

REGULATORY AND APPEALS COMMITTEE
29 NOVEMBER 2010

Title of paper:	Fees and charges relating to the Community Protection Directorate	
Director(s)/ Corporate Director(s):	Andrew Errington Director of Community Protection, Communities Ken Foote, Interim Corporate Director for Communities	Wards affected: All
Report author(s) and contact details:	Emma Orrock 0115 8765034 emma.orrock@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Ann Barrett Haseeb Ahmad Ian Greatorex	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		
Work in Nottingham		
Safer Nottingham		√
Neighbourhood Nottingham		
Family Nottingham		
Healthy Nottingham		
Serving Nottingham Better		
Summary of issues (including benefits to citizens/service users):		
To consider the proposed increase in the fees relating to the licensing of hackney carriages and private hire vehicles, Pet Shops, Skin Piercing Premises and Practitioners and Sex Establishments.		
Recommendation(s):		
1	<p>It is recommended:</p> <p>1.1 Subject to there being no outstanding objections, Councillors approve the implementation of the proposed fees relating to Hackney Carriage Vehicle Licences and Private Hire Vehicle Licences to take effect from 30 January 2011.</p> <p>1.2 In the event that there are outstanding objections, all final decisions on the proposed fee increase and its implementation date, are delegated to the Director of Community Protection, in consultation with the chair, vice-chair and opposition spokespersons.</p>	
2	It is recommended that Councillors approve the implementation of the proposed fees relating to Private Hire and Hackney Carriage Drivers, Pet Shops, Skin Piercing Premises and Practitioners and Sex Establishment Licences to take effect from 1 January 2011.	

1. BACKGROUND

1.1 The reason for the review is to fully recover end-to-end service costs, as outlined in the Council's medium term financial plan. The fees have been worked out by analysing the proportion of time (including on-costs) spent on the various functions.

1.2 Community Protection undertook an exercise to establish the actual service costs based on the proportion of staff time spent on the various functions.

1.3 The purpose of licensing hackney carriages and private hire vehicles, their drivers and operators is to ensure the travelling public of Nottingham are provided with a safe and reliable service and are protected from all illegal activities associated with the provision of a taxi service. The cost of administering and controlling this service may be recouped by a levy of fees as specified in the legislation governing this area of licensing. The legislation permits the Council to recover all or part of the costs of providing the Taxi Licensing service, including its administration and control (regulation). It does not permit the Council to profit from its fees and charges thus ring fencing the income to the Taxi Licensing service.

1.4 A review of the fees and charges levied for this service was undertaken in September 2010. The proposed increases to fees are attached at Appendix 1A.

1.5 A benchmarking exercise was also conducted for cost comparisons with other Core Cities. This is attached at Appendix 1B.

1.6 A separate exercise will be conducted for Operator licenses in 2011.

1.7 As part of the review of fees and charges, an exercise has been undertaken to establish the actual service costs based on the proportion of staff time spent on the Licensing function and the direct and indirect costs associated with delivering the service. A benchmarking exercise was conducted for cost comparisons with other Core Cities attached at 2A. The proposed increases to fees are attached at Appendix 2B relating to Pet Shops, Skin Piercing Premises and Practitioners.

1.8 A separate exercise was conducted for sex establishments. A benchmarking exercise was completed attached at Appendix 3A. The average charge is £8,309. The third quartile is £10,026. The outcome of the analysis is attached at Appendix 3B (new applications) and 3C (renewals). The proposed increases are attached at Appendix 3D.

1.9 A cost exercise has proven that there is no difference in the amount of time spent either approving or rejecting a license application for a sex establishment, therefore, it is deemed no longer appropriate to split the fee into two parts ('On Application' and 'On Grant') and it is now proposed we will take the full fee on application.

1.10 We are not reviewing the variation and transfer fees for sex establishments agreed in July, however, we may conduct a separate exercise in the future.

2. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

2.1 The recommendation is put forward to ensure that the costs of delivering the Taxi Licensing service can be met.

2.2 Informal consultation with the Taxi trade has begun. An initial objection has been received in writing and is attached at Appendix 4.

2.3 It is recommended that the fees are increased for Pet Shops, Skin Piercing Premises and Skin Piercing Practitioners and Sex Establishments to fully recover end-to-end service costs, as outlined in the Council's medium term financial plan.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 None

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

4.1 Based on the activity supplied by the service area, it is anticipated that the proposed increases will generate income as follows;

	2010/11 £	2011/12 £
Taxi Licensing	11,750	43,000
Other Licensing	<u>-</u>	<u>10,000</u>
	<u>11,750</u>	<u>53,000</u>

4.2 The increased income will need to be reflected in the 2011/12 budget which is currently being constructed.

5. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

5.1 Fee recovery for the various licences covered by this report is governed by a variety of statutory provisions:-

- For Private Hire and Hackney Carriage Drivers licences, Section 53 of the Local Government (Miscellaneous Provisions) Act 1976 permits the Council to recover a reasonable fee in respect of issue and administration.
- For Private Hire and Hackney Carriage vehicle licences Section 70 of that Act permits the recovery of reasonable costs of inspections, considering applications, providing hackney carriage stands and other reasonable and administrative costs connected with those matters and the supervision of those vehicles.
- For Pet Shops, Skin Piercing Premises and Practitioners, and Sex Establishments the Council is permitted to determine a reasonable fee.

Members should therefore have regard to these matters when determining the fees. As indicated in the report, the Council is required to formally advertise proposed vehicle fee increases for at least 28 days and to consider any objections before any proposed fee increase can come into force. It is within the power of the Committee to further delegate the consideration of any objections received and the final decision on the proposed vehicle fees increase and their implementation to the Director of Community Protection, in consultation with the Chair, Vice Chair and Opposition Spokespersons should it wish to do so.

5.2 Crime and disorder implications are not deemed to be relevant.

5.3 The only possible equality and diversity impact may be on existing or prospective drivers not being able to afford to renew/take up the licence. The Hackney vehicle is wheelchair accessible and the increase may possibly reduce the number of cabs licensed having a negative impact in respect of people with disabilities. Secondly, if there is not a reduction in licensed vehicles, the increased charges may be passed on to passengers, again disabled people will be affected as they are more likely to use Hackney cabs as an accessible mode of transport. It should be noted however that fares for Hackney Carriages cannot be amended without the approval of this Committee.

6. EQUALITY IMPACT ASSESSMENTS (EIAs)

6.1 An Equality Impact Assessment has not been carried out, as this report does not include proposals for new or changing policies, services or functions.

7. LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

7.1 None

8. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

8.1 Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976

8.2 Section 1 of the Pet Animals Act 1951

8.3 Section 15 of the Local Government (Miscellaneous Provisions) Act 1982

8.4 Paragraph 19 of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended)

Appendix 1A

Proposed increases to licence fees and other charges (Taxi Licensing)

Licence type	Current £	Proposed £
Drivers New Licence	80	87.50
Drivers Licence Renewal	80	87.50
Hackney Carriage Vehicle New Licence	195	210
Hackney Carriage Vehicle Licence Renewal	195	210
Private Hire Vehicle New Licence	195	210
Private Hire Vehicle Licence Renewal	195	210
Drivers Badge replacement	6	10

TAXI LICENSING 2010

BENCHMARKING EXERCISE

Local Authority	No of people per hackney cab	No of people per Private Hire taxis	No of people for ALL Taxis	RANK	Cost Of Licence (£s)	Rank	Cost Of Licence Renewal (£s)	Rank	Hackney Carriage tests under 3 years - cost (£s)	Rank	H/C over 3 years and PHC vehicle tests (£s)	Rank	TOTAL number of Taxis (Hackney & PH)		TOTAL NUMBER OF STAFF	Rank	Number of cabs per staff member	Rank	Number of drivers per officer	Rank
Sheffield	619	458	263	7	210	5	135	6	210	6	155	2	2015	2	10	1	202	5	241	4
Nottingham	701	152	125	1	137	1	80	2	195	4	161	5	2315	3	13	2	178	3	194	2
Birmingham	673	155	126	2	439	7	95	4	200	5	172	6	8000	7	17	3	471	7	294	6
Liverpool	305	311	154	4	158	2	158	7	160	2	160	4	2826	4	18	4	157	2	251	5
Manchester	445	187	132	3	175	3	135	3	377	7	207	7	3475	6	21	5	165	3	240	3
Bristol	529	480	252	6	219	6	59.5	1	179	3	89.5	1	1654	1	21.5	6	77	1	83	1
Leeds	1417	183	162	5	200	4	95	4	140	1	155	2	4707	5	23	7	205	6	294	6
Average			165		238		108		211		157		3570		18		208		228	

Appendix 2A

Annexe D

LA	Pet Shops	RANK		Skin Piercing Premises	RANK		Skin Piercing Practitioner	RANK
<i>Lincoln</i>	86.7	3		118.32	9		23.77	1
Ipswich	117	10		180	13		25	2
Reading	166	16		162.5	11		28.5	3
<i>Manchester</i>	108	6		71	3		42	4
<i>Nottingham</i>	98	4		98	6		49	5
Derby	120	11		50	2		50	6
<i>Sheffield</i>	152	14		250	15		50	7
Watford	175	17		115	8		64	8
<i>Bristol</i>	116	9		105	7		71	9
Stoke	100	5		128	10		75	10
Coventry	122	12		83.5	4		83.5	11
Leicester	131	13		92	5		92	12
<i>Birmingham</i>	115	8					182	13
<i>Liverpool</i>	165	15		19.5	1			
Hull	85	2		177	12			
Slough	300	18		206	14			
<i>Newcastle</i>	61	1						
Exeter	114	7						
Average	130			124			64	

Appendix 2B

Proposed increases to licences fees and other charges (General Licensing)

Licence type	Current £	Proposed £	Current rank	Average fee
Pet Shops	98	115	4/18	130
Skin Piercing Establishments	98	125	6/15	124
Skin Piercing Practitioner Fees	49	65	5/13	64

Appendix 3A

Local Government (Miscellaneous Provisions) Act 1982

Benchmarking exercise comparing costs for Sex Establishments across England

	LA	Cost of Licence (£)	Population	Core City Y/N
1	Birmingham	9935	10278	Y
2	Bristol	8000 ¹	433	Y
3	Dartford	15000	94	
4	Derby	3050	244	
5	Doncaster	8864	290	
6	Gloucester	10790	117	
7	Hull	7917	262	
8	Ipswich	8009	126	
9	Leicester	5044	304	
10	Liverpool	5000	442	Y
11	Manchester	5142	483	Y
12	Newcastle	6956	284	Y
13	Nottingham	6678	300	Y
14	Oxford	7750	149	
15	Portsmouth	12000	203	
16	Sheffield	5200	547	Y
17	South Somerset	10300	158	
18	Woking	12700	92	
19	Wolverhampton	4448	238	
20	York	8000	198	
	3RD Quartile	10026		
	Average	8039		

¹ There is conflicting evidence about the costs for Bristol. This figure is from their website. However, in response to an earlier FOI request they gave the figure of £15,718. A separate benchmarking exercise instigated by Rushmoor BC quotes £15,335.

Appendix 3B (Sex Establishments) New

SEX SHOP LICENCE FEES EXERCISE NOVEMBER 2010

Service Improvement Team, SLT ~ Establishment of Unit Cost, sign off by SLT

Grade	Rate £	Hours	Total £
SLT	44.00	3	132.00
Director	74.29	1	74.29
Deputy Director	37.63	1	37.63
SLMG	37.63	1	37.63
PO4	31.42	7.5	235.62
Sc 6	17.10	11.25	192.43
Sub Total Unit Costing and SLT sign Off			709.58

A

ADMINISTRATION

Application				Licensing			
Grade	Rate £	Hours	Total £	Grade	Rate £	Hours	Total £
SM	23.79	3	71.36	SM	23.79	1	23.79
EHO	20.73	5	103.63	EHO	20.73	2	41.45
Sc6	17.10	5	85.52	Sc6	17.10	1	17.10
Sc4	13.74	5	68.69	Sc4	13.74	2	27.47
Administration Application Total Costs			329.20	Administration Licensing Total Costs			109.82

1

2

CONSULTATION

Application				Licensing			
Grade	Rate £	Hours	Total £	Grade	Rate £	Hours	Total £
SLMG	37.63	2	75.25	SLMG	37.63	1	37.63
SM	23.79	3	71.36	SM	23.79	2	47.57
EHO	20.73	10	207.27	Total			
Consultation Application Total Costs			353.88	Consultation Licensing Total Costs			85.20

3

4

DETERMINATION

See detailed calculation from Determination Worksheet	1796.19
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5

ENFORCEMENT

Application				Licensing			
Grade	Rate £	Hours	Total £	Grade	Rate £	Hours	Total £
Director	74.29	1	74.29	AD	37.63	2	75.25
Deputy Director	37.63	1	37.63	SM	23.79	8	190.29
SLMG	37.63	2	75.25	SLMG	37.63	20	752.51
SM	23.79	1	23.79				
Enforcement Application Total Costs			210.95	Enforcement Licensing Total Costs			1018.05

6

7

GRAND TOTAL OF ALL COSTS

As outlined above (A +1-7 inc)	4612.86
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8

Estimation of on costs

Total salary costs from 2009/10	46,002
Total On costs from 2009/10	107,410
On costs as a %age of TOTAL	69%
i.e. ratio of 2:1 ONCOSTS v Salaries	9,225.73

Which is	9225.73
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9

Total costs for sex establishments upgraded to 2010 prices

GRAND FINAL TOTAL COST	13,838.59
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10

(i.e. **8+9**)

RECOMMENDED REVISED FEE	13,840
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Appendix 3C Sex Establishments (Renewals)

SEX SHOP LICENCE FEES EXERCISE NOVEMBER 2010

Service Improvement Team, SLT ~ Establishment of Unit Cost, sign off by SLT

Grade	Rate £	Hours	Total £
SLT	44.00	3	132.00
Director	74.29	1	74.29
Deputy Director	37.63	1	37.63
SLMG	37.63	1	37.63
PO4	31.42	7.5	235.62
Sc 6	17.10	11.25	192.43
Sub Total Unit Costing and SLT sign Off			709.58

A

ADMINISTRATION

Application				Licensing			
Grade	Rate £	Hours	Total £	Grade	Rate £	Hours	Total £
SM	23.79	3	71.36	SM	23.79	1	23.79
EHO	20.73	5	103.63	EHO	20.73	2	41.45
Sc6	17.10	5	85.52	Sc6	17.10	1	17.10
Sc4	13.74	5	68.69	Sc4	13.74	2	27.47
Administration Application Total Costs			329.20	Administration Licensing Total Costs			109.82

1

2

CONSULTATION

Application				Licensing			
Grade	Rate £	Hours	Total £	Grade	Rate £	Hours	Total £
SLMG	37.63	2	75.25	SLMG	37.63	1	37.63
SM	23.79	3	71.36	SM	23.79	2	47.57
EHO	20.73	10	207.27	Total			
Consultation Application Total Costs			353.88	Consultation Licensing Total Costs			85.20

3

4

DETERMINATION

See detailed calculation from Determination Worksheet	880.20
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5

ENFORCEMENT

Application				Licensing			
Grade	Rate £	Hours	Total £	Grade	Rate £	Hours	Total £
Director	74.29	1	74.29	AD	37.63	2	75.25
Deputy Director	37.63	1	37.63	SM	23.79	8	190.29
SLMG	37.63	2	75.25	SLMG	37.63	20	752.51
SM	23.79	1	23.79				
Enforcement Application Total Costs			210.95	Enforcement Licensing Total Costs			1018.05

6

7

GRAND TOTAL OF ALL COSTS

As outlined above (A +1-7 inc)	3696.87
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8

Estimation of on costs

Total salary costs from 2009/10	46,002
Total On costs from 2009/10	107,410
On costs as a %age of TOTAL	69%
i.e. ratio of 2:1 ONCOSTS v Salaries	7,393.75

Which is	7393.75
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9

Total costs for sex establishments upgraded to 2010 prices

GRAND FINAL TOTAL COST	11,090.62
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(i.e.
10 8+9)

RECOMMENDED REVISED FEE	11,100
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11

Appendix 3D

Proposed increases to licences fees and other charges (Sex Establishments)

Licence type	Current £	Proposed £
New Licence	6,678	13,840
Renewal	6,678	11,100

Appendix 4

To Whom It May Concern,

I am writing this email in response to an email received from the head of taxi licensing Jim Mortell regarding possible license increases. The increases to the driver's license fees are supposed to be increased by £7.50 and the renewal and new licenses to be increased by £15 per annum.

We, the Nottingham Hackney Licence Association would like to object to these increases on the basis that previously when the fees were increased we were told that increases was in relation to acquiring four full-time late night enforcement officers. These officers have been coming out on the basis of two per shift and in the last six months this has been reduced to one late night enforcement officer and one community enforcement officer. Only in the last month have we seen two late night enforcement officers working a late shift.

There are thirteen staff working in the taxi licensing department, which covers approximately all 405 hackney vehicles, approximately 1500 private hire, and a total of 2500 vehicle driver's licences. Other major cities, for example Leeds, Birmingham, Manchester, have superior vehicle and driving badges and have less staff then what Nottingham has.

We feel the increases are not justified due to the previous increases not being implemented in the way they were requested for.

We would be most grateful if you would look at the structure of the taxi licensing department before any increases are made. The rate of inflation is 3%, so the increase discussed is double this. Up until the time that the Hackney Carriage Association feels that the previous increase is justified we do acknowledge any further proposals.

Amjid Hussain
Chairman