

# CARLISLE CITY COUNCIL

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

Date of Meeting:- **15<sup>th</sup> October 2008**

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 2009/2010 - LICENSING**

Title:-

**DIRECTOR OF LEGAL & DEMOCRATIC SERVICES**

Report of:-

Report reference:-

**LDS 63/08**

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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 2009.

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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:- Carlisle City Council Budget Process 2008/09

**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 on 15<sup>th</sup> October 2008

### REVIEW OF CHARGES 2009/10 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 2008**

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 26 August 2008 and Full Council on 9 September 2008, sets out the City Council's policy for reviewing charges. The principal objective(s) of setting the charge are:
  - Recover cost of service provision;
  - Generate Surplus Income (where permitted);
  - Maintain existing service provision;
  - Fund service improvements or introduction of new service(s);
  - Manage demand for service(s);
  - Promote access to services for low-income households;
  - Promote equity or fairness;
  - Achieve wider strategic policy objectives (eg encouraging green policies);
- 2.2 The income target for the period 2009/10 to 2010/11 has been set to produce a minimum overall increase equal to inflation (as measured by the Consumer Price Index) plus 1%. For the financial year 2009/10, this would mean that the corporate target for income generation is **3.8%**. For licensing income this would equate to a target increase of £8,000 on 2008/09 budgets.

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.

- 2.3 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, Street Trading, Auctioneers 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 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.

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.

A review of the remaining charges (excluding Licensing Act 2003) has identified that an average increase of 3.8% for licence fees can be undertaken in 2009/10 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 tattooing, acupuncture and vehicle testing. Planning & Housing Services in respect of houses of multiple occupancy.

Local Authorities took over full responsibility as Licensing Authorities on 1<sup>st</sup> September 2007.

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 A.

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

## 3.2 Licensing Act 2003

### 3.2.1 Premises Licences

The total number of premises currently licensed is 475. 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 2009/10. 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 appears to have reached a plateau at this time. There is no change in the fee structure, although an Independent Licensing Fees Review Panel is looking at these. Based upon the current number of licences issued, it is estimated that there will be an income of £102,000 in 2009/10, 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.

In the initial transitional period to March 2006, 547 persons had applied for such a licence, this being the first year the new licence has been operational. Currently we have issued 897 licences. The personal licence lasts for 10 years and the fee of £37 is determined by central government.

Based upon the current numbers of applications, it is estimated that there will be approximately 130 such applications per year. This will generate an estimated income of £5,000 in 2009/10.

### 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 is therefore suggested that we gradually bring the two fees closer together over the next couple of years. I would propose that non wheelchair fees be increased by 1.8% and wheelchair by 5.5% this year. This increase would maintain the current level of income and can be repeated in future years.

The revised fees for drivers and vehicles, which aim to generate income of £65,000 in 2009/10, 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 significantly reduced over the last couple of years, with a slight increase in hackney vehicles. This has reduced the income under the private hire budget.

The revised fees for drivers, vehicles and operators, which aim to generate income of £15,100 in 2009/10, are set out in Appendix A.

### 3.4 Sex Establishment

The City Council has only issued one sex establishment licence. The fee was set initially at £1,000 in 1990 and has continued to rise in accordance with the recognised index since then. The suggested new charge is subject to a separate report, which recommends a reduction of the current fee to £6,639 in 2009/10, as set out in Appendix A.

### 3.5 Auctioneers

We only have one premises which require auctioneers to be licensed and the number does not vary considerably each year. The suggested new charge aims to generate income of £560 in 2009/10, as set out in Appendix A.

### 3.6 Pleasure Boats & Boatmen

The number of pleasure boats and boatmen does not vary much each year. The suggested new charge aims to generate income of £500 in 2009/10, 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 new charge aims to generate income of £200 in 2009/10, 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 this is expected to be maintained. This is expected to be approximately £5,000 in 2009/10, is set out in Appendix A.

#### Gambling Premises and Machine Permits

The maximum 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 have just completed the first year of operation. These figures continue to recover the full cost and no change is recommended.

At the current level of fees, an estimated income of £16,300 will be received during 2009/10, which is set out in Appendix B.

### 3.9 Street Trading

The licensing of street traders has seen a slight increase in the last couple of years. The revised fees for a street trading permit, which aims to generate income of £2,300 in 2009/2010, 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 £600 in 2009/2010, 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 £211,200 in 2009/10 which is summarised in the table below:

<b>Service Area</b>	<b>Original Budget 2008/09 £</b>	<b>Revised Budget 2008/09 £</b>	<b>Estimate 2009/10 £</b>	<b>Increase/Decrease %</b>
Licensing Act 2003 - Premises	90,000	90,000	102,000	
Licensing Act 2003 - Personal	4,400	4,400	5,000	
Hackney Carriage	63,000	63,000	65,000	
Private Hire	19,300	19,300	15,100	
Sex Establishment	13,300	13,300	6,600	
Auctioneers	500	500	600	
Pleasure Boats	500	500	500	
Motor Salvage	200	200	200	
Gambling Act 2005 - Lotteries	5,000	5,000	5,000	
Gambling Act 2005 – Premises and Gaming Machines	12,000	12,000	16,300	
Street Trading	2,200	2,200	2,300	
Riding Establishments	800	800	600	
Miscellaneous	0	0	0	
<b>Total</b>	<b>211,200</b>	<b>211,200</b>	<b>219,200</b>	<b>+3.8%</b>

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 2009. 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 and Gambling Act 2005 greatly increased the administrative and enforcement responsibilities of the section. This was recognised and a bid to appoint another Licensing Officer was approved in 2003 and a part time administrative assistant in 2007. 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 continually monitoring 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 (although there is no guarantee that all licences will be renewed in 2009/10). This represents an increase of approximately 3.8% over the original budget for 2008/09. 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 will be subject to review during 2008/09.
- 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/Licensing Committee 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. Whilst they still hold a licence and continue to pay their annual fee, the licence holders may at some stage surrender the licence with the resultant loss in income.
- 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> from 1/2/2009 £	<u>Original 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
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+ These Charges are set by the Dept. Culture, Media & Sport (currently under review)

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

Hackney Carriage	164.00	167.00	1.02.08
Hackney Carriage (wheelchair)	110.00	120.00	1.02.08
Hackney Carriage:			
*Driver	51.00	53.00	1.02.08
#Test Fee	43.00	44.00	1.02.01
#Re-test Fee	35.00	35.00	1.02.01
Certificate of Compliance	6.00	7.00	1.02.03
Plate Deposit	25.00	25.00	1.02.02
Transfer of Licence	16.00	16.00	1.02.08
Duplicate Items	6.00	6.00	1.02.05
New Identity Card	6.00	6.00	1.02.05
New Licence Plate	10.00	10.00	1.02.07

**Private Hire Vehicles**

Private Hire Vehicle	125.00	130.00	1.02.08
*Private Hire Vehicle Driver	51.00	53.00	1.02.08
Private Hire Operators			
1-5 vehicles	110.00	114.00	1.02.08
6-10 vehicles	166.00	172.00	1.02.08
11-20 vehicles	308.00	319.00	1.02.08
21-30 vehicles	354.00	367.00	1.02.08
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	7.00	1.02.03
Plate Deposit	25.00	25.00	1.02.95
Transfer of Licence	16.00	16.00	1.02.08
Duplicate Items	6.00	6.00	1.02.05
New Identity Card	6.00	6.00	1.02.05
New Licence Plate	10.00	10.00	1.02.07

\*Inclusive of identity card

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

	<u>Current charge</u>	<u>Suggested Charge</u>	<u>Implementation Date</u>
	£	£	
<b>(C) <u>Licences - Miscellaneous</u></b>			
(VAT Outside the Scope)			
Auctioneers	34.00	35.00	1.02.08
Riding Establishments (plus Vets Fee)	80.00	83.00	1.02.08
Sex Establishments	13,278.00	6,639.00	1.02.08
Street Traders	83.00	86.00	1.02.08
Street Traders (Occasional)	29.00	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	68.00	70.00	1.02.08
Boats	35.00	36.00	1.02.08
Boatman	12.50	12.50	1.02.07

+ These Charges are set by the Home Office

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

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

See next two pages for Gambling Premises and Machine fees



**Gambling Act 2005 Fee Structure**

Type of Premises	Conversion Fast-Track	Conversion Non-Fast-Track	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	£300	£2,000			£3,000	£3,000	£2,000		£1,350	£1,350*
Bingo	£300	£1,250	£1,000	£2,500	£700	£700 pro-rata* min £300	£1,250	£2,500	£500	£500
Adult Gaming Centre	£300	£800	£600	£1,600	£700	£700 pro-rata* min £300	£800	£1,600	£400	£400
Betting (Track)	£300	£1,250	£950	£2,500	£1,000	£1,000 pro-rata* min £300	£1,250	£2,500	£950	£950
Family Entertainment Centre	£300	£800	£600	£1,600	£400	£400 pro-rata min £200	£800	£1,600	£300	£300
Betting (Other)	£300	£900	£600	£1,800	£500	£500 pro-rata* min £200	£900	£1,800	£300	£300

APPENDIX B

All premises: Fee for copy of Licence    £15  
 Fee to accompany notification of change of circumstances    £30

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