

# Report to Regulatory Panel

Agenda  
Item:

**A.2**

Meeting Date: 15<sup>th</sup> November 2017  
Portfolio: Finance, Governance and Resources  
Key Decision: Not Applicable:  
Within Policy and Budget Framework YES  
Public / Private Public

Title: REVIEW OF CHARGES 2018/19 – LICENSING  
Report of: Corporate Director of Governance & Regulatory Services  
Report Number: GD 65/17

## Purpose / Summary:

This report sets out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Governance and Regulatory Services Directorate. The Regulatory Panel has responsibility for determining the licence fees, with the exception of those under the Scrap Metal Dealers Act 2013 which falls to the Executive

## Recommendations:

The Regulatory Panel is asked to agree the charges as set out in Appendices 'A' and 'B', with the exception of the Scrap Metal Act fees which have been determined by the Executive.

## Tracking

Executive:	<b>20/11/17 &amp; 18/12/17</b>
Scrutiny:	<b>Health &amp; Wellbeing Scrutiny Panel 23/11/17 Economic Growth Scrutiny Panel 30/11/17 Business &amp; Transformation Scrutiny Panel 5/12/17</b>
Council:	

## **1. BACKGROUND**

- 1.1 Each Directorate is required to carry out an annual review of fees and charges.
- 1.2 This report proposes the review of charges within the Governance and Regulatory Services Directorate in respect of Licensing Charges. The report has been prepared in accordance with the principles 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 & B** 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 2018**

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive and Full Council and sets out the City Council's policy for reviewing charges.
- 2.2 It is recognised that licence fees (that can be determined by local authorities) can only be set at a level which recovers the cost of administration, inspection and in some cases compliance of existing licences, which arise out of carrying out their licensing functions under the various legislation. Under European Directive 2006/123 art 13(2), any charges which an applicant for a licence may incur shall be reasonable and proportionate to the cost of the authorisation procedures in question and shall not exceed the cost of the procedures.
- 2.3 In July 2017 the Supreme Court has ruled in favour of Westminster City Council in a long running case on how licensing fees are charged (Hemming (t/a Simply Pleasure Ltd) and other v Westminster City Council) . The case will affect councils and other licence fee charging bodies across the UK allowing them to recoup regulatory and enforcement costs instead of just the administration costs of granting a licence. The original case was brought against the Council by the owner of the Simply Pleasures Ltd over licencing fees paid to operate a sex shop in Westminster.
- 2.4 It is Council policy to maximise charges to maintain full cost recovery wherever possible, and this should be the case when setting charges. In the case of licensing we are currently operating at an income level that is achieving full cost recovery.
- 2.5 Recognition should be made of the risk that licensing income levels can be subject to market forces out with the Council's overall control, including new responsibilities and the repeal of other legislation. In previous years, shortfalls in income projections for certain services were encountered. This reinforces the message that any practice of simple annual increments in charges in line with the rate of inflation is inappropriate, as is a copycat approach that simply compares prices with other authorities, without taking into account other local factors, demand, and the achievement of Council priorities. The full range of factors identified in the guidance

must be taken into account when setting charges, with the overall aim of achieving target income levels to achieve the full cost recovery of the administration, inspection and compliance with the licensing function.

- 2.6 In addition, the policy recognises that each Directorate is different, and requires Directors to develop specific principles for their particular service or clients groups.

### **3 LICENSES**

- 3.1 Licensing income covers an extremely wide range of functions for which the Council is the licensing authority and the number of applications for various licences fluctuates each year. The current principal functions relate to the issue of licences for Premises and Personal (Licensing Act 2003), Hackney Carriages/Private Hire (Vehicles, Drivers and Operators), Gambling Premises and Machine Permits (Gambling Act 2005), Street Trading, Auctioneers and Sex Establishments.
- 3.2 The fee structure for charges relating to the Licensing Act 2003 is fixed by the Government.
- 3.3 With regard to the Gambling Act 2005 local authorities assumed responsibility for licensing gambling premises and gaming machines during 2007, whilst the Gambling Commission licensed operators and personal licence holders. The fee banding was set nationally and licensing authorities were given the flexibility to set their fees within these bands, dependent upon local circumstances. On 4<sup>th</sup> April 2007 the Licensing Committee (through delegated authority) determined the fees in accordance with the regulations which are included in Appendix B. Fees under the Act for Lottery registration are fixed by central Government.
- 3.4 The remaining licences administered by the Authority have locally set charges. A full review of the charging has been undertaken using a new formula on a cost per hour charge and a fee structure is proposed which will not compromise the Council's position as a fair charging authority and should achieve full cost recovery.

### **4 LICENCING ACT 2003**

#### **PREMISES LICENCES AND CLUB CERTIFICATES**

- 4.1 The total number of premises and club certificates currently licensed is 501. This will always fluctuate each year and applications for variations will continue. We are now in a position to predict with a fair degree of accuracy what the income will be in 2018/19. Educational, church and community premises that apply for an entertainment only premises licence are exempt from the licence fee and we currently license 24 such premises.
- 4.2 The fee structure is fixed by central government and is based upon five non-domestic rateable value bands. There is no change in the fee structure and based

upon the current number of licences issued, it is estimated that there will be an income of £99,000 in 2018/19, as set out in the fee bands at Appendix A.

## **PERSONAL LICENCES**

- 4.3** Any person who authorises the sale of alcohol requires a personal licence. All premises that are licensed for the sale of alcohol must therefore have a personal licence holder to authorise that sale.
- 4.4** We currently have a total of 1743 Personal Licences issued to date and a licence is issued for an indefinite period.
- 4.5** The Authority receives requests for amendments to licences and these are charged at £10.50.
- 4.6** Based upon the current numbers of applications received between 1<sup>st</sup> April 2017 and the 1<sup>st</sup> October 2017 it is estimated that this will continue at the same level and generate an estimated annual income of £3,500.

## **5 VEHICLE & DRIVERS LICENCES**

### **HACKNEY CARRIAGE VEHICLES**

- 5.1** Under the provision of the Local Government (Miscellaneous Provisions) Act 1976, the City Council may fix a reasonable fee to cover the cost of administration of Hackney Carriage Licences and vehicle inspections.
- 5.2** Traditionally this Council has charged a lower fee for wheelchair accessible vehicles to encourage proprietors to purchase this type of vehicle. The difference in costs has been reduced over the years following a resolution by the Regulatory Panel to only issue new licences to wheelchair accessible vehicles and following the full review of charges it is proposed to bring these fees in line so that the same fee is charged for all Hackney Vehicle applications regardless of the type of vehicle.

### **HACKNEY CARRIAGE DRIVER LICENCES**

- 5.3** The cost of a new driver licences reflect work that is currently undertaken with prospective new drivers. This includes advice, training, knowledge and communication tests, verification of Disclosure and Barring Service applications and an assessment on the initial application to determine the fitness and propriety of an applicant.
- 5.4** Licences are issued for a 3 year period unless a request has been made for a 1 year licence and licenced drivers are charged at a renewal rate.

### **PRIVATE HIRE**

- 5.5** 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.

## **PRIVATE HIRE DRIVER LICENCES**

- 5.6** The cost of a new driver licences reflect work that is currently undertaken with prospective new drivers. This includes advice, training, knowledge and communication tests, verification of Disclosure and Barring Service applications and an assessment on the initial application to determine the fitness and propriety of an applicant.
- 5.7** Licences are issued for a 3 year period unless a request has been made for a 1 year licence and licenced drivers are charged at a renewal rate.
- 5.8** The fees for drivers, vehicles and operators, which aim to generate income of £73,000 for Hackney Carriage and £29,500 for Private Hire in 2018/19, are set out in Appendix A.

## **6 SEX ESTABLISHMENTS**

- 6.1** The City Council has issued two sex establishment licences. The review identifies no increase to the licence fee and estimates an income of £3,800 in 2018/19.

## **7 AUCTIONEERS**

- 7.1** We only have one premise which requires licensed auctioneers. Currently we have 13 licensed Auctioneers. The estimated income in 2018/19 is £600.

## **8 PLEASURE BOATS & BOATMEN**

- 8.1** The number of pleasure boats and boatmen has remained static in recent years. In order to approve the application the Licensing Authority is required to commission a professional inspector to assess the pleasure boats. The cost of this service is to be recharged to the applicant. The suggested charge aims to generate income of £500 in 2018/19.

## **9 SCRAP METAL DEALERS**

- 9.1** The Scrap Metal Dealers Act 2013 which commenced on 1<sup>st</sup> October 2013 brings together two earlier pieces of legislation that covered Scrap Metal and Motor Salvage Operators. The licence covers a three year period therefore the income will vary from year to year.
- 9.2** The current fee was agreed by the Executive on 1<sup>st</sup> August 2016 for a period of three years and will be reviewed again in 2019.
- 9.3** The current renewals expect to generate income of £2900 in 2018/19, as set out in Appendix A.

## **10 STREET TRADING**

- 10.1 A review of the Street Trading Policy has recently been undertaken as was approved by the Executive in 2017. The cost of an annual licence was increased during the charging review in November 2016 to reflect the changes to the policy and the increased administration costs of a Street Trading Consent.
- 10.2 It is proposed to introduce a discounted rate of £30 for an Occasional Street Trading Consent for applicants who currently hold an annual Consent to reflect the reduction in administration.
- 10.3 Based upon the current numbers of consents it is estimated that this will generate an estimated annual income of £4,800.

## **11 RIDING ESTABLISHMENTS**

- 11.1 The current number of licensed riding establishments is 4. In order to approve the application the Licensing Authority is required to commission a Veterinary Surgeon to assess the establishment. The cost of this service is recharged to the applicant. The suggested charge aims to generate income of £500.

## **12 GAMBLING ACT 2005**

### **LOTTERY LICENCES**

- 12.1 The fee for lottery registrations is determined by central government and is at present £40 and the renewal fee is £20.00; these charges were last increased in September 2007. There has been a decrease in the number of applications received over recent years and the income target has been reduced to reflect this. The current fee should generate approximately £4,400 in 2018/19.

### **GAMBLING PREMISES AND MACHINE PERMITS**

- 12.2 The fee bands are set by central government and the Licensing Committee sets its own fees within these limits, based upon full cost recovery of providing the licensing service. These fees were determined on 4<sup>th</sup> April 2007 by this committee and we continue to recover the full cost of providing the service and no change is recommended.
- 12.3 At the current level of fees, an estimated income of £14,000 for Gambling Premises and Machine Permits will be received during 2018/19, which is set out in Appendix B.

### 13 SUMMARY OF INCOME GENERATED

**13.1** The introduction of the charges proposed is an estimate (based upon the current and estimated number of licences) to generate income of £236,500 in 2018/19 which is summarised in the table below:

Service Area	Updated Budget 2017/18	MTFP Target 2018/19	Original Estimate 2018/19	Shortfall or (Excess) over MTFP	
Licensing Act 2003 - Premises	99,000	99,000	99,000	0	*
Licensing Act 2003 - Personal Licences	1,100	1,100	3,500	(2,400)	*
Gambling Act 2005 - Lotteries	4,400	4,400	4,400	0	*
Gambling Act 2005 - Premises and Gaming Machines	14,000	14,000	14,000	0	*
Hackney Carriage	73,000	73,000	73,000	0	
Private Hire	29,000	29,000	29,500	(500)	
Sex Establishment	3,800	3,800	3,800	0	
Auctioneers	600	600	600	0	
Pleasure Boats	1,100	1,100	500	600	
Scrap Metal	3,600	3,600	2,900	700	
Street Trading	6,700	6,700	4,800	1,900	
Riding Establishments	500	500	500	0	
<b>Total</b>	<b>236,800</b>	<b>236,800</b>	<b>236,500</b>	<b>300</b>	

**\*Fixed fee**

### 14 CONSULTATION

Consultation to Date – None

Consultation Proposed - Hackney fees must be advertised in the local press after determination.

## **15 RECOMMENDATIONS**

The Regulatory Panel is asked to agree the charges as set out in Appendices 'A' and 'B' with effect from 1<sup>st</sup> April 2018

## **16 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

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**Appendices attached to report:**      **A – Charging Structure 2018/19 – Licensing Act & Misc**  
   **B – Proposed Charging 2018/19 – Gambling Act**

**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

### **CORPORATE IMPLICATIONS/RISKS:**

**Community Services –**

**Corporate Support & Resources –** The acceptance of the charges highlighted in this report will result in an anticipated level of income of £236,500 against the MTFP target of £236,800. This represents a shortfall of £300 against the MTFP target which will be contained within the overall budgets for the service.

**Economic Development –**

**Governance & Regulatory Services -**



## Charging structure – Licensing 2018/19

Licensing Act 2003 (charges are currently set by the Home Office)

	New	Charge from 01/02/17 Annual Fee	Charge from 01/04/18 Annual Fee	Implementation Date
<b>Premises</b>	<b>Band A</b>	100.00	70.00	24/11/05
	<b>Band B</b>	190.00	180.00	24/11/05
	<b>Band C</b>	315.00	295.00	24/11/05
	<b>Band D</b>	450.00	320.00	24/11/05
	<b>Band E</b>	635.00	350.00	24/11/05
<b>Personal Licence</b>	37.00	Amendment – 10.50	Amendment 10.50	24/11/05

## Vehicles - Hackney Carriages

		Charge from 01/02/17	Proposed Charge from 01/04/18
<b>Hackney Carriage Vehicle (Non- Wheelchair)</b>	New	231.00	- no new non WAV
	Renewal	197.00	190.00
<b>Hackney Carriage Vehicle (Wheelchair)</b>	New	215.00	230.00
	Renewal	176.00	190.00
<b>Hackney Carriage Driver – 1 year</b>	New	125.00	165.00
	Renewal	75.00	110.00
<b>Hackney Carriage Driver – 3 year</b>	New	242.00	285.00
	Renewal	185.00	195.00
<b>Certificate of Compliance (COC)</b>		10.00	11.00
<b>Transfer of Licence</b>		30.00	31.00
<b>Change of Vehicle</b>		30.00 (Exl Plate)	50.00 (Incl Plate)
<b>Duplicate Licence</b>		13.00	13.00
<b>Test Fee</b>		50.00	52.00
<b>Test Fee DNTU</b>		25.00	26.00
<b>Retest Fee</b>		35.00	36.00
<b>New Licence Plate</b>		13.00	14.00

## Vehicles – Private Hire

		Charge from 01/02/17	Proposed Charge from 01/04/18
<b>Private Hire Vehicle</b>	New	200.00	206.00
	Renewal	160.00	165.00
<b>Private Hire Driver – 1 year</b>	New	115.00	165.00
	Renewal	75.00	110.00
<b>Private Hire Driver – 3 year</b>	New	242.00	285.00
	Renewal	185.00	195.00
<b>Certificate of Compliance (COC)</b>		10.00	11.00
<b>Transfer of Licence</b>		30.00	34.00
<b>Change of Vehicle</b>		30.00 (Exl Plate)	55.00 (Incl Plate)
<b>Duplicate Licence</b>		13.00	13.50
<b>Test Fee</b>		50.00	52.00
<b>Test Fee DNTU</b>		25.00	26.00
<b>Retest Fee</b>		35.00	36.00
<b>Private Hire Operator</b>	<b>1-5 Vehicles</b> 1 Year	175.00	210.00
	5 Year	495.00	490.00
	<b>6-10 Vehicles</b> 1 Year	245.00	275.00
	5 Year	550.00	615.00
	<b>11-20 Vehicles</b> 1Year	460.00	320.00
	5 Year	670.00	725.00
	<b>21-30 Vehicles</b> 1 Year	595.00	365.00
	5 Year	745.00	870.00
<b>New Licence Plate</b>		13.00	14.00

## Miscellaneous Licences

		Charge from 01/02/17	Proposed Charge from 01/04/18
<b>Auctioneers</b>		43.00	45.00
<b>Riding Establishments (plus Vets Fees)</b>		103.00	105.00
<b>Sex Establishments</b>	New	2500.00	2000.00
	Renewal	1900.00	1900.00
	Variation	250.00	250.00
	Transfer	125.00	125.00
<b>Street Trader</b>	New	210.00	230.00
	Renewal	210.00	210.00
	Occasional	50.00	50.00 30.00 (annual consent holders)
<b>Scrap Metal Collector</b>	New	250.00	No Change - Charges agreed by Executive
	Renewal	250.00	
	Vary Name/Address	30.00	
<b>Scrap Metal Site</b>	New	415.00	
	Renewal	415.00	
	Vary Name	30.00	
	Vary Site Manager	30.00	
	Vary Site	165.00	
	Add Site	165.00	
<b>Boats (plus Inspection Fees)</b>		45.00	48.00
<b>Boatman</b>		25.00	37.00
<b>Miscellaneous Duplicate Items</b>		12.00	13.00

**Gambling Act 2005 Premises Licence Fee Structure**

**APPENDIX 'B'**

Type of Premises	Provisional Statement Premises	New Application Premises	Annual Fee	Seasonal Annual Fee	Variation Application	Provisional Statement Application	Transfer	Re-instatement
Regional Casino	£8,000	£15,000	£15,000	£15,000	£7,500	£15,000	£6,500	£6,500
Large Casino	£5,000	£10,000	£10,000	£10,000	£5,000	£10,000	£2,150	£2,150
Small Casino	£3,000	£8,000	£5,000	£5,000	£4,000	£8,000	£1,800	£1,800
Converted Casino			£3,000	£3,000	£2,000		£1,350	£1,350
Bingo	£1,000	£2,500	£700	£700 pro-rata* min £300	£1,250	£2,500	£500	£500
Adult Gaming Centre	£600	£1,600	£700	£700 pro-rata* min £300	£800	£1,600	£400	£400
Betting (Track)	£950	£2,500	£1,000	£1,000 pro-rata* min £300	£1,250	£2,500	£950	£950
Family Entertainment Centre	£600	£1,600	£400	£400 pro-rata min £200	£800	£1,600	£300	£300
Betting (Other)	£600	£1,800	£500	£500 pro-rata* min £200	£900	£1,800	£300	£300

All premises: Fee for copy of Licence £15

Fee to accompany notification of change of circumstances £30