

<b>REPORT TO EXECUTIVE</b>			
<b>PORTFOLIO AREA: CORPORATE RESOURCES</b>			
Date of Meeting:	30 <sup>th</sup> September 2002		
Public			
Key Decision:	Yes	Recorded in Forward Plan:	Yes
Inside Policy Framework			

Title: REVIEW OF CHARGES 2003/2004 – LICENSING

Report of: City Solicitor & Secretary

Report reference: TC 190/02

Summary:

This report reviews the existing Licensing charges as part of the Council’s Corporate Charging policy and makes recommendations for charges for 2003/2004.

Recommendations:

The Executive is asked;

1. to note the report and recommended charges as set out in Appendix 1 that will be determined by the Licensing and Regulatory Panel on 16<sup>th</sup> October 2002.
2. to approve the funding of the Licensing Administrative Assistant on an ongoing basis from the surplus currently achieved on the Licensing function, noting that this will result in a budget shortfall for the Council of £15,000 per annum, and that this be considered as part of the 2003/04 budget process.

J M Egan

City Solicitor and Secretary

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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:- Nil

## BACKGROUND INFORMATION AND OPTIONS

### 1. INTRODUCTION

1.1 Each Service is required to carry out an annual review of its charges.

2. This report proposes the review of the Licensing Charges and makes recommendations for increases where this is considered appropriate. The report has been prepared in accordance with the principles set out under the Council's Corporate Charging Policy.
3. The current and proposed charges are set out in Appendix 1 for information. It should be noted that the charges are effective from 1<sup>st</sup> February 2003.

### 1. CORPORATE CHARGING POLICY

1. The Corporate Charging Policy that was approved by Council on 16th July 2002, sets an income target to produce an overall increase in income of 3.5%.
2. Therefore, for 2003/04 each service is required to achieve a corporate target for income generation of 3.5% and the increases proposed have been set with this requirement in mind.
3. Licensing is a statutory function and there are no concessions offered on the service.
4. A further consideration in relation to Licensing charges has been to examine and if necessary alter the basis of a charge where it can be demonstrated that a higher charge can be justified by the workload involved or in comparison with other authorities charges.

### 3. LICENCES

#### 3.1 Introduction

The City Council is empowered to issue a wide variety of licences. The Licensing Section of the Legal Services Unit of the Town Clerk and Chief Executive's Department carries out most of the work. Licensing functions are also undertaken by other Council Departments, i.e. City Treasury, Environmental Services Unit and Carlisle Works (Vehicle Testing). It is important that the fees recovered should be maximised in order that they can provide an efficient service to the public and to the applicants for licences. To this end it has always been recognised that the Licensing Service should attempt as far as possible to be self-financing.

#### 3.2 Public Entertainment

The fee for a Public Entertainment Licence, where applicable, is currently £130 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.

During the last two 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. The most significant change being Sunday opening, which can be extended to 12.30am and an admission charge can now be made. 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.

As a result of this activity, more applications are being referred to the Licensing and Regulatory Panel due to the late hour requested. The current variation fee is adequate where a variation is granted under delegated powers, however it does not recover the costs where the application is referred to the Panel.

Enquires have been made with 15 Local Authorities 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 £110 and £1500. This Council was second cheapest at £130. The second scenario was a nightclub with occupancy of 450 persons operating until 2am. The fees varied between this Council, which is third lowest at £300 and the highest at £5300.

An increase in the basic licence fee to £135 (increase of 3.8%) is suggested. This would continue to encourage the smaller premises to obtain a licence and offer entertainment to their customers. A fee of £163 (increase of 3.8%), 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 £26. It is recommended that this be increased to £27 (increase of 3.5%), however where the application is referred to the Licensing and Regulatory Panel this be £54.

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 40% of the administration work undertaken on public entertainment licensing is for non fee paying premises.

The estimated total yield from the suggested increases in 2003/2004 is £27,603 with the individual charges set out in Appendix 1.

A condition attached to the Public Entertainment Licence requires the licence holder to register any Door Supervisors employed by him with this council.

As a result of a case in the Court of Appeal involving Liverpool City Council's registered Door Supervisors Scheme in 2001, it is no longer lawful to charge the applicant for the administration of the Door Supervisors registration. The court decided that a charge may be made to the Public Entertainment licence holder, who through his conditions becomes responsible. At the Licensing Charges Review in 2001, the Executive approved a levy of £20 per Door Supervisor on all Public Entertainment Licences being renewed in April 2002.

The Private Security Industry Bill is due to come on the statute books in 2003. Part of this legislation will deal with the provision of Door Supervisors for places of entertainment. It is expected that a national policy will be published regarding convictions, conditions of service and fee structure. Until this time a levy will continue to be imposed on licence holders.

The number of registrations payable would be determined by a check of premises registers over the last 12 months. An increase in registration fee to £21 (increase of 5%) is suggested. This will generate a total income of £2940 (included in previous total of £27,603).

### 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 £2,742 in 2003/2004 are set out in Appendix 1.

### 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. Following this approximately fifty drivers and ten vehicles did not renew their licences in 2001. During the current year approximately thirty new drivers and ten vehicle licences have been applied for which should go some way to compensate for the shortfall.

#### 3.4.2 Hackney Carriages

Under the provision of the Transport Act 1981, 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 Carlisle Works 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.

The revised fees for drivers and vehicles, which aim to generate income of £46,854 in 2003/2004, are set out in Appendix 1.

#### 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 during 2001, due to vehicles on school contracts now coming within the legislation. The additional income will go some way to compensate for the reduction in Hackney Carriage fees.

The revised fees, which aim to generate income of £21,414 in 2003/2004, are set out in Appendix 1.

### 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 £15,048 in 2003/2004, are set out in Appendix 1. Some of these licences fall within the control of the Director of Environment and Development as set out in Appendix 1.

### 3.6 Betting Gaming and Lottery

In 2003/2004 approximately £5,500 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.

#### 4. CONSULTATION

Overview and scrutiny as part of the budget process

#### 5. STAFFING/RESOURCES COMMENTS

5.1 On 8<sup>th</sup> July 2002, the Council approved a recommendation from the Executive that the post of Administration Assistant to the Licensing Section be created, initially on a six months fixed term contract. At that time positions of this nature could only be appointed on a six month fixed term contract due to the organisational review, however it is now possible to have as a permanent position subject to adequate funding. This position was initially financed from the underspend carried forward from 2001/02.

5.2 It is Council Policy, backed up by legislation that the Licensing function should be on a self-financing basis. Currently, the function makes a surplus of approximately £15,000 when taking into account all the associated costs of the function. It is therefore recommended that this surplus should be applied to meeting the cost of the Administrative Assistant on a permanent basis.

#### 6. CITY TREASURERS'S COMMENTS

6.1 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 2003/2004). This represents an increase of 3.6% (i.e. an additional £4,220) over the budgeted income for 2002/2003 of £116,180.

Type of Licence	Original Est. 2002/2003	Revised Est. 2002/03		Estimate 2003/2004	Increase
	£	£		£	%
Public Entertainment (includes Door Supervisors)	24,030	26,670		27,603	3.5
Theatre & Cinema	2,550	2,650		2,742	3.5
Hackney	42,270	45,270		46,854	3.5

Carriage					
Private Hire	20,230	20,690		21,414	3.5
Miscellaneous: Town Clerk & Chief Exec.	19,900	14,540		15,047	3.5
Miscellaneous: Environment Services	1,200	1,200		1,240	3.5
Betting, Gaming & Lottery	6,000	5,160		5,500	6.6
Total	116,180	116,180		120,400	3.6

2. However, in addition to the above, the issue of the ongoing funding of the additional Scale 1 / 2 Licensing Officer needs to be addressed. The total 2003/04 cost of the post including oncosts and provision for pay awards is £15,500. The post was initially funded for a 6 month fixed term period from the 2001/02 surplus over and above the budget requirement of £11,540, which was approved to be carried forward for that purpose.
3. The Council currently make a surplus on the Licensing Function of approximately £15,000 which could be applied to funding the position, however this would result in a budget deficit of £15,000 for the Council to meet. It is possible that the licensing function could achieve a surplus greater than that currently budgeted, but this could not be relied on at this stage. The additional funding will need to be considered as part of the 2003/04 budget process.

7. LEGAL COMMENTS

Included in the report

8. CORPORATE COMMENTS

Not applicable

9. ENVIRONMENTAL IMPLICATIONS

Not applicable

10. RECOMMENDATIONS

It is recommended:

1. That the new charges as set out in Appendix 1 be noted and that the increases shall be effective from 1<sup>st</sup> February 2003. The recommendations will be presented to the Licensing and Regulatory Panel on 16<sup>th</sup> October 2002 for approval.
2. That the Executive approve the funding of the Licensing Administrative Assistant on an ongoing

basis from the surplus currently achieved on the Licensing function, noting that this will result in a budget shortfall for the Council of £15,000 per annum, and that this be considered as part of the 2003/04 budget process.

## 11. REASONS FOR RECOMMENDATIONS

The reasons are set out in Paragraph 2.1

J M Egan

City Solicitor and Secretary

**LICENSING**

	<u>Charges</u> £	<u>Implementation</u> Date	<u>Suggested</u> <u>Charge</u> From 1/2/2003 £
<b>1 (A) Licences</b>			
<b><u>Public Entertainment</u></b>			
Certificate of suitability and Indoor Sports Licence	243.00	1.02.02	252.00
New licence or Renewal of annual licence			
Standard Hours (as standard liquor licensing hours) and less than 100 occupancy	130.00	1.02.02	135.00
Non Standard Hours or over 100 occupancy			
1-100 capacity	157.00	1.02.02	163.00
101-500 capacity	300.00	1.02.02	310.00
501-1,000 capacity	840.00	1.02.02	870.00
1,001-2,000 capacity	1,260.00	1.02.02	1,300.00
2,001 + capacity	2,835.00	1.02.02	2,935.00
Replacement of PEL	26.00	1.02.02	27.00
Occasional PEL	26.00	1.02.02	27.00
Transfer of PEL	26.00	1.02.02	27.00
Variation of PEL	26.00	1.02.02	27.00
Variation of PEL at L&R Panel			54.00
Renewal of provisional PEL Standard/Non Standard			135/163

**Note: Open air entertainment licences are the same as above and covers one performance/event only**

**Cinema and Theatre Licences****Cinema**

Annual over 400 Seats	600.00	1.12.91	600.00
200 - 399 Seats	383.00	1.02.02	396.00
Under 200 Seats	217.00	1.02.02	225.00
Monthly (up to annual max)	217.00	1.02.02	225.00
Transfer	125.00	1.02.01	125.00

**Theatres**

Annual			
up to 500 seats	157.00	1.02.02	163.00
over 500 seats (as public entertainment scale)			
Video Licence	157.00	1.02.02	163.00



	<u>Charges</u> £	<u>Implementation</u> Date	<u>Suggested</u> Charge From 1/2/2003 £
<b>(B) <u>Licences</u></b>			
<b><u>Vehicles</u></b>			
<b><u>Hackney Carriages</u></b>			
Hackney Carriage	132.00	1.02.02	136.00
Hackney Carriage(wheelchair)	87.00	1.02.02	90.00
*Hackney Carriage Driver	42.00	1.02.02	43.00
#Test Fee	43.00	1.02.01	43.00
#Re-test Fee	35.00	1.02.01	35.00
Certificate of Compliance	6.00	1.02.02	6.00
Plate Deposit	25.00	1.02.95	25.00
Transfer of Plate	15.00	1.02.02	15.00
Duplicate Items	5.00	1.02.95	5.00
Duplicate Identity Card	5.00	1.02.02	5.00
<b><u>Private Hire Vehicles</u></b>			
Private Hire Vehicle	100.00	1.02.02	103.00
*Private Hire Vehicle Driver	42.00	1.02.02	43.00
<b>Private Hire Operators</b>			
1-5 vehicles	89.00	1.02.02	92.00
6-10 vehicles	132.00	1.02.02	137.00
11-20 vehicles	192.00	1.02.02	200.00
21-30 vehicles	283.00	1.02.02	293.00
31-40 vehicles	357.00	1.02.02	370.00
41-50 vehicles	445.00	1.02.02	460.00
<b>Private Hire Vehicle:</b>			
#Test Fee	43.00	1.02.01	43.00
#Re-test Fee	35.00	1.02.01	35.00
Private Hire Plate Deposit	25.00	1.02.95	25.00
Certificate of Compliance	6.00	1.02.02	6.00
Transfer of Plate	15.00	1.02.02	15.00
Duplicate Items	5.00	1.02.95	5.00
Duplicate Identity Card	5.00	1.02.02	5.00

\*Inclusive of identity card

# Subject to increases in test fees from Carlisle Works being passed on.

	<u>Charges</u> £	<u>Implementation</u> Date	<u>Suggested</u> <u>Charge</u> From 1/2/2003 £
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(C) **Licences - Miscellaneous**  
(VAT Outside the Scope)

**Responsibility of Licensing Section**

Auctioneers	28.00	1.02.02	29.00
Door Supervisors (Levy on PEL)	20.00	1.02.02	21.00
Game Dealers	38.00	1.02.02	39.00
+ Gaming Permits (3 year)	32.00	1.02.98	32.00
+ Gaming Permits (All Cash Machines 3 year)	250.00	1.02.99	250.00
Riding Establishments ( +Vets Fee)	67.00	1.02.02	70.00
Sex Establishments	10,660.00	1.02.02	11,033.00
Street Traders	67.00	1.02.02	70.00
Late Night Refreshment Houses	88.00	1.02.02	91.00
Betting, Gaming and Lottery	35.00	1.12.91	35.00
BGL - Renewal	17.50	1.12.91	17.50

**Responsibility of Environmental Services**

*Acupuncture, Ear Piercing and Tattooing	47.00	1.02.02	49.00
Animal Boarding Establishment	36.50	1.02.02	38.00
Dog Breeders	26.00	1.02.02	27.00
Pet Shops	52.00	1.02.02	54.00
Zoo Licences	52.00	1.02.02	54.00
Wild Animals (+Vets Fee)	52.00	1.02.02	54.00

\* One-off registration fees

+ These Charges are set by the Home Office

