



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: GOVERNANCE AND RESOURCES

---

Date of Meeting: 22 November 2011

---

Public

---

Key Decision: Yes

Recorded in Forward Plan:

Yes

---

Inside Policy Framework

---

**Title:** REVIEW OF CHARGES 2012/2013 - LICENSING  
GOVERNANCE DIRECTORATE

**Report of:** ASSISTANT DIRECTOR (GOVERNANCE)

**Report reference:** GD. 58/11

**Summary:**

This report sets out the fees and charges for areas falling within the responsibility of the Licensing Section of the Governance Directorate. The Regulatory Panel has responsibility for determining the licence fees. The approved fees are reflected in the attached report GD 57/11.

**Recommendations:**

The Executive is asked to note the charges that were approved by the Regulatory Panel on 19<sup>th</sup> October 2011.

**Contact Officer:** Jim Messenger  
Irene Powley

**Ext:** 7025  
7269

# CARLISLE CITY COUNCIL

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

Date of Meeting:- **19<sup>th</sup> October 2011**

Agenda Item No:-

---

**Public**

**Operational**

**Delegated Yes**

---

---

## Accompanying Comments and Statements

**Required**

**Included**

Cumbria Fire Service

No

No

Cumbria Constabulary

No

No

Environmental Services

No

No

---

Title:- **REVIEW OF CHARGES 2012/2013 - LICENSING ASSISTANT DIRECTOR (GOVERNANCE)**

Report of:-

Report reference:-

**GD 57/11**

---

## Summary:

This report sets out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Governance 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 Appendices 'A' and 'B' with effect from 1<sup>st</sup> February 2012.

**Contact Officer:** Jim Messenger  
Irene Powley

**Ext:** 7025  
7269

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:- Carlisle City Council Budget Process 2012/13

## CITY OF CARLISLE

To: The Members of the Regulatory Panel on 19<sup>th</sup> October 2011

### REVIEW OF CHARGES 2012/13 GOVERNANCE DIRECTORATE - 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 Governance 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 2012**

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 30 August 2011 and Full Council on 13 September 2011, 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 enforcement of the licensing authorities, which arise out of carrying out their licensing functions under the various legislation.
- 2.3 For the financial year 2012/13, this would mean that the corporate target for income generation is 3.8%, however it is still Council policy to maximise charges to maintain full cost recovery wherever possible, and this should be the case when setting charges. For licensing income this would equate to a target increase of £3,400 on the charges within our power to increase on 2011/12 budgets.
- 2.4 Recognition should be made of the risk that licensing income levels can be subject to market forces outwith 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.

- 2.5 In addition, the policy recognises that each Directorate is different, and requires Assistant 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 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.

The Licensing Act 2003 amalgamated a number of licences into one 'Premises Licence'. These include liquor, Public Entertainment, Cinema, Theatre and Late Night Refreshment Houses. The fee structure is fixed by the Government.

The licensing budget has been 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 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 has been published but the Government have yet to take action on it. In August/September 2010 the Government consulted on a paper entitled 'Rebalancing the Licensing Act 2003'. As a result of this consultation, certain changes have been made to the Licensing Act 2003 however we are still awaiting the result of the fees debate.

As a consequence of 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. These premises include betting shops, bingo halls and racecourses. The machine permits include family entertainment centres, adult gaming machine centres and licensed premises gaming machines in alcohol licensed premises.

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.

The Gambling Act fees and bands are currently subject to review by the DCMS.

A review of the remaining charges (excluding Licensing Act 2003, Gambling Act 2005 and Sex Establishments) has identified that an average increase of 3.8% for licence fees can be undertaken in 2012/13 without compromising the Council's position as a fair charging authority.

Licensing functions are also undertaken by other Council Departments, e.g. Community Services in respect of tattooing, acupuncture and vehicle testing. Planning & Housing Services in respect of houses of multiple occupancy.

### 3.2 Licensing Act 2003

#### 3.2.1 Premises Licences

The total number of premises currently licensed is 496 (482-2011/12). 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 2012/13. Educational, church and community premises that apply for an entertainment only premises licence are exempt from the licence fee and we have currently license 30 such premises.

The fee structure is fixed by central government and is based upon five non-domestic rateable value bands. The number of licences issued appears to have reached a plateau. There is no change in the fee structure, although an Independent Licensing Fees Review Panel has reported on this and we are awaiting a response from the Government. Based upon the current number of licences issued, it is estimated that there will be an income of £102,000 in 2012/13, as set out in the fee bands at Appendix A.

#### 3.2.2 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.

We currently have a total of 1165 personal licences issued. The personal licence lasts for 10 years and the one off fee of £37 is determined by central government.

Based upon the current numbers of applications, it is estimated that there will be approximately 110 such applications per year. This will generate an estimated income of £4,000 in 2012/13.

### 3.3 Vehicle and Driving Licences

#### 3.3.1 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.

In 2007 the application criteria for licensing hackney carriages was amended by the Regulatory Panel. With effect from 1<sup>st</sup> August 2007, all new licences issued will be for wheelchair accessible vehicles only.

Traditionally this Council has charged a lower fee for wheelchair accessible vehicles to encourage proprietors to purchase this type of vehicle. This is no longer necessary due to the decision of 1<sup>st</sup> August 2007. It was agreed in the 2009/10 budget process that we gradually bring the two fees closer together over the next few years. I would propose that non wheelchair fees be increased by 3.8% and wheelchair by 8% this year. This increase would maintain the current level of income and will be repeated in future years to bring the two fees more into line.

New licences for Hackney Carriage licences take up considerably more officer time than renewal applications. In addition the licence plate is provided at no additional cost. It is therefore proposed that the fee for new applications remains higher than the renewal fee.

The revised fees for drivers and vehicles, which aim to generate income of £74,000 in 2012/13, are set out in Appendix A.

### 3.3.2 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. This has reduced the income under the private hire budget.

New applications for Private Hire vehicle licences take up considerably more officer time than renewal applications. In addition the licence plate is provided at no additional cost. It is therefore proposed that the fee for new applications remains higher than the renewal fee.

The revised fees for drivers, vehicles and operators, which aim to generate income of £17,300 in 2012/13, are set out in Appendix A.

### 3.4 Sex Establishment

The City Council has only issued one sex establishment licence. A reduced fee structure was introduced in 2009/10 as a result of a national campaign by the trade and the recognition that the licence fee had risen dramatically since first being set in 1990. It is recommended that the fee structure remains the same for 2012/13.

New legislation came into effect during 2011 which removes sexual entertainment licensing from the Licensing Act 2003 and places it alongside sex establishment licensing. We currently have one such premise operating and it is possible that they will apply to be licensed during 2012/13.

### 3.5 Auctioneers

We only have one premises which require auctioneers to be licensed and the number of applications has reduced in recent years. The suggested new charge aims to generate income of £600 in 2012/13, as set out in Appendix A.

- 3.6 Pleasure Boats & Boatmen  
The number of pleasure boats and boatmen has reduced in recent years with a consequent fall in income. The suggested new charge aims to generate income of £400 in 2012/13, as set out in Appendix A.
- 3.7 Motor Salvage Operators  
Motor Salvage Operators only register every three years therefore the income varies from year to year. The suggested charge aims to generate income of £200 in 2012/13, as set out in Appendix A.
- 3.8 Gambling Act 2005

#### Lottery Licences

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 this year and the current level is expected to be maintained. The current fee should generate approximately £4,700 in 2012/13, is set out in Appendix A.

#### Gambling Premises and Machine Permits

The fee bands are set by central government and the Licensing Committee set their 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.

At the current level of fees, an estimated income of £17,000 will be received during 2012/13, which is set out in Appendix B.

- 3.9 Street Trading  
The number of licensed street traders has remained consistent over the last couple of years.

The revised fees for a street trading permit, which aims to generate income of £2,900 in 2012/13, are set out in Appendix A.

- 3.10 Riding Establishments  
The number of riding establishments has decreased in recent years.

The revised fees for these establishments, which aim to generate income of £400 in 2012/13, are set out in Appendix A.

#### 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 £229,200 in 2012/13 which is summarised in the table below:

Service Area	Original Budget 2011/12 £	Revised Budget 2011/12	Estimate 2012/13 £	Increase/Decrease %	
Licensing Act 2003 - Premises	102,000	102,000	102,000	0.0%	*
Licensing Act 2003 - Personal	5,000	5,000	4,000	(20.0%)	*
Hackney Carriage	70,300	70,300	74,000	5.3%	
Private Hire	16,500	16,500	17,300	4.8%	
Sex Establishment	5,700	5,700	5,700	0.0%	*
Auctioneers	600	600	600	0.0%	
Pleasure Boats	500	400	400	0.0%	
Motor Salvage	100	200	200	0.0%	
Gambling Act 2005 - Lotteries	4,800	4,800	4,700	(2.1%)	*
Gambling Act 2005 – Premises and Gaming Machines	17,000	17,000	17,000	0.0%	*
Street Trading	2,800	2,800	2,900	3.6%	
Riding Establishments	400	400	400	0.0%	
Total	225,700	225,700	229,200	Av +1.55%	

\* Fixed fees

#### 5. CONSULTATION

- 5.1 Consultation to Date -  
None

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

#### 6. RECOMMENDATIONS

The Regulatory Panel is asked to agree the charges as set out in Appendices 'A' and 'B' with effect from 01 February 2012. This increase will be subject to any required advertising for hackney carriages 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 – Ongoing funding will be available from the licensing fees under various legislation, to ensure that the staffing level is appropriate to the responsibilities. The Government are consulting on fees at this time. We monitor 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 receipts outlined in table 4.1 in a full year of £229,200 (although there is no guarantee that all licences will be renewed in 2012/13). This represents a shortfall on the MTFP target for increasing income by 3.8% in 2012/13. The shortfall is due to the majority of the sources of income being subject to fees that are set nationally and therefore not under the Council's control to increase. A budget pressure has been submitted to be considered as part of the budget process to meet an overall shortfall on income expectations and this additional shortfall will increase the budget pressure by £5,100. Nationally, fees under the Licensing Act 2003 have been subject to review by an Independent Licensing Fees Review Panel. The result of their investigation has been published, however the Government has not made any changes. Similarly, fees under the Gambling Act 2005 are due to be reviewed in the near future.
- 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 – The number of licences issued and renewed can vary significantly year by year and is affected by market forces and the position of the economy. For example, we currently have a number of liquor licensed premises that have closed as a result of the downturn in the economy. This results in a loss of income through the annual fees. As described previously, 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

- Equality Issues – Not applicable
- Environmental – Not applicable
- Crime and Disorder – Not applicable

Prepared by:

J A Messenger  
Licensing Manager

## Appendix 'A'

**LICENSING**

	<u>Current charge</u> £	<u>Suggested Charge</u> <u>from 1/2/2012</u> £	<u>Implementation Date</u>
1 (A) <b><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

**Personal +**

Personal Licence	37.00	37.00	24.11.05
------------------	-------	-------	----------

+ These Charges are set by the Dept. Culture, Media & Sport (currently under review)

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

Hackney Carriage:	New	204.00	212.00	1.02.12
	Renewal	174.00	180.00	1.02.12
Hackney Carriage (whchair):	New	160.00	173.00	1.02.12
	Renewal	130.00	140.00	1.02.12
Hackney Carriage:				
*Driver	New	79.00	82.00	1.02.12
	Renewal	59.00	62.00	1.02.12
#Test Fee		43.00	43.00	1.02.01
#Re-test Fee		35.00	35.00	1.02.01
Certificate of Compliance		8.00	8.00	1.02.11
Plate Deposit		25.00	25.00	1.02.02
Transfer of Licence		20.00	20.00	1.02.11
Duplicate Items		6.00	10.00	1.02.12
New Identity Card		6.00	10.00	1.02.12
New Licence Plate		10.00	12.00	1.02.12

**Private Hire Vehicles**

Private Hire Vehicle:	New	166.00	172.00	1.02.12
	Renewal	136.00	141.00	1.02.12
*Private Hire Vehicle Driver:	New	79.00	82.00	1.02.12
	Renewal	59.00	62.00	1.02.12
Private Hire Operators:				
1-5 vehicles		120.00	125.00	1.02.12
6-10 vehicles		181.00	188.00	1.02.12
11-20 vehicles		335.00	348.00	1.02.12
21-30 vehicles		385.00	400.00	1.02.12
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		8.00	8.00	1.02.11
Plate Deposit		25.00	25.00	1.02.95
Transfer of Licence		20.00	20.00	1.02.11
Duplicate Items		6.00	10.00	1.02.12
New Identity Card		6.00	10.00	1.02.12
New Licence Plate		10.00	12.00	1.02.12

\*Inclusive of identity card

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

		<u>Current</u> <u>charge</u>	<u>Suggested</u> <u>Charge</u> <u>from 1/2/2012</u>	<u>Implementation</u> <u>Date</u>
		£	£	
<b>(C) <u>Licences - Miscellaneous</u></b>				
(VAT Outside the Scope)				
Auctioneers		37.00	38.00	1.02.12
Riding Establishments (plus Vets Fee)		87.00	90.00	1.02.12
Sex Establishments	Full Grant	6639.00	6639.00	1.02.08
	Reduced Grant (Up to 24 Hours)	3320.00	3320.00	1.06.11
	Renewal (80% of grant fee)			1.06.11
	Variation (50% of grant fee)			1.06.11
	Transfer	£1,000.00	£1,000.00	1.02.08
Street Traders		90.00	93.00	1.02.12
Street Traders (Occasional)		30.00	30.00	1.02.07
Plate Deposit		25.00	25.00	1.02.02
New Permit Plate		10.00	10.00	1.02.07
Motor Salvage Operators		74.00	77.00	1.02.12
Boats		38.00	40.00	1.02.12
Boatman		13.00	13.00	1.02.12

**(D) Licences - Gambling Act 2005****Premises**

(Based on fee bands set by DCMS and determined by Licensing Committee)

See Appendix 'B' for Gambling Premises and Machine fees

### Gambling Act 2005 Fee Structure

Type of Premises	Non-Conversion Provisional Statement Premises	Non-Conversion Application All other premises	First Annual	Seasonal First Annual	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

Approved 4<sup>th</sup> April 2007