
COMMITTEE: Licensing

DATE: 24 February 2010

DIRECTOR: Stewart Carruth, Corporate Governance

TITLE OF REPORT: Licence Application Fees: April 2010 – March 2011

REPORT NUMBER: CG-10-028

1. PURPOSE OF REPORT

The purpose of the report is to advise the Committee of the proposed level of application fees for licences administered through the Civic Government (Scotland) Act 1982 and other miscellaneous statutes and to obtain the Committee's approval for the fees to come into effect on 01 April 2010.

2. RECOMMENDATION(S)

That the Committee approves the fees set out in Appendices 1 and 2 to this report.

3. FINANCIAL IMPLICATIONS

In terms of Section 12 and Paragraph 15 of Schedule 1 to the Civic Government (Scotland) Act 1982, the licensing authority shall "charge such...fees as they may...determine...to ensure that...the total amount of fees...is sufficient to meet the expenses of the authority in exercising their functions under Parts 1 and 2 of this Act and this Schedule". The proposed fees achieve cost recovery to the Local Authority.

4. SERVICE & COMMUNITY IMPACT

The purpose of the Licensing regime is to contribute to the safety of the citizens of Aberdeen who use any of the services covered by licences.

5. OTHER IMPLICATIONS

There are no other implications as a result of this report.

6. REPORT

6.1 CIVIC AND MISCELLANEOUS APPLICATION FEES

In determining the level of fees to be set, the budget for the forthcoming financial year (2010/11) was considered. All staff time is recorded electronically against the different licence types. This enables us to calculate accurately the costs to be attributed to each licence type. Actual costs for the year have been used in calculating these fees. The management information shows that there has been

no significant change in the number of licences issued since the Committee last approved the fees in 2009.

For most of the fees, the budget has worked out to be cost neutral and therefore a minimum inflationary rise of 2.5% has been applied, with a few exceptions. Currently the fees for street trader licences do not cover costs; an increase of 7% is necessary to achieve this. Similarly, a 5% rise is necessary to cover the costs associated with second-hand dealer's licences. Taxi Booking Office and Non Domestic Knives licences both came into force during 2009/10 and incurred high set up costs. An increase of 5% would not have covered the costs but should cover the costs for the forthcoming year.

The current and proposed fees for 2010/11 are attached at Appendix 1.

6.2 TAXI AND PRIVATE HIRE CAR APPLICATION FEES

The proposed fees were discussed at the Taxi Consultation Group on 8th February 2010. As a result officers were asked to provide a breakdown of costs. This has been done at Appendix 3.

The number of taxi and private hire car operator licences has remained constant, with only a 2% increase from 2009/10, while taxi driver numbers have increased by 6%.

An inflationary rise of 2.5% has been applied to the fees with one exception – that of substitution of vehicles. This has been increased by 15% to try to cut down on the numbers of substitutions which cause operational problems for the taxi examiners. By their nature most substitutions are not planned and are therefore urgent eg when a vehicle is damaged or needs repair and an alternative is substituted.

It was suggested by the Consultation Group that a 15% increase was too much and that instead, a 5% increase is added to the renewal fee to spread the cost and the substitution fee could then be increased by 2.5%. It was also suggested that the substitution fee be removed completely and the renewal fee be increased to compensate. These suggestions met with a mixed reception as comparatively few licence holders (227) make use of the substitution option, meaning the vast majority of licence holders (997) would be subsidising the few if either of these options were adopted.

Appendix 2A shows the effect of a 5% increase on the driver's renewal fee and a 2.5% increase on the substitution fee.

Appendix 2B shows the effect of removing the substitution fee and adding to the driver's renewal fee to compensate. This increases the existing renewal fee by £54.

Appendix 2C shows the effect of removing the substitution fee and adding to the operator's renewal fee to compensate. This increases the existing renewal fee by £24.

None of these options addresses the workload issues which the substitution fee is designed to address (at least in part) and if the fee is removed completely the numbers of substitutions will increase considerably and have a detrimental effect on the routine 6 monthly tests, the situation the substitution fee was designed to address when it was introduced.

The current and proposed fees for 2010/11 are attached at Appendix 2.

7. REPORT AUTHOR DETAILS

Brenda Flaherty, Legal Manager, Licensing Team
✉ bflaherty@aberdeencity.gov.uk ☎ 01224 522624

Jacqui Wallace, Administration Officer, Licensing Team
✉ jwallace@aberdeencity.gov.uk ☎ 01224 522985

8. BACKGROUND PAPERS

None

Appendix 1

LICENCE FEES**Civic & Miscellaneous**

	LICENCE COST 2009/10 £	PROPOSED VALUE 2010/11 £	ACTUAL NO OF LICENCES 2009/10	PROJECTED INCOME 2009/10 £	PROJECTED INCOME 2010/11 £
<u>Public Entertainment/Indoor Sports Entertainment (Three Yrs)</u>					
Grant of Licence	660	675			
Renewal of Licence Public Entertainment	505	515	30	5,050	5,150
Renewal of Licence Indoor Sports Centres	505	515	9	1,515	1,545
Temporary Licence / Variation	260	265			
Temporary Licence	310	315			
<u>Boat Hire</u>					
Grant of Licence	160	164			
Renewal of Licence	140	143	0		
Temporary Licence	90	92			
<u>Market Operator (Three Yrs) Private</u>					
Grant of Licence	300	307			
Renewal of Licence	200	205	12	800	820
Temporary Licence	300	307			
Variation	110	112			
<u>Market Operator (Three Yrs) Public</u>					
Grant of Licence	820	820			
Renewal of Licence	530	530	1	177	177
Temporary Licence	820	820			
Variation	380	380			
<u>Late Hours Catering (Three Yrs)</u>					
Grant of Licence	195	200			
Renewal of Licence	165	170	79	4,345	4,477
Temporary Licence	90	92			
Variation	75	77			
<u>Street Traders</u>					
Grant /Renewal (Employer)	155	166	94	14,570	15,604
Grant /Renewal (Employee)	90	96	65	5,850	6,240
Temporary Licence	90	96			
Substitution of Vehicle in Licence	110	117			
Additional Vehicle in Licence	50	53			

	LICENCE COST 2009/10 £	PROPOSED VALUE 2010/11 £	ACTUAL NO OF LICENCES 2009/10	PROJECTED INCOME 2009/10 £	PROJECTED INCOME 2010/11 £
<u>Sex Shop</u>					
Grant of Licence	5250	5250			
Renewal of Licence	3150	3150	2	6,300	6,300
<u>Second-Hand Dealers (Three Yrs)</u>					
Grant of Licence	190	200			
Renewal of Licence	165	175	124	6,820	7,233
Temporary Licence	90	92			
<u>Window Cleaner Three Yrs</u>					
Grant of Licence	160	165			
Renewal of Licence	140	145	94	4,387	4,543
Temporary Licence	25	26			
<u>Metal Dealers (incl Itinerant) Three Yrs</u>					
Grant of Licence	170	174			
Renewal of Licence	145	149	0		
Temporary Licence	90	92			
Variation	72	74			
<u>Cinemas Act 1985</u>					
Grant of Licence	600	600			
Renewal of Licence	200	200	4	800	800
Transfer of Licence	120	120			
<u>Theatres Act 1968 (Non-Educational)</u>					
Grant of Licence	690	700			
Renewal of Licence	525	535	5	2,625	2,675
Variation	270	275			
Transfer of Licence	180	185			
Temporary Licence	320	330			
<u>Game Act 1831</u>					
Grant / Renewal of Licence	125	125	4	500	500
<u>Miscellaneous</u>					
Variation of Zone (Civic)	110	110			
Consent for Material Alteration	175	175	0		
Consent for Material Alteration (Change of Manager)	50	50			
<u>Civil Marriages (Three yrs)</u>					
Grant / Renewal of Licence	650	665	21	4,550	4,655

	LICENCE COST 2009/10 £	PROPOSED VALUE 2010/11 £	ACTUAL NO OF LICENCES 2009/10	PROJECTED INCOME 2009/10 £	PROJECTED INCOME 2010/11 £
<u>Tattooing (Three yrs)</u>					
Grant of licence	297	304			
Renewal of licence	253	259	40	3,373	3,453
Temporary licence	119	122			
<u>Taxi Booking Offices (Three yrs)</u>					
Grant of licence	190	200			
Renewal of licence	165	175	4	220	233
Temporary licence	90	92			
<u>Non domestic knives & swords (Three yrs)</u>					
Grant of licence	190	200			
Renewal of licence	165	175	6	330	350
Temporary licence	90	92			
				£62,212	£64,756

ESTIMATED INCOME 2010/11- LICENCES (TAXIS ONLY)				
TYPE OF APPLICATION	ESTIMATED NO. OF LICENCES	CURRENT FEE 2009/10	PROPOSED FEE 2010/11	INCOME BASED ON PROPOSED FEE
				£
TAXIS/PRIVATE HIRE CARS				
GRANT *1	0	395	405	0
RENEWAL OF LICENCE	1,204	215	220	264,880
TEMPORARY LICENCE *2	121	80	82	9,922
TAXI DRIVERS				
GRANT *1	0	50	51	0
RENEWAL (3 YEAR) LICENCE – (over 3 years £153,036) *3	1,417	105	108	51,012
TEMPORARY LICENCE *2	20	50	51	1,020
MISCELLANEOUS				
SUBSTITUTION FEE *2	227	100	115	26,105
CANCELLATION FEE	0	30	30	0
VARIATIONS *2	61	60	65	3,965
RE-TEST FEE	0	30	35	0
				£ 356,904

*1 It is difficult to predict the number of new licenses per annum and in recent years it has been very low so a zero figure is included here.

*2 Temporary licence, variation and substitution numbers are difficult to predict, as an indicative figure, January 2010 actuals have been used

*3 The period of renewal was increased to 3 years from 2008/09; the final year for which is 2010/11 therefore one third of the £153k income is estimated to be attributable to 2010/11. It would be expected that income will increase in year one (2011/12) of each three year renewable cycle.

ESTIMATED INCOME 2010/11- LICENCES (TAXIS ONLY)				
TYPE OF APPLICATION	ESTIMATED NO. OF LICENCES	CURRENT FEE 2009/10	PROPOSED FEE 2010/11	INCOME BASED ON PROPOSED FEE
				£
TAXIS/PRIVATE HIRE CARS				
GRANT *1	0	395	405	0
RENEWAL OF LICENCE	1,204	215	220	264,880
TEMPORARY LICENCE *2	121	80	82	9,922
TAXI DRIVERS				
GRANT *1	0	50	51	0
RENEWAL (3 YEAR) LICENCE – (over 3 years £153,036) *3 5% increase	1,417	105	110	51,957
TEMPORARY LICENCE *2	20	50	51	1,020
MISCELLANEOUS				
SUBSTITUTION FEE *2 2.5% increase	227	100	102	23,154
CANCELLATION FEE	0	30	30	0
VARIATIONS *2	61	60	65	3,965
RE-TEST FEE	0	30	35	0
				£ 354,898

*1 It is difficult to predict the number of new licenses per annum and in recent years it has been very low so a zero figure is included here.

*2 Temporary licence, variation and substitution numbers are difficult to predict, as an indicative figure, January 2010 actuals have been used

*3 The period of renewal was increased to 3 years from 2008/09; the final year for which is 2010/11 therefore one third of the £153k income is estimated to be attributable to 2010/11. It would be expected that income will increase in year one (2011/12) of each three year renewable cycle.

ESTIMATED INCOME 2010/11- LICENCES (TAXIS ONLY)				
TYPE OF APPLICATION	ESTIMATED NO. OF LICENCES	CURRENT FEE 2009/10	PROPOSED FEE 2010/11	INCOME BASED ON PROPOSED FEE
				£
TAXIS/PRIVATE HIRE CARS				
GRANT *1	0	395	405	0
RENEWAL OF LICENCE	1,204	215	220	264,880
TEMPORARY LICENCE *2	121	80	82	9,922
TAXI DRIVERS				
GRANT *1	0	50	51	0
RENEWAL (3 YEAR) LICENCE – (over 3 years £153,036) *3	1,417	105	159	75,101
TEMPORARY LICENCE *2	20	50	51	1,020
MISCELLANEOUS				
SUBSTITUTION FEE *2	227	100	0	0
CANCELLATION FEE	0	30	30	0
VARIATIONS *2	61	60	65	3,965
RE-TEST FEE	0	30	35	0
				£ 354,888

*1 It is difficult to predict the number of new licenses per annum and in recent years it has been very low so a zero figure is included here.

*2 Temporary licence, variation and substitution numbers are difficult to predict, as an indicative figure, January 2010 actuals have been used

*3 The period of renewal was increased to 3 years from 2008/09; the final year for which is 2010/11 therefore one third of the £225k income is estimated to be attributable to 2010/11. It would be expected that income will increase in year one (2011/12) of each three year renewable cycle.

ESTIMATED INCOME 2010/11- LICENCES (TAXIS ONLY)				
TYPE OF APPLICATION	ESTIMATED NO. OF LICENCES	CURRENT FEE 2009/10	PROPOSED FEE 2010/11	INCOME BASED ON PROPOSED FEE
				£
TAXIS/PRIVATE HIRE CARS				
GRANT *1	0	395	405	0
RENEWAL OF LICENCE	1,204	215	239	287,756
TEMPORARY LICENCE *2	121	80	82	9,922
TAXI DRIVERS				
GRANT *1	0	50	51	0
RENEWAL (3 YEAR) LICENCE – (over 3 years £153,036) *3	1,417	105	108	51,012
TEMPORARY LICENCE *2	20	50	51	1,020
MISCELLANEOUS				
SUBSTITUTION FEE *2	227	100	0	0
CANCELLATION FEE	0	30	30	0
VARIATIONS *2	61	60	65	3,965
RE-TEST FEE	0	30	35	0
				£ 353,675

*1 It is difficult to predict the number of new licenses per annum and in recent years it has been very low so a zero figure is included here.

*2 Temporary licence, variation and substitution numbers are difficult to predict, as an indicative figure, January 2010 actuals have been used

*3 The period of renewal was increased to 3 years from 2008/09; the final year for which is 2010/11 therefore one third of the £153k income is estimated to be attributable to 2010/11. It would be expected that income will increase in year one (2011/12) of each three year renewable cycle.

Taxi inspection budget 09/10	
	£
Staff Costs (Taxi unit, including taxi inspector)	127,400
Premise Costs (Rent, health & safety etc)	32,702
Administration Costs (copying, phones etc)	5,816
Supplies & Services Costs (Equipment purchase, identity cards & plates, cleaning charges etc)	23,208
Capital Financing Costs (loans funds share of ACC costs)	5,082
Sub total – budget	194,208
Timerecording costs 09/10	
Cost of democracy	14,690
Cost of Management Time	24,033
Licensing team cost	53,925
	92,648
TOTAL BUDGET / COST	286,856
INCOME TO DATE 09/10	268,836