

The Cabinet

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REPORT

Councillor Brown: Cabinet Member for Environment & Transport

Licensing Act 2003 – Staffing & Financial Implications

1 SUMMARY

- 1.1 The purpose of this report is to advise Cabinet of the current financial and staffing position with regard to the implementation of the Licensing Act 2003.
- 1.2 In order to deal with the additional workload which will result from the council's new licensing duties it is recommended that an additional Licensing Clerk and a Senior Licensing Officer be appointed in Environmental Services. The report also covers the potential additional staff resource implications for Democratic Services and Legal Services.
- 1.3 With regard to the financial implications of operating the new licensing regime additional costs of £40,000 for the current financial year and £95,000 per year thereafter are predicted. This does not include the cost of extra legal services, short term admin support to cover peaks in workload or other support service costs.
- 1.4 It is intended that the new licensing functions will be self financing, but until the fee structure is set by Government we will not know whether licensing fee income will cover costs.

2 INTRODUCTION

- 2.1 The Licensing Act 2003 marks the end of the existing licensing regimes by integrating the present arrangements into a single, streamlined and more efficient system of licensing to be administered by local authorities. The Act covers the licensing of alcohol, public entertainment, clubs, cinemas, late night refreshment houses and theatres.
- 2.2 A report outlining progress with the introduction of the new licensing regime was submitted to the Cabinet on the 5th May 2004. The report included details of the potential staffing requirements for the council to implement the new licensing duties.
- 2.3 The date for the new regime to commence has now been confirmed as the 7th February 2005. It is therefore necessary to start the initial recruitment process so that staff are in place in Environmental Services and trained to set up and manage the new licensing arrangements.

3 STAFFING REQUIREMENTS

- 3.1 The Cabinet report of the 5th May identified the need for two new permanent and two temporary administrative posts for Environmental Services. The new permanent staff required are a Licensing Clerk and a Senior Licensing Officer, and approval needs to be given now for these staff to be recruited.
- 3.2 The report also identified the need for additional staff resources in Legal Services and Democratic Services to provide advice and support, and service the new Licensing

Committee. It is not possible to specify this staffing requirement in detail at present and it will therefore be subject to a further report.

4 FINANCIAL INFORMATION

- 4.1 Further work has been carried out to try to identify the additional cost of implementing and operating the new licensing regime. Unfortunately it is still difficult to estimate future costs accurately for each financial year, because the level of demand to process licence applications and the complexity of individual cases is uncertain, and the phases in the programme to implement the new legislation do not coincide with financial years.
- 4.2 However, the following figures indicate the scale of the known and likely costs for additional staff resources for Environmental Services and Democratic Services, providing office accommodation, information systems and associated equipment.

<u>2004/2005</u>	<u>£</u>
Staff - Environmental Services	14,500 incl. oncosts
Staff - Democratic Services	5,000 incl. oncosts
Equipment, supplies & services	10,000
Office accommodation	6,500
Publicity, leaflets etc.	<u>4,000</u>
	40,000
 <u>Future Annual Costs</u>	 <u>£</u>
Staff - Environmental Services	58,000 incl. oncosts
Staff - Democratic Services	24,000 incl. oncosts
Equipment, Supplies & Services	4,500
Office accommodation	4,500
Publicity, leaflets etc.	<u>4,000</u>
	95,000

Note:

1. With regard to Democratic Services these costs assume the need for weekly or more frequent meetings of the Licensing Committee. Should this not be the case in practice Democratic Services costs will reduce significantly.
 2. The above figures make no allowance for:
 - Additional legal costs if it is necessary to buy in support to service the Licensing Committee, advise on individual licence applications or to deal with appeals. Depending on arrangements made with the Police there may be additional enforcement costs.
 - Extra short term administrative support during the initial 12 months of the new regime to deal with peaks in demand for premises and personal licences.
 - Support service costs e.g. Personnel, Finance.
- 4.3 The commencement date has now been set as the 7th February 2005 and licence fee income will be received from this date. We estimate that there will be in the region of 750 premises licence and 1,000 personal licence applications.
- 4.4 It is intended that the licensing function should be self-financing and a fee structure is due to be set by the Department of Culture, Media and Sport. Various fee rates have been predicted for the initial applications ranging from £30 to £50 for a personal licence to a scale of £100 to £500 for a premises licence depending upon the commercial rateable value. However, until the fees have actually been set we will not know the likely level of income and whether it will cover costs.

4.5 In addition it should be noted that income is expected to fall significantly after the first year as it is anticipated that:

- The annual fee for premises licences will be lower than the initial fee, and
- Personal licences are renewable every 10 years and there will only be occasional income from new licences until the bulk of the present licences fall due for renewal in 2014/2015.

4.6 No specific budget has been set for the new licensing functions in the current financial year and expenditure will need to be met from reserves if insufficient fee income is received.

5 RECOMMENDATIONS

It is recommended that

- 5.1 The financial position with regard to the implementation of the Licensing Act 2003 be noted.
- 5.2 Approval be given for an additional Licensing Clerk and a Senior Licensing Officer to be appointed in Environmental Services.
- 5.3 Once likely demand from licence applications is clearer and has been assessed, which hopefully will be by the beginning of the new year, a further report be submitted as to the additional staff resource requirements for Legal and Property Services and Democratic Services Unit.

6 IMPLICATIONS

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| 6.1 | Financial | : | Should the fees from licensing not fully finance the expenditure incurred on the new functions, then either a reduction in expenditure or a bid for growth through the portfolio planning process will need to be actioned. |
| 6.2 | Legal | : | Contained in the report. |
| 6.3 | Personnel | : | This will increase the council's establishment list but may provide re-deployment opportunities for employees displaced by other re-structures such as those connected with the Customer Contact Centre. |
| 6.4 | Community Safety | : | The consultation process for the Licensing Policy will take into account Community Safety Issues. |
| 6.5 | Environmental | : | The proposed Licensing Policy will take into account environmental implications. |
| 6.6 | Council's Core Values | : | Providing excellent service, promoting a thriving local economy, being environmentally conscientious, being fair and equitable. |
| 6.7 | Wards affected | : | All |