



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: ENVIRONMENT and INFRASTRUCTURE

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Date of Meeting: 28<sup>th</sup> November 2007

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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:** REVIEW OF CHARGES 2008/2009 - LICENSING  
LEGAL & DEMOCRATIC SERVICES

**Report of:** DIRECTOR OF LEGAL & DEMOCRATIC SERVICES

**Report reference:** LDS. 82/07

### 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 and approved the attached report on 17<sup>th</sup> October 2007.

### Recommendations:

The Executive is asked to note the charges that were approved by the Regulatory Panel on 17<sup>th</sup> October 2007.

**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:- **17<sup>th</sup> October 2007**

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 2008/2009 - LICENSING

Title:-

Report of:-

**DIRECTOR OF LEGAL & DEMOCRATIC SERVICES**

Report reference:-

**LDS 83/07**

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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:- Carlisle City Council Budget Process 2008/09

## CITY OF CARLISLE

To: The Members of the Regulatory Panel

### REVIEW OF CHARGES 2008/09 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 2007**

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 2 July 2007 and Full Council on 17 July 2007, 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;
- 2.2 Achieve wider strategic policy objectives (eg encouraging green policies);

The income target for the period 2008/09 to 2010/11 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 2008/09, this would mean that the corporate target for income generation is **3.8%**.

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. 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 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 expected by the end of this year.

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 2008/09 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.

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.

The dates of implementation were set by legislation and applications have been received by this authority from 30 April 2007. We took over full responsibility on 1<sup>st</sup> September 2007.

The fee banding was set nationally and licensing authorities were given the flexibility to set their exact 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.

### 3.2 Licensing Act 2003

#### 3.2.1 Premises Licences

The new legislation went live on 24<sup>th</sup> November 2005, there followed a two year period of consolidation within the trade, where licence holders applied for variations to vary hours and activities. The total number of premises currently licensed is 483. We are now in a position to predict with a fair degree of accuracy what the income will be in 2008/09. 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 £90,000 in 2008/09, 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.

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 240 applications have been received. The fee of £37 is determined by central government.

Based upon the current numbers of applications, it is estimated that there will be approximately 120 such applications per year that will be subject to review. This will generate an estimated income of £4,440 in 2008/09.

### 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. Existing saloon hackney licence holders may transfer their licence or change their vehicle to a similar saloon. How this will affect the income is not known but will be monitored throughout the year.

The revised fees for drivers and vehicles, which aim to generate income of £60,300 in 2007/2008, are set out in Appendix A.

#### 3.3.2 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, with a corresponding 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 £19,300 in 2008/2009, 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 and has continued to rise in accordance with the recognised index since then. The suggested new charge, which is an increase of approximately 3.8%, aims to generate income of £13,278 in 2008/2009, 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, which is an increase of approximately 3.8%, aims to generate income of £500 in 2008/2009, as set out in Appendix A.

### 3.6 Pleasure Boats

The number of pleasure boats and boatmen does not vary much each year. The suggested new charge, which is an increase of approximately 3.8%, aims to generate income of £500 in 2008/2009, as set out in Appendix A.

### 3.7 Motor Salvage Operators

Motor Salvage Operators register every three years therefore the income varies each year. The suggested new charge, which is an increase of approximately 3.8%, aims to generate income of £200 in 2008/2009, as set out in Appendix A.

### 3.8 Game Dealers

The Game Act 1831 and the Game Licences Act 1860, which refers to the licensing of game dealers, were repealed on 1<sup>st</sup> July 2007. The income of approximately £400 per year will therefore cease.

### 3.9 Gambling Act 2005 – Lottery Licences

In 2008/2009 approximately £5,000 will be received from lottery licences, the charge for which 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 not expected to change. The income which is expected to be approximately £5,000, is set out in Appendix A.

### Gambling Premises and Machine Permits

During 2007 local authorities have taken over the licensing of gambling premises and machine permits under the Gambling Act 2005. During the transitional period, gambling premises had to make an initial application for conversion of their existing licences and within 30 days, pay the first annual fee in respect of the premises. In subsequent years only the annual fee will be payable. The maximum fees were set by central government and the Licensing Committee set our own fees within these limits, based upon full cost recovery of administering the new procedures. The revised income for gambling in 2007/08 is therefore approximately double that estimated for 2008/09.

At the current level of fees, an estimated income of £12,000 will be received during 2008/09 which is set out in Appendix A.

### 3.10 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 £2,200 in 2008/2009, are set out in Appendix A.

### 3.11 Riding Establishments

The number of riding establishments has decreased recently. The revised fees for these establishments, which aim to generate income of £800 in 2008/2009, 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 2008/09 which is summarised in the table below:

<b>Service Area</b>	<b>Revised Budget 2007/08 £</b>	<b>Original Budget 2007/08 £</b>	<b>Estimate 2008/09 £</b>	<b>Increase/ Decrease %</b>
Licensing Act 2003 - Premises	90,000	90,000	90,000	
Licensing Act 2003 - Personal	6,400	0	4,400	
Hackney Carriage	60,300	54,400	63,000	
Private Hire	18,600	24,800	19,300	
Sex Establishment	12,900	12,900	13,300	
Auctioneers	500	500	500	
Pleasure Boats	500	0	500	
Motor Salvage	200	0	200	
Game Dealers	400	1,500	0	
Gambling Act 2005 - Lotteries	5,000	6,300	5,000	
Gambling Act 2005 – Premises and Gaming Machines	20,000	5,300	12,000	
Street Trading	2,000	1,600	2,200	
Riding Establishments	500	1,100	800	
Miscellaneous	0	2,000	0	
<b>Total</b>	<b>218,900</b>	<b>200,400</b>	<b>211,200</b>	<b>+5.4%</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 2008. 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 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 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 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 receipts outlined in table 4.1 in a full year (although there is no guarantee that all licences will be renewed in 2008/2009). This represents an increase of approximately 5.4% over the original budget for 2007/2008. The revised budget for 2007/08 includes an additional one off income of approximately £10,000 under the Gambling Act 2005. This was an additional fee to assist during the transitional period. Nationally, 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. 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 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

## Appendix A

**LICENSING**

	<u>Current charge</u> £	<u>Suggested Charge</u> from 1/2/2008 £	<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
<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 2007)			

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

Hackney Carriage	158.00	164.00	1.02.07
Hackney Carriage (wheelchair)	106.00	110.00	1.02.07
Hackney Carriage:			
*Driver	49.00	51.00	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	16.00	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	10.00	1.02.07

**Private Hire Vehicles**

Private Hire Vehicle	120.00	125.00	1.02.07
*Private Hire Vehicle Driver	49.00	51.00	1.02.07
Private Hire Operators			
1-5 vehicles	106.00	110.00	1.02.07
6-10 vehicles	160.00	166.00	1.02.07
11-20 vehicles	297.00	308.00	1.02.07
21-30 vehicles	341.00	354.00	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	16.00	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	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> from 1/2/2007	<u>Implementation Date</u>
	£	£	
<b>(C) <u>Licences - Miscellaneous</u></b> (VAT Outside the Scope)			
Auctioneers	33.00	34.00	1.02.07
Game Dealers	44.00	45.00	1.02.07
Riding Establishments (plus Vets Fee)	80.00	80.00	1.02.07
Sex Establishments	12,792.00	13,278.00	1.02.07
Street Traders	80.00	83.00	1.02.07
Plate Deposit	25.00	25.00	1.02.95
New Permit Plate	10.00	10.00	1.02.07
Motor Salvage Operators	66.00	68.00	1.02.07
Boats	34.00	35.00	1.02.07
Boatman	12.00	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

