by the Covid pandemic, the dynamics within the taxi trade at the moment are a significant concern, with the loss of 100 licensed drivers and costs rising significantly for drivers and proprietors e.g. fuel, second hand vehicles. The trade have asked for a tariff increase and this is subject to a separate report, as there is a legal process to follow.
10. It is difficult to make predictions of what the income generation will be until a degree of stability returns to the licensed trade however, throughout the Covid pandemic licensing have been calculating the impact this has had on the various regimes.

### **Taxi Licensing Fees**

11. Current estimates are that the taxi budget will carry forward a deficit of £43,312 into 2022/23 financial year inclusive of Covid costs. If however, the costs of Covid are removed, this deficit is estimated to be reduced to £6,633.
12. At this time, by seeking an increase in fees for 2022 – 2023 it would place the taxi trade under additional financial pressure that will be difficult to sustain. Any deficit for Covid related issues can be recovered centrally and a modest deficit (Covid costs removed) can be carried forward.

### **General Licensing Fees**

13. A review of the general licensing fees was undertaken for the current financial year, which showed that at the end of the financial year there will be a projected deficit of £3,246 inclusive of Covid costs. If Covid costs are removed however, there would be an estimated surplus of £1,754. A deficit (inclusive of Covid) of this modest amount would not ordinarily prompt a fee increase.

### **Fees Proposal**

14. There will inevitably be significant year on year variations in the allocated costs depending on where time has been spent. In the case of *Hemmings v Westminster*, the High Court stated that, “*a local authority does not have to adjust the licence fee every year to reflect any previous deficit or surplus, so long as it all comes out in the wash eventually*”. It is still too early to establish how the licensed trade will recover, however by maintaining the current licensing regime it will hopefully enable them to respond to

an increase in demand as the country recovers from this pandemic, generating more income to offset any deficit. It is therefore proposed that all fees in respect of hackney carriage, private hire and general licensing will remain at their current levels. Our current fees list is shown at **Appendix 1**.

### **Recommendation**

15. Members are invited to approve that licensing fees will continue at their current rate from 1 April 2022

### **Reasons**

16. The recommendations are put forward to ensure there is a balance between recovering the costs of delivering the licensing service from the relevant licence fees whilst acknowledging the exceptional pressures businesses are still under as a result of the Covid pandemic.

**Dave Winstanley**  
**Group Services**

### **Background Papers**

The Local Government (Miscellaneous Provisions) Act 1976  
The Deregulation Act 2015

### **Appendix**

Current licensing fees list