

LICENSING REGULATORY COMMITTEE

Review of Licence Fee for Home Boarding of Dogs 13 February 2014

Report of Chief Officer (Health and Housing)

PURPOSE OF REPORT

To review the licensing fee for home boarding of dogs to enable Members to consider the level of fee for 2014/15

This report is public

RECOMMENDATIONS

- (1) **That the licensing fee for a first-time home boarding licence and subsequent (renewal) licences be determined for 2014/15 from the options contained in this report.**

1.0 Introduction

1.1 This report is concerned with the setting of the level of licence fee for dog home boarding for the year 2014/15. The setting of such fees is a non-executive function, and therefore a matter for this Committee.

1.2 Licensing of dog home boarding premises under the Animal Boarding Establishments Act 1963 was introduced by the council on 1 April 2013. The annual licensing fee for 2013/14 was set at £100 based on the anticipated cost of providing this new aspect of licensing. The council's Fees and Charges Policy (approved by Cabinet at its 21 January 2014 meeting) states that when setting charges, the general aim is to cover the cost of the service, reflecting the full cost of provision including recharges. The Fees and Charges Policy in relation to licensing fees offers a standard of good practice, although it is not binding on Licensing Regulatory Committee.

1.3 Members were assured at previous Licensing Regulatory Committees that dog home boarding fees would be reviewed before the end of the financial year. It is also a requirement of the council's Fees and Charges Policy that fees be reviewed annually. Home boarding licences have now been in force for over nine months, which is considered sufficient time to review the basis on which the licensing fee was originally proposed.

2.0 Proposal Details

2.1 The costs of administering home boarding licensing consist mainly of staffing resources plus associated overheads with negligible spend against equipment and materials. The fee of £100 introduced in April 2013 was based on approximately 3 hours of officer time per premises to carry out the necessary administrative, inspection and enforcement activities. Time monitoring carried out over the last nine months confirms that processing

an application, liaising with the applicant and visiting the home, and issuing each first-time licence, takes on average 3 hours of officer time, costing £106 (based on 2014/15 budget estimates). There are currently 25 licensed home boarders which is a lower figure than was originally estimated based on soundings taken in the home boarding community.

- 2.2 As regards licence renewal applications, officers are finding that the only difference between these and first-time applications is that, due to familiarity, inspections take on average 20 minutes less to carry out. Each licence renewal therefore takes on average 2 hours and 40 minutes of officer time, costing £95 (based on 2014/15 budget estimates). This is 10% lower than the cost of a first-time licence application but also assumes the same officer carries out these duties from one year to the next as is presently the case.
- 2.3 Based on the review of service delivery costs, three options are proposed for consideration:

Option 1: Two fee levels: new applications and renewals of existing licences

Option 1 is to set levels of fee for first-time licence applications at £106.00 and renewal applications at £95.00 in order to fully recover costs.

Option 2: A single fee level at the lower of the two proposed in Option 1

Option 2 is to set a single level of fee for licence applications / renewals based on the lower of the two (the renewal) cost. This would under-recover the full costs of home boarding licensing by a small amount (probably less than £50 per year).

Option 3: A single fee level for renewals as per new applications

Option 3 reflects the existing arrangement and is to charge the first-time application fee level for renewals at an amended fee level of £106.00 based on the review undertaken of service delivery costs.

Consistent with views expressed in previous deliberations by the Licensing Regulatory Committee, none of the above options would generate surplus income.

3.0 Details of Consultation

- 3.1 The subject of licensing fees for home boarders has been discussed over the last 12 months by Licensing Regulatory Committee when presented with reports and corresponding representations.
- 3.2 To assist the committee, on 20 June 2013 officers contacted other local authorities asking for information on their home boarding licensing fees. Of the 35 councils that responded, 28 councils (80%) have a licence renewal fee set the same as the original application fee. Of the 7 councils that have set a lower renewal fee, these range from a 12% to a 50% reduction of the first-time fee.
- 3.3 On 5 November 2013 all licensed home boarders were informed that the fees were being reviewed and that Licensing Regulatory Committee would be considering whether to introduce a reduced fee for renewal applications. Three responses were received, all in agreement with reducing the fee after the first year, although one of these stated that they would also be happy to pay the original fee.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 There is only a very minor financial difference between the three options. More significant is the relationship of this fee setting with guidance in the council's Fees and Charges Policy.

	Option 1: To set a fee of £106.00 for first-time licences and £95 for licence renewals	Option 2: To set a single fee of £95.00 for both first-time licences and licence renewals	Option 3: To set a single fee of £106.00 for first-time licences and licence renewals
Advantages	<ul style="list-style-type: none"> Covers and more closely reflects the cost of providing the service More affordable for small-scale casual home boarders on renewal of existing licences 	<ul style="list-style-type: none"> Simpler to administer than two separate fees Popularity with some home boarders 	<ul style="list-style-type: none"> Simpler to administer than two separate fees More precautionary about fully recovering the costs of service delivery
Disadvantages	<ul style="list-style-type: none"> Results in less revenue than the current practice of charging the first-time fee for all applications. 	<ul style="list-style-type: none"> Slight under-recovery of the costs of administering home boarding licensing 	<ul style="list-style-type: none"> Unpopular with home boarders
Risks	<ul style="list-style-type: none"> If a new officer were in future to become involved in home boarding licensing and they were unfamiliar with licensed home boarding premises, the council's costs may not be fully recovered. This would have modest cost recovery implications May under-recover full costs if there are unforeseen demands on the service 	<ul style="list-style-type: none"> If a new officer were in future to become involved in home boarding licensing and they were unfamiliar with licensed home boarding premises, the council's costs may not be fully recovered. This would have modest cost recovery implications. May under-recover full costs if there are unforeseen demands on the service 	<ul style="list-style-type: none"> May slightly over-recover full costs if there is no change in staff or unforeseen demands on the service

5.0 Conclusion

5.1 The officer recommendation option is Option 1, which best reflects the spirit of the council's Fees and Charges Policy. This option recovers the cost of providing the licensing service in accordance with the Council's Fees and Charges Policy, whilst retaining fees at affordable levels for home boarding businesses.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

No implications have been identified.

LEGAL IMPLICATIONS

No implications have been identified.

FINANCIAL IMPLICATIONS

Members are reminded that licensing for home boarding is a statutory function legislated by the Animal Boarding Establishments Act 1963, although it is for the Local Authority to

determine the appropriate charge. It is recommended therefore, that the fee covers the cost of licensing, administration, inspection and enforcement.

The original budget for 2014/15 and future years assumed £4,000 fee income with no inflationary increase for home boarding establishments. This was based on initial estimates that there may be around 40 home boarding establishments within the district. The current estimate based on the 9 months since the introduction of the home boarding licensing fee shows that only 25 establishments have been licensed, however. The 2014/15 draft revenue budget has already been updated to reflect the estimated £1,400 income shortfall based on the current number of licensed establishments and existing fee for 2013/14 as part of the 2014/15 budget process and is in line with the officer preferred option 1.

The table below demonstrates that there could be a further shortfall should option 2 be implemented instead, although this is not deemed significant and can be easily absorbed elsewhere within the overall general fund revenue budget. Option 3 would generate a slight surplus compared to the budget.

	Option 1	Option 2	Option 3
Licence Type	£	£	£
Renewals (25)	2,375	2375	2,650
New (2)	212	190	212
Total Fee Income	2,587	2,565	2,862
2014/15 Draft Budget	2,600	2,600	2,600
Estimated Budget (Shortfall)/Surplus	(13)	(35)	262

BACKGROUND PAPERS

Animal Boarding Establishments Act 1963
Lancaster City Council Fees and Charges
Policy

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