



AGENDA ITEM NO 3

Minutes of a meeting of the Licensing Committee held in the Council Chamber at The Grange, Nutholt Lane, Ely on Tuesday 15 November 2022 at 10.00am.

PRESENT

Cllr Julia Huffer (Chairman)
Cllr Christine Ambrose Smith
Cllr David Ambrose Smith
Cllr Sue Austen
Cllr Lavinia Edwards
Cllr Simon Harries
Cllr Mark Inskip
Cllr Alec Jones
Cllr Alan Sharp
Cllr Jo Webber (Vice-Chairman)
Cllr Gareth Wilson

OFFICERS

Stewart Broome – Senior Licensing Officer
Liz Knox – Environmental Services Manager
Maggie Camp – Director Legal Services
Angela Tyrrell – Senior Legal Assistant
Adeel Younis - Legal Assistant
Caroline Evans– Senior Democratic Services Officer
Hannah Walker – Trainee Democratic Services Officer

26. APOLOGIES AND SUBSTITUTIONS

No apologies for absence were received.

27. DECLARATIONS OF INTEREST

No declarations of interest were made.

28. MINUTES

It was resolved:

That the Minutes of the Licensing Committee meeting held on 28 September 2022 be confirmed as a correct record and be signed by the Chairman.

29. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Hannah Walker, who recently joined the Council as Trainee Democratic Services Officer.

30. **REVIEW OF LICENSING FEES**

The Committee considered a report, X104 previously circulated, detailing the review of statutory fees under the Licensing Act 2003 and the Gambling Act 2005, and the discretionary fees for licences and licensing-related activities for 1 April 2023 to 31 March 2024.

The Senior Licensing Officer provided details of the Council's responsibility for setting fees and charges for licensing regulations, with the exception of statutory fees set by Central Government. Members' attention was drawn to the extracts from relevant legislation provided in Appendix 7, as well as the potential for challenges to the Council's fees and charges and the possible consequences of such a challenge. He added that Members were required to consider each regulatory power separately, the Council could not generate an excess for one licence to subsidise another licence. Not all costs the Licensing Authority incurred could be legally recovered; 80% was what they usually aimed to recover.

The Senior Licensing Officer summarised the staff time taken and the income received from the different licensing regimes across a 3-year rolling period. He indicated that work related to the Licensing Act 2003 and the taxi trade were the main areas in terms of time taken and income received. The impact of Covid on the hospitality and transport sectors had caused a decrease in income and there had been no fee increases for taxi licensing since 2018. Income for the first six months of 2022/23 showed positive signs of recovery although income related to gambling, animal boarding and breeding, riding establishments, street trading and taxis was currently all below budget. The Senior Licensing Officer concluded that increased inflation in part driven by Covid, the Ukrainian/Russian conflict, and the "cost of living" crisis was impacting all types of licence holders, as well as the Licensing Authority itself which had projected operational cost increases of 5% for 2023/24 compared to 2022/23.

In addition to this, the Senior Licensing Officer advised that taxi, gambling, and animal welfare licences were no longer covering costs. Taxi licensing and animal licensing fees were last adjusted in 2018, and gambling fees had been set in 2007, but were subject to statutory maximums and could not therefore be raised higher than their current levels, leaving a shortfall borne by the Council. Animal welfare and taxi licensing each cost the Licensing Authority approximately £10,000 more than was currently recovered. The shortfall in taxi fees was due to a number of reasons including a reduction in drivers throughout the Covid period, increased legally required checks on drivers, and a forced change in the knowledge test provider which had increased the cost of the test to £32, leaving a shortfall of £12 per test. The shortfall in animal welfare fees was due to having underestimated the level of work involved with applying the new Defra standards that were considerably higher than the pre-2018 regulations, especially with new applicants. Therefore, although animal licence numbers had increased, it had also resulted in increasing the budget shortfall as the more work taken on, the more costs to recover.

Members were informed of a large taxi operator that was relocating their existing licensing operation to East Cambridgeshire. These applications started to be

received in October 2022, and would continue as each licence expired over the next 3 years at their host authority. An estimated £43-50,000 income would be generated that would be used to recruit another member of staff to cover the additional workload and to reduce the driver deficit, subject to continued inflation and other external factors.

Members were advised that there were indications that animal boarding and breeding activities would decline over the next 12-24 months because of the cost of living crisis. Five animal welfare licence holders had been lost in 2022, and an increase in any licence fees to meet cost recovery could result in a reduction in overall income from losing licence holders. Within animal licensing, increasing fees too high, risked driving individuals underground, resulting in higher enforcement costs and resourcing needs.

The Senior Licensing Officer therefore concluded that although significant increases to taxi driver and animal welfare fees could be justified for cost recovery, it would not be advised in the current economic climate. Various alternatives were proposed for Members' consideration.

The Chairman then invited Members to ask questions, and the following types of licences were discussed:

Animal Welfare:

A Member queried the total amount of animal welfare licences, since five had been lost. The Senior Licensing Officer advised that there were approximately 70 at any one time, therefore the five lost licences represented a reduction of approximately 8%.

Breeding:

Responding to a Member's question about a follow up process monitoring breeders who had chosen not to re-license, the Senior Licensing Officer explained that Officers continued to monitor their advertising to check for any further activities, but generally people had not carried on operating, and Members could be reassured that there were safeguards in place to ensure the business had not gone underground.

Gambling:

A Member asked whether the government intended to review the statutory limit on Gambling Fees set in 2007. The Senior Licensing Officer advised that the Licensing Act 2003 fee levels were being looked at by the government and the Home Office but no changes were anticipated until at least 2024/2025 and the Gambling Act 2007 had not been mentioned for review. He commented that, compared to other Councils, the District had few gambling licences and were also fortunate that the nature of the majority of the District's Licensing Act applications meant that those fees were close to recovery.

Taxi:

In response to a question about the impact of the reduction in driver numbers, the Senior Licensing Officer explained that although Officer workload was

reduced, the fixed costs such as for legal and IT support remained and therefore the economies of scale diminished.

A Member asked how the large taxi operator would be able to relocate to East Cambridgeshire, and how this would affect existing operators in the District. It was explained by the Senior Licensing Officer that hackney carriages were restricted to a degree to where their licence had been issued, but there was case law that allowed them to fulfil private hire work in and out of their district. The new taxi operator would carry out private hire work for social care and education, using their existing contracts with County Councils and government bodies, and had felt that East Cambridgeshire District Council best aligned with their needs when moving to a model of being based in regional hubs. In particular, the 2-3-week turnaround time for a driver's licence was faster than many other Authorities. Applications had been received since October 2022 and approximately 100 drivers and 100 vehicles would be migrated over 3 years once their contracts expired at their host authority, together with additional new drivers being taken on. A Member congratulated the Licensing team on providing an efficient system that was attracting additional trade.

The Chairman then opened the debate and there was general agreement that due to the intense pressures currently faced by small businesses, the additional costs imposed upon them should be minimised whilst ensuring that the Council continued to effectively recover its costs where possible, particularly at a time when Council finances nationwide were under increased strain.

Regarding taxi driver fees, several Members suggested that passing on the increase in the knowledge test fee would be justifiable as it was an additional cost that had been imposed on the Council. Members emphasised the importance of encouraging and supporting new and existing drivers but considered that taxi drivers would understand the reason for the £12 increase subject to good communication from the Council.

On the request of a Member, the Senior Licensing Officer explained the proposed discretionary fees for taxi and private hire licences as detailed in Appendix 6, and reminded Members that since 2015 when cost recovery had been approximately 50% the Council had been undertaking an elongated stepped increase to improve the cost recovery rate. Covid had impacted the progress of this and therefore various options were presented ranging from the minimum recommended increase of the £12 additional knowledge fee test up to larger increases that would maximise cost recovery. The Officer cautioned that increasing the fees would not necessarily result in increased income since business may go elsewhere. The new taxi operator moving into the District would provide more drivers and therefore inherent economies of scale in the Authority's costs which would move closer to cost recovery within a year.

In support of the proposal for the only increase to taxi licence fees to be the additional knowledge test cost, several Members recalled the previous Licensing Committee meeting regarding the fares review, at which taxis drivers had highlighted the negative impacts of Covid and rising fuel costs on the taxi trade.

A Member emphasised that, as a rural district with no public transport in places a viable taxi trade was very important for residents.

In response to a Member's question regarding radio advertising for local taxi firms, the Senior Licensing Officer stated that there was a national shortage of drivers and therefore some operators would pay the knowledge test fee as a means to attract new drivers. The new operator moving to the District had adopted that approach and there were also some initiatives in job agencies to provide assistance with costs.

Members then considered the issue of the animal welfare fees. They were conscious both of the declining current market and the increased cost to the Council, and therefore to the tax payer, of this area of Licensing. There was general concern that too great an increase could risk businesses going underground. As with the taxi fee decision, clear communication with the industry regarding the rationale for any increase was considered to be important. Members were in agreement that an increase to animal welfare licence fees was necessary and therefore sought advice from the Officers as to a suitable scale.

The Senior Licensing Officer advised Members that any changes in Animal Welfare fees would only come into place from 1 April 2023 as each new or renewed application was processed, so the impact on the existing approx. 70 licence holders would not be sudden. The higher than anticipated workloads involved with applying the new Defra standards since 2018, particularly for new licence holders, had resulted in a greater than expected budget shortfall and the Environmental Services Manager stressed the importance of continuing to move the animal welfare licence fees towards a position of reasonable cost recovery for the Authority. She reassured Members that people coming into the business would understand the need for the costs. The Senior Licensing Officer then explained the impact of the proposed nominal fee increased by reference to Appendix 5 page 3. He stated that the maximum increase would be for a new 3-year licence, which was rare, and that most licences would be a 3-year renewal at £51, which equated to just £17 per year. The higher cost of a new licence than a renewal was justifiable and reflected the additional work involved in granting a new licence.

As a result of the Officers' comments, several Members acknowledged that freezing the fees would create larger future problems and therefore a nominal increase would be a reasonable balance to protect the Council's cost recovery without imposing a large cost increase that could drive businesses underground.

Proposals from Cllr Huffer, seconded by Cllr Webber, were put to the vote and were carried.

It was resolved unanimously:

1. That the statutory fees that East Cambridgeshire District Council is required to charge in respect of the specified licences under the Licensing Act 2003 and the Gambling Act 2005, as set out in Appendix 1 and Appendix 2 of the report, be implemented on 1 April 2023.

2. That officers be instructed to implement, as appropriate, any other statutory fees that may be brought into force during the 2022/2023 financial year.
3. That officers be instructed to include the agreed fees in the 2023/2024 annual fees and charges report that is presented to full Council.
4. That the discretionary fees contained in Appendix 3 and Appendix 4 of the report be noted, and their implementation on 1 April 2023 be approved.
5. That officers be instructed to include the agreed fees in the 2023/2024 annual fees and charges report that is presented to full Council

It was further resolved:

1. That the taxi driver fees (where a knowledge test is required) be increased by £12.00 to incorporate the higher knowledge test fee that the Council now incurred from a third party, as detailed in column A of Appendix 6 of the report.
2. That animal welfare fees be increased by a nominal amount to move towards cost recovery, and reflect the additional costs incurred with new animal welfare operators, as detailed in pages 2-3 of Appendix 5 of the report

31. **SENIOR LICENSING OFFICER’S UPDATE**

The Committee received a verbal report informing them that work was continuing on the animal welfare prosecution and the Licensing team was currently experiencing a high level of work.

32. **FORWARD AGENDA PLAN**

The Committee received its Forward Agenda Plan. The Senior Licensing Officer reported that CCTV in Taxis would be considered at the next meeting.

It was resolved:

That the Forward Agenda Plan be noted.

The meeting concluded at 10.53am

Chairman.....

Date: