

LICENSING COMMITTEE



Report subject	Licensing fees and charges for 2025-2026
Meeting date	13 March 2025
Status	Public Report
Executive summary	<p>The purpose of this report is to establish the licensing fees and charges that should apply from 1 April 2025 for those licensing activities where the Council has discretion to do so.</p> <p>The statutory principle in relation to the setting of fees is that they should be reasonable and should relate to the costs of performing the function, including staffing, administration, testing, inspections, hearings, regulation and appeals.</p> <p>Inflationary increases to staff salaries mean that costs to provide the service have increased. A 5% uplift in fees has been applied to reflect these increased salary costs.</p> <p>The fee regimes under review are as follows:</p> <ul style="list-style-type: none"> • Scrap Metal Dealers • Pleasure Boats • Sexual Establishments • Taxi and Private Hire
Recommendations	<p>It is RECOMMENDED that:</p> <p>Members consider the proposed fees in respect of each function and either</p> <p>a) Agree the proposed fees as stated or</p> <p>b) Agree amended fees following consideration</p> <p>c) Maintaining the current fee structure is not recommended as this would mean the service is not able to operate on a cost recovery basis</p> <p>The decision agreed in respect to Scrap Metal Fees should then be recommended to Cabinet</p>
Reason for recommendations	Increases in Officer salaries mean that fees need to be reviewed and increased in line with increased costs.

Portfolio Holder(s):	Councillor Kieron Wilson Portfolio Holder for Housing and Communities
Corporate Director	Jillian Kay – Corporate Director for Wellbeing
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Wards	Council-wide
Classification	For Decision

Background

1. 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 taxpayers and that businesses do not pay more than they should.
2. 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.
3. The finance officers undertake an annual review to ensure our fees meet this requirement.
4. In calculating these fees officers have taken into account the Supreme Courts rulings in the Hemming case which dealt with the setting of fees on a cost recovery basis. R (on the application of Hemming (t/a Simply Pleasure Ltd) and others) (Respondents) v Westminster City Council (Appellant) (supremecourt.uk) which concluded that the amount of fee set by the local authority precludes it from making a profit from the licensing regime.
5. The proposed fees as set out in Appendix 1 reflect an increase of 5% calculated to reflect the staff pay award and changes to National Insurance.

Scrap Metal Site and Collector Licences

6. The Scrap Metal Dealers Act 2013 provides local authorities with the power to regulate these industries by providing a power to refuse to grant a licence and revoke licences if the dealer is considered 'unsuitable'. There are two types of licence issued.
7. Site Licence - This requires all sites at which the licensee carries on business as a scrap metal dealer within the local authority area to be identified; and requires a site manager to be named for each site. They are permitted to operate from those sites as a scrap metal dealer, including transporting scrap metal to and from those sites from any local authority area.

8. Collector's Licence - This authorises the licensee to operate as a mobile collector in the area of the issuing local authority, permitting them to collect any scrap metal as appropriate. This includes commercial as well as domestic scrap metal.
9. Licences last for 3 years unless revoked or surrendered. Licence numbers are as follows:-

	2024	2025
Site Licence	14	14
Collectors Licence	14	14

Pleasure Craft (Class B and C) and Boatperson Licences

10. Section 94 of the Public Health Act 1907 and section 18 of the Local Government (Miscellaneous Provisions) Act 1976 empowers Local Authorities to licence and charge such annual fee as appears to them to be appropriate for each of the following types of licence. Pleasure boats and pleasure vessels to be let for hire (Class C); or to be used for the carrying of passengers for hire (Class B) and to the persons in charge of or navigating such boats and vessels.
11. The legislation covers any boat or craft with the capacity of up to 12 persons which operate on inland waters only.
12. Licences last for 1 year unless revoked or surrendered. Licence numbers are as follows

	2023	2024
Class B Pleasure craft	27	22
Class C Pleasure craft	8	8
Boatperson	3	4

Sex Establishment and Sexual Entertainment Venues Licences

13. The Local Government (Miscellaneous Provisions) Act 1982 Schedule 3, as amended by s.27 of The Policing and Crime Act 2009 sets out the statutory provisions for setting Sex Establishment fees
14. A Sex Establishment is defined as a Sex Shop, Sex Cinema or Sexual Entertainment Venue (SEV) (primarily lap dancing clubs).
15. A premises is not a Sexual Entertainment Venue if any relevant entertainment is only provided on eleven or less occasions during a twelve-month period and, each of the occasions are at least one month apart.
16. Licences are valid for 12 months from the date of grant unless surrendered or revoked. A process similar to the granting of a new licence is to be followed for each renewal including consultation.

17. Licence numbers are as follows:-

	2023	2024
Sex Shop	3	2
Sexual Entertainment Venue	3	3

Taxi and Private Hire Licences

18. The Local Government (Miscellaneous Provisions) Act 1976 allows the local authority to charge fees on a cost recovery basis only. The proposed changes to the fees include the cost of administration, compliance checks and the issuing of licences, and plates.
19. Hackney Carriage licensing fees also includes recharges for the upkeep of taxi ranks and the requirement to undertake an unmet needs survey every three years. Whilst it is recognised that the current policy is under review and there is a proposal to remove the need for an unmet needs survey, this has currently not been approved, and we cannot predetermine if this proposal will be supported by the public consultation. The fees will be amended to reflect any changes once the policy review is complete and implemented and any unnecessary costs will be removed when the fees are reviewed in 2026.
20. These fees also include a 1.7% increase applied to any supplies and services to reflect the current level of the Consumer Prices Index.
21. Driver licences are issued for 3 years and the fees proposed will be implemented as of 1 April 2025.
22. Private Hire Operator licences are issued for 5 years, and vehicle licences are issued for 1 year.
23. Licence numbers are as follows: -

	2023	2024
Hackney Carriage and Private Hire Driver	12277	1171
Hackney and Private Hire Vehicle	924	822
Private Hire Operator	93	94

24. Appendix 2 provides benchmarking with fees from neighbouring authorities for information.

Consultation on Taxi and Private Hire Licences

25. There is a statutory requirement to advertise a change in fees for Private Hire Operators and for vehicle licences.
26. A notice must be published in a local paper advising of the variation in fees and set out the consultation period which shall be no less than 28 days. In addition, the notice must be displayed in the Civic Offices for a minimum 28-day period.

27. If no objections are received the new fees will come into force on the date specified.
28. If there are objections which are not withdrawn, then a further Committee meeting will be required to consider the matter further. This meeting must take place within 2 months of the expiry of the consultation

Options Appraisal

29. Members are asked to consider the fees as proposed and
- a) Agree the proposed fees; or
 - b) Agree amended fees following consideration; or
 - c) Maintain the current fees.
 - d) Recommend the decision made in relation to Scrap Metal Fees to Cabinet.
30. Once the fees are agreed if there is an increase or variation members are asked to approve publishing the necessary notices for the taxi and private hire vehicle and private hire operator fees.

Summary of financial implications

31. The costs have been calculated taking into account increased costs incurred in the administration of the service which include proposed salary costs increases.
32. It is predicted that staff salaries will increase by 2.8% and we have also factored in the increase to National Insurance contributions of 1.2%. As well as this the National Insurance threshold is changing from £9,100 to £5,000, we have not calculated this as an increase for each officer as such we have applied an overall increase of 5% to cover staff costs. We recognise that this is an estimate, but this will represent cost recovery pending a full fee review in the coming year.
33. Failure to review the fees will result in an increase in the gap between income and the costs incurred by the Authority which is not in line with cost recovery as set out in the legislation.

Summary of legal implications

34. The fees are required to meet the costs of the services and must be set in accordance with the legislation on a cost recovery basis. If the fees are set incorrectly this can result in judicial review.

Summary of human resources implications

35. The delivery of the service will remain within existing staffing levels

Summary of sustainability impact

36. There are no sustainability impacts.

Summary of public health implications

37. There are no public health implications.

Summary of equality implications

- 38. An Equalities Impact Assessment (EIA) screening documents have been completed.
- 39. There is a legislative and corporate requirement to ensure fees cover rising staff costs and overheads.
- 40. The legislation allows councils to set the fees to recover the costs incurred. As such there is no option but to increase costs.
- 41. There is no mitigation to any negative impacts.
- 42. Overall, there are no positive equality impacts from the change in fees.

Summary of risk assessment

- 43. If fees are not calculated appropriately the service will not recover sufficient income to cover costs.
- 44. If fees are increased this can lead to licence holders seeking licences in other local authority areas with lower fees. With cross border hiring permitting these vehicles to still work within the BCP Council area. With a reduction in licence numbers and income the risk will be that the number of officers delivering the service will need to be reduced.

Background papers

Scrap Metal Dealers Act 2013: guidance on licence fee charges

<https://www.gov.uk/government/publications/scrap-metal-dealer-act-2013-licence-fee-charges>

Public Health Act 1907

<https://www.legislation.gov.uk/ukpga/Edw7/7/53/section/94>

Local Government (Miscellaneous Provisions) Act 1976

<https://www.legislation.gov.uk/ukpga/1976/57>

Supreme Court ruling on the Hemmings Case

<https://www.supremecourt.uk/cases/docs/uksc-2013-0146a-judgment.pdf>

Appendices

Appendix 1 – Current and proposed fees

Appendix 2 – Taxi fare benchmarking