

LICENSING COMMITTEE

Review of Licensing Fees for Animal-related Licensing 14 March 2024.

Report of Chief Officer for Housing and Property

PURPOSE OF REPORT

To review the costs and licensing fees for animal-related licensing to enable Members to approve the level of fee for 2024/25.

This report is public.

RECOMMENDATIONS

- (1) **That the licensing fees for animal-related licences be determined for 2024/25 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 2024/25 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 2024/25, 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 Welfare Inspectors (formerly known as Dog Wardens). They were required to increase their duties and become qualified Animal Licensing Inspectors.

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 continues to increase.

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 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.

On 28th February 2024 Council approved the fees and charges policy and proposed inflationary uplift which has formed the basis of the 2024/25 draft revenue budget. Where appropriate, the inflationary uplift increase to consider is 10%, after consultation with the Principal Accountant an agreed amount of 10% on each fee is proposed.

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 the 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**.

3.5 During 2024/25 a full review will be done on the process of each individual licence (as described in 3.4), from the initial application to the issuing of the licence. It is hoped most of the initial application process will be transferred to online, therefore reducing the Officer time needed to process them. This may result in the reduction of fees, however the time spent by Officers investigating breaches of Licences has significantly increased, so this will also have to be considered in the review.

Proposal

4.1 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.

Miscellaneous Fees:

Request	24/25 Cost	23/24 Cost	Increase (%)
Pre-inspection visit (on request)	£165.00	£150	10
Appeal against a rating	£165.00	£150	10
Re-inspection	£99.00	£90	10
Variation of a Licence	£44.00	£40	10

New Licence application.

Type of Licence	Period in Years	24/25 Part A	24/25 Part B	24/25 Cost	23/24 Cost	Increase (%)
A- Selling Animals	1	£290	£112	£402	£365.50	10
HB-Home Boarding	1	£290	£112	£402	£365.50	10
DD-Dog Daycare	1	£290	£112	£402	£365.50	10
AB-Animal Boarding	1	£290	£112	£402	£365.50	10
B-Breeding Dogs	1	£302	£112	£412	£376.00	10
D-Dangerous Wild Animals	1	£313	£51	£364	£331.50	10
H-Hiring Horses	1	£290	£112	£402	£365.50	10
A- Selling Animals	2	£290	£293	£583	£530.50	10
HB-Home Boarding	2	£290	£293	£583	£530.50	10
DD-Dog Daycare	2	£290	£293	£583	£530.50	10
AB-Animal Boarding	2	£290	£293	£583	£530.50	10
B-Breeding Dogs	2	£302	£270	£572	£520.00	10
H-Hiring Horses	2	£290	£308	£598	£543.70	10
B-Breeding Dogs	3	£302	£440	£742	£674.80	10
E-Exhibiting Animals	3	£383	£262	£645	£586.80	10
Operating a Zoo	4			£1,143	£1,039.00	10

Renewal application.

Type of Licence	Period in Years	24/25 Part A	25/25 Part B	24/25 Cost	23/24 Cost	Increase (%)
A- Selling Animals	1	£216	£112	£328	£298.70	10
HB-Home Boarding	1	£193	£112	£305	£277.60	10
DD-Dog Daycare	1	£193	£112	£305	£277.60	10
AB-Animal Boarding	1	£216	£112	£328	£298.70	10
B-Breeding Dogs	1	£193	£112	£305	£298.70	10
H-Hiring Horses	1	£240	£112	£352	£319.80	10
D-Dangerous Wild Animals	1	£263	£74	£337	£306.90	10
A- Selling Animals	2	£216	£270	£482	£442.60	10
HB-Home Boarding	2	£193	£270	£463	£421.50	10
DD-Dog Daycare	2	£193	£270	£463	£421.50	10
AB-Animal Boarding	2	£216	£293	£509	£463.70	10
B-Breeding Dogs	2	£193	£290	£486	£442.60	10
H-Hiring Horses	2	£240	£327	£567	£505.90	10
A- Selling Animals	3	£216	£414	£630	£574.10	10
HB-Home Boarding	3	£193	£428	£621	£565.50	10
DD-Dog Daycare	3	£193	£428	£621	£565.50	10
AB-Animal Boarding	3	£216	£475	£691	£628.80	10
B-Breeding Dogs	3	£193	£451	£644	£586.60	10
E-Exhibiting Animals	3	£286	£336	£622	£565.50	10
H-Hiring Horses	3	£240	£412	£652	£593.20	10

Operating a Zoo	6		£1,310	£1,191.00	10
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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 inflationary uplift, 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 work.	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 Animal Welfare Inspectors

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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