

Appendices:



NORTHAMPTON
BOROUGH COUNCIL

LICENSING COMMITTEE REPORT

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| Report Title | Annual Review of Licensing fees |
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AGENDA STATUS: PUBLIC

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| Committee Meeting Date: | 23 July 2013 |
| Policy Document: | Licensing fees |
| Directorate: | Customers and Communities |

1. Purpose

1.1 Fees and charges represent an important source of income, providing finance to assist in achieving the Northampton Borough Council (NBC) objectives. The purpose of this report is to establish a framework within which fees and charges levied by the Licensing Department are agreed and subject of an annual review.

2. Recommendations

2.1 The review will provide guidance to Managers in setting appropriate levels of fees and charges, taking into account client groups and corporate objectives, and to provide for regular reviews of fees and charges within the overall service.

2.2 Recommendations as to whether fees ought to be increased or decreased will be in line with the annual review with the ultimate decision ratified by the Licensing Committee.

2.3 Incorporating the review of fees and charges formally into the service and planning process will also permit consideration of cross-cutting issues and impacts in the context of wider policy considerations.

2.4 Reasonable or statutory notice should be given to service users before any new charge is implemented or an increase in an existing charge. If discounts or concessions are available this should be made clear to the applicant to include the different methods of payment.

3. Issues and Choices

3.1 Report Background

3.1.1. The review should allow the Licensing Department to have a properly considered, consistent and informed approach to all charges it makes for its services. This will, keep the Licensing Committee aware of any changes and in turn, support the delivery of Council objectives.

3.1.2 This review will relate to fees and charges currently being levied by the Council and those which are permissible under the wider general powers to provide and charge for “Discretionary Services” included within the Licensing remit.

3.1.3 Raising revenue from charges for services is an important element in the administrative and/or enforcement financing of the Licensing Department’s services and activities.

3.1.4 It can in other circumstances play a range of other roles, including demonstrating the value of a service or discouraging abuse of a service.

3.1.5 It can also play a role in furthering service and strategic objectives.

3.1.6 Consideration should therefore be given, on a regular basis, to the scope for raising revenue through charges for services and to reviewing the appropriateness and adequacy of the levels of charges being proposed or actually in force which ought to be on a cost recovery basis only.

3.1.7 This should be done within a general policy framework. It should also be carried out within the framework of the department’s service and financial planning process.

3.1.8 Primary responsibility rests with Service Managers to take appropriate action in relation to fees and charges levied for services.

3.1.9 Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. If a surplus, over budget, is generated from charges this should be carried over to the following financial year and used to offset any additional potential increase in costs, or reductions in fees as appropriate.

3.1.10 A significant number of fees for services provided by the Licensing Department are fixed on a cost recovery basis only. There should be no element of profit when providing that service which must be designed so as to enable the recovery of administrative costs or where relevant the administrative and enforcement costs of performing a particular function.

3.2 Issues

3.2.1. In relation to the review of existing charges, there is a rebuttable presumption that the levels of fees and charges should rise, each year, in line with the rate of inflation. This cannot be the case when reviewing those licenses issued by the Licensing Department as there are particular reasons to the contrary.

- a). Those licenses issued in relation to the Licensing Act 2003, (Fees are set by Central Government).
- b). Those fees levied under the Gambling Act 2005 are also fixed with given parameters NBC are already charging the maximum fees allowable under the Act.
- c) Those licences issued in relation to Hackney, Private Hire, and Street Trading where the fees charged must be on a cost recovery basis only. (NBC would be able to retain a limited surplus under the proviso of offsetting any future increases or if none to bring the relevant levy down in any subsequent year.)

3.3 Choices (Options)

3.3.1 To note the report and recommend that the Licensing Department levy the appropriate level of fees and charges for its services following the annual report to the Licensing Committee.

3.3.2 To amend the content of the report and retain informal reviews.

Note: Any recommendation for an increase in fees would follow discussions with those most affected by any increase and to comply with any statutory obligations. Objections would need to be considered by the committee. Decisions relating to fees will be made by the Licensing Committee.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There would be no change to the existing policies.

4.2 Resources and Risk

4.2.1 If fees and charges are set too low then lower levels of income will be collected than set within the budgetary process. This will put additional pressure on budgets because the cost of performing the licensing function will not be recovered from licence fees.

4.2.2 If fees are set too high applications for services may not be utilised and consequently a reduced level of income will be generated.

4.2.3 The Council must take care not to increase fees and charges by too large an amount as this may result in criticism from the public and other stakeholders.

4.2.4 This could also leave the council open to challenge.

4.3 Legal

4.3.1 Councils are required by law to set fees and charges for services. The level of some of these fees and charges are set by statute and the Council has no control over the amounts charged.

4.3.2 Some legislation does allow for fees to be set by the council but those fees have to be justified and be reasonable and must correlate with the outgoings of the Council to provide that service e.g. street trading fees, hackney and private hire fees etc..

4.4 Equality

4.4.1 There are no equality issues to be addressed; any issues relating to public safety have been addressed within the existing policy.

4.4.2 The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and reviewed within the framework of the next service and financial planning cycle.

4.4.3 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equality Act 2010 and related statutes

4.5 Consultees (Internal and External)

Legal.
Finance

4.6 Other Implications

4.6.1 N/A

5. Background Papers

- a. Licensing Act 2003.
- b. Gambling Act 2005.
- c. Local Government (Miscellaneous Provisions) Act 1976,
- d. Local Government (Miscellaneous Provisions) Act 1982.

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