

CARLISLE CITY COUNCIL

A3

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

Date of Meeting:- 19 October 2005

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

REVIEW OF CHARGES 2006/2007 - LICENSING

Title:-

Report of:-

HEAD OF ENVIRONMENTAL PROTECTION SERVICES

Report reference:-

EP. 53/05

Summary:

This report sets out the proposed fees and charges for areas falling within the responsibility of the Licensing Section of the Environmental Protection Services Business Unit. 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 1st February 2006.

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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

CITY OF CARLISLE

To: The Members of the Regulatory Panel

REVIEW OF CHARGES 2006/07 – ENVIRONMENTAL PROTECTION SERVICES - Licensing

1. BACKGROUND

- 1.1 Each Service Manager is required to carry out an annual review of fees and charges.
- 1.2 This report proposes the review of charges within the Environmental Protection Services Business Unit 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 19 July 2005, sets out three basic principles to underpin the City Council's policy for reviewing charges.
 - A Corporate Approach – to assist the delivery of the Council's corporate objectives and to address strategic and cross cutting issues between Business Units.
 - Consistent Concessions – to clarify the basis by which the Council subsidises services and activities and to identify which disadvantaged groups should benefit from any concessions granted.
 - Income Generation – to raise income from services where this is appropriate. This should include consideration of charging for services where this is not currently the case. Where charges for services are made they should be cognisant of the costs where appropriate. For 2006/07 each service has been given a corporate target for income generation 2.4% plus an additional 1% increase over and above the assumed retail price index.
- 2.2 In addition, the policy recognises that each Business Unit is different, and requires Unit Heads 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 currently covers an extremely wide range of functions for which the Council is the responsible authority. The current principal functions relate to the issue of licences for e.g. Hackney Carriages/Private Hire (Vehicles, Drivers and Operators), Public Entertainment, Street Trading, Theatres, Cinemas, Auctioneers and Sex Establishments.

The Licensing Act 2003 will amalgamate a number of current licences into one 'Premises Licence'. These include liquor (on transfer from the Licensing Justices), Public Entertainment, Cinema, Theatre and Late Night Refreshment Houses. The existing income from these licences will cease and a new fee structure, fixed by the Government, will 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 have assured Authorities that should there be concerns over the fee structure, they will carry out a review after 12 months. The fees in connection with the Licensing Act 2003 are still coming in, therefore an accurate forecast of future income cannot be made at this time.

A review of current charges (excluding Licensing Act 2003) has identified that an increase of 3.4% for licence fees can be undertaken in 2006/07 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. other sections of Environmental Protection Services and Commercial and Technical Services (Vehicle Testing).

3.2 Licensing Act 2003

3.2.1 Premises Licences

The number of premises applying under the new legislation has to be an estimate, as applications are still coming in. The transitional period ended on 6th August 2005 and approximately 410 applications had been received. It is anticipated that a further 30 applications will be received by the 'go live' date of 24th November 2005. Educational, church and community premises are exempt from the licence fee where they do not provide alcohol, and we have received 29 such applications to date.

The fee structure is fixed by central government and is based upon five non-domestic rateable value bands. Based upon the current number of applications, it is estimated that there will be an income of £80,000 in 2006/07, as set out in 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.

During the transitional period 450 person applied for such a licence.

Based upon the current numbers of applications to the Licensing Justices, it is estimated that there will be an estimated 30 such applications per year. This will generate an income of £1,100 in 2006/07. The personal licence lasts for 10 years therefore the income is divided over this period as set out in Appendix A.

3.3 Vehicle and Driving Licences

3.3.2 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 Commercial & Technical 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. The plate bears the name of the Council, the plate number and the maximum number of passengers carried. Between November 2005 and January 2006 these plates are being 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 looks professional and can be produced from the information already held on the licensing computer software. The new system will incur additional expenditure of approximately £800. This additional expenditure can be recovered by increasing Hackney Carriage and Private Hire vehicle fees by an additional 0.5% over the corporate target (i.e. 3.9%). Each plate will last for approximately three years, therefore the additional 0.5% over that period will cover the additional costs.

The revised fees for drivers and vehicles, which aim to generate income of £58,500 in 2006/2007, are set out in Appendix A.

3.3.3 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.

Following a high court decision in 2004, operators with a hackney carriage fleet only are not required to obtain an operator licence. In addition, the number of private

hire vehicles has reduced slightly, with a comparative increase in hackney vehicles. This will reduce the income under the private hire budget.

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

The revised fees for drivers, vehicles and operators, which aim to generate income of £18,500 in 2006/2007, are set out in Appendix A.

3.4 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 £22,300 in 2006/2007, are set out in Appendix A.

3.5 Betting Gaming and Lottery

In 2005/2006 approximately £5,443 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. An increase in the number of applications is not expected therefore the income is expected to remain at £5,400.

4. SUMMARY OF INCOME GENERATED

- 4.1 The introduction of the charges proposed is an estimate (based upon the current number of licences) to generate income of £184,800 in 2006/07 which is summarised in the table below:

Service Area	Original Estimate 2005/06 £	Estimate 2006/07 £	% Increase
Public Entertainment	45,600	0	0
Theatre & Cinema	2,900	0	0
Premises	28,400	80,000	**
Personal	1,500	100	**
Hackney Carriage	51,000	58,500	3.4
Private Hire	23,300	18,500	3.4
Betting, Gaming & Lottery	5,900	5,400	0
Misc. Licensing Section	17,300	22,300	3.4
Total	175,900	184,800	

** Fees in respect of Premises licences were a rough estimate for 2005/06 as the fee structure had not been published by the government and we were uncertain as to the number of applications that we be received. The estimate for 2006/07 is based upon the actual applications received and the published fee structure.

Personal licences are valid for 10 years therefore the income is proportioned over this period.

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 2006. This increase will be subject to the required 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 will bring 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. On going funding will be available from the licensing fees under the new Act, which have been set by the Government. Fees under this legislation have been payable from 7th February 2005. Application fees to convert existing premises licences must be paid in the six months after the first appointed date and will be higher than the fees in subsequent years. This is to cover the cost of the initial set up and administration of the system during the first year.

- 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 2006/2007). This represents an increase of approximately 3.4% over the budgeted income for 2005/2006. Fees under the Licensing Act 2003 are estimated at this time.

- 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>Charge</u> from 1/2/2006 £	<u>Implementation</u> Date
1 (A) <u>Licences</u>		
<u>Premises</u> +		
Band A	70.00	24.11.05
Band B	180.00	24.11.05
Band C	295.00	24.11.05
Band D	320.00	24.11.05
Band E	350.00	24.11.05
<u>Personal</u> +		
Personal Licence	37.00	06.02.05

+ These Charges are set by the Dept. Culture, Media & Sport

(B) Licences**Vehicles****Hackney Carriages**

Hackney Carriage	154.00	1.02.06
Hackney Carriage(wheelchair)	103.00	1.02.06
Hackney Carriage:		
Driver	48.00	1.02.06
#Test Fee	43.00	1.02.01
#Re-test Fee	35.00	1.02.01
Certificate of Compliance	6.00	1.02.03
Plate Deposit	25.00	1.02.95
Transfer of Plate	15.00	1.02.02
Duplicate Items	6.00	1.02.05
Duplicate Identity Card	6.00	1.02.05

Private Hire Vehicles

Private Hire Vehicle	116.00	1.02.06
Private Hire Vehicle Driver	48.00	1.02.06
Private Hire Operators		
1-5 vehicles	103.00	1.02.06
6-10 vehicles	155.00	1.02.06
11-20 vehicles	227.00	1.02.06
21-30 vehicles	331.00	1.02.06
31-40 vehicles	419.00	1.02.06
41-50 vehicles	517.00	1.02.06
51-60 vehicles	621.00	1.02.06
61-70 vehicles	708.00	1.02.06
71-80 vehicles	794.00	1.02.06
Private Hire Vehicle:		
#Test Fee	43.00	1.02.01
#Re-test Fee	35.00	1.02.01
Private Hire Plate (Deposit)	25.00	1.02.95
Certificate of compliance	6.00	1.02.02
Transfer of Plate	15.00	1.02.02
Duplicate Items	6.00	1.02.05
Duplicate Identity Card	6.00	1.02.05

*Inclusive of identity card

Subject to increases in fees from Commercial & Technical Services being passed on.

<u>Charge</u>	<u>Implementation</u>
<u>From 1/2/2006</u>	<u>Date</u>
£	

(C) Licences - Miscellaneous

(VAT Outside the Scope)

Auctioneers	32.00	1.02.06
Game Dealers	43.00	1.02.06
+ Gaming Permits (3 year)	32.00	1.02.98
+ Gaming Permits (All Cash Machines 3 year)	250.00	1.02.99
Riding Establishments (+Vets Fee)	78.00	1.02.06
Sex Establishments	12,408.00	1.02.06
Street Traders	78.00	1.02.06
+ Betting, Gaming and Lottery	35.00	1.12.91
+ BGL -Renewal	17.50	1.12.91
Motor Salvage Operators	64.00	1.02.06
Boats	33.00	1.02.06
Boatman	11.50	1.02.06

+ These Charges are set by the Home Office

LICENSING

	<u>Charge</u> from 1/2/2006 £	<u>Implementation</u> Date
1 (A) <u>Licences</u>		
<u>Premises</u> +		
Band A	70.00	24.11.05
Band B	180.00	24.11.05
Band C	295.00	24.11.05
Band D	320.00	24.11.05
Band E	350.00	24.11.05
<u>Personal</u> +		
Personal Licence	37.00	06.02.05

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