

FAREHAM

BOROUGH COUNCIL

Report to Licensing and Regulatory Affairs Committee

Date **19 November 2013**

Report of: **Director of Finance and Resources**

Subject: **SPENDING PLANS 2014/15**

SUMMARY

This report sets out the overall level of revenue spending on this Committee's services and seeks approval for the revised revenue budget for 2013/14 and the base budget for 2014/15.

RECOMMENDATION

- (a) That the revised budget for 2013/14 be approved;
- (b) That the fees and charges for 2014/15 be approved; and
- (c) That the base budget for 2014/15 be approved.

INTRODUCTION

1. The Council has a co-ordinated strategic, service and financial planning process and this report brings together the revenue and capital spending and fees and charges for 2014/15 and allows the Committee to consider in detail these plans for the provision of services, as set out in Local Service Agreements, within the Licensing and Regulatory Affairs services during the next financial year.
2. This report and the revenue budgets have been prepared in accordance with the Medium Term Finance Strategy that was approved by the Executive on 7 October 2013 and will cover the capital programme, fees and charges and the revenue budget.

CAPITAL PROGRAMME

3. For this Committee there are no capital projects planned.

FEES AND CHARGES

4. The current fees and charges for Licensing and Regulatory Affairs services and the proposed charges for 2014/15 are set out in Appendix A.
5. The proposed discretionary charges have been increased to achieve a minimum of 5% increase in income wherever possible and desirable, with the reasons for major variations from this policy set out in the following paragraphs.
6. There is no proposal to increase the fees for taxi licensing as no request was received from the trade to increase the taxi tariff this year. In addition the Council has made efficiencies in the way the service is delivered enabling the current charges to be maintained at existing levels, while still fully funding the service. This will be the fifth successive year where no increase has been sought; the last increase in fees was in April 2009.
7. It is proposed that the hourly charge for technical advice to businesses for Licensing and Health and Safety advice should not be increased this year as last year this was increased from £25.00 to £45.00 per hour, representing an 80% increase which brought these fees into line with the other technical advice charges in the Public Protection portfolio and made them more representative. This fee is still considered to be a fair reflection of the actual cost to provide the service.
8. There are several new fees which have been included as a result of the Scrap Metal Dealers Act 2013 which came into force on 1 October 2013. The proposed fees were considered and agreed by the Executive on 2 September 2013.
9. Members may also wish to consider whether, for certain services, there could be scope to generate additional income to pay for service improvements.

REVENUE BUDGET

10. Appendix B analyses the overall budget total over the individual Licensing and Regulatory Affairs Committee services and by the different types of expenditure and income.

Base Budget 2013/14

11. The base budgets for 2013/14 were considered by this Committee in November 2012 and were confirmed by the Full Council on 22 February 2013.
12. The base budget for 2013/14 amounted to £395,800.

Revised Budget 2013/14

13. The overall revised budget for 2013/14 is £399,700, an increase of £3,900 or 1% from the base budget.

Base Budget 2014/15

14. The overall base budget for 2014/15 is £503,400, an increase of £107,600 or 27.2% from the base budget for 2013/14.

Revenue Budget Comparisons

15. The following table analyses the total variations between expenditure and income:

	Revised Budget 2013/14	Base Budget 2014/15
	£	£
Base Budget 2013/14	395,800	395,800
Expenditure variations	+10,700	+107,600
Income variations	-6,800	0
TOTAL	399,700	503,400

16. The major variations in the individual service budgets are summarised in the following table:

	Revised Budget 2013/14	Base Budget 2014/15
	£	£
Base Budget 2013/14	395,800	395,800
Hackney Carriage & Private Hire Vehicles	-100	-100
Licensing	+2,200	+1,800
Health and Safety Enforcement	-11,500	-10,300
Election Services	+13,300	+116,200
TOTAL	399,700	503,400

17. Appendix B of this report shows the analysis of expenditure and income for individual services and the following paragraphs of this report set out issues affecting individual services that have arisen in the current year in order to

explain the variations between the base and revised budgets for 2013/14 and the base budget for 2014/15

SERVICE ISSUES

Employee and Internal Support Costs

18. The employee cost budgets are calculated by estimating the time that will be spent by employees in each service area.
19. In order to streamline and simplify the process of allocating employee costs to services, internal processes have been revised which may also have resulted in a small degree of fluctuation between current and past years' budgets.
20. Internal support service cost provided to this committee, including ICT, Personnel, Finance, Customer Services and accommodation recharges, will have also been affected by the changes outlined above.

Hackney Carriage Licences

21. There has been a negligible decrease in the budget for this service of £100. There has been a reduction in employee costs (£4,000) and supplies and services (£1,500), and an increase in the internal support costs (£5,400).
22. Although this heading shows a small surplus of income over expenditure it does not reflect the cost of providing member support to the committee. This cost is shown within the Executive's Policy, Strategy and Finance Portfolio and has a cost for the whole council of over £1million in the base budget for 2013/14.

Licensing

23. There has been a slight increase in the budget for this service of £1,800. This is as a result of an increase in employee costs (£400), transport related expenditure (£200), and internal support costs (£2,300). However supplies and services have seen a reduction (£1,100). No changes have been proposed for income from fees & charges.

Health & Safety Enforcement

24. There has been an overall reduction in the budget for this service of £10,300. This is mainly as a result of a reduction in employee costs (£12,700) due to changes in time allocations and supplies and services (£1,100). However transport related expenditure has increased (£800) and internal support costs (£2,800).

Election Services

25. There has been an overall increase in the budget for this service of £116,200. This is primarily because there are local elections due to be held next year, which the Council is required to fund (£100,000). There are also European elections due next year and the cost of this is offset by the grant income which will be received from Central Government. Other changes show an increase in supplies and services (£8,300) which mainly relates to ICT direct system costs for Register of Electors. There are also increases in internal recharges (£1,500) and in employee costs (£6,300).

RISK ASSESSMENT

26. There are no significant risk considerations in relation to this report.

CONCLUSION

27. A number of Licensing and Regulatory Affairs services are partly funded from fees and charges and other types of income. After taking service income into account, the following sources of income reduce the overall cost of services to be met by council tax payers:
- Investment income;
 - General government grant; and
 - The Council's share of business rate income.
28. These sources of income are generally outside the Council's control and do not reflect changes in the overall level of spending on local services. With these sources of income effectively "fixed", members need to be aware that, unless it can be matched by increased service income, additional spending on services has to be fully funded by council tax payers.
29. It follows that members must give full weight to the Council's overall position and future council tax levels when the revenue budgets for 2014/15 are considered.
30. The Committee is asked to review the revised budgets for 2013/14 and the base budgets and fees and charges for 2014/15 and consider whether it wishes to submit comments for consideration by Full Council.

APPENDIX A - Fees and Charges 2014/15

APPENDIX B - Revenue Budget 2013/14 Revised & 2014/15 Base

Background Papers: None

Reference Papers: Report of the Director of Finance and Resources to the Executive on 7 October 2013 'Annual Review of the Council's Finance Strategy'

Report of the Chief Executive Officer to the Executive on 2 April 2012 'Efficiency Proposals'

Report of the Director of Corporate Policy & Performance to the Licensing and Regulatory Committee on 18 November 2008 'Local Service Agreements (LSA's)'

Enquiries:

For further information on this report please contact Linda Arthur (Ext 4515).

APPENDIX A

LICENSING AND REGULATORY AFFAIRS COMMITTEE

LICENCES AND FEES

Statutory Charges	Current Fee £
Lotteries - Registration	40.00
- Renewal	20.00

Gambling Act 2005

Charges available on application to Director of Regulatory and Democratic Services

LICENSING ACT 2003

The service is provided to ensure public safety through the licensing of regulated activities and to ensure that they are undertaken in accordance with the relevant licence conditions.

In addition the Council is the Licensing Authority under the Licensing Act 2003. The Act replaced previous licensing regimes concerning the sale of alcohol, public entertainment, theatres, cinemas and late night refreshment with a unified system of regulation. From February 2005 the Council has dealt with applications for premises and personal licences which took effect in November 2005. From this date the Council took over all the licensing functions some of which, such as liquor licensing, were previously undertaken by the Magistrates' Court.

The Act requires that the Council carries out its various licensing functions so as to promote the following four licensing objectives:-

- The prevention of crime and disorder
- Public Safety
- The prevention of public nuisance
- The protection of children from harm.

The Fees have been set by the Government and are detailed below:

Premises/Club Applications/Conversions

The Fees are based on rateable values of properties:

Rateable Value	Band	Initial Licence Fee £	Annual Fee £
£0 - £4,300	A	100.00	70.00
£4,301 - £33,000	B	190.00	180.00
£33,001 - £87,000	C	315.00	295.00
£87,001 - £125,000	D	450.00	320.00
£125,001 and over	E	635.00	350.00

A multiplier applied to premises in Bands D and E where they are exclusively or primarily in the business of selling alcohol (mainly large town and city centre pubs) as follows:

Rateable Value	Band	City/Town Centre Pub Application Fee £	City/Town Centre Pub Annual Charge £
£87,001 - £125,000	D	900.00	640.00
£125,001 and over	E	1,905.00	1,050.00

If in addition to the conversion application the conditions in respect of alcohol are to be varied then an additional fee to those set out above becomes payable as follows:

Rateable Value	Band	Variation Fee £
£0 - £4,300	A	20.00
£4,301 - £33,000	B	60.00
£33,001 - £87,000	C	80.00
£87,001 - £125,000	D	100.00
£125,001 and over	E	120.00

Exceptionally large events

A fee structure also exists for exceptionally large events starting at capacity of 5,000 people. Please contact the Licensing Authority for details of these.

Personal Licences, Temporary Events and other Fees - (Statutory)

Additional Fees are as follows:

Occasion on which Fee payable	Current Fee £
Personal Licence	37.00
Minor Variations	89.00
Temporary Event Notice	21.00
Application for copy of Licence or summary on theft, loss etc. of Premises Licence or summary	10.50
Notification of change of name or address	10.50
Applications to vary – to specify Individuals as premises supervisor	23.00
Application to transfer Premises Licence	23.00
The removal of conditions for community premises	23.00
Interim Authority Notice	23.00
Application for making a Provisional Statement	195.00
Application for copy of certificate or summary on theft, loss etc. of certificate or summary	10.50
Notification of change of name or alteration of club rules	10.50
Change of relevant registered address of club	10.50
Application for copy of licence on theft, loss etc. of temporary event notices	10.50
Application for copy of licence on theft, loss etc. of personal licence	10.50
Right of freeholder etc. to be notified of licensing matters	21.00

Exemptions

Applications for premises licences or club certificates which relate to the provision of regulated entertainment only and the application is from the following then NO FEES are payable, but applications must still be made:

An educational institution which is a school or college and the entertainment is carried on by the educational institution for and on behalf of the purposes of the educational institution.

OR

That the application is in respect of premises that are or form part of a church hall, chapel hall, or similar building or village hall, parish hall or community hall or other similar building.

OTHER LICENCES AND FEES - Discretionary

All Fees and Licences are exclusive of VAT unless stated

Other Licences and Fees	Current Fee £	Proposed Fee £	Increase %
Skin Piercers : Premises	133.00	140.00	5.3
Skin Piercers : Persons	78.00	82.00	5.1
Street Trading Consent : 12 months	1,600.00	1,680.00	5.0
Street Trading Consent : 6 months	900.00	945.00	5.0
Street Trading Consent : 3 months	500.00	525.00	5.0
Dangerous Wild Animal Licences (note 1) : Registration	772.00	815.00	5.6
Dangerous Wild Animal Licences (note 1) : Renewal	83.00	88.00	6.0
Riding Establishment Licences (note 1) : Initial registration / renewal/variation –per horse	36.00	38.00	5.6
Animal Boarding Establishment Licences - (note 1)	155.00	165.00	6.5
Home (Domestic) Animal Boarding Establishment Licences	110.00	115.00	4.5
Pet Shop Licences - (note 1)	105.00	110.00	4.8
Dog Breeders Licence - (note 1)	155.00	165.00	6.5
Zoo : Initial Application (valid for 4 years) - (Note 1)	1,715.00	1,800.00	5.0
Zoo : Renewal (valid for 6 years) - (Note 1)	1,715.00	1,800.00	5.0
Sex Shops/Establishments: Initial Fee	1,715.00	1,800.00	5.0
Sex Shop/Establishments: Renewal Fee	1,715.00	1,800.00	5.0
Scrap Metal Dealer: New Application	New Fee	225.00	
Scrap Metal Dealer: Application Renewal	New Fee	125.00	
Mobile Collector: New Application	New Fee	125.00	
Mobile Collector: Application Renewal	New Fee	90.00	
Variation of Licence	New Fee	125.00	
Replacement Licence	New Fee	20.00	
Advice to commercial premises - charge per hour or part thereof	45.00	45.00	Nil
Notes			
1. All initial applications and subsequent renewals where appropriate will also include vets' Fees in addition to the charges above.			

HACKNEY CARRIAGE AND PRIVATE HIRE LICENCES - Discretionary

Hackney Carriage and Private Hire Licences - No increase proposed	Current Fee £
Vehicle Licence Hackney Carriage Private Hire Transfer of Licence (Note 2) Temporary Transfer (Note 3,4)	185.00 185.00 185.00 185.00
Operator's Licence Private Hire	185.00
Driver's Licence Initial Licence: Hackney Carriage Initial Licence: Private Hire Initial Licence: Dual Application Subsequent Licence: Hackney Carriage Subsequent Licence: Private Hire Subsequent Licence: Dual Application DVLA Drivers' Licence check (Note 5) Failure to attend appointment Replacement Licence Transfer of Ownership (Note 2)	80.00 80.00 115.00 60.00 60.00 87.00 5.75 34.00 10.50 25.00
Knowledge Test Per test	30.00
Driver's Badge Issue and Replacement (Note 1)	5.00
Vehicles Replacement plates and fixings (Note 1) Replacement brackets Interior windscreen plate	20.00 15.00 5.00
Other Criminal Records Bureau Fee Medical Consultation	Actual Cost Actual Cost
<p>Notes:</p> <ol style="list-style-type: none"> 1. Fee inclusive of VAT at the prevailing rate. 2. This charge has been set at a level to cover the cost of administering transfers. Transfers will only be permitted in March and April in exceptional circumstances. Transfers, in months other than March and April, will be charged at 50%. 3. This charge covers the cost of temporary transfers due to the use of loan cars for insurance purposes. 4. This charge has been set at a level to cover the cost of administering transfers. 5. This is the actual cost to the council. 	

ELECTION SERVICES

Returning Officer's Fees and disbursements: as determined by Hampshire Election Fees Working Party; available on request to Head of Democratic Services.

REGISTRATION OF ELECTORS (Statutory)

Item	Data	Printed
Sale of Edited Register	£20 plus £1.50 per thousand entries (or part)	£10 plus £5.00 per thousand entries (or part)
Sale of Full Register *	£20 plus £1.50 per thousand entries (or part)	£10 plus £5.00 per thousand entries (or part)
Sale of monthly update notices *	£20 plus £1.50 per thousand entries (or part)	£10 plus £5.00 per thousand entries (or part)
Sale of list of Overseas Electors	£20 plus £1.50 per hundred entries (or part)	£10 plus £5.00 per hundred entries (or part)
Sale of Marked Register *	Where available £10 plus £1.00 per thousand entries (or part)	£10 plus £2.00 per thousand entries (or part)

***Notes:**

1. Supply of the Full Register, monthly update notices and the marked register is restricted by the Representation of the People Regulations.
2. Packing and carriage costs will also apply where relevant.
3. A request for the same part of the register in both printed and data form will be treated as two separate requests.

LICENSING AND REGULATORY AFFAIRS COMMITTEE

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2014/15

	Actuals 2012/13	Base Estimate 2013/14	Revised Estimate 2013/14	Base Estimate 2014/15
	£	£	£	£
HACKNEY CARRIAGE LICENCES	-15,429	-3,800	-3,900	-3,900
LICENSING	-8,002	-9,000	-6,800	-7,200
HEALTH & SAFETY ENFORCEMENT	160,734	157,900	146,400	147,600
ELECTION SERVICES	317,937	250,700	264,000	366,900
	455,240	395,800	399,700	503,400

SUBJECTIVE ANALYSIS

	Actuals 2012/13	Base Estimate 2013/14	Revised Estimate 2013/14	Base Estimate 2014/15
	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	332,994	393,000	376,900	383,000
PREMISES RELATED EXPENDITURE	18,625	15,000	15,000	15,000
TRANSPORT RELATED EXPENDITURE	2,234	1,400	2,500	2,500
SUPPLIES AND SERVICES	236,334	151,400	162,800	255,900
CONTRACT PAYMENTS	7,112	3,100	5,500	3,100
INTERNAL SUPPORT	129,714	118,300	130,200	130,300
GROSS EXPENDITURE	727,013	682,200	692,900	789,800
GOVERNMENT GRANTS	-92,031	-110,000	-116,800	-110,000
SALES	-2,260	-1,800	-1,800	-1,800
FEES AND CHARGES	-177,482	-174,600	-174,600	-174,600
GROSS INCOME	-271,773	-286,400	-293,200	-286,400
NET EXPENDITURE	455,240	395,800	399,700	503,400

	Actuals 2012/13	Base Estimate 2013/14	Revised Estimate 2013/14	Base Estimate 2014/15
<u>HACKNEY CARRIAGE LICENCES</u>	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	49,592	57,900	52,700	53,900
TRANSPORT RELATED EXPENDITURE	96	100	100	100
SUPPLIES AND SERVICES	13,738	15,700	14,200	14,200
CONTRACT PAYMENTS	0	0	1,200	0
INTERNAL SUPPORT	14,794	11,400	16,800	16,800
GROSS EXPENDITURE	78,220	85,100	85,000	85,000
SALES	-224	-300	-300	-300
FEES AND CHARGES	-93,425	-88,600	-88,600	-88,600
GROSS INCOME	-93,649	-88,900	-88,900	-88,900
NET INCOME	-15,429	-3,800	-3,900	-3,900

	Actuals 2012/13	Base Estimate 2013/14	Revised Estimate 2013/14	Base Estimate 2014/15
<u>LICENSING</u>	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	49,297	53,100	52,700	53,500
TRANSPORT RELATED EXPENDITURE	158	100	300	300
SUPPLIES AND SERVICES	3,624	3,800	2,700	2,700
CONTRACT PAYMENTS	4,457	3,100	4,300	3,100
INTERNAL SUPPORT	18,063	16,900	19,200	19,200
GROSS EXPENDITURE	75,599	77,000	79,200	78,800
FEES AND CHARGES	-83,601	-86,000	-86,000	-86,000
GROSS INCOME	-83,601	-86,000	-86,000	-86,000
NET EXPENDITURE	-8,002	-9,000	-6,800	-7,200

<u>HEALTH & SAFETY ENFORCEMENT</u>	Actuals 2012/13	Base Estimate 2013/14	Revised Estimate 2013/14	Base Estimate 2014/15
	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	113,184	120,800	106,500	108,100
TRANSPORT RELATED EXPENDITURE	469	200	1,000	1,000
SUPPLIES AND SERVICES	16,807	13,500	12,400	12,300
CONTRACT PAYMENTS	2,654	0	0	0
INTERNAL SUPPORT	27,885	23,400	26,500	26,200
GROSS EXPENDITURE	160,999	157,900	146,400	147,600
FEES AND CHARGES	-265	0	0	0
GROSS INCOME	-265	0	0	0
NET EXPENDITURE	160,734	157,900	146,400	147,600

<u>ELECTION SERVICES</u>	Actuals 2012/13	Base Estimate 2013/14	Revised Estimate 2013/14	Base Estimate 2014/15
	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	120,921	161,200	165,000	167,500
PREMISES RELATED EXPENDITURE	18,625	15,000	15,000	15,000
TRANSPORT RELATED EXPENDITURE	1,511	1,000	1,100	1,100
SUPPLIES AND SERVICES	202,165	118,400	133,500	226,700
INTERNAL SUPPORT	68,973	66,600	67,700	68,100
GROSS EXPENDITURE	412,195	362,200	382,300	478,400
GOVERNMENT GRANTS	-92,031	-110,000	-116,800	-110,000
SALES	-2,036	-1,500	-1,500	-1,500
FEES AND CHARGES	-191	0	0	0
GROSS INCOME	-94,258	-111,500	-118,300	-111,500
NET EXPENDITURE	317,937	250,700	264,000	366,900