

Appendix A (Part 2 of 2)

Officer response to consultation responses received.

Appendix Letter/ Document Number	Objection	Officer Comments/ Explanatory Notes
1	Objection to renewal fees being higher than fees for new applications.	<p>To aid the Council to properly recover relevant licensing costs all licensing procedures have been considered and reviewed in detail; this work continues to evolve through an iterative process to further develop, improve and refine the processes involved. Managers, licensing officers and finance officers have collaborated in this work. The licensing procedures are considered from receipt of application to the issue of the final licence, permit, notice or registration with both variable and fixed costs being considered. These costs include officer, management and member time, including running of relevant Committees and the Licensing Panel, to administer and monitor compliance of both those already licensed and those who are unlicensed but exclude time spent enforcing matters that relate to joint hackney and private hire drivers' licences. In addition, a proportion of all indirect costs that can reasonably be attributed to licensing procedures have been included; for example, office accommodation, ICT, travelling, advertising, postage & printing, subscriptions, telephone costs, training and all other relevant internal market recharges and supplies and services costs.</p> <p>An assumption has been made about the number of renewals that will take place in 2025/26 in order to recover the deficits. Until the end of the 2025/26 financial year it will not be known</p>

		<p>whether the assumptions about the number of renewals were accurate or not. The activity in 2025/26 will again change the cumulative position and further adjustments will be required in this rolling annual process. The adjustments to correct any material discrepancy in the recovery of the deficits will be made against 2026/27 fees and so on until the recovery of the surplus or deficit reaches a satisfactory position.</p> <p>Furthermore, renewal reminders are posted out 12 weeks before the expiry date of the current licence, all costs incurred in this process are incorporated into the renewal fee. Whereas the fee for a new applicant does not include the costs for sending out a renewal reminder.</p> <p>The Councils fees are set in accordance with the Court of Appeal Judgement in the case of R Hemming and others v Westminster City Council. The judgement held that there were three elements that made up the licensing fees that were subject to challenge. These were:</p> <ul style="list-style-type: none">(a) the administrative cost of investigating the background and suitability of applicants for licences;(b) the cost of monitoring the compliance of those with licences with their terms; and(c) the cost of enforcing the licensing regime against unlicensed operators. <p>Of these three elements, it was held that Westminster City Council was entitled to charge for the first two elements, i.e. the costs of processing the application itself and the costs of monitoring compliance by licence-holders, but was no longer entitled to include the third element, i.e. the costs of enforcement</p>
--	--	---

		<p>against unlicensed operators, in the fee.</p> <p>As a result of the Hemming judgement and irrespective of the wording in other UK licensing legislation, the costs associated with the licensing procedures that the Council may legally recover in fees consists of administrative costs, the costs of investigating the background and suitability of applicants for licences and the costs of monitoring the compliance of those with licences with their terms. These will certainly include the costs that are directly attributable to licensing procedures and a proportion of indirect costs. The Council must be in a position to demonstrate that the costs included in any fee calculations are reasonable and proportionate to the cost of the licensing procedures.</p> <p>Fees cannot exceed the cost of the licensing procedures and they cannot be used to recover the costs associated with enforcing the licensing regime against unlicensed operators. In addition, fees cannot be used to finance the delivery of other Council services.</p> <p>It is accepted that costs can be recovered over a period of time allowing surpluses to be returned to licensees and deficits to be recouped by the Council. This does not mean that fees must be adjusted every year (although they can be) to reflect immediately previous deficits or surpluses; however, it must be demonstrable over a period of time that only legitimately incurred costs are recovered. The Hemming case judgement (as set out above) makes it clear that not all costs are recoverable and that the costs associated with enforcing unlicensed operators/businesses must be borne by the Council. This will include the costs of providing advice to those who may</p>
--	--	--

		consider applying for a licence in the future.
2	<p>Objection to an increase in fees until the Council remove Telford and Wolverhampton licenced vehicles out of the administrative area of Shropshire Council.</p> <p>Proposed £150 fee</p>	<p>The Deregulation Act 2015 allows for cross boarder hiring therefore, Shropshire Council cannot stop vehicles licenced with other local authorities from working in the administrative area of Shropshire Council.</p> <p>It is not clear which fee the proposer has requested to be £150.</p>