



## PORTFOLIO AREA: ENVIRONMENT AND INFRASTRUCTURE

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Date of Meeting: 20 November 2006

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Public

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Key Decision: Yes

Recorded in Forward Plan: Yes

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Inside Policy Framework

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**Title:** CHARGES REVIEW REPORT 2007/08  
LEGAL & DEMOCRATIC SERVICES - Licensing

**Report of:** Director of legal & Democratic Services

**Report reference:** LDS. 59/06

### Summary:

This report sets out the fees and charges for areas falling within the responsibility of the Licensing Section of the Legal & Democratic Services Directorate. The Regulatory Panel has responsibility for determining the licence fees.

### Recommendations:

The Executive is asked to note the charges that were approved by the Regulatory Panel on 18<sup>th</sup> October 2006.

**Contact Officer:** Jim Messenger  
Neil Gillespie

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7539

# CARLISLE CITY COUNCIL

**Report to:-** THE CHAIRMAN AND MEMBERS OF THE REGULATORY  
PANEL

**Date of Meeting:-** 18<sup>th</sup> October 2006

**Agenda Item No:-**

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**Public**

**Operational**

**Delegated Yes**

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**Accompanying Comments and Statements**

**Required**

**Included**

Cumbria Fire Service

No

No

Cumbria Constabulary

No

No

Environmental Services

No

No

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**REVIEW OF CHARGES 2007/2008 - LICENSING**

**Title:-**

**Report of:-**

**DIRECTOR OF LEGAL & DEMOCRATIC SERVICES**

**Report reference:-**

**LDS 57/06**

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**Summary:**

This report sets out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Legal & Democratic Services Directorate. The Regulatory Panel has responsibility for determining the licence fees.

**Recommendations:**

The Regulatory Panel is asked to agree the charges as set out in Appendix 'A' with effect from 1<sup>st</sup> February 2007.

**Contact Officer:**

Jim Messenger

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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 Members of the Regulatory Panel

### REVIEW OF CHARGES 2007/08 LEGAL & DEMOCRATIC SERVICES - Licensing

#### **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 Legal & Democratic Services Directorate 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 16 June 2006 and Full Council on 18 July 2006, sets out the City Council's policy for reviewing charges. Consideration must be given to:

- The cost of the service
- Any statutory constraints over charging levels
- Maintaining levels of customer satisfaction
- Demand for services
- Price sensitivity issues.

The income target for the period 2007/08 to 2009/10 has been set to produce a minimum overall increase equal to inflation (as measured by the Retail Price Index RPIX) plus 1%. For the financial year 2007/08, this would mean that the corporate target for income generation is **3.1%**.

Recognition should be made of the risk that income levels can be subject to market forces outwith the Council's overall control. During 2005/06, 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.

- 2.2 In addition, the policy recognises that each Directorate is different, and requires Directors 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 licensing authority and the number of applications for various licences fluctuates each year. The current principal functions relate to the issue of licences for e.g. Premises. Personal (Licensing Act 2003), Hackney Carriages/Private Hire (Vehicles, Drivers and Operators), Street Trading, Auctioneers, Gaming Permits and Sex Establishments.

The Licensing Act 2003 has amalgamated a number of licences into one 'Premises Licence'. These include liquor (on transfer from the Licensing Justices), Public Entertainment, Cinema, Theatre and Late Night Refreshment Houses. The previous income from these licences has ceased and a new fee structure, fixed by the Government, has come into place.

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 scale of charges, which have been 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 set up an Independent Fees Review Panel early in 2006, to enquire into the new fee structure to establish if it is sufficiently robust to provide the level of income required to administer the licensing function. The result of this review is awaited.

A review of the remaining charges (excluding Licensing Act 2003) has identified that an average increase of 3.1% for licence fees can be undertaken in 2007/08 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.

Licensing functions are also undertaken by other Council Departments, e.g. Community Services in respect of e.g. tattooing, acupuncture and vehicle testing.

#### **3.2 Gambling Act 2005**

As a consequence of the Gambling Act 2005, local authorities will assume responsibility for licensing gambling premises, whilst the Gambling Commission will licence operators and personal licence holders. These premises will include bookmakers' shops, bingo halls and racecourses.

The dates of implementation have been set by legislation, however. The first appointed date will be 31 January 2007 and applications may be made to this authority from 30 April 2007.

The fee banding will be set nationally and licensing authorities can set the exact fees within these bands. The regulations explaining the new system have yet to be

published. The number of premises subject to this legislation is known, however, without the fee structure it is not possible to estimate the anticipated income. No income figures are shown in the summary at para. 4.

### 3.3 Licensing Act 2003

#### 3.3.1 Premises Licences

The new legislation went live on 24<sup>th</sup> November 2005 and all premises that should have obtained licences have done so. The total number of premises currently licensed is 459. We are now in a position to predict with a fair degree of accuracy what the income will be in 2007/08. Educational, church and community premises are exempt from the licence fee where they do not provide alcohol and we have received 30 such applications to date.

The fee structure is fixed by central government and is based upon five non-domestic rateable value bands. The number of licences issued, especially as a result of variations, is very unpredictable at this time. The fees for the first year of the legislation included a cost element for the setting up of the new structure. The income in subsequent years is expected to be reduced by approximately 30%. Based upon the current number of applications, it is estimated that there will be an income of £90,000 in 2007/08, as set out in Appendix A.

#### 3.3.2 Personal Licences

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.

In the period to March 2006, 547 persons had applied for such a licence, this being the first year the new licence has been operational. The personal licence lasts for 10 years, therefore the income during the first year of the new legislation has been divided over this period and will be fed into the budget each year. Since April 2006 a further 85 applications have been received.

Based upon the current numbers of applications, it is estimated that there will be approximately 120 such applications per year which will be subject to review. This will generate an income of £4,440 in 2007/08, added to the £2,027 carried forward from the first year, giving an estimated income of £6,467 in 2007/08 as set out in Appendix A.

### 3.4 Vehicle and Driving Licences

#### 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 the Transport Department of Community 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. Between November 2005 and January 2006 these plates were replaced by 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 has a professional appearance and is produced from the information already held on the licensing computer software. The new system has incurred some additional expenditure that was absorbed into the budget last year. There is now an ongoing cost as plates must be replaced each time a vehicle is changed. It is suggested that as well as the £15 administration transfer fee, an additional £10 be charged for the production of a new plate.

There has been a slight swing toward Hackney Carriage licences this last year, with a similar drop in the number of Private Hire vehicles. This has resulted in fluctuation in the income between these budgets.

The revised fees for drivers and vehicles, which aim to generate income of £60,300 in 2007/2008, 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 and the provision of the new licence plates are as for Hackney Carriages.

The number of private hire vehicles has reduced over the last couple of years, with a corresponding increase in hackney vehicles. This has reduced the income under the private hire budget.

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

The revised fees for drivers, vehicles and operators, which aim to generate income of £18,600 in 2007/2008, are set out in Appendix A.

#### 3.5 Miscellaneous Licences

The City Council also issues a number of miscellaneous licences and permits. These are governed by a variety of enactments but generally the fees are set at the discretion of the Local Authority. These include Street Trading, Gaming Permits, Sex Establishment and Gaming Permits. All require varying degrees of administration work as well as (in most cases) an annual inspection. The licence plate provided for the Street Trading Permit is subject to the same additional provisions as Hackney Carriages. The suggested new charges, which are an increase of 3.1%, aim to generate income of £18,000 in 2007/2008, as set out in Appendix A.



### 3.6 Betting Gaming and Lottery

In 2006/2007 approximately £5,000 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. There has been a decrease in the number of applications received this year and this is not expected to change. The income is expected to be approximately £5,000.

## 4. SUMMARY OF INCOME GENERATED

- 4.1 The introduction of the charges proposed is an estimate (based upon the current and estimated number of licences) to generate income of £198,4000 in 2007/08 which is summarised in the table below:

Service Area	Original Budget 2006/07 £	Estimate 2007/08 £	Increase/ Decrease %
Premises	82,500	90,000	9.1
Personal	2000	6,500	225.0
Hackney Carriage	52,700	60,300	14.4
Private Hire	24,100	18,600	-22.8
Betting, Gaming & Lottery	6,100	5,000	-18.0
Misc. Licensing	17,500	18,000	3.1
Gambling Premises	0	?	
Total	184,900	198,400	7.8

- 4.2 The fluctuation in percentage increase/decrease is explained in the previous paragraphs.

## 5. CONSULTATION

- 5.1 Consultation to Date -  
None
- 5.2 Consultation Proposed -  
None

## 6. RECOMMENDATIONS

The Regulatory Panel is asked to agree the charges as set out in Appendix A with effect from 01 February 2007. This increase will be subject to any necessary 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 brought 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. Ongoing funding will be available from the licensing fees under this legislation, to ensure that the staffing level is appropriate to the responsibilities. We are currently looking closely at staffing levels, to ensure that the officers are in a position to carry out their enforcement duties rather than being constrained by administrative duties.
- 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 2007/2008). This represents an increase of approximately 7.8% over the budgeted income for 2006/2007. Fees under the Licensing Act 2003 are currently subject to review by an Independent Licensing Fees Review Panel. The result of their investigation is expected later this year..
- 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 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

Prepared by:

J A Messenger  
Licensing Manager



**LICENSING**

	<u>Current charge</u> £	<u>Suggested Charge</u> <u>from 1/2/2007</u> £	<u>Implementation Date</u>
<b>1 (A) <u>Licences - Licensing Act 2003</u></b>			
<b><u>Premises</u> +</b>			
(Based on non-domestic RV)			
Band A	70.00	70.00	24.11.05
Band B	180.00	180.00	24.11.05
Band C	295.00	295.00	24.11.05
Band D	320.00	320.00	24.11.05
Band E	350.00	350.00	24.11.05
<b><u>Personal</u> +</b>			
Personal Licence	37.00	37.00	24.11.05

+ These Charges are set by the Dept. Culture, Media & Sport (to be reviewed 2006)

**(B) Licences - Public Transport****Vehicles****Hackney Carriages**

Hackney Carriage	154.00	158.00	1.02.07
Hackney Carriage (wheelchair)	103.00	106.00	1.02.07
Hackney Carriage:			
*Driver	48.00	49.00	1.02.07
#Test Fee	43.00	43.00	1.02.01
#Re-test Fee	35.00	35.00	1.02.01
Certificate of Compliance	6.00	6.00	1.02.03
Plate Deposit	25.00	25.00	1.02.95
Transfer of Licence	15.00	15.00	1.02.02
Duplicate Items	6.00	6.00	1.02.05
New Identity Card	6.00	6.00	1.02.05
New Licence Plate		10.00	1.02.07

**Private Hire Vehicles**

Private Hire Vehicle	116.00	120.00	1.02.07
*Private Hire Vehicle Driver	48.00	49.00	1.02.07
Private Hire Operators			
1-5 vehicles	103.00	106.00	1.02.07
6-10 vehicles	155.00	160.00	1.02.07
11-20 vehicles	227.00	297.00	1.02.07
21-30 vehicles	331.00	341.00	1.02.07
31-40 vehicles	419.00	432.00	1.02.07
41-50 vehicles	517.00	533.00	1.02.07
51-60 vehicles	621.00	640.00	1.02.07
61-70 vehicles	708.00	730.00	1.02.07
71-80 vehicles	794.00	818.00	1.02.07
Private Hire Vehicle:			
#Test Fee	43.00	43.00	1.02.01
#Re-test Fee	35.00	35.00	1.02.01
Certificate of Compliance	6.00	6.00	1.02.03
Plate Deposit	25.00	25.00	1.02.95
Transfer of Licence	15.00	15.00	1.02.02
Duplicate Items	6.00	6.00	1.02.05
New Identity Card	6.00	6.00	1.02.05
New Licence Plate		10.00	1.02.07

\*Inclusive of identity card

# Subject to increases in fees from Community Services (Facilities) being passed on.

	<u>Current</u> <u>charge</u>	<u>Suggested</u> <u>Charge</u>	<u>Implementation</u> <u>Date</u>
	£	£	
		from 1/2/2007	
<b>(C) <u>Licences - Miscellaneous</u></b>			
(VAT Outside the Scope)			
Auctioneers	32.00	33.00	1.02.07
Game Dealers	43.00	44.00	1.02.07
+ Gaming Permits (3 year)	32.00	32.00	1.02.98
+ Gaming Permits			
(All Cash Machines 3 year)	250.00	250.00	1.02.99
Riding Establishments (plus Vets Fee)	78.00	80.00	1.02.07
Sex Establishments	12,408.00	12,792.00	1.02.07
Street Traders	78.00	80.00	1.02.07
Plate Deposit	25.00	25.00	1.02.95
New Permit Plate		10.00	1.02.07
+ Betting, Gaming and Lottery	35.00	35.00	1.12.91
+ BGL -Renewal	17.50	17.50	1.12.91
Motor Salvage Operators	64.00	66.00	1.02.07
Boats	33.00	34.00	1.02.07
Boatman	11.50	12.00	1.02.07

+ These Charges are set by the Home Office