



LICENSING COMMITTEE – 18TH FEBRUARY 2016

SUBJECT: LICENSING/REGISTRATION/PERMIT FEES – 2016/17

REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES

1. PURPOSE OF REPORT

- 1.1 To recommend Licensing/Registration/Permit Fees for the next financial year and to seek the views of Members prior to its presentation to Council.

2. SUMMARY

- 2.1 Licensing fees are reviewed annually to recover reasonable costs of providing the service. This report recommends increases in fees where appropriate and advises Members of the fee structure established by the Government under the Licensing Act 2003.

3. LINKS TO STRATEGY

- 3.1 The Licensing function is a statutory duty of the authority and contributes to the Prosperous Caerphilly and Safer Caerphilly Priorities within the Caerphilly Local Service Board single integrated plan, Caerphilly Delivers. Due to the broad range of Licensing/Registration/Permit Fees covered, the function also contributes to a number Objectives under the Council's Strategic Equality Plan 2012.

4. THE REPORT

- 4.1 The authority has a statutory duty to administer certain licences, registrations and permits. The review of fees charged, involves consideration of the cost to the Authority in providing the service. Some fees are set centrally by government e.g. alcohol licences, some permits such as street collections for charities etc are free of charge and the remaining we can determine locally in order to recover the cost of providing that particular service.
- 4.2 There have been a number of important cases before the High Court regarding the setting of licensing fees and the Local Government Association (LGA) have issued guidance to local authorities, the latest in November 2015. The underlying principle in setting fees is that Councils must not use fees to make a profit or act as an economic deterrent to deter certain business types from operating in an area. Charges must be reasonable and proportionate to the cost of the processes associated with the licensing regime.
- 4.3 The all Wales Licensing Expert Panel devised a fee calculator toolkit that has been approved by the Directors of Public Protection in Wales. In principle the toolkit calculates two elements, which cover the costs to the authority for the provision of the service and the cost of processing and producing a licence. The cost of provision of the service increases proportionally dependant on the period of the licence, whereas the licence processing cost is not affected by the period of the licence. A separate toolkit has been developed for the majority of licences issued and these have been used to establish the fees for 2016/17.

The process indicated that some current fee levels are not meeting the cost of providing the service for e.g Animal licences, taxi vehicles and special procedures such as skin piercing and tattooing etc. These have been increased accordingly in an effort to cover costs. The toolkit spreadsheet comprises a number of worksheets covering several factors relevant to the calculation of fees as follows:

- Cost summary – calculates the hourly rate chargeable for each officer based on the Council's agreed annual productive hours.
- Other charges –
 - (i) Total charges for time based on functions associated with the service provision.
 - (ii) Total specific costs including surplus or deficits in provision of service, costs of changes/amendments to licences.
 - (iii) Relevant applications, based on the number of renewal and new licences issued at the time of calculation.

4.4 Appendix 1 to this report sets out the existing general fees and those proposed. Appendix 2 sets out the comparisons of the taxi vehicle fees currently charged by neighbouring authorities. Appendix 3 sets out the proposed fees to be charged in connection with the Gambling Act 2005. For the ease of calculation and collection, all these fees have been rounded to the nearest pound. The fees charged in connection with the Licensing Act 2003 are attached for information as Appendix 4. Appendix 5 shows the estimated income and expenditure relating to the taxi element of the service for 2016/17.

4.5 Whilst the Authority acknowledges the difficulties faced by local businesses in the current economic climate, it has a duty to recover fees that are proportionate to the level of cost incurred in administering the licensing service. Examples of the level of increase are as follows:

- £23.00 (£1.91 a month) for a Special Procedures premises licence (skin piercing, tattooing etc)
- £39.00 (£3.25 a month) for a Special Procedures personal licence
- £17.00 (£1.41 a month) for a hackney carriage or private hire vehicle licence
- £23.00 (£1.91 a month) for a Domestic Dog Boarding establishment licence
- £18.00 (£1.50 a month) for a Pet shop licence
- £19.00 (£1.58) a month) for a Riding establishment licence

4.6 **Licensing Act 2003** fees are set by the Government and have remained static since 2005. The Government has indicated that potentially centrally-set fees may be moved to locally-set fees and is currently working with the LGA to assess an appropriate fee structure. Until such changes are implemented, applications and annual fees must continue to be charged at the current fee level which we believe do not cover the cost of the function.

4.7 **Gambling Act 2005** – Whilst the Government sets maximum fee levels, the Authority has the discretion to set fees at a level considered appropriate to cover costs. It is proposed that these fees remain at the current level.

4.8 **Taxi Vehicle Licences** - The Council is entitled to set fees that cover the reasonable costs of providing these services. Appendix 5 demonstrates the difference between income and expenditure in this area and appendix 2 a comparison of the proposed fees, with those currently charged by neighbouring authorities (where they were available at time of writing this report). Fees charged for hackney carriage/private hire vehicles cannot be increased without the proposals being advertised in the local press. This is the process by which the trade can formally object to any increases. Any objections received must be considered and historically the Licensing Committee has been given delegated authority to do this and to determine the

date on which any fee variance should come into force, with or without modification. The cost of the MOT/Compliance check has been deducted from the fee for 2016/17 as these will in future be paid directly to the garage at time of test.

- 4.9 Fees for Hackney Carriage / Private Hire Vehicle Drivers and Private Hire Operators Licences were set by Council in November 2015 as a result of changes to the duration of licences under the Deregulation Act 2015. Those fees will not be reviewed again until 2017/18.
- 4.10 **Scrap Metal Dealers Act 2013 / Dog Breeding Fees** - The fees charged for Scrap Metal dealers were introduced in October 2013 as a result of new legislation and licensing controls. The current fees for a 3 year licence are included in Appendix 1 for information only as this is an Executive function. The same applies to Dog Breeding fees as new legislation requires that these fees are set by the Executive. A separate report was submitted for consideration by Cabinet on 17th February 2016.

5. EQUALITIES IMPLICATIONS

- 5.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the category identified in Section 8 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report. The Council ensures that it treats all individuals who are renewing or making new applications for licenses, with equal respect in line with the Council's Strategic Equality Plan 2012.

6. FINANCIAL IMPLICATIONS

- 6.1 If the recommendations of the report are adopted, the annual income where appropriate will be increased by approximately £8000. This will be more than offset by the requirement to advertise and consult on increased taxi vehicle fees at a cost to the service of approximately £750 and the loss of income for Driver and Operator fees due to changes made to duration of licences by the Deregulation Act 2015, estimated at £25,000 over the next five years.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications.

8. CONSULTATIONS

- 8.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

9. RECOMMENDATIONS

- 9.1 That the Committee note the level of fees charged in connection with the Licensing Act 2003 and consider and offer any comment to Council on the following:
- (i) Where appropriate, the fees proposed for 2016/17, as outlined in Appendices 1 and 3 to the report, be implemented with effect from 1st April 2016.
 - (ii) The proposed fees for hackney carriage/private hire vehicles be advertised and the Licensing Committee be given delegated powers to consider any objections received and to determine the fees to be charged and the date on which any Variations should come into force.

10. REASONS FOR THE RECOMMENDATIONS

To recover a reasonable level of costs incurred by the Council in administering the licensing service.

11. STATUTORY POWER

11.1 Local Government Act 1972; Local Government (Miscellaneous Provisions) Act 1976; Local Government (Miscellaneous Provisions) Act 1982; Licensing Act 2003 and the Gambling Act 2005 etc and Regulations made under these Acts. This is a Council function.

Author: Jacqui Morgan, Trading Standards, Licensing and Registrars Manager
Consultees: Cllr John Bevan, Chair, Licensing Committee
Cllr Denver Preece, Vice Chair, Licensing Committee
Cllr Nigel George, Cabinet Member for Community and Leisure Services,
Dave Street, Corporate Director, Social Services
Robert Hartshorn, Head of Public Protection
Myra McSherry, Licensing Manager
Mike Eedy, Finance Manager
Gail Williams, Interim Head of Legal Services and Monitoring Officer
Sue Ead, Solicitor, Legal Services
David A. Thomas Senior Policy Officer (Equalities and Welsh Language)
Shaun Watkins, HR Manager
Della Mahony, Superintendent Registrar
Mary E Powell, Fleet Manager

Background Papers:

Open For Business – LGA Guidance on Locally Set Fees – November 2015

http://www.local.gov.uk/documents/10180/6869714/L15-496+OpenForBusiness_02+FINAL.pdf

Appendices:

Appendix 1 – Licensing/Registration/Permit Fees - Existing and Proposed Fees for 2016/17

Appendix 2 – Comparison of Existing Taxi Related Fees with Neighbouring Authorities

Appendix 3 – Gambling Act 2005 – Proposed Premises Licence Fees 2016/17

Appendix 4 – Licensing Act 2003 – Main Fees – Premises Licence and Club Premises Certificate

Appendix 5 – Estimated Licensing Income and Expenditure relating to the Taxi element of the service for 2016/17