

REPORT TO: Cabinet

MEETING DATE: 14 May 2024

BY: Executive Director for Council Resources

SUBJECT: Civic Government Licensing Fee Review

1 PURPOSE

- 1.1 To inform Members of the results of the independent review of the Civic Government licensing fees.
- 1.2 To seek approval from Cabinet to set the Civic Government Fees as set out in this report.

2 RECOMMENDATIONS

- 2.1 Cabinet approves the proposed fees for the licences as set out in Appendix 2; and
- 2.2 Cabinet authorises the Service Manager, Governance to make any necessary alterations to application and guidance documentation required as a consequence of the updated fee levels agreed.

3 BACKGROUND

- 3.1 In terms of the Civic Government (Scotland) Act 1982, the Council is required to set licence fee levels such that the costs of running the licensing service are fully covered by the level of fee income received.
- 3.2 The previous review of costs and fees was undertaken circa five years ago so it is now considered necessary to review the fees for licenses to ensure these remain at an appropriate level. Given the legal obligation to ensure cost recovery, a robust and documented methodology has been applied to ensure accuracy and transparency in relation to the calculation of licence fees.
- 3.3 The fees for 2023/24 were frozen to allow this review to be undertaken and Arneil Johnston were commissioned in April 2023 to conduct a review of the

discretionary licensing fees, noting that statutory licences, including alcohol and gambling were out of scope for this review as these fees are set by the Scottish Government and these regimes are administered by the East Lothian Licensing Board, rather than the Council (these statutory licensing fees are set out in for information only at Appendix 3).

- 3.4 The first part of the review was to carry out a benchmarking exercise for discretionary licensing fees. Arneil Johnston researched all Scottish local authorities to establish the types of licensing fees that are in place, fee levels and duration of licences. These were then compared to ELC's fee levels, and a summary of the findings is shown in Appendix 1 of this report.
- 3.5 The review then sought to establish the costs associated with the delivery of the licencing service. Costs were determined by:
 - Reviewing detailed budgets for the Licensing service for 2021/22, 2022/23 and 2023/24 as well as the financial outturns for 2021/22 and 2022/23 and agreeing the disaggregation of budgets relating to statutory and discretionary licences.
 - Establishing the various activities and volumes of activities undertaken by the licencing team and what percentage of staff time is typically spent delivering these activities.
 - Establishing and agreeing service, directorate and corporate overhead that are attributable to the licensing function and costing this to each fee type.
- 3.6 In establishing the level of fee to be set for each licence the licences were grouped into categories based on the processes involved in determining them and a standard fee was developed for those with a similar process. This ensures a consistency with the fees of licences with similar processes and allows the licencing team to quickly determine the fee to be set for any new licence by grouping it with licences which require a similar process to determine.
- 3.7 The review then analysed all budgets allocated to licencing then separated the costs attributable to different functions including Private Landlord Registration, Alcohol and Gambling Licensing and Civic Licensing. They then analysed the staff time and separated all licencing fees set by statute and the Private Landlord Registration, the latter sitting separate from the other licensing activities. The staff costs relevant to the licensing regimes were then considered with appropriate apportionment of staff time allocated to licencing costs. This included provision for a part time licensing Standard's Officer who would be able to focus on compliance of civic licensing matters and where appropriate also includes time spent by Environmental Health Officers reviewing, inspecting and reporting on applications. The fee also accounts for overheads (non-staff costs) attributable to the operation of the licensing service. It should be noted however that the fee set out does not include external fees that may be required for certain licences, such as veterinary fees, which may also apply to certain licences, and these would be recharged at cost to the applicant.

3.8 In addition to the above considerations, it should be noted that not all licences are for a one year duration and consideration was taken in terms of multi-year licences. Most commonly, licences are granted for three years with the exception of the following which are granted for one year:

- Animal boarding
- Market operator
- Full public entertainment licences
- Metal dealer and itinerant metal dealer
- Skin piercing and tattoo
- Window cleaner
- Taxi drivers and operators
- Lottery licence

Annual licences are mainly granted on the recommendation from Police Scotland where they expect certain licensees to undertake annual checks given the nature of the work and potential public safety impacts.

As part of the review consideration has been taken in relation to these representations with a report being presented to Licensing Sub-Committee seeking their view on different options for charging for certain licences. Appendix 2 sets out the fee structure based on the preferred option of the Licensing Sub-Committee.

It should be noted that in arriving at this feeing structure due to lack of interest in a one or two year Full Public Entertainment licences the new fee structure only seeks to put in place a 3 year licence. Further as part of an additional benchmarking exercise carried out with neighbouring authorities as requested Appendix 2 provides the option of either a 1 or 3 year license for Taxi Drivers, Private Hire Car Drivers, Metal Dealers and Window Cleaners. It should be noted that, taking on board Police Scotland representations, the three (3) year licence option would only be available after an initial 1 year licence being granted. After that an option to apply for a three year licence for eligible applicants would be available. Noting in particular for taxi drivers East Lothian Council's policy is to follow guidance set out by DVLA and as such there are requirements for drivers to undergo periodic medicals dependant on age and any underlying conditions, which takes into consideration public safety impacts.

3.9 As set out above the methodology for calculating the fees is based on the processes and time required by the licensing department to review, process and determine the license and where appropriate for certain licenses includes the cost for inspections by Environmental Health Officers. The fee review ensures that each particular license is not either subsidising or being subsidised by the fees for other licences. Accordingly, the proposed fees for a number of licences have decreased while others have been increased. In particular the fees calculated for Short Term Let Licensing Applications have significantly increased. These costs have been increased as we now have experience of the actual cost and complexity of processing these licenses together with the cost incurred as a result of an Environmental Health Officer inspecting the premises. The initial fee for these applications had to be set in advance of the new statutory regime coming into force and was based on a best estimate of the time that was believed it would take to process applications notwithstanding that the regime and applications had not been received at that point. Since then, we have now had experience of processing these applications and the time required to take these through to determination.

3.10 In order to ensure that the cost of the licensing service remains fully covered by the fees there are a number of considerations for applying uplifts on an annual basis. However, to ensure that the model remains relevant it is recommended that:

- Fees are inflated annually by the corporate budget assumption for other income
- The Council updates the model annually once budgets are approved and calculated fees are compared to the inflated fees levels
- Every five years the model is comprehensively updated to look again at processing times, overhead rates and fee groupings to ensure these are still fit for purpose
- New licences are assessed for time taken to process and assigned to the appropriate category.

And in addition, regular reviews are undertaken of

- The rationale for determining which fees are annual and which are multi year and agree an approach to setting differential fee levels for single or multi year licences
- The rationale for determining which fees are temporary and which are permanent and agree an approach to setting differential fee levels for temporary and permanent licences
- The rationale for determining which fees should have a sliding scale of fees levels depending on property size, capacity, ratable value etc. and agree an approach to setting differential fee levels
- The policy for setting nominal or free of charge licences and the rationale for this.

4 POLICY IMPLICATIONS

4.1 In fixing a scale of fees and other charges, the Council as Licensing Authority is complying with a statutory duty to ensure that its costs in administering these licences are fully covered by fee income.

5 EQUALITIES IMPACT ASSESSMENT

5.1 This report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial –The Council is required by the Civic Government (Scotland) Act 1982 to set licence fee levels such that the costs of running the licensing service are fully covered by the level of fee income received. Accordingly, there should be full cost recovery and no detrimental impact on finances for the service.
- 6.2 Personnel – The fee review seeks to include provision for an additional licensing standards officer to assist on compliance matters and work with Police Scotland on enforcement of civic licencing matters.
- 6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 None

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Appendix 1

Benchmarking

		Benchmark Results			
Group	Licence	MAX	MIN	AVG	Current ELC Fee
1	HMO	£1,992.00	£308.00	£978.86	£504.00
	Zoo Parks	Benchmarking Not Available			£595.00
	STL	Benchmarking Not Available			£390.00
	Sexual Entertainment Venue	Benchmarking Not Available			£640.00
2	Late Hours Catering	£359.00	£120.00	£242.50	£272.00
	Second hand dealer	£1,600.00	£146.00	£368.48	£294.00
	Taxi Booking office	£1,312.00	£125.00	£439.12	£252.00
	Temp Market Op	£371.00	£150.00	£235.33	£167.00
	Petroleum	Set Fee			
	Temp PEL	£877.00	£53.33	£273.73	£211.00
	Full PEL	£1,984.00	£243.00	£665.50	£600.00
	Explosive Storage	Set Fee			
	Venison dealer	£671.00	£32.50	£152.88	£129.00
	Market Op	£1,080.00	£91.67	£339.81	£332.00
	Metal Dealer	£792.00	£62.67	£251.35	£294.00
	SP and Tattoo	£508.00	£6.67	£232.72	£263.00
	Itinerant Metal Dealer	£683.00	£46.33	£200.81	£294.00
	3	Taxi Drivers	£272.00	£37.67	£134.55
Taxi Operators		Benchmarking Not Available			£405.00
L&G Personal		Set Fee			
Lottery Licence		Benchmarking Not Available			£10.00
Charity collect		Benchmarking Not Available			£0.00
4	Street trader	£766.00	£140.00	£292.69	£294.00
	Animal boarding	£425.00	£69.00	£115.26	£138.00
	Window cleaner	£305.00	£45.00	£123.59	£89.00
	Temp Street trader	£187.00	£50.00	£98.60	£294.00
5	Pet seller	£436.00	£69.00	£195.55	£278.50
	Dog breeder	£477.00	£69.00	£210.52	£278.50
	Cat breeder	£477.00	£69.00	£200.01	£278.50
	Boat Hirer	£739.00	£41.00	£259.38	£220.50
	Performing Animals	New Licence- fees still to be set			
6	Occasional	Set Fee			
	Extensions	Set Fee			
	Minor	Set Fee			
7	Premises	Set Fee			
	Major	Set Fee			
8	Riding Est	£790.00	£69.00	£255.04	£278.50

Appendix 2

Licensing Fees

Licence type	Fee 2023/24 (£)	Duration	2024/25 proposal (£)	Duration
Private Hire Cars				
Driver	149	1 year	207	1 year
Driver*	-	-	310	3 year
Grant and Renewal of vehicle	405	1 year	445	1 year
Early Renewal & Replacement	405		445	
Replacement or Substitute vehicle	141	28 days	89	
Medical Fee	55		55	
Replacement Plate (Front)	32		20	
Replacement Plate (Rear)	35		20	
Replacement Brackets (Front)	32		20	
Replacement Brackets (Rear)	35		20	
Replacement Drivers Badge	29		34	
Replacement Door Sign	31		20	
Grant/Renewal of Trailer	149	1 year	59	
Wheelchair Exemption Certificate	29	1 year	82	
Duplicate Licence	29		30	
Variation	69		89	
Taxis				
Driver	149	1 year	207	1 year
Driver*	-	-	310	3 year
Grant and Renewal of vehicle	405	1 year	445	1 year
Early Renewal & replacement	405		445	
Replacement or Substitute vehicle	141	28 days	89	
Replacement Plate (Front)	32		20	
Replacement Plate (Rear)	35		20	
Replacement Brackets (Front)	32		20	
Replacement Brackets (Rear)	32		20	
Replacement Drivers Badge	29		34	
Replacement Door Sign	31		20	
Grant/Renewal of Trailer	149	1 year	59	
Wheelchair Exemption Certificate	29	1 year	82	
Duplicate Licence	29		30	
Variation	69		89	

Advertising:				
Internal	18	No Licensing Function		
External	60	No Licensing Function		
Superside	72	No Licensing Function		
Full Livery	90	No Licensing Function		
Advertising:				
Internal	18	No Licensing Function		
External	60	No Licensing Function		
Superside	72	No Licensing Function		
Full Livery	90	No Licensing Function		
Taxi Booking Offices				
Grant and Renewal	252	3 years	207	
Duplicate Licence	29		30	
Variation	69		89	
Late Hours Catering				
Grant and Renewal	276	3 years	269	
Duplicate Licence	29		30	
Variation	69		89	
Public Entertainment				
Grant and Renewal	600	3 years	311	
Multi-activity Indoor and Outdoor Facility	1714	3 years	311	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Public Entertainment (numbers based on daily attendance)				
Temp Public Entertainment Licence – up to 500 persons	211	6 weeks	269	
Temp Public Entertainment licence 500 - 2000 persons	423	6 weeks	285	
Temp Public Entertainment licence 2001 - 5000 persons	635	6 weeks	301	
Temp Public Entertainment Licence - Over 5000	845	6 weeks	317	
Duplicate Licence	29		30	
Indoor Sports Entertainment				
Grant and Renewal	257	3 years	311	
Duplicate Licence	29		30	
Variation	69		89	
Tattoo & Piercing				

Grant and Renewal	263	1 year	404	3 years
Additional employees (each)	132	1 year	311	3 years
Duplicate Licence	29		30	
Variation	69		89	
Street Trader				
Grant and Renewal (per person)	294	3 years	269	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Street Trader		Proposed to remove this option		
Grant	81	6 weeks	269	
Duplicate Licence	29		30	
Variation	69		89	
Knife Dealers				
Grant and Renewal	384	3 years	310	
Duplicate Licence	29		30	
Variation	69		89	
Venison Dealer				
Grant and Renewal	129	3 years	269	
Duplicate Licence	29		30	
Variation	69		89	
Metal Dealer				
Grant and Renewal	294	1 year	207	
Grant and Renewal*	-	-	310	3 year
Duplicate Licence	29		30	
Variation	69		89	
Itinerant Metal Dealer				
Grant and Renewal	294	1 year	207	
Grant and Renewal*	-	-	310	3 year
Duplicate Licence	29		30	
Variation	69		89	
Market Operator		1 year		3 years
Less than 50 traders	332		310	
More than 50 traders	586		removed	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Market Operators		6 weeks		

Less than 50 traders	167		269	
More than 50 traders	283		331	
Duplicate Licence	29		30	
Variation	69		89	
Window Cleaners				
Grant and Renewal	89	1 year	207	
Grant and Renewal*	-	-	310	3 year
Duplicate Licence	29		30	
Variation	69		89	
Second Hand Dealers				
Grant and Renewal	294	3 years	207	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Second Hand Dealer		Proposed to remove this option		
Grant	81	6 weeks	207	
Duplicate Licence	29		30	
Variation	69		89	
Boat Hirer				
Grant and Renewal	298	1 year	310	3 years
Duplicate Licence	29		30	
Variation	69		89	
Temporary Boat Hirer		Proposed to remove this option		
Grant	151	6 weeks	310	
Duplicate Licence	29		30	
Variation	69		89	
Animal Licences				
Pet Seller - Grant	194	1 year	403	3 years
Pet Seller - Renewal	205	1 year	403	3 years
Rehoming Activities - Grant	194	1 year	403	3 years
Rehoming Activities - Renewal	205	1 year	403	3 years
Animal Welfare Establishment (unless registered charity) - Grant	194	1 year	403	3 years
Animal Welfare Establishment (unless registered charity) - Renewal	205	1 year	403	3 years
Dog Breeder - Grant	194	1 year	403	3 years
Dog Breeder - Renewal	205	1 year	403	3 years
Cat Breeder - Grant	194	1 year	403	3 years
Cat Breeder - Renewal	205	1 year	403	3 years
Rabbit Breeder - Grant	194	1 year	403	3 years

Rabbit Breeder - Renewal	205	1 year	403	3 years
Duplicate of Pet Seller/Breeder /Rehoming Activities/Animal Welfare Est.	28		30	
Variation of Pet Seller/Breeder /Rehoming Activities/Animal Welfare Est.	145		89	
Dangerous Wild Animals	138	1 year	269	
Duplicate Licence	29		30	
Variation	69		89	
Zoological Parks	595	4 years	1,067	
Duplicate Licence	29		30	
Variation	69		89	
Riding Establishments	138	1 year	400	3 years
Duplicate Licence	29		30	
Variation	69		89	
Animal Boarding Establishment	138	1 year	269	
Animal Boarding (Use of Domestic Premises)	69	1 year	269	
Animal Boarding (Day Care)	138	1 year	269	
Duplicate Licence			30	
Variation			89	
Performing Animals		Lifetime		
Houses in Multiple Occupation		3 years		
3-5 Residents	504		1,067	
6-10 Residents	811		1,083	
11-20 Residents	1240		1,099	
21-30 Residents	1489		1,115	
31-40 Residents	1730		1,131	
41-50 Residents	1981		1,147	
51-75 Residents	2594		1,179	
76-100 Residents	3214		1,211	
101-200 Residents	4447		1,243	
201 + Residents	5681		1,275	
Additional Inspections after Initial (Per Officer)	59		62	
Change of Ownership (Prior to Grant)	178		89	
Change of Day to Day Manager or Agent	178		89	
Change of Maximum Occupancy Level	178		89	
Change to Physical Layout of Property	178		89	
Duplicate Licence	29		30	
Caravan Licence (Residential and Touring)		5 years (residential) / Lifetime (Holiday)		
01-25 caravans	578		1,067	
26-50 Caravans	933		1,099	
51-100 Caravans	1690		1,131	

101 + Caravans	1890		1,163	
Duplicate Licence	29		30	
Variation Licence	69		89	
Transfer licence	69			
Short-term Lets		3 years		
1 - 5 occupancy	390		1,067	
6 - 10 occupancy			1,083	
11 - 20 occupancy			1,099	
21 - 30 occupancy			1,115	
31 - 40 occupancy			1,131	
41 - 50 occupancy			1,147	
51 - 60 occupancy			1,179	
Duplicate Licence			30	
Variation Licence			89	
Sexual Entertainment Venue		3 years		
Grant and Renewal			1,067	
Duplicate Licence			30	
Variation			89	
Public Charitable Collections				
	No income	Specified by applicant		

*subject to conditions

Appendix 3 Licensing Fees Set by Statute

Licence Type	Current Cost (£)	Duration	
Explosives (Statutory)			
With no minimum separation distance			
Storage of Explosives Registration – 1 year (Fireworks)	119		
“ “ “ - 2 years	154		
“ “ “ - 3 years	190		
“ “ “ - 4 years	226		
“ “ “ - 5 years	260		
Storage of Explosives Renewal - 1 year (Fireworks)	59		
“ “ “ - 2 years	94		
“ “ “ - 3 years	132		
“ “ “ - 4 years	166		
“ “ “ - 5 years	202		
With minimum separation distance			
Storage of Explosives Registration – 1 year (Fireworks)	202		
“ “ “ - 2 years	266		
“ “ “ - 3 years	333		
“ “ “ - 4 years	409		
“ “ “ - 5 years	463		
Storage of Explosives Renewal - 1 year (Fireworks)	94		
“ “ “ - 2 years	161		
“ “ “ - 3 years	226		
“ “ “ - 4 years	291		
“ “ “ - 5 years	357		
Variation	40		
Transfer	40		
Replacement	40		
Petroleum (up to a maximum of 10 years) (Statutory)			
Not exceeding 2,500 litres	48	1 year	
Exceeding 2,500 litres but not exceeding 50,000 litres	65	1 year	
Exceeding 50,000 litres	137	1 year	
Alcohol			
Transfer of Premises	37.50		

Minor Variation	20.00		
Minor Variation and change of Premises Manager	31.00		
Major Variation	200.00		
Major Variation and transfer of Premises licence holder	220.00		
Extended hours	10.00		
Occasional	10.00		
Personal	50.00		
Replacement Personal licence	25.00		
Replacement (other than Personal licence)	37.50		
Provisional	200.00		
Temporary Premises	200.00		
Alcohol Premises			
Category	Rateable value	Application Fee	Annual Fee
1	Members club	£200	£180
2	£1 - £11,500	£800	£220
3	£11,501 - £35,000	£1,100	£280
4	£35,001 - £70,000	£1,300	£500
5	£70,001 - £140,000	£1,700	£700
6	Over £140,000	£2,000	£900
Gambling			
<i>Family Entertainment Centre gaming machine</i>			
Grant and Renewal	300		
Copy of licence	15		
<i>Prize Gaming</i>	300		
Copy of licence	15		
<i>Club or Club machine</i>			
Grant	300		
Renewal	200		
Annual Fee	50		
Copy of licence	15		
Variation of licence	100		
<i>Licensed premises gaming machine</i>			
Grant	150		
Annual Fee	50		
Copy of licence	15		
Variation of licence	100		
<i>Automatic Entitlement notification</i>			
Grant	50		
<i>Small Lotteries</i>			

Grant	40		
Renewal	20		
<i>Society Registration</i>			
Grant	40		
Renewal	20		
Gambling Annual Fees			
Adult gaming centre premises	700		
Betting premises (track)	1,000		
Family entertainment centre premises	500		
Betting premises (other)	400		