

Agenda



Special Meeting of Licensing Committee

Date: Wednesday, 25 March 2020

Time: 10:00

Venue: Council Chamber, Clydebank Town Hall, Dumbarton Road, Clydebank

Contact: Nuala Borthwick, Committee Officer
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Dear Member

Please attend a special meeting of the **Licensing Committee** as detailed above. The business is shown on the attached agenda.

Yours faithfully

JOYCE WHITE

Chief Executive

Distribution:

Councillor Jim Finn (Chair)
Councillor Jim Brown
Councillor Ian Dickson
Councillor Jonathan McColl (Vice Chair)
Councillor Marie McNair
Councillor Lawrence O'Neill
Councillor Brian Walker
Vacancy

All other Councillors for information

Chief Executive
Strategic Director – Regeneration, Environment and Growth
Strategic Director – Transformation and Public Service Reform
Chief Officer of Health & Social Care Partnership

Date issued: 12 March 2020

LICENSING COMMITTEE
WEDNESDAY, 25 MARCH 2020

AGENDA

1 APOLOGIES

2 DECLARATION OF INTEREST

Members are invited to declare if they have an interest in the undernoted item of business on this agenda and, if so, state the reasons for such declarations.

3 OPEN FORUM

The Committee is asked to note that no open forum questions have been submitted by members of the public.

4 REVIEW OF LICENSING FEES

5 - 12

Submit report by the Strategic Lead – Regulatory providing information on a review carried out in respect of licensing fees for both Civic and Non-Civic Licensing.

WEST DUNBARTONSHIRE COUNCIL
Report by Strategic Lead - Regulatory
Licensing Committee - 25 March 2020

Subject: Review of Licensing Fees

1. Purpose

1.1 To report to the Committee on a review carried out in respect of licensing fees for both Civic and non-Civic Licensing.

2. Recommendations

2.1 Members are asked to:-

- (a) note the terms of the fee review and the exercise undertaken by Officers;
- (b) note the financial position of the licensing function following the fee review; and
- (c) agree that Officers be given delegated authority to fix the fee for Boat Hire Licences at a similar level to the other authorities which require a Boat Hire Licence on Loch Lomond.

3. Background

3.1 The Civic Government (Scotland) Act 1982 requires Councils to set fees so that the total amount of income derived from fees is sufficient to meet the expenses of the authority in exercising their licensing functions.

3.2 The last full fee review was conducted in 2014 which led to several civic and non civic fees being revised so that they more accurately met the cost of regulating the activities administered within the licensing function. In addition, Officers in 2017 conducted a mid term fee review that did not indicate any surplus with regard to fee income surpassing the costs of the licensing function.

3.3 Licensing Officers have closely engaged with Finance in preparation of this fee review. There have been a number of key changes made since the last fee review in 2014. The staff structure within Licensing has altered resulting in the loss of an Officer within Licensing plus the removal of direct administrative support costs which are now included within the central support allocation.

3.4 The summary now includes information on a wider range of categories, detailing their individual financial outturn. Since the last fee review there have been legislative changes that have required a separate financial report being put to the Licensing Board on alcohol licence functions including the regulation of gambling activities. Accordingly, these costs do not feature in this fee review as they are separately reported on a yearly basis to the Licensing Board.

4. Main Issues

4.1 Due to the principle of full cost recovery, any review of fees has to be linked to expenditure on licensing functions. Employees within the Licensing Team are multi-functional therefore any data on expenditure requires staff time to be apportioned to the various different activities carried out. Accordingly, the fee review needs to be read in light of the full licensing function which covers Officers' costs and time allocated to liquor functions, gambling and non income generating activities such as public processions and public charitable collections.

Methodology

4.2.1 For the purposes of this review, licences have been grouped into their distinct costs codes for licensing activity types. These are namely:-

1. Taxi Licences/Fees and Private Hire Car Licences/Fees.
2. Taxi/Private Hire Car Driver's Licences.
3. Taxi Booking Office Licences.
4. Street Traders/Window Cleaners Licences.
5. Other Civic Government Premises
(Late Hours Catering) A
(Knife Dealers) B
(Market Operators) B
(Metal Dealers) B
(Second Hand Dealers) B
(Skin Piercing and Tattooing) B
(Second Hand Car Dealers) C
6. Animal Licences
(Animal Boarding)
(Pet Shops)
(Riding Establishments)
(Zoos)
7. Leisure Licences

(Cinemas)
(Public Entertainment Licences)

8. HMO Licences.

10... Other
Public Processions
Public Charitable Collections
Permits

4.2.2 Some licences are issued triennially therefore income can vary from year to year. Income projections have been used to determine the average income per year using the current financial year and the following two financial years. Income has been calculated assuming a 4% increase being applied to fees in April 2020 and April 2021 where applicable.

4.2.3 Appendix 1 shows a summary of the data that has been gathered. Members should bear in mind that these calculations should not be treated as exact. Estimates have had to be made based on professional judgements for the amount of time spent on the various areas of licensing activity for both staff and Elected Members.

4.2.4 Total salary costs incurred by the Licensing Team are taken as an average over the current financial year plus 2020/21 and 2021/22. A 3% pay increase has been projected in 2020/21 and again onto 2021/22 before taking the average over the 3 years.

4.2.5 The Licensing Team's non-salary costs are taken from the estimate book as an average of the current year and the next two financial years.

4.2.6 The Central Support Allocation has been provided by Finance and the figure used is the allocation to Licensing for 2018/19 which is the most up to date figure available. Central support comprises all the costs associated with support services such as Finance, HR and ICT. These are allocated on a percentage basis as identified by the Department providing the Service.

4.2.7 Average salary costs have been apportioned to each of the areas of licensing activity based on how much time is spent on each licensing activity as far as possible. Also included are the pro-rata share of the employee costs of Environmental Health, Elected Members, the remaining Direct Admin Support and Regulatory Senior Managers.

4.2.8 As Members will note there is only one area of licensing category that is showing a small surplus. This is for Other Civic licensing activities which includes Metal Dealers, Market Operators, Second Hand Dealers, Knife Dealers, Skin Piercing and Tattooing.

4.2.9 Officers will continue to monitor whether these activities result in a

continuing surplus and what level that surplus may be. It is worthy of note that this specific projection may vary due to the current trend which has seen a reduction in the number of licences being applied for under these categories.

5. Options Appraisal

5.1 There are no proposals to increase the level of fees in categories that are already showing a deficit. Although, there is a projected deficit in the vast majority of licence types, the position is that nationally, West Dunbartonshire's civic fees are already generally higher in most categories than many other Local Authorities. Following the fee review in 2014, there was a large percentage increase in civic licensing fees (with the exception of taxi related fees) and non civic licensing fees. Accordingly, at this present time, notwithstanding the projected current deficit, it is not recommended that there should be an increase in such fees which the Council has discretion to set, aside from the 4% annual fee increase. As part of the Council's budget setting process, Officers will monitor the terms of the projections on a yearly basis going forward and report back to the Committee using a similar reporting mechanism at that time.

5.2 It is proposed to reduce the fee level for a Boat Hire Licence following the newly approved resolution for this licensable activity. The new Boat Hirer's licensing scheme is proposed to be introduced in August 2020 and, as per previous reports to the Committee, it is suggested that the fee should be similar to that of neighbouring authorities which require a licence for Boat Hire on Loch Lomond. This would be of a considerably lesser fee than currently proposed by West Dunbartonshire Council at the last fee review in 2014 for this activity type.

6. People Implications

6.1 There are no people implications.

7. Financial and Procurement Implications

7.1 There are no procurement implications. Licensing authorities should operate on the basis of full cost recovery and the fee review seeks to do so as required by the terms of the legislation by monitoring income and expenditure.

8. Risk Analysis

8.1 Failure to carry out an in depth fee review and consider its' terms could result in the Council setting fees contrary to legislative requirements.

9. Equalities Impact Assessment (EIA)

All applicants pay the same fee for carrying out the same activity. There are no proposals to increase fee levels as a result of this review. If the decision

taken is to increase fees in this or subsequent fee reviews then a further screening will be undertaken to ascertain if there is the potential for fees to discriminate indirectly, if certain protected groups tend to have a higher than average tendency to engage in particular licensable activities. There is no current evidence of such with regard to protected groups however this will be kept under review.

10. Consultation

10.1 Financial Officers have been consulted in producing the fee review. As there are no proposals to increase fees there has been no stakeholder consultation undertaken. In 2014, when the previous full fee review was carried out there was a limited consultation. Those consulted at that time were licence holders in the categories that were proposed to incur an increase in fee level.

11. Strategic Assessment

Full cost recovery of licensing expenditure will aid strong financial governance and sustainable budget management.

Peter Hessett

Regulatory

Date:

Person to Contact: Raymond Lynch
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and Section Head -Licensing
Municipal Buildings
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Dumbarton
G82 1NR,

Appendices: Review of Licence Fees and definitions - 2020.

Background Papers: Report to Licensing Committee on 13 August 2013.

Wards Affected: All.

**West Dunbartonshire Council
Review of Licence Fees - Summary**

	Taxi Drivers	Taxi/Private Hire Operators	Taxi Booking Office	Other Civic Government (A)	Other Civic Government (B)	Other Civic Government (C)	Street Traders Window Cleaners	Animal Licences	Leisure	HMO	Other	Total
Income												
Estimated Average Income 19/20 - 21/22 including annual 4% fee increases	146063	87666	1207	8297	16412	6054	12945	8823	8767	10513	0	306747
Expenditure												
(Based on percentage of time allocated to licence types)												
<u>Licensing Team average salary costs 19/20 - 21/22</u>												
Employee A	16935	6774	339	1355	1694	339	1694	339	1694	677	1694	33532
Employee B	12939	20702	259	1035	1294	776	1294	1035	1035	776	1294	42439
Employee C	12939	5176	259	1035	1035	776	1294	0	1811	0	1294	25619
Employee D	12939	5176	259	1035	1035	776	1294	0	1811	0	1294	25619
Employee E	8750	4375	146	583	729	438	875	729	583	438	729	18376
Employee F	8750	4375	146	583	729	438	875	729	583	438	729	18376
Overtime	0	0	0	0	0	0	0	0	0	0	0	0
Non-salary costs (excl. central support allocation)	1541	963	29	116	135	77	154	72	149	53	144	3434
<u>Central support allocation</u>	58352	36470	1094	4376	5106	2918	5835	2735	5653	2006	5471	130016
<u>Other costs (salaries plus non-salary overheads)</u>												
Admin Support	11713	7808	130	390	911	260	1301	260	260	130	1301	24467
Environmental Health enforcement	0	0	0	0	2431	0	0	5267	405	11640	0	19744
Senior managers within Regulatory Services	4016	2510	75	301	351	201	402	188	389	138	377	8949
Elected members' costs - Licensing Committee	5527	790	197	197	197	39	395	39	197	39	237	7857
Legal Expenses - (payments to other bodies)		7850									0	7850
Total Expenditure	154402	102969	2933	11008	15648	7038	15412	11395	14572	16336	14563	366276
Surplus / Deficit	-8339	-15304	-1726	-2710	765	-984	-2467	-2572	-5805	-5823	-14563	-59529
	Deficit	Deficit	Deficit	Deficit	Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit
Surplus/Deficit as a percentage of Average income	-5.71%	-17.46%	-143.04%	-32.67%	4.66%	-16.25%	-19.06%	-29.15%	-66.21%	-55.39%	-19.41%	-19.41%

Licence types

Taxi Drivers	Taxi and Private Hire Car Driver's
Taxi Operators	Taxi and Private Hire Car Operators
Taxi Booking Offices	Taxi/Private Hire Car Booking Office
Civic Government A	Late Hours Catering (Lowest Fee)
Civic Government B	Metal Dealer's, Market Operators, Second Hand Dealer's, Knife Dealers, Skin Piercing and Tattooing (Middle Fee)
Civic Government C	Second Hand Car Dealer's (Higher Fee)
Street Trader's/Window Cleaner's	Street Trader's/Window Cleaner's
Animal Licensing	Pet Shops, Animal Boarding, Riding Establishments, Home and Commercial Day Boarding of Dogs, Zoos
Leisure	Cinemas, Public Entertainment
HMO	Houses in Multiple Occupancy
Other	Public Processions, Public Charitable Collections, Permits to Engage in Activities

Other definitions

Salary costs	Average salary per employee including national insurance and employers' superannuation. As a rule of thumb these are estimated to be 29.6% of salary costs (although in fact may be higher for specific employees) or in some cases lower.
Non-salary overheads	Costs including training, travel, equipment purchase/maintenance, publications, subscriptions, telephones postage, and other admin costs.
Central Support Allocation	The allocation of all the costs associated with support services, for example: Finance, HR and ICT to those areas which benefit from the support. It is allocated on a percentage basis as identified by the Department providing the Service.
Admin Support	Remaining direct admin support
Environmental Health	Portion of Environmental Health employee's time spent on civic and non-civic licensing functions
Senior Managers within Regulatory	Portion of Senior Managers time spent on licensing functions
Elected Members costs	Portion of Elected members time spent dealing with Licensing Committee applications and policy
Legal expenses	3 year average of costs incurred by the Council for Traffic Commissioner, Taxi Demand Survey and other legal expenses