

COMMITTEE	Licensing Committee
DATE	19 th December 2017
REPORT TITLE	Outcome of the Fee Review Proposal Consultation
REPORT NUMBER	CG/17/142
DIRECTOR	Fraser Bell
REPORT AUTHOR	Jenni Wilson

1. PURPOSE OF REPORT:-

To report back to the Committee on the outcome of the fee review proposal consultation, and to seek a final decision on the future fee levels to be adopted from 20 December 2017.

2. RECOMMENDATION(S)

That the Committee:-

(a) accepts the Fee Proposal Option C set out in paragraph 3.6 below to take effect from 20th December 2017 and;

(b) accepts the proposal in paragraph 3.11 below in relation to Public Entertainment Licences to take effect from 20th December 2017.

3. BACKGROUND/MAIN ISSUES

3.1 Following a report to the Licensing Committee on 12th September 2017 members allowed a consultation on the Review of Civic and Miscellaneous Application Fees.

3.2 The previous report set out three options of fee review proposals. The financial implications of each of these is set out in the following table:-

	OPTIONS		
	A	B	C
EXPENDITURE	£	£	£
Expenditure based on 1617	91,110	91,110	91,110
20% of additional post	5,959	5,959	5,959
TOTAL EXPENDITURE	97,069	97,069	97,069
INCOME			
Income Based on 1617	(87,441)	(87,441)	(87,441)
Sex Shop New Fee Proposals	0	0	1,260
Sub Total	(87,441)	(87,441)	(86,181)
Option A - No increase	0		
Option B - 5% increase		(4,057)	
Option C - 10% increase			(8,114)
Income excluding increased PEL	(87,441)	(91,498)	(94,295)
Addition PEL 20 renewals 200 to 500 capacity	(2,100)	(2,100)	(2,100)
Additional PEL 2 renewals over 1500 capacity	(1,060)	(1,060)	(1,060)
TOTAL INCOME	(90,601)	(94,658)	(97,455)
(SURPLUS)/DEFICIT	6,468	2,411	(386)

3.4 Option A: Substantially no change to overall fee levels.

- Public Entertainment Licences will be banded according to venue capacity
- Sex Shops will retain their current fee level.
- No change to all other fees

This would not cover the cost of the proposed new Licensing and Immigration Assistant post which is deemed to be necessary in order to carry out the additional work required as a result of the statutory requirements outlined in paragraph 4.5 above. With the additional cost of this Post and with the increase proposed in Public entertainment Licences, there would be a deficit of £6,468.

3.5 Option B:

- Public Entertainment Licences will be banded according to venue capacity
- Sex Shops will retain their current fee level.
- Increase Civic fees (excluding taxis) by approximately 5%, rounded to the nearest £5

Assuming costs stay static, this would not be sufficient to cover the cost of the Licensing and Immigration Assistant post. (Income as per 16/7 on projected increase of 5% (retaining sex shops at their current fees and with the Public Entertainment Licence Increase) is £94,658. Costs would be £97,069 (to include new post.) This leaves a deficit of £2,411.

3.6 Option C:

- Public Entertainment Licences will be banded according to venue capacity
- Sex Shops will be reduced by approximately 20%.
- Increase Civic fees (excluding taxis) by approximately 10%, rounded to the nearest £5

Proposal C will remove the deficit in the administration of Civic Licensing and will allow the Licensing Service to move towards meeting its costs and its statutory responsibilities under the relevant legislation. It will also allow for the Licensing Team to have full staff capacity, with the costs of the necessary post of the (1FTE) Licensing and Immigration Assistant being covered. Income as per 16/17 on projected increase of 10% is 97,455 and costs would be £97,069 (to include new post) leaving a surplus of £386.

- 3.7 The cost of an application to Licence a Sex Shop is currently set at £5,250 for a 1 year grant and £3,150 for a 1 year renewal. It is proposed that in Option C these fees be reduced by 20%, in order to more accurately reflect the overall requirement that the total costs of the licensing system are met by the total amount of fees receivable.
- 3.8 Following the consultation, two responses were received. Both of these were in relation to Public Entertainment Licences. The first was an email from the Chairman of Garthdee Community Council. (Appendix 1) This email was a query about how community councils would be affected by the proposal to increase Public Entertainment Licences, and whether they would still have a discount. The Author responded to this query by email (Appendix 1) and also spoke on the telephone with the chairman to clarify matters. The chairman was happy that the community centre would still be eligible for discounted grants, given their capacity, and had no further comment to make on the fee proposals.
- 3.9 The second response to the consultation was an email from Aberdeen City Council's Events Team (Appendix 2) Their concern was that there are a number of Public Entertainment Licences which are granted for the use of events in the city's parks and open spaces, where the capacity is greater than 1500, and the majority of events which take place in them are community, charity or non-commercial activities. In the previous Report it was proposed that there be the same percentage increase for regular and discounted Public Entertainment Licences. This included a 100% increase in fees where capacity was over 1500 people under the discounted grant.
- 3.10 Taking into account the concerns for discounted grants raised by the Events Team, it is therefore proposed that discounted grants only have an increase of

5% where the capacity is less than 200, and an increase of 20% where the capacity is 200-1500 and also 1500 plus. This will still allow costs to be covered as per paragraph 3.6 as the estimated increase in fees referred to in the previous report was in respect of regular public entertainment licence applications, not discounted applications. It is proposed, that the fees therefore be increased as follows:-

Public Entertainment Licences

It is proposed that a fee scale should be introduced for public entertainment licences to reflect the volume of work associated with applications for different sizes of events.

- For events where there are less than 200 people attending, a 5% increase in fees is proposed.
- Where the capacity is from 200 to 1500, it is proposed to increase the fee by approximately 20%; and
- Where the capacity is above 1500, the fee proposed has been increased by approximately 100%.
- The committee previously decided that any non-commercial events would be charged a discounted fee for a public entertainment licence.
- It is therefore proposed that for discounted grants, the fee be increased by approximately 20% where capacity is over 200, and also where capacity is over 1500.

	Period	Current	Proposed No. of attendees <200	Proposed No. of attendees 200-1500	Proposed No. of attendees 1500+
Grant	3 yrs	695	730	835	1390
Discounted Grant	3 yrs	174	185	210	210
Renewal	3 yrs	530	555	635	1060
Discounted renewal	3 yrs	132	140	160	160
Variation	N/A	273	285	330	550
Discounted Variation	N/A	71	75	85	85
Temporary	6 wks	324	340	390	650
Discounted Temporary	6 wks	81	85	95	95

4. FINANCIAL IMPLICATIONS

The Civic Government (Scotland) Act 1982 gives the Council power to set fees for individual civic licenses in order to recover the cost of providing the civic licensing service. In setting the fees, the Council must ensure that the income received by the Council "is sufficient to meet the expenses of the Authority" in exercising their functions under the Act. Under no circumstances should the Civic Licensing structure be regarded as a revenue-raising function. The proposed fees in Option C move towards cost recovery to the

Licensing Authority, taking into account the projected costs required to be covered in 17/18.

5. LEGAL IMPLICATIONS

The Licensing Authority is under a statutory duty under the Civic Government (Scotland) Act 1982 to review its fees from time to time and ensure that the total amount of fees receivable by the authority is sufficient to meet the expenses of the Authority” in exercising their functions under Parts I, II and Schedule 1 of the Act.

6. MANAGEMENT OF RISK

- Financial

6.1 If Members were minded to maintain fees at the current level the licensing authority would not be able to meet its statutory obligations and move towards full cost recovery. Adoption of Option B would result in a similar outcome as once the usual level of staff costs are covered, the income received would be insufficient to allow the creation of the proposed new post of the (1FTE) Licensing and Immigration Assistant as there would still be a deficit.

- Employee

6.2 There is no risk to employees arising from the recommendations of this report

- Customer/Citizen

6.3 There is a risk to customers in that their fees will be increased.

- Environmental

6.4 There is no risk to the environment arising from the recommendations of this report.

- Technological

6.5 There is no risk to technology arising from the recommendations of this report.

- Legal

6.6 Implications as per paragraph 5 of this report.

- Reputational

6.7 There is no reputational risk arising from the recommendations of this report.

7. IMPACT SECTION

Economy

7.1 Any increase in application fees may have an adverse effect on business and applicants for licences, particularly in the current economic climate in Aberdeen, but this has to be weighed up against the licensing authority's ability to carry out its functions and statutory requirement to meet its expenses. To mitigate any increase Members may wish to consider particular licence types or sectors individually. A full consultation has been carried out.

People

7.2 An Equality and Human Rights Impact Assessment was not necessary as the report has no impact in terms of the public sector equality duty or people with protected characteristics.

Place

7.3 There will be no impact on the place arising from the recommendations.

Technology

7.4 There will be no impact on technology arising from the recommendations

11. BACKGROUND PAPERS

- [Review of Civic and Miscellaneous Application Fees Report](#)
- Civic (Scotland) Act 1982
- Air Weapons and Licensing (Scotland) Act 2015

13. APPENDICES (if applicable)

Appendix A – Email Correspondence with Garthdee Community Council
Appendix B – Email correspondence from Aberdeen City Council Events Team

14. REPORT AUTHOR DETAILS

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