

Item: 3

Licensing Committee: 8 March 2018.

Review of Licensing Fees.

Joint Report by Executive Director of Corporate Services and Executive Director of Development and Infrastructure.

1. Purpose of Report

To review application fees charged by the Council for types of licences where the Council has discretion to set fees.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 22 February 2018, when setting the revenue budget for 2018 to 2019, the Council resolved that Executive Directors should review and increase existing charges by a minimum of 4%, from 1 April 2018, if possible to do so, or as early as possible thereafter, with exceptions, where alternative arrangements were required.

2.2.

That the exceptions to increasing existing charges by a minimum of 4%, from 1 April 2018 includes licensing fees.

2.3.

That a comparison of fees charged by the Council with fees charged for similar types of licences or approvals by other local authorities in the north of Scotland has been undertaken, with the outcome detailed in Appendix 2 to this report.

2.4.

The proposal that, where the Council has discretion, licensing fees be increased by a minimum of 4% with effect from 1 April 2018, in accordance with the guidance outlined in section 6 of this report.

It is recommended:

2.5.

That, where the Council has discretion, with effect from 1 April 2018, licensing fees be increased by a minimum of 4%, resulting in the fee levels detailed in Appendix 3 to this report.

3. Policy Aspects

This report relates to the Council complying with its statutory duties as a Licensing Authority and therefore does not relate specifically to progressing the Council's declared priorities.

4. Introduction

Previous decisions of the Licensing Committee regarding licensing fees are detailed in Appendix 1 to this report.

5. Background

5.1.

The Council issues licences, registrations and permits in terms of various statutory provisions. In some cases, the Council has discretion to set fees, generally on the basis that fees charged should cover its expenses in the processing of applications. In other cases, fees are prescribed by statutory instrument or regulations.

5.2.

Advertisement costs and third party costs with related administration are met directly by applicants and licence holders. Newspaper advertisement of applications for licences for houses in multiple occupation was previously compulsory. Although such advertisement is now discretionary in terms of the legislation, current practice in Orkney is to advertise. This provides certainty regarding publicity for a category of application that can attract considerable local debate.

5.3.

A comparison of fees charged by the Council with fees charged for similar types of licences or approvals by other local authorities in the north of Scotland has been conducted, with the outcome detailed in Appendix 2 to this report.

5.4.

The comparison information relates to financial year 2017 to 2018. The local authorities concerned have not completed their review processes for the financial year 2018 to 2019.

6. Proposed Charges

6.1.

At the Special General Meeting of the Council held on 22 February 2018, when setting the revenue budget for 2018 to 2019, the Council resolved inter alia that Executive Directors should review and increase existing charges by a minimum of 4%, from 1 April 2018, if possible to do so, or as early as possible thereafter, with exceptions, where alternative arrangements were required. One of the exceptions, is licensing fees.

6.2.

When calculating increases for the Council charges register, the following guidance was issued in respect of rounding for ease of collection:

- less than £2.00 – no increase;
- £2.00 to £49.99 – 4% rounded to nearest 5p;
- £50.00 to £99.99 – 4% rounded to nearest 50p; and
- £100.00 and over – 4% rounded to nearest £1.

6.3.

Appendix 3 to this report lists those licences, registrations and permits issued by the Council, where it has discretion in the setting of fees. It sets out the present level of fees, together with the level of fees proposed to take effect from 1 April 2018, taking cognisance of the guidance referred to above.

6.4.

Due to a typographical error in the report considered by the Licensing Subcommittee on 16 March 2017, it appeared that:

- Application fees for licences for Houses in Multiple Occupation for a period of one year, regardless of occupancy numbers, was intended to be £399.
- Application fees for licences for Houses in Multiple Occupation for a period of three years, regardless of occupancy numbers, was intended to be £669.

6.5.

The information was intended to read that:

- Application fees for licences for Houses in Multiple Occupation for a period of three years, for capacity of up to 9 occupants, should be £399.
- Application fees for licences for Houses in Multiple Occupation for a period of three years, for capacity of 10 or more occupants, should be £669.

6.6.

This anomaly has been corrected in Appendix 3 to this report.

7. Financial Implications

7.1.

The approved Licensing budget for 2017 to 2018 of £22,200 is made up as follows:

Staff Costs.	£65,600
Other Costs.	£29,800
Gross budget.	£95,400
Less Fees and Charges	-£73,200
Net budget	£22,200

7.2.

The fees and charges collected are principally Liquor Licensing fees (70%) and the Licences, Approvals, Registrations and Permits fees (30%) which are the subject of this report. The current income generated is not sufficient to cover the costs of the service and therefore the proposal to increase fees by the agreed 4% budgetary uplift will help towards bridging this funding gap.

7.3.

Environmental Health and Trading Standards income in respect of licensing fees for 2016 to 2017 was £1,500, with estimated income for 2017 to 2018 of £1,200.

7.4.

Houses in multiple occupation fees reflect the three year cycle for licences issued in 2016 being relicensed in 2019. It is anticipated that income for 2017 to 2018 will be zero.

8. Legal Aspects

The legal aspects are contained within the body of this report.

9. Contact Officers

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10. Appendices

Appendix 1: Previous Decisions.

Appendix 2: Council Licensing Fees (Various) 2017/18, Comparison with North of Scotland Authorities, Duration of Licences and Fees Charged.

Appendix 3: Current fees, effective from 6 July 2017 and proposed fees from 1 April 2018.