



REPORT TO: LICENSING COMMITTEE 30 SEPTEMBER 2020

**SUBJECT: CIVIC GOVERNMENT (SCOTLAND) ACT 1982 AND OTHER
MISC LICENCES – ANNUAL REVIEW OF LICENSING FEES**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES
AND ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 This report is to update the Committee on the overall income versus expenditure for Civic Government and other miscellaneous licensing for the last financial year by way of an annual financial report and make predictions in respect of likely future income and expenditure;

2. RECOMMENDATIONS

2.1 It is recommended that the Committee consider and note:-

- i) the financial report on income and expenditure data at Appendix 1; and
- ii) the position on future fees and the planned revision of the same.

3. BACKGROUND

Current Fees

- 3.1 The Civic Government (Scotland) Act 1982 and various other pieces of legislation governing miscellaneous licences require each licensing authority to set application fees in respect of the various licence types.
- 3.2 In accordance with the legislation, the fee structure is designed around the principle that licensing is to be, as far as possible, self funding and that each licensing authority is to broadly recover, through licensing fees, the overall cost to the Council of providing the various licensing functions.
- 3.3 The expenses to be recovered must include all expenses incurred by the Moray Council as a whole in administering the licensing functions in general. This includes expenses for all administration including that from other departments of the Council contributing to the licensing procedure.

4. FINANCIAL REPORT ON INCOME AND EXPENDITURE

- 4.1 A review of licensing fees is undertaken annually.
- 4.2 With the assistance of officers in the Finance department, the Clerk has now collated income and expenditure figures for the financial year 1 April 2019 to 31 March 2020.
- 4.3 The figures and calculations are summarised at **Appendix 1**.
- 4.4 The figures reveal the following indications:
- The majority of the licences issued under the Civic Government (S) Act 1982 are issued on a three year cycle. The figures therefore include calculations for the previous two years to aggregate out income and expenditure over the same three year cycle.
 - Over the three year cycle figures for income and expenditure match almost exactly. There was a very small surplus of approx £77.25. This was in comparison to overall income of £351675.79, giving a percentage difference of approx 0.02%.
- 4.5 This shows that the calculation of fees has been extremely accurate for the last three year cycle.
- 4.6 Legal Services has been through a number of changes and the regulatory and licensing section now has a full complement of staff including senior solicitor, solicitor, two LSOs and administrative support.
- 4.7 The financial year 2019/2020 also saw the implementation of the mobile ICT system for LSOs, previously delayed by the supplier, so the expenditure for that has now been incurred.
- 4.8 The Committee last undertook a full fee review in 2017 and agreed to undertake a full scale review each five years with an annual progress report together with inflationary increases in between.

5. FUTURE FEES

- 5.1 Income is made up of application fees. In the past the overall number of applications has been largely stable and over the three year cycle overall income has been quite consistent. It is therefore hoped that the income for 2020/2021 will follow the same pattern.
- 5.2 Unfortunately many of the trades covered by licences have suffered as a result of COVID. However, even though much work was placed on hold, the costs to the Council of providing the various licensing functions did not go away and the income from fees represent the vast majority of the licensing budget.
- 5.3 Fee setting is never an exact science. Furthermore application numbers have also been severely hit by COVID so overall income from applications has been well below normal for quarters 1 and 2 of 2020. It should be noted that figures for both projected income and expenditure can only ever be estimates

and may not be a true reflection of actual amounts. The estimates are based on historical data about income, expenditure and transactions. However, there is no comparison for such a novel set of circumstances as COVID.

- 5.4 The full impact cannot yet be known. Whilst fees will remain as they are at present, should it become obvious that a more detailed review is required then a further report will be brought back to the Committee. If all goes to plan then the next review will be June 2021, which will reveal more about the ongoing financial year.

6 SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The provisions of licensing directly relate to the priorities within the 10 Year Plan (Moray 2026) in relation to a growing and diverse economy and safer and healthier communities. The various licenseable activities within industry all aid a growing economy in terms of production, retail and the positive effects on tourism. Regulation of the licensed activities contributes to a safer community by ensuring those providing licenseable goods and services are fit to do so.

(b) Policy and Legal

Policy and Legal implications have been explained above.

(c) Financial implications

Financial implications relating to fee levels have been explained above.

(d) Risk Implications

As explained above, the projected figures for future income are only estimates. Accordingly there is a risk that the actual income differs from the projected income. The risk in connection with the setting of fees is that if fees are set too low then the cost of administering the licensing system may not be recouped. Conversely if fees continue to produce a surplus then the Committee's decisions in respect of fees may be open to judicial review.

(e) Staffing Implications

Preparation of fee projections has involved considerable staff time and fees are reviewed annually. No additional resources are required. It is anticipated that going forward fee income will ensure full cost recovery in terms of providing the licensing function.

(f) Property

None.

(g) Equalities

In considering this matter the Committee should have regard to issues of equality and the subject's (licence holders) rights under the European Convention on Human Rights (and the Human Rights Act 1998). It is not considered necessary to undertake an equalities and human rights impact assessment in connection with this report.

The Committee should have regard to all the circumstances.

(h) Consultations

As far as possible, the figures within this report have been prepared in consultation with Alistair Milne, Accountant.

7 CONCLUSION

7.1 It is proposed that the Committee note the contents of this report.

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Background Papers:

Ref: SH