

**South Lakeland District Council**  
**Licensing Committee**  
**Licensing Regulatory Committee**  
**7 November 2017**  
**Review of Licensing Fees and Charges 2018/2019**  
**and Draft Budget**

<b>CHAIRMAN:</b>	<b>Sheila Eccles – Chairman of the Licensing and Licensing Regulatory Committees</b>
<b>REPORT FROM:</b>	<b>David Sykes – Director People and Places</b>
<b>REPORT AUTHOR:</b>	<b>Hardeep Burnley – Principal Food, Licensing and Safety Officer</b>
<b>WARDS:</b>	<b>All wards</b>
<b>FORWARD PLAN:</b>	<b>Not applicable</b>

**1.0 EXPECTED OUTCOME**

- 1.1 The expected outcome is that the draft budget for this service area is referred to Council for approval as part of the overall budget for 2018/19.
- 1.2 The fees and charges for this service area are approved.

**2.0 RECOMMENDATION**

- 2.1 **It is recommended that Licensing Regulatory Committee and Licensing Committee:**
  - (1) **Endorse the recommended fees for the financial year 2018/19 as set out in Appendix 1 for approval subject to approval by Council as part of the final budget-setting process;**
  - (2) **Note the nationally-set fees for 2018/19 as set out in Appendix 2; and**
  - (3) **Note and refer the latest draft budget estimates including the fees and charges for 2018/19 in Appendix 1 to full Council for approval as part of the final budget report.**

### **3.0 BACKGROUND AND PROPOSALS**

- 3.1 The licensing department issue a variety of licences which mostly attract a fee. The fees and charges in licensing are reviewed annually. It is vital that some fees are set on a cost recovery basis so that licences are issued to ensure the protection of the public in terms of safety and in other cases such as animal licensing services are delivered to ensure the control of infection, protect animal welfare and the health and safety of the licensee.
- 3.2 Whilst the Licence duration varies, with the majority attracting an annual licence fee, dangerous wild animal licences are renewed every two years, scrap metal every three years and skin piercing, tattooing, acupuncture and electrolysis is a one off initial fee.
- 3.3 Other fees under the Licensing Act 2003 are set by central government. Central government also sets out the range of fees that can be charged under the Gambling Act 2005. Fees under the Gambling Act 2005 have been set to reflect current practices which are currently set at the maximum limit.3.4 As part of the review of fees the Council must have regard to legislative provisions. With regard to hackney carriage and private hire licensing, Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a District Council may charge such fees for any reasonable administrative or other costs in connection with the control and supervision of hackney carriages and private hire vehicles.
- 3.4 With regards to animal licensing functions, (Zoos, Riding Establishments, Home boarders, Pet Shops, Animal Boarding Establishments etc.) a local authority may determine fees as considered reasonable in relation to costs arising from administration and enforcement.
- 3.5 Fees for Hackney Carriage and Private Hire Licences, Miscellaneous Licensing Activities and Scrap Metal Dealer Licensing for 2017/18 are shown in Appendix 1.
- 3.6 Annual fees for premises and personal licences and temporary event notices issued under the Licensing Act 2003 are fixed by central government. For Members' information, a schedule of fees charged by all local authorities under the Licensing Act 2003 and Gambling Act 2005 are attached in Appendix 2.
- 3.7 A significant proportion of the licences issued by the Council are based on cost recovery. Historically, some licence fees were not covering the full costs and those costs have not been fully recovered for a number of years. As a consequence a number of, but not all, fees were increased, in April 2016; others, such as animal licensing and taxi licensing fees were increased in April 2017 and were based on moving towards achieving full costs recovery. There will be further review of the cost base across licensing to aim toward a position where the income and expenditure are equal in those fees where the Council sets them locally. Budgets are reviewed on a quarterly basis and fully at the end of the financial year which determines the fee setting process for the forthcoming financial year. Currently there is an issue of non-balance of service and expenditure however there is a programme of ongoing review of internal recharges, review of other costs such as raw material (licence plates) as well as reviewing wider issues such as reviewing the service as part of the

customer connect programme with a view to making the services digital by default. Such a review will incorporate the reviewing of process, a new digital platform and staff required to deliver the service. These measures have been deemed the most viable to steadily address the balance between service and expenditure.

- 3.8 All calculations are based on actual processing time and all fees have been calculated with due regards to the requirements of the Provision of Services Regulations 2009 for them to be reasonable and proportionate and not to exceed the cost of service delivery.
- 3.9 Some licences are issued following a vet inspection based on work involved and these charges are in addition to the licence fee. This applies to dangerous wild animals, riding establishments, zoo inspections and in some cases dog breeding establishments.
- 3.10 In Appendix 4, the benchmarking figures for Cumbria have been included, these are for information only. It is important to note, however, that different local authorities have different internal charges processes which will result in a variety of fees.

### 2018/19 Budget

- 3.11 Appendix 5 sets out the detailed estimates for the 2018/19 draft budget. The budget presented represents no change in the level of service provision from 2017/18. The detailed estimates may have changed however due to:
- Incremental progression on salary costs and the assumed pay award.
  - Unavoidable inflation on costs
  - Review of base expenditure for cost reductions
- 3.12 Further changes may be required as the Budget is finalised. Corporate adjustments such as recharges and capital charges are finalised at the end of the budget process as they require final figures from the capital programme and controllable service budgets.
- 3.13 A summary of the costs and income projected within the current MTFP for 2018/19 is presented in the table below:

License type	Costs £000	Income £000	Net £000
Hackney Carriage Licences	133.3	-89.0	44.3
Miscellaneous Licences	31.0	-14.3	16.7
Licensing Act	131.7	-212.1	-80.4
Gambling Licensing	25.2	-20.8	4.4

- 3.14 As noted above, the fees have been reviewed where the Council has discretion to do so. The impact of this on the 2018/19 income budgets will be fed into the detailed base budget projections, including the impact of reviewing recharges. This will form part of the draft budget to be presented to Cabinet on 29 November 2017 and in more detail to Licencing/Licensing Regulatory Committee 16 January 2018, where the pattern of surplus/deficit shown above will be updated.

- 3.15 Work will continue over the three to five years to assess the overall pattern of cost and income across different licensing functions. There is no discretion over nationally set charges where income may be higher, or lower than costs. Central Government recently consulted on options to localise fees currently set under the Licensing Act 2003; although this is not currently planned to go ahead, any further developments will be monitored.

#### **4.0 CONSULTATION**

- 4.1 If Members should approve the fee structure for 2018/19, this information will be publicised to existing licence holders and public via the Council's website and newspaper advertisements, before the Council adopt the Budget.
- 4.2 If an increase in fees for Hackney Carriage and Private Hire vehicle licensing is approved, the revised fees will be advertised for a period of 28 days allowing time for objections.

#### **5.0 ALTERNATIVE OPTIONS**

- 5.1 To retain the fees and charges set in 2017/18. This is not recommended as the current costs do not cover the cost of delivering all relevant services.

#### **6.0 LINKS TO COUNCIL PRIORITIES**

- 6.1 Licensing legislation imposes a duty on the district council to administer and enforce the legislation.
- 6.2 The legislation links into the Council priority of Creating Opportunities for Economic growth, by supporting local businesses by setting fees that take into account local factors to support local businesses and allow economic development.
- 6.3 The legislation also links into the Council priority of Culture and Wellbeing as the Licensing function improves and maintains the health and wellbeing of our communities by ensuring licensing objectives are met, and the health, welfare and safety of our communities are being maintained.
- 6.4 The budget process allocates resources in line with the Council Plan.

#### **7.0 IMPLICATIONS**

##### **7.1 Financial and Resources**

- 7.1.1 As set out above, currently, income from areas where the Council has local control over fees does not cover their full cost including recharges. The overall budget position for 2018/19 including the impact of fee income, recharges and any adjustment to other costs will be presented as part of the draft 2018/19 budget at Cabinet 29 November and in more detail at Licensing/Licensing Regulatory Committees 16 January 2018. It is anticipated that the proposed fee changes will help to narrow the gap in terms of cost recovery and this will be quantified in the detailed budget report to Licensing/Licensing Regulatory committees in January. The longer term process set out above to review the service will be monitored with financial implications fed into future versions of the MTFP.

7.1.2 For nationally set fees income exceeds the costs as set out above. Central Government policy in this area will be monitored; proposals to address any impact will be brought forward if this policy moves towards further localising of charges.

## 7.2 Human Resources

7.2.1 There are no staffing implications.

## 7.3 Legal

7.3.1 With regard to Hackney Carriage and Private Hire licensing, Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a District Council may charge such fees for the grant of vehicle and operators' licence as may be sufficient to cover in whole or in part the reasonable cost of carrying out inspections of hackney carriage stands, and any reasonable administrative or other costs in connection with the control and supervision of hackney carriages and private hire vehicles. Therefore, although it does not yet do so, the Council is able to ensure that the hackney carriage and private hire licensing function is self-financing, and can operate at nil cost to the Council taxpayer.

7.3.2 With regard to all other licensing functions, legislation generally provides that a licensing authority may determine fees as considered reasonable in relation to costs arising from administration of the application. However, the Council is precluded from charging a fee in respect of the issue of permits for street collections, house-to-house collections for caravan site licences and the enforcements costs aspects of licensing.

7.3.3 The Council is also required, under Regulation 18 of the Public Services Regulations 2009, to ensure that the fees for licensing and authorisation does not exceed the actual cost of the function.

## 7.4 Health, Social, Economic and Environmental

7.4.1

Have you completed and Health, Social, Economic and Environmental Impact Assessment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If you have not completed an Impact Assessment, please explain your reasons.	This proposal is considered to have a positive impact on the local economy and sustainability. Licensing fees and charges can be revised annually and any shortfall or surplus in the budget can be addressed in the following financial year.	

## 7.5 Equality and Diversity

### 7.5.1

Have you completed an Equality Impact Analysis?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If you have not completed an Impact Assessment, please explain your reasons.	This proposal has a neutral impact on equality and diversity	

## 7.6 Risk

Risk	Consequence	Controls required
Failure to increase fees	Reduced income for work undertaken and insufficient to cover costs of operating the licensing service.	Bring current fees in line with current Medium Term Financial Plan. Further controls planned to streamline administration burdens and review services to provide budgetary savings in licensing.

## CONTACT OFFICERS

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## APPENDICES ATTACHED TO THIS REPORT

Appendix No.	
1	Proposed licensing Fees for Hackney Carriage and Private Hire Licences and Miscellaneous Licensing Activities 2018/19
2	Licensing Act 2003 and Gambling Act 2005 Fees
3	Charges comparison data 2014-2018
4	Benchmarking Fees for Cumbria
5	Draft 2018/19 budgets as per July 2017 MTFP

## BACKGROUND DOCUMENTS AVAILABLE – N/A

## TRACKING INFORMATION

<b>Assistant Director</b>	<b>Portfolio Holder</b>	<b>Solicitor to the Council</b>	<b>SMT</b>	<b>Scrutiny Committee</b>
15/09/2017	N/A	15/09/2017	N/A	N/A
<b>Executive (Cabinet)</b>	<b>Committee</b>	<b>Council</b>	<b>Section 151 Officer</b>	<b>Monitoring Officer</b>
N/A	07/11/2017	N/A	15/09/2017	15/09/2017
<b>Human Resource Services Manager</b>	<b>Leader</b>	<b>Ward Councillor(s)</b>	<b>Public Protection Manager</b>	<b>Finance</b>
15/09/2017	N/A	N/A	N/A	15/09/2017