



Agenda item:

**Title of meeting:** Environment & Community Safety decision meeting

**Date of meeting:** 29<sup>th</sup> January 2016

**Subject:** Business support team fees and charges 2016 / 2017 - Environmental Health

**Report by:** Director of Regulatory Services, Community Safety and Troubled Families

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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## 1 Purpose of report

- 1.1 To advise the Cabinet Member for Environment & Community Safety of the licenses issued by the Business Support Team (BST) and to obtain approval for revised fees and charges to be put into effect as from 1<sup>st</sup> April 2016.
- 1.2 The services impacted by this policy are those which include the *registration* of businesses which involve a potential risk of infectious disease transfer (such as tattooing and skin piercing) and those involving the *licensing* of businesses where animal welfare concerns might arise (such as pet shops and dog breeding).
- 1.3 For clarity, licensing requires an annual renewal fee whereas registrations involve a one-off fee upon application.

## 2 Recommendation

- 2.1 **It is recommended that the Cabinet Member for Environment and Community Safety approves the licence and registration charges as set out in appendix 1.**

## 3 Historical position

- 3.1 The current licensing framework involves a degree of complexity as some are mandated nationally while others are adopted locally in some local authority areas but not others. A further level of complication arises as licences and registrations are administered by a variety of different services within Portsmouth City Council.



- 3.2 Licensing is essentially permissive and process-focused, with the presumption that a licence will be granted unless specific criteria are not met. Badly designed licensing requirements do not work for either businesses or the services having to enforce them, often diverting the resources of both into unnecessary bureaucracy. Therefore where licences / registrations are considered superfluous, offering no material benefit, these are not actively pursued by environmental health.

#### **4 Contextual fee information**

- 4.1 The BST is responsible for administering a range of licences and registrations resulting from national legislation. For the majority of these regimes, and in particular the licences contained within appendix 1, the costs are recovered through fees set by the BST at a local level and paid by the licence applicant.
- 4.2 The BST is seeking to clarify the information provided in relation to fees and charges and the extent to which they are recovered.
- 4.3 Locally set fees are a vital means of ensuring that costs can be recovered for issuing these licences rather than relying on subsidy from local tax payers. Only where the licence / registration forms part of a wider active public health campaign are concessionary rates provided. Such promotions might be devised to encourage the registration of businesses to prevent illegal 'underground' treatments or processes.
- 4.4 Whilst these licensing roles are long established, the decisions made in relation to fees and charges are facing increased scrutiny from businesses, the public and the media.
- 4.5 Recent case law resulting from the European Services Directive has placed an added emphasis on the need for us to ensure that fees are set in a legally robust and transparent manner.
- 4.6 The BST acknowledges that, while charges are an important source of income as they are the sole manner in which we are able to recover some of the costs involved in delivering our responsibilities, they are significant to people who use our services.

#### **5 Benchmarking**

- 5.1 From a recent benchmarking study, included within appendix 2, it is clear that charges for licences vary markedly between councils, both local and national, reflecting local circumstances and policy priorities. These differences may therefore be appropriate, however, it is important that we are aware of the variances and are transparent in how we have set our fees.



## **6 Licensing businesses and supporting growth**

- 6.1 The BST works hard to encourage economic growth by providing practical support to businesses. Regulation and licensing are key parts of this support package. In assessing risk, licensing allows the application compliance standards which are necessary for every business. These stipulate the minimum level of acceptable performance for the businesses involved thereby adding to the public's confidence that the services provided are safe / compliant.
- 6.2 Additionally, appropriate and proportionate licensing provides an opportunity to impose conditions to tackle issues in specific areas or properties that may not otherwise be available if the licensing system were not in place.
- 6.3 Whilst the BST cannot alter the law that governs each regime, it is possible to consider how resources can be focused on risk; whether business support is effective and how the burden of inspections can simply be removed where it is not necessary. A streamlined approach to licensing ensures that fees are kept to a minimum and businesses can be encouraged to prosper.
- 6.4 It is worth noting at this point that levels of compliance in Portsmouth are high, both in terms of the requirement to register in the first instance and fulfilment with any registration or licensing conditions imposed.

## **7 Basing fees on local priorities and need**

- 7.1 The new fee structure more accurately reflects the input and resources required to register the premises and persons associated with the various treatments / services without placing an onerous financial burden on small businesses.
- 7.2 These charges concentrate on two aspects of service delivery, namely:
- *Administration*: This is intended to cover basic office administration to process the licence application, such as resources, photocopying, postage or the cost of handling fees;
  - *Initial visit/s*: This would cover the average cost of officer time if a premises visit is required as part of the authorisation process (including travel time).
- 7.3 Other costs including those associated with stakeholder liaison, management, local democracy, development, determination and production of policy, web material, advice and guidance and more general on-costs such as payroll, accommodation and finance etc. are however to be appropriately included.

## **8 Reasonable and proportionate**

- 8.1 The proportionality and appropriateness of the service areas charged for have been considered carefully. Although possible to additionally recover the costs of enforcement activities it is recognised that doing so would represent a significant

change of protocol and therefore it is not currently proposed to implement such a regime. The significance and relevance of charging business for enforcement activities is however an area which is likely to be revisited in the future.

## 9 Setting the proposed fee / level of projected income

- 9.1 We aim to achieve an appropriate level of income from cost-based charging by ensuring that charges to users reflect the full cost of the service provision.
- 9.2 Some licences are issued following a vet inspection based on work involved and their charges are in addition to the licence fee. This applies to dangerous wild animals, riding establishments, zoo inspections and in some cases dog breeding establishments.
- 9.3 The fee calculation method involves computation of the hourly rate derived from the basic salary of the administrating officers and on-costs as mentioned within section 7.3.
- 9.4 As indicated in 4.2 unless fees are set as part of a previously initiated campaign such as those associated with tattooing and the delivery of the Tattoo Hygiene Rating Scheme, fees have been set at £70 per hour inclusive of VAT.
- 9.5 Although registration categories are prescribed, the scope and activities carried out are likely to vary significantly e.g. in terms of number and types of animals, size of premises etc. The approximate number of officer hours involved in the inspection / processing of each registration / licence, as well as the projected level of income expected in 2016 / 2017 is set out in Table 1.

**Table 1**

Registration or Licence	Type	Number of premises impacted	No of officer hrs involved to process <i>each</i>	Income (£)
L	Animal boarding establishments	13	2.5	2275
L	Breeding of dogs	1	2.5	175
L	Dangerous wild animals	1 (every two years)	3	210
L	Pet shops	9	2.5	1575
L	Riding establishments	1	3	245
L	Zoo licensing	1	4	280
R	Acupuncture	42	1	0
R	Cosmetic piercing	54	1	0
R	Electrolysis	23	1	0
R	Semi-permanent skin colouring	28	1	0
R	Tattooing studios (including home)	33	1	0
R	Tattooing hygiene rating scheme	5 pending	1	550
R	Hairdressers	187	1	0
<b>Total (£)</b>				<b>5310</b>



## **10 Keeping fees under review**

- 10.1 Fees have been set to be broadly cost neutral in budgetary terms, so that, over the lifespan of the licence, the budget should balance thus ensuring that the activities permitted by the various licences are not subsidised from the general fund. Charges will be reassessed accordingly every 12 months.

## **11 Equality impact assessment**

- 11.1 The Equality Act 2010 requires public authorities to have regard to the need to eliminate discrimination, advance equality, and foster good relations across a range of protected characteristics. These are defined as age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. In assessing the impact of our charging proposals we have also considered the impact on these characteristic groups to avoid or manage any detrimental effects. Our consideration is that there are no material impacts.

## **12 Legal implications**

- 12.1 The Council can set its own fees for the regimes listed in appendix 1 of this report. The fee must be reasonable and cover the Council's costs in the administration of those application types and could be set to cover any further costs to ensure compliance.
- 12.2 All of the regimes listed are covered by the European Union Services Directive. Regulation 18 of the Provision of Services Regulations 2009 which implements the EU Services Directive into UK law requires that fees charged in relating to authorisations must be proportionate to the effective cost of the process.
- 12.3 The proposed fees must recover the Council's costs in relation to the licensing process and cannot be used as an economic deterrent or to raise funds. The fees as proposed should enable the Council to recover its reasonable costs.

## **13 Director of finance's comments**

- 13.1 The projected income at circa £5,000 is an increase on the current level of income and better reflects the service costs associated with the licensing activities.
- 13.2 When setting licensing fees there is a statutory requirement to consider the income receivable for a licensing scheme compared to the overall cost of delivering the scheme. The fee level must be set to not generate income in excess of the cost associated with delivery.
- 13.3 The proposed fees have been evaluated to recover full cost direct and indirect, associated with license processing, but excluding the monitoring and enforcement of the licence granted.

13.4 On this basis, and in consideration of the benchmarking undertaken with other licensing bodies, the fees and charges as proposed are considered to be appropriate and to meet the requirements of the Directive.

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Signed by: Rachael Dalby - Director of Regulatory Services, Community Safety and Troubled Families

**Appendix 1: Licence and registration charges 2016**  
**Appendix 2: Benchmarking analysis**

**Background list of documents:** The following list of documents discloses facts or matters, which have relied upon to a material extent by the author in preparing this report:

<b>Title of Document</b>	<b>Location</b>
NIL	NIL

The recommendations set out above in 2.1 above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for the Environment and Community Safety on 29<sup>th</sup> January 2016.

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Signed by: Councillor Robert New, Cabinet Member for Environment and Community Safety

**Appendix 1 - Business support team fees and charges 2016 / 2017 - environmental health**

<b>Comparison of current fees and charges with 2015 / 2016 - animal welfare (licensing)</b>					
	<b>Pet Shops</b>	<b>Dog breeding</b>	<b>Dangerous wild animal</b>	<b>Animal boarding</b>	<b>Riding establishments</b>
<b>Portsmouth Existing</b>	£67 + Vets fees	£67 + Vets fees	£197 + Vets fees	£67 + Vets fees	£67 + Vets fees
<b>Portsmouth 2016 / 2017</b>	£175 + Vets fees	£175 + Vets fees	£210 + Vets fees	£175 + Vets fees	£245 + Vets fees

<b>Comparison of current fees and charges with 2015 / 2016 - treatments (registration)</b>		
	<b>Acupuncture, electrolysis, skin / ear piercers etc.</b>	<b>Hairdressers</b>
<b>Portsmouth Existing</b>	£110 premises + £55 per person	-
<b>Portsmouth 2016 / 2017</b>	£140 premises + £70 per person - (apart from tattooing which is to remain at £110 premises and £55 per person [part of an ongoing public health campaign])	Not to be applied

**Appendix 2 - business support team fees and charges 2016 / 2017 - benchmarking analysis**

<b>Local authority licence fees and charges comparison 2015 / 2016 - animal welfare (licensing)</b>					
<b>Local authority</b>	<b>Pet shops</b>	<b>Dog breeding</b>	<b>Dangerous wild animal</b>	<b>Animal boarding</b>	<b>Riding establishments</b>
<b>Adur &amp; Worthing</b>	£90	£95	Vertebrates £658 1st species one animal £390 each add species and £65 each add animal Invertebrates £390 1st species up to 50 animals £33 each add species	£102	£305
<b>Bournemouth</b>	£110	-	-	£110	-
<b>Brighton</b>	£119	£100	£215	£189	£283
<b>Chichester</b>	£137	£141	Only on application	£142 up to 25 animals £173 26-75 animals £227 75+ Home £87	-
<b>Fareham</b>	£110	£165	£815 new £88 renew	£165 boarding, £115 home boarding	£38 per horse
<b>Gosport</b>	£128	£128 + vet fees	£128 + vet fees	£128 + vet fees	£128 + vets fees per horse
<b>Hart</b>	£170	£170	£295 new, £170 renew	£170 boarding, £85 home boarding	£295 new, £170 renew
<b>Havant</b>	£95	£112	£82	£112	£163
<b>Liverpool</b>	£173 + vet fees	£124	£144 + vet fees	£124	£144 + vet fees
<b>Manchester</b>	£112	£138	£202 + vet fees	£144	£187





<b>Local authority licence fees and charges comparison 2015 / 2016 - animal welfare (licensing)</b>					
<b>Local authority</b>	<b>Pet shops</b>	<b>Dog breeding</b>	<b>Dangerous wild animal</b>	<b>Animal boarding</b>	<b>Riding establishments</b>
<b>New Forest</b>	£146 + vet fees	£146 + vet fees £146 renew	£146 + vet fees	£206 or £55 (small)	£176 + vet fees, £17 per horse, £75 + vet fees renew
<b>Poole</b>	£117, £68 renew + vet fees	£117, £68 renew + vet fees	£195 Per animal	£117, £68 renew boarding + vet fees	£117, £68 renew + vet fees
<b>Rushmore</b>	£142	£142	£260 + vets fees	£142	£280
<b>Southampton</b>	£170, £112 renew	£89, £62 renew	£170, 112 renew	£170, £112 renew boarding, £35 home boarding	£170, 112 renew
<b>Test Valley</b>	£146	£145.55 + vet fees	£186 + vet fees	£101 domestic, £146 dogs, £128 cats, £205 combined	£186 + vet fees
<b>Winchester</b>	£180	£155 + initial inspection	£55 + vet fees	£180 animal boarding, £100 home boarding	Up to 5 horses £55 + vet fees, 6-10 horses £105 + vet fees, 11+ horses £10 per horse up to max £210



**Local authority licence fees and charges comparison 2015 / 2016 - treatments (registration)**

<b>Local authority</b>	<b>Acupuncture, electrolysis, skin / ear piercers etc.</b>	<b>Hairdressers</b>
Bournemouth	£156	-
Brighton	£158 premises + £76.10 per person	-
Fareham	£140 premises + £82 per person	-
Gosport	£79 premises + £68 per person	-
Hart	£170 premises + £170 per person	-
Havant	£115 premise + £115 per person	-
Liverpool	£100 premises + £42 per person	-
Manchester	£72 premises + £43 per person	-
New Forest	£130 premises + £53 per person	-
Poole	£67 premises + £39 per person	-
Rushmoor	£125 premises + £92 per person	-
Southampton	£118 premises + £16 per person	-
Test Valley	£138	£103.50
Winchester	£100 premises + £25 per person	-