

LICENCE FEE CONSULTATION INFORMATION

The attached letter explains that Moray Council is consulting on proposals to raise licence fees.

The leaflet gives more information around that process.

HOW ARE WE CONSULTING?

Information is being sent to licence holders, and posted on social media, about the proposals and the questions for discussion.

Licence holders will be invited to a series of meetings with some members of the Licensing Committee to look at fee proposals and put forward ideas. The meetings will be short and focused solely on the questions about fees.

There will be no time to discuss individual cases or licensing in general.

The ideas will be fed back to the Council's full Licensing Committee, for a final decision on fees.

WHERE CAN I SEE THE PROPOSALS AND GIVE FEEDBACK?

The proposals are available at www.moray.gov.uk/licencefees

Feedback can be given:

- Online at licencefees@moray.gov.uk
- In person at one of the meetings.
- By letter addressed to the Head of Legal & Democratic Services, Council Offices, High Street, Elgin, IV30 1BX

THE COST RECOVERY PRINCIPLE

The consultation supports the principle of full recovery of the cost to the council of providing the licensing function.

For the past few years the licence function has run at a loss. That means that licence fees have been effectively supplemented by other areas. That is no longer viable in the current economic climate.

Licence fees must be designed so as to recover the cost of processing the licence application. The licence fee is not for the licence itself, but for the work required to process the application, including consultations, checks and inspections.

Q - Why do larger businesses pay the same as smaller ones?

A - In the main, licence fees do not take account of the size of business, turnover etc. The fees are directly proportionate to the processing cost, which remains the same for all applications.

Q – Why does it cost the same for a 3 year licence as for a 1 year licence?

A – Again the fee is not for the licence. It is proportionate to the processing cost and both licences involve the same amount of work to process.

HOW HAVE THE FEES BEEN CALCULATED?

As it is a process of cost recovery it is first necessary to calculate the cost to the council of providing the licensing function. Then that cost has to be split between the likely number of licence applications (based on a 3 year average) to arrive at a cost per application and therefore a proposed fee.

In calculating the cost of operating the licensing system, information about the length of time spent by officers on each licence type as well as fixed costs such as accommodation and ICT have been taken into account. The costs incurred by other departments in relation to processing licence applications and carrying out inspections have also been taken into account. This information has been used to produce a table of costs by licence type.

Fees are divided into fee groupings. It is not possible to cross subsidise fees between different groups. For example, the cost of processing a street trader licence cannot be increased so as to lower the fee for taxi drivers. However it is possible to cross subsidise within a group. For example, it would be possible for taxi operator fees to increase by a larger amount in order to reduce the impact on taxi drivers.

WHY ARE COSTS INCREASING?

The main increase is to include an allowance for the new Civic Licensing Standards Officers (LSOs) function. By a new law, the Scottish Government is requiring the council to employ one or more officer(s) civic LSOs. The cost to the council must be recovered by fees charged for licences.

LSOs have been around within alcohol licensing for a number of years. They have been a big success story, welcomed by the trade and regulators alike. Therefore the principle is being extended, by the Government, to apply to nearly all licence types. LSO functions are advice, guidance, mediation and compliance. LSOs are expected to be an asset to the licensing system and licence holders.

Secondly, the council is coming under increasing pressure from central government to do more to regulate licence holders. The idea of licensing is to protect the public by ensuring people, premises and vehicles are suitable for particular activities. Safety inspections are very important and take time. Local authorities must also now undertake immigration checks on behalf of the Home Office. A rise in public awareness has led to the requirement for medical checks on certain licence applicants. A change to the law, by the government, in respect of criminal records checks for applicants has meant more work. All these additional requirements take time and resources to manage.

Lastly costs in general are also increasing. The council has improved efficiency as far as possible to keep rises to a minimum. However the licensing service is working

at full capacity and the numbers of applications are consistently high. In total the council processes over 1200 licences per year.

It is important to note that adding Licensing Standards will not increase the council's ability to process licences more quickly. The functions of LSOs are to benefit the trade and the public but not in this way. So whilst fees are increasing they are not increasing by sufficient to allow additional processing staff.

WHAT IS THE IMPACT ON ME?

For the majority the potential impact is the increase in fees payable. That is to bring the council to the level where it is recovering the full cost of the licensing function. It is not an increase in council resources for the processing of applications. The only increase in resources will be for LSOs as described above.

TAXI / PRIVATE HIRE FEES

The various taxi /PH licence fees are in their own category.

We have carried out a comparison exercise across the country. Moray is currently well below the average level of fees for taxi operators, driver renewals and licence plates. Moray is still below average for booking offices. Moray is above average (but not the highest) for driver licences and vehicle substitutions. For drivers, considering medical fees and proposed increases Moray may go above the current highest fee but other councils, as far as we are aware, have yet to review fees.

It should be borne in mind that the licence fee is generally only payable each 3 years so even at a cost of, say, £450 it equates to overheads of approx £150 per year or £2.88 per week.

TAXI / PH FARE REVIEW

The council also sets the maximum taxi fare rates for taxi/PH meters. Fares can be below the maximum rate but they cannot exceed the maximum.

As part of this consultation process the council is taking the opportunity to further consult on fares. Fares have not risen recently and the rising costs will likely mean a recommendation for an increase to the maximum fare rates.

Again ideas for fares are welcomed and will inform a future fare review by the council's Licensing Committee.