

LICENSING COMMITTEE

Review of Licensing Fees for Animal-related Licensing 16 March 2023.

Report of Director for Communities & the Environment

PURPOSE OF REPORT

To review the costs and licensing fees for animal-related licensing to enable Members to approve the level of fee for 2023/24, considering continued changes introduced within The Animal Welfare (Licensing of Activities Involving Animals)(England) Regulations 2018.

This report is public.

RECOMMENDATIONS

- (1) That the licensing fees for animal-related licences be determined for 2023/24 on consideration of the information (and options) contained within this report.**

1.0 Introduction

- 1.1 This report is concerned with the setting of the level of licence fees for 2023/24 for the following licensable activities introduced by The Animal Welfare (Licensing of Activities Involving Animals)(England) Regulations 2018:-

- Selling animals as pets
- Boarding for cats or dogs in kennels or catteries
- Home boarding for dogs
- Arranging boarding for dogs or cats
- Day care for dogs
- Hiring out horses
- Dog breeding
- Keeping or training animals for exhibition

Together with the following activities licensable under pre-existing legislation:-

- Keeping dangerous wild animals (Dangerous Wild Animals Act 1976)
- Operating a zoo (Zoo Licensing Act 1981)

- 1.2 Animal licensing is a statutory duty for the local authority.

- 1.3 It is currently estimated that there will be in the region of 70 licensable activities needing licensing during 2023/24, made up of new applicants, renewals and interim inspections.

2.0 Background.

- 2.1 The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 came into force in October 2018, and increased the volume and complexity of the work of the Animal Licensing Officers / Dog Warden Team (ALO/DW's). They were required to increase their duties and become qualified Animal Licensing Inspectors, along with the Council being given a number of additional statutory duties.

- 2.2 The regulations brought together the eight activities listed in 1.1 which were previously regulated by different statutes, and included the introduction of :

- A risk-based system of licensing that determines both the length of licence, which may be one, two or three years; and the star rating, which may be one to five stars.
- A set of conditions to be met by activity operators, including 'Minimum standards' which must be complied with before a licence can be issued, and optional 'Higher standards', which may lead to a higher star rating being awarded.
- The requirement for a licensing variation, renewal, and inspection programme
- An appeals procedure for businesses to challenge their star rating, including the need for a reinspection.
- The requirement from April 2023 that inspectors hold a suitable qualification, Lancaster City Council has two qualified inspectors.
- The need for Inspectors to prepare comprehensive inspection reports.
- The need for each local authority to submit an annual return to the Secretary of State.
- Licensing for 'Keeping or Training Animals for Exhibition' as a function of the district council. This replaces Performing Animals Registration which was a function of the county council.
- Licensing for 'Arranging Boarding for Cats or Dogs'. This applies for example to home boarding franchises who arrange customers for their hosts.

- 2.3 The number of complaints and enquiries about licensed premises and the enforcement of licensing conditions has significantly increased.

3.0 Setting Fees

- 3.1 The regulations set out what a local authority may charge fees for:-

- a) The costs of consideration of an application, including any inspection relating to that consideration.
- b) The reasonable anticipated costs of consideration of a licence holder's compliance with the regulations and the licence conditions to which a licence holder is subject. This includes the costs of any further inspections related to compliance.

- c) The reasonable anticipated costs of enforcement in relation to any licensable activity of an unlicensed operator.
 - d) The reasonable anticipated costs of the local authority compiling and submitting the data required to the Secretary of State.
- 3.2 The council's Fees & Charges Policy states that when setting charges, the general aim is to cover the cost of the service, accurately reflecting the full cost of provision including recharges. This ensures that those benefitting from the activities permitted by holding a licence should not be subsidised by local taxpayers.
- 3.3 The methodology used to calculate fees is to allocate officer time against each of the elements involved in processing the licence application and in monitoring and enforcing against unlicensed and licensed operators. The appropriate proportion of an hourly rate (constructed from direct costs and indirect costs for all officers involved in the process) is applied and totalled to give a cost per licence.
- 3.4 The time allocations of the officers involved in animal licensing have been estimated over the period 1 April 2019 – 30 November 2022* and used in calculations described in 3.3. The cost per licence and comparison to the current licence fee is set out in **Appendix 1**.
- *This has not taken into account three unusually complex and time-consuming investigations during 2022 as it was felt that it would be disproportionate to include the time on such cases.
- 3.5 This is the first review of the licence fees since the introduction of the new regulations in 2018, so the calculations in Appendix 1 give a more accurate reflection of the time and work involved.
- 3.6 Costs have increased significantly in this time.
- 3.7 Changes introduced by the new regulations to require the ALO/DW to become qualified inspectors has led to a regrade of these posts and salary increase.

Proposal

- 4.1 The increased workload resulting from the new regulations can no longer be absorbed within the Animal Licensing and Dog Warden Team, so some non-statutory work has had to be reduced.
- 4.2 The increase in start-ups of new licensable activities has meant the ALO/DW's are frequently asked to provide advice prior to an application. It is proposed to introduce a standard £150 fee for any 'on site' pre-application requests.
- 4.3 The proposed fees have been set to achieve full cost recovery. Fees are broken in to two categories, a "New Application" and a "Renewal Application". The length of Licence is determined by the rating given, which affects the frequency of the interim inspection and the renewal date.
- 4.4 A number of licence holders operate multiple activities from a single site, for example, dog boarding, cat boarding and dog day-care. As it takes proportionately less time to inspect multiple activities on the same site, we propose charging a full fee for the first activity plus 50% of the fees for any additional activities.

Appendix 1

New Licence application.

Type of Licence	Period in Years	Part A	Part B	Current Cost	Revised Cost	% increase
A- Selling Animals	1	£263.70	£101.80	£248.80	£365.50	46.91%
HB-Home Boarding	1	£263.70	£101.80	£233.00	£365.50	56.87%
DD-Dog Daycare	1	£263.70	£101.80	£233.00	£365.50	56.87%
AB-Animal Boarding	1	£263.70	£101.80	£264.50	£365.50	38.19%
B-Breeding Dogs	1	£274.20	£101.80	£264.50	£376.00	42.16%
D-Dangerous Wild Animals	1	£284.80	£46.80	£247.00	£331.50	34.21%
H-Hiring Horses	1	£263.70	£101.80	£280.20	£365.50	30.44%
A- Selling Animals	2	£327.00	£203.60	£342.90	£530.50	54.71%
HB-Home Boarding	2	£326.90	£203.60	£327.10	£530.50	62.18%
DD-Dog Daycare	2	£326.90	£203.60	£327.10	£530.50	62.18%
AB-Animal Boarding	2	£326.90	£203.60	£374.30	£530.50	41.73%
B-Breeding Dogs	2	£316.40	£203.60	£358.60	£520.00	45.01%
H-Hiring Horses	2	£348.00	£195.70	£405.80	£543.70	33.98%
B-Breeding Dogs	3	£358.70	£305.40	£452.70	£664.10	46.70%
E-Exhibiting Animals	3	£348.00	£238.80	£436.90	£586.80	34.30%
Operating a Zoo	4			£657.60	£1,039.00	58.00%

Renewal application.

Type of Licence	Period in Years	Part A	Part B	Current Cost	Revised Cost	% increase
A- Selling Animals	1	£196.90	£101.80	£193.70	£298.70	54.21%
HB-Home Boarding	1	£175.80	£101.80	£193.70	£277.60	43.31%
DD-Dog Daycare	1	£175.80	£101.80	£193.70	£277.60	43.31%
AB-Animal Boarding	1	£196.90	£101.80	£209.40	£298.70	42.65%
B-Breeding Dogs	1	£196.90	£101.80	£209.40	£298.70	42.65%
H-Hiring Horses	1	£218.00	£101.80	£225.20	£319.80	42.01%
D-Dangerous Wild Animals	1	£239.10	£67.90	£254.40	£306.90	20.64%
A- Selling Animals	2	£239.00	£203.50	£289.60	£442.60	52.83%
HB-Home Boarding	2	£217.90	£203.60	£289.60	£421.50	45.55%
DD-Dog Daycare	2	£217.90	£203.60	£289.60	£421.50	45.55%
AB-Animal Boarding	2	£260.10	£203.60	£321.10	£463.70	44.41%
B-Breeding Dogs	2	£239.10	£203.60	£305.40	£442.60	44.92%
H-Hiring Horses	2	£302.40	£203.60	£375.40	£505.90	34.76%
A- Selling Animals	3	£281.30	£292.80	£376.00	£574.10	52.69%
HB-Home Boarding	3	£260.20	£305.40	£385.60	£565.50	46.65%
DD-Dog Daycare	3	£260.20	£305.40	£385.60	£565.50	46.65%
AB-Animal Boarding	3	£323.50	£305.40	£432.80	£628.80	45.29%
B-Breeding Dogs	3	£281.20	£305.40	£391.70	£586.60	49.76%
E-Exhibiting Animals	3	£260.20	£305.40	£376.00	£565.50	50.40%
H-Hiring Horses	3	£386.80	£305.40	£493.20	£693.20	40.33%

Operating a Zoo	6			£802.00	£1,191.00	48.50%
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Miscellaneous Fees:

Request	Current Cost	Revised Cost	% increase
Pre-inspection visit (on request)	N/A	£150.00	
Appeal against a rating	£117.20	£150.00	28.00%
Re-inspection	£62.90	£90.00	43.10%
Variation of a Licence	£31.50	£40.00	26.98%

5.0 Options Analysis (including risk assessment)

The options are:-

Option 1 Fully recover all costs by charging the fees set out in Appendix 1.

Option 2 Propose an alternative fee structure.

	Option 1: Fully recover all costs	Option 2: Propose an alternative fee structure
Advantages	Results in increased income, so no subsidising of the service by the council is required.	Members may wish to increase fees by more than inflation but below full cost recovery level, which would be more affordable for the operators.
Disadvantages	Price increase for all operators, many of whom are small businesses.	Reduced fees would not recover the cost of providing the service, leading to the council subsidising the cost of the statutory animal licensing function. Alternative options would need to be further appraised to determine full budgetary impact.
Risks	Price increase may encourage unlicensed activity, hence risk to animal welfare and additional reactive investigation Price increase may be seen alongside a decrease in non-statutory preventative and educational work as the team has lost a member of staff.	As Option 1 but to a lesser degree.

Option 1 is the Officer Preferred Option.

6.0 Conclusion

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 have increased the complexity and volume of work for the DW/ALO's. This has meant that as well as implementing the Licensing scheme, officers are having to managing public expectations around more "traditional" Dog Warden duties as work around prevention, surveillance and education has had to be reduced.

Increasing the fees is necessary to cover the cost of maintaining a minimum statutory service but there are risks as outlined above.

CONCLUSION OF IMPACT ASSESSMENT

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

None applicable to this report.

LEGAL IMPLICATIONS

The legal basis for the setting of fees is contained within the report.

FINANCIAL IMPLICATIONS

Members are reminded that animal licensing is a statutory function legislated by the relevant Acts listed within the report, although it is for the Local Authority to determine the appropriate charge.

With regard to either option for the future years budget will require updating and this will be done as part of the forthcoming budget process

Should members opt for a different fee structure/percentage then this would need to be calculated accordingly and reported back at a later date.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments to add.

BACKGROUND PAPERS

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 – Procedural guidance notes for local authorities – October 2018 - DEFRA

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