

CARLISLE CITY COUNCIL

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

Date of Meeting:- **21st November 2012**

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 2013/2014 - LICENSING**

Report of:- **DIRECTOR OF GOVERNANCE**

Report reference:- **GD 61/12**

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 1st February 2013.

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 21 November 2012

REVIEW OF CHARGES 2013/14 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 2013

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 3 September 2012 and Full Council on 11 September 2012, 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 enforcement of the licensing authorities, which arise out of carrying out their licensing functions under the various legislation.
- 2.3 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.
- 2.4 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 to achieve full cost recovery.
- 2.5 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 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 includes a number of licensable activities under one 'Premises Licence'. These include one or more of the following - 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 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. It is anticipated that a bill on the subject will be going before Parliament in 2013.

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 4th 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 Government.

A review of the remaining charges (excluding Licensing Act 2003, Gambling Act 2005 and Sex Establishments) has identified that no increase is required in 2013/14, other than a small increase in wheelchair Hackney's. This will not compromise the Council's position as a fair charging authority and should achieve full cost recovery.

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 509 (496-2011/12). 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 2013/14. 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 2013/14, 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 1274 personal licences issued (1199 - 2011/12). 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 2013/14.

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 1st 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 1st 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 there is no change to the charge for non wheelchair vehicles and the charge for wheelchair accessible vehicles be increased by 2% 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.

The fees for drivers and vehicles, which aim to generate income of £76,200 in 2013/14, 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 fees for drivers, vehicles and operators, which aim to generate income of £17,900 in 2013/14, 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 2013/14.

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 charge aims to generate income of £600 in 2013/14, 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 charge aims to generate income of £400 in 2013/14, 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 2013/14, 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 over recent years and the current level is expected to be maintained. The current fee should generate approximately £4,700 in 2013/14, 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 4th 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 2013/14, 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 fees for a street trading permit, which aims to generate income of £2,900 in 2013/14, 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 2013/14, 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 £232,400 in 2013/14 which is summarised in the table below:

Service Area	Original Budget 2012/13 £	Revised Budget 2012/13	Estimate 2013/14 £	Increase/Decrease %	
Licensing Act 2003 - Premises	102,000	102,000	102,000	0.0%	*
Licensing Act 2003 - Personal	4,000	4,000	4,000	0.0%	*
Hackney Carriage	74,000	76,200	76,200	0.0%	
Private Hire	17,300	17,900	17,900	0.0%	
Sex Establishment	5,700	6,100	6,100	0.0%	*
Auctioneers	600	600	600	0.0%	
Pleasure Boats	400	400	400	0.0%	
Motor Salvage	200	200	200	0.0%	
Gambling Act 2005 - Lotteries	4,700	4,700	4,700	0.0%	*
Gambling Act 2005 – Premises and Gaming Machines	17,000	17,000	17,000	0.0%	*
Street Trading	2,900	2,900	2,900	0.0%	
Riding Establishments	400	400	400	0.0%	
Total	229,200	232,400	232,400	Av + 0.0%	

* 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 2013. 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 the various legislation, to ensure that the staffing level is appropriate to the responsibilities. 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 £232,400 (although there is no guarantee that all licences will be renewed in 2013/14). This is in line with the MTFP target for licensing income in 2013/14. There is no increase proposed in the level of income expected 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. 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. It is anticipated that a Bill on the subject of fees will go before Parliament in 2013. 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 1/2/2013</u> £	<u>Implementation Date</u>
1 (A) <u>Licences - Licensing Act 2003</u>			
<u>Premises</u> + (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
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+ These Charges are set by the Home Office (currently under review)

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

Hackney Carriage:	New	212.00	212.00	1.02.12
	Renewal	180.00	180.00	1.02.12
Hackney Carriage (whchair):	New	173.00	177.00	1.02.13
	Renewal	140.00	143.00	1.02.13
Hackney Carriage:				
*Driver	New	82.00	82.00	1.02.12
	Renewal	62.00	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		10.00	10.00	1.02.12
New Identity Card		10.00	10.00	1.02.12
New Licence Plate		12.00	12.00	1.02.12

Private Hire Vehicles

Private Hire Vehicle:	New	172.00	172.00	1.02.12
	Renewal	141.00	141.00	1.02.12
*Private Hire Vehicle Driver:	New	82.00	82.00	1.02.12
	Renewal	62.00	62.00	1.02.12
Private Hire Operators:				
1-5 vehicles		125.00	125.00	1.02.12
6-10 vehicles		188.00	188.00	1.02.12
11-20 vehicles		348.00	348.00	1.02.12
21-30 vehicles		400.00	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		10.00	10.00	1.02.12
New Identity Card		10.00	10.00	1.02.12
New Licence Plate		12.00	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 1/2/2013</u>	<u>Implementation</u> <u>Date</u>
		£	£	
(C) <u>Licences - Miscellaneous</u>				
(VAT Outside the Scope)				
Auctioneers		38.00	38.00	1.02.12
Riding Establishments (plus Vets Fee)		90.00	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		93.00	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		77.00	77.00	1.02.12
Boats		40.00	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 Premises Licence Fee Structure

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