



REPORT TO EXECUTIVE

PORTFOLIO AREA: ENVIRONMENT, INFRASTRUCTURE AND TRANSPORT

Date of Meeting: 8th November 2004

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: CHARGES REVIEW REPORT 2005/06 –
ENVIRONMENTAL PROTECTION SERVICES - Licensing

Report of: Head of Environmental Protection Services

Report reference: EP.73/04

Summary:

This report sets out the agreed fees and charges for areas falling within the responsibility of the Licensing Section of the Environmental Protection Services Business Unit.

Recommendations:

The Executive is asked to note the proposed charges which were approved by the Licensing and Regulatory Panel on 20th October 2004.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CITY OF CARLISLE

To: The Licensing & Regulatory Panel

REVIEW OF CHARGES 2005/06 – ENVIRONMENTAL PROTECTION SERVICES - Licensing

1. BACKGROUND

- 1.1 Each Service Manager is required to carry out an annual review of fees and charges.
- 1.2 This report proposes the review of charges within the Environmental Protection Services Business Unit in respect of Licensing Charges. The report has been prepared in accordance with the principles recently approved under the Council's Corporate Charging Policy.
- 1.3 The charges, which have been reviewed, are addressed separately below.
- 1.4 Attached at **Appendix A** is an extract from the summary of charges book, which shows the current and proposed level of charge for each of these services.

2. CORPORATE CHARGING POLICY

- 2.1 The Corporate Charging Policy, which was approved by the Executive on 19 July 2004, sets out three basic principles to underpin the City Council's policy for reviewing charges.
 - A Corporate Approach – to assist the delivery of the Council's corporate objectives and to address strategic and cross cutting issues between Business Units.
 - Consistent Concessions – to clarify the basis by which the Council subsidises services and activities and to identify which disadvantaged groups should benefit from any concessions granted.
 - Income Generation – to raise income from services where this is appropriate. This should include consideration of charging for services where this is not currently the case. Where charges for services are made they should be cognisant of the costs where appropriate. For 2005/06 each service has been given a corporate target for income generation of **a minimum of 3.5%**, i.e. an additional 1% increase over and above the assumed retail price index.
- 2.2 In addition, the policy recognises that each Business Unit is different, and requires Unit Heads to develop specific principles for their particular service or clients groups, but within the parameters of the three main principles.

3. LICENCES

3.1 Introduction

Licensing income covers an extremely wide range of functions for which the Council is the responsible authority. The current principal functions relate to the issue of licences for e.g. Hackney Carriages/Private Hire (Vehicles, Drivers and Operators), Public Entertainment, Street Trading, Door Supervisors, Theatres, Cinemas, Auctioneers and Sex Establishments. A review of current charges has identified that an increase of 3.5% for licence fees can be undertaken in 2005/06 without compromising the Council's position as a fair charging authority. The increase is justified to cover the expenditure involved in administering the licensing function.

The licensing budget will be directly affected by the Council's responsibilities under the Licensing Act 2003. The Government has identified that the administration of the new legislation will be self funded through the proposed scale of charges, which will be set nationally. There remains the potential for the administration to require financial support from the Council should the nationally set fees fail to meet the operating costs of the licensing service. The Government have assured Authorities that should there be concerns over the fee structure, they will carry out a review after 12 months.

The Licensing Act 2003 will amalgamate a number of current licences into one 'Premises Licence'. These include liquor, Public Entertainment, Cinema, Theatre and Late Night Refreshment Houses. The income from these licences will cease and a new fee structure, yet to be announced, will be formulated by the Government.

Licensing functions are also undertaken by other Council Departments, e.g. other sections of Environmental Protection Services and Commercial and Technical Services (Vehicle Testing).

3.2 Public Entertainment

The Local Government (Miscellaneous Provisions) Act 1982 permits the Council to charge a fee for Public Entertainment licences. The fee for a licence, where applicable, is currently £142 for a basic licence with occupancy set at less than 100 persons. Larger premises pay a higher fee based on a sliding scale according to capacity and hours of operation starting at £172.

During the last few years, the number of non-standard hours premises has increased as the liquor licensing laws are being relaxed and variations are being made to Public Entertainment Licences. This situation requires increased enforcement to ensure that the conditions attached to licences are being complied with. In addition the redevelopment of the Botchergate area has resulted in a number of new applications for Public Entertainment Licences in respect of premises under construction. Existing premises are also being refurbished and are applying for licences.

Enquires have been made with 12 Local Authorities in the north of England, comparing fees for two types of premises. The first is a Public House with less than 100 occupancy and standard hours. In this scenario the fee varied between £84

and £460. This Council was fourth lowest at £142. The second scenario was a nightclub with occupancy of 450 persons operating until 2am. The fees varied between £90 and £900. This Council was third lowest at £325.

An increase in the basic licence fee to £147 (increase of 3.5%) is suggested. This would continue to encourage the smaller premises to obtain a licence and offer entertainment to their customers. A fee of £178 (increase of 3.5%), is suggested for the non-standard hours licence, with corresponding increases for larger premises. This increase reflects the additional enforcement required for premises with later opening hours.

The current transfer/variation fee is £28. It is recommended that this be increased to £29 (increase of 3.5%), however where the application is referred to the Licensing and Regulatory Panel this will be £58.

Local Authorities do not have the power to charge for public entertainment licences issued to village halls, community centres and church premises as far as their own functions are concerned. There is discretion to charge for educational premises for their own functions, however these applications are in the minority.

It should be recognised that approximately 30% of the administration work undertaken on public entertainment licensing is for non fee paying premises.

The estimated total yield from the suggested increases in 2005/2006 is £29,990 with the individual charges set out in Appendix A.

3.3 Cinema and Theatre Licences

Cinema licence fees are regulated by statute and the City Council already levies the maximum permitted charge (£600) for the larger cinemas. Theatre licences are fixed by the Local Authority and have normally been charged at the same level as a non standard hour's Public Entertainment licence. This principle is retained, as is the policy of a sliding scale as defined in the Public Entertainment Scale. The recommended fees, aimed at generating a total income of £2,977 in 2005/2006 are set out in Appendix A.

3.4 Vehicle and Driving Licences

3.4.1 Driving Licences

During 2001, mandatory medical examinations and driving tests were introduced for both Hackney Carriage and Private Hire Drivers. As a result of this there was a drop in applications. Over the last three years approximately fifty new drivers and thirty vehicle licences have been applied for which has brought numbers back up to 2001 figures.

3.4.2 Hackney Carriages

Under the provision of the Local Government (Miscellaneous Provisions) Act 1967, the City Council may fix a reasonable fee to cover the cost of administration of Hackney Carriage Licences and vehicle inspections. Each Hackney Carriage is subject to an inspection by Commercial & Technical Services before a licence is

granted. Vehicles over one year old and under five years old are inspected twice a year and vehicles over five years old three times per year.

Each Hackney Carriage and Private Hire vehicle has a plate affixed to the rear to identify it as such. The plate bears the name of the Council, the plate number and the maximum number of passengers carried. The plates are made from aluminium and are interchangeable between vehicles. Many Councils have now changed to a personalised Perspex plate that also bears the vehicle make and registration number. This prevents the plate being used illegally on an unlicensed vehicle, or at least indicates that the plate is not displayed on the correct vehicle. In addition it looks professional and can be produced from the information already held on the licensing computer software. The new system will be commenced in 2005/06 and there will be start up fees of approximately £800. This additional expenditure can be recovered by increasing Hackney Carriage and Private Hire fees by an additional 1% over the corporate target (i.e. 4.5%). The computer software also has the facility to produce digital photo ID cards. This will save drivers the expense of having to produce their own photographs.

The revised fees for drivers and vehicles, which aim to generate income of £51,400 in 2005/2006, are set out in Appendix A.

3.4.3 Private Hire Vehicles

The Local Government (Miscellaneous Provisions) Act 1976 provides for the regulation of the private hire trade by means of the issue of licences for operators, vehicles and drivers. The arrangements for vehicle inspections are as for Hackney Carriages. The licensed Private Hire trade increased over the last three years due to vehicles on school contracts now coming within the legislation.

The additional provision in respect of vehicles plates described under Hackney Carriages also applies.

The revised fees for drivers, vehicles and operators, which aim to generate income of £23,490 in 2005/2006, are set out in Appendix A.

3.5 Miscellaneous Licences

The City Council also issues a number of miscellaneous licences. These are governed by a variety of enactments but generally the fees are set at the discretion of the Local Authority. All require varying degrees of administration work as well as (in most cases) an annual inspection. The suggested new charges, which aim to generate income of £16,350 in 2005/2006, are set out in Appendix A.

3.6 Betting Gaming and Lottery

In 2004/2005 approximately £5,775 will be received from Betting, Gaming and Lottery licences, the charge for which is determined by the Home Office and is at present £35 and the renewal fee is £ 17.50; these charges were last increased in December 1991. An increase in the number of applications is not expected therefore the income is expected to remain at £5,775.

4. SUMMARY OF INCOME GENERATED

- 4.1 The introduction of the charges proposed is an estimate (based upon the current number of licences) to generate income of £129,982 in 2005/06 which is summarised in the table below:

Service Area	Original Estimate 2004/05 £	Estimate 2005/06 £	% Increase
Public Entertainment	28,980	29,990	3.5
Theatre & Cinema	2,877	2,977	3.5
Hackney Carriage	49,193	51,400	4.5
Private Hire	22,480	23,490	4.5
Betting, Gaming & Lottery	5,775	5,775	0
Misc. Licensing Section	15,802	16,350	3.5
Total	125,107	129,982	Av: 3.9

5. CONSULTATION

- 5.1 Consultation to Date -
See Para. 3.2 for Public Entertainment.
- 5.2 Consultation Proposed -
None

6. RECOMMENDATIONS

The Licensing & Regulatory Panel is asked to agree the charges as set out in Appendix A with effect from 01 February 2005. This increase will be subject to the required advertising and no objections being received.

7. REASONS FOR RECOMMENDATIONS

To ensure that the City Council's Corporate Charging Policy is complied with and sufficient income is generated to cover the costs associated with administering and enforcing the Council's statutory licensing function.

8. IMPLICATIONS

- Staffing/Resources –

The Licensing Act 2003 will bring a great increase in the administrative and enforcement responsibilities of the section. This was recognised and a bid to appoint another Licensing Officer was approved in 2003. This was funded

initially from the underspend generated during 2003/2004. On going funding will be available from the licensing fees under the new Act, which have yet to be announced by the Government. Fees under this legislation should have been payable from early 2004, however, due to various delays the legislation will now come into effect on the first appointed date, 7th February 2005. Application fees for existing premises must be paid in the six months after the first appointed date and will be higher than the fees in subsequent years. This is to cover the cost of the initial set up and administration of the system during the first year.

- Financial – The introduction of the charges suggested above is forecast to produce the following receipts in a full year, (although there is no guarantee that all licences will be renewed in 2005/2006). This represents an increase of approximately 3.5% (i.e. an additional £4,875) over the budgeted income for 2004/2005 of £125,107.
- Legal – The various statutes regulating the different types of licences impose certain procedures that must be followed prior to any increase in fees. Notwithstanding any decision taken by the Licensing and Regulatory Panel to increase the fees, these procedures will have to be implemented where appropriate, and, if necessary, any suggestions reported back to the Panel.
- Corporate – Not applicable
- Risk Management – Not applicable
- Equality Issues – Not applicable
- Environmental – Not applicable
- Crime and Disorder – Not applicable

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