

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 9 February 2006
AUTHOR: Housing and Environmental Services Director

STAFFING OF LICENSING FUNCTION

Purpose

1. To Inform Cabinet of the staffing requirements for Licensing and recommending the current levels are maintained.

Effect on Corporate Objectives

2. Quality, Accessible Services	The main objectives of the Licensing Act and other relevant legislation have the objective of sustainability at their heart, see comments on village life and quality, accessible services
Village Life	Unless resources are agreed the Council will be at risk of not meeting this and the partnership objectives.
Sustainability	The objectives of the Act are all aimed at the promotion of Village life i.e. prevention of crime and disorder, public safety, prevention of public nuisance and protection of children from harm.
Partnership	Licensing Policy promotes the closer working in partnership with organisations including Police and Fire Authorities.

Background

3. A major review of the licensing function was undertaken following the resignation of the Principal EHO (East) in 2002. The service had traditionally been a low-key service with a minimal level of staffing resources to match. The robustness of this was challenged at that time. This resulted in the employment of a Licensing Officer in June 2003, to not only help prepare for the Licensing Act 2003 but also to lead on the improvements required to ensure that the Council met its statutory licensing obligations.
4. Planning for the new Licensing Act 2003 requirements led to the employment in the spring of this year of 1.5 FTE's on a fixed term basis. Their contracts are due to expire on the 24th April 2006 and 29th February 2007. It was felt at the time best to employ on this basis so that the workload after the initial implementation of the licensing Act 2003 could be gauged and appropriate staffing resources employed.
5. The Environmental Health Portfolio Holder and Chief Environmental Health Officer did not offer these fixed term posts as part of the capping savings as it was felt at that time that it was likely that these post would have to be made permanent to deal with the increased workload experienced since 2002/03. This report provides the details as to why we have come to this conclusion and presents the case for their retention.

Considerations

6. The Licensing section has in recent years seen an unprecedented change in both the workload and the way in which the delivery of the service has been improved. This

has been most visible through the implementation of the Licensing Act 2003, but this has in itself hid other large changes in workload involved in the other traditional licensing activities undertaken by the Council.

Workloads

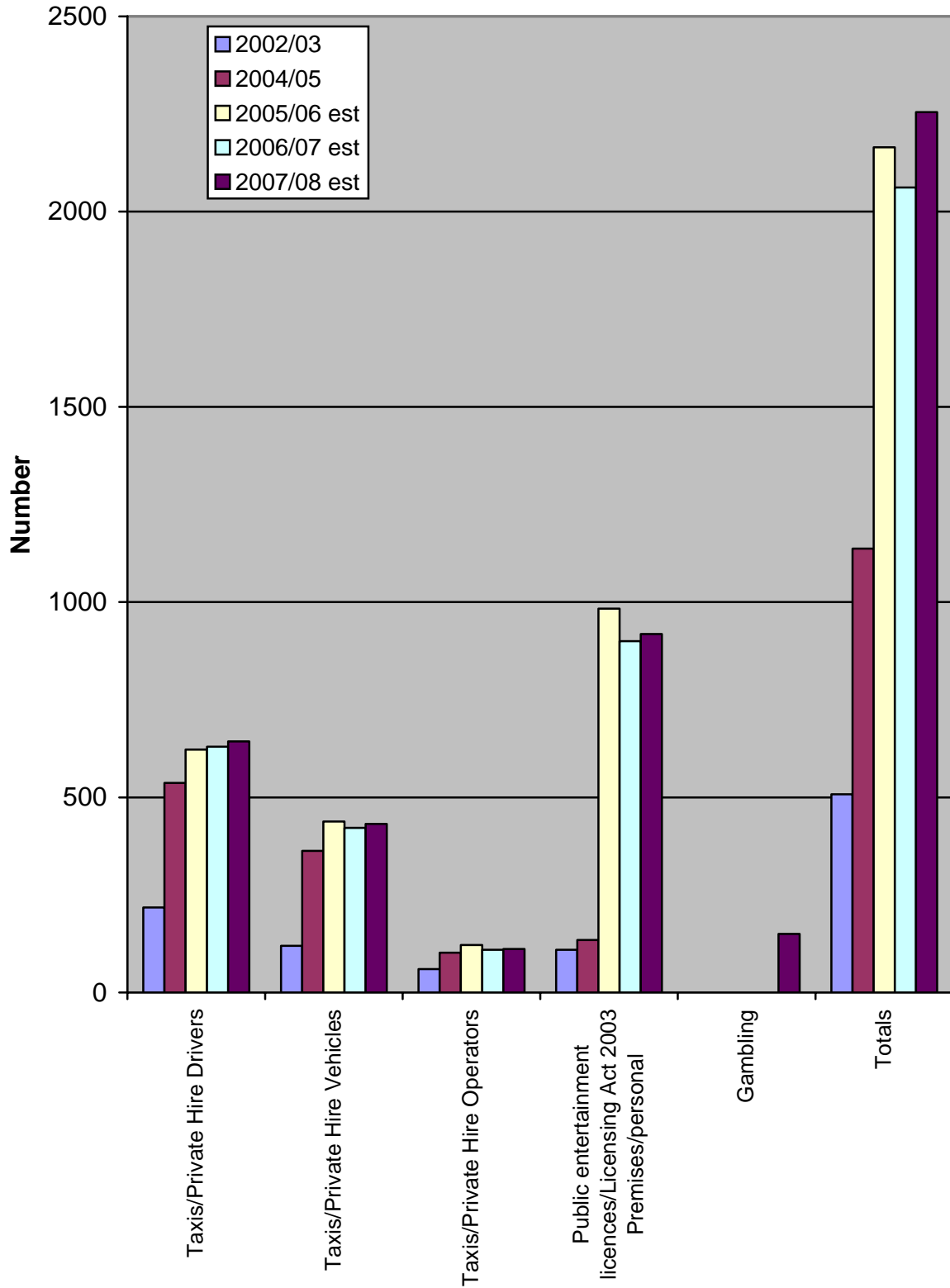
7. Experience since February 2005 has been that the increased workload has exceeded and is continuing to exceed any previous expectations referred to in the previous reports planning for the Licensing Act 2003 (as demonstrated in Graph 1 attached). Whilst the initial period for dealing with applications under the Licensing Act 2003 has now passed, the workload for officers remains very high. Even with the employment of the new staff the section has barely coped with the increase in workload and at times other staff resources within the Department have had to have been diverted from others duties to assist. The up side of this has been that income has correspondingly increased.
8. An examination of the workload post 24th November 2005 (the second appointed day) has not produced the substantial downturn expected. There appears to be a continuous requirement to process supervisor name changes, temporary event notices, change of name of premises holders etc. In the first two weeks alone 52 temporary event licences had been processed and 23 requests for change of supervisors had been received. In 2005 850 reminder letters were sent out which is expected to increase in 2006/07 to in excess of 1800.
9. In addition we have had ongoing applications for variations to premises licences, new licences (both personal and premises) along with the new responsibility of ensuring compliance of fruit machines on licensed premises, commonly known as AWP's (amusement with prizes). Records show that there are in excess of 133 premises will require additional licences for these.
10. The last two years has seen a substantial increase in the other licensing activities, which alone would have necessitated an increase in staffing resources over and above that following the introduction of the Licensing Act 2003. This is detailed in graph 1 attached.
11. Since 2002/03 there has been a 400% increase in the main licensing activities alone (500 licences issued in 2002/03 increasing to 1989 in 2005/06) whilst staffing levels have not increased at the same rate rising from 2 FTE's to 3.5 FTE's.
12. It is estimated that there will be similar number of applications to process during 2006/07 as in 2005/06, although the type of applications will change from mainly premises and personal applications to licence variations, changes of personnel, amusements with prizes and temporary events as referred to in paragraphs 8 and 9. However the involvement from an administration point of view will be very similar.
13. Currently the resources able to be put into enforcement of any of the licensing functions (i.e. taxis, premises and personal licences etc) are extremely low. This is not likely to be sustainable given the Council's new responsibilities for liquor licensing and the Council will be expected to be more proactive in this regard than it has been in the past. The Licensing Policy states that: - "Once licensed, premises must be maintained and operated so as to ensure the continued promotion of the Licensing objectives and compliance with specific requirements of the Act. The Council will establish and maintain enforcement protocols with the Police and other enforcement agencies to ensure that the most effective use is made of enforcement resources."

14. The Council has already been requested and has taken part in a joint operation with the Police and Trading Standards resulting in the uncovering of 5 offences under the licensing Act that may be subject of possible prosecution proceedings, further operations are planned for 2006.
15. Failure to enforce could be counter productive as it may lead to more requests for licence reviews which in turn is a direct cost to the Council by way of advertising the request along with staff and member time to determine any hearing and any possible appeal to Magistrates.

Gambling Act 2005

16. From 2006 onwards the Council will have to resource the implementation of the Gambling Act 2005, which received Royal Assent on the 7th April 2005. This was reported to the Environmental Health Portfolio Holder on the 22nd October 2005 and for completeness a copy of that report is attached at Appendix 1.
17. The target for full implementation of this Act is 1st September 2007 and, although not on the scale of the Licensing Act 2003, will require a similar process to be followed i.e. development and adoption of policy, applications, hearings etc. for premises and individuals. This will cover premises such as book makers, casinos, horse & dog racing circuits, internet gambling (if the base is in the area), bingo clubs, family entertainment centres and adult gaming centres. The Council will also be expected to issue permits for: Gaming machines in Member's clubs and licensed premises, gaming in Member's clubs, prize gaming and unlicensed family entertainment centres.
18. The number of premises and individual licences estimated to require licensing is in the region of 75 to 100 plus an estimated 133 premises that are known to have gaming machines plus an estimated 50 members clubs that are thought to have gaming machines.

Graph 1: Increases in workload for selected licensing functions



Comparisons with neighbouring Authorities 1st December 2005

19. Comparisons of the level of staffing resources against the workload with neighbouring authorities licensing sections as in table 1 below, demonstrate that South Cambridgeshire is already very lean and efficient in staffing resource terms without proposing to reduce resources still further. In addition the licensing functions carried out by the section are wider than those of neighbouring authorities. Productivity levels are currently at the upper end of what is achievable without undue loss of quality.

Authority	Responsibilities	Comparative of total number of Licences issued		Staffing Levels	Productivity
South Cambridgeshire District Council	Taxis/Private Hire	Drivers	622	3.5 FTE	693 per FTE
		Vehicles	438		
		Operators	122		
	Licensing Act 2003	Premises	472		
		Personal	511		
	Street Collections	20			
	Street Traders	26			
	House to House Collections	10			
	Small Lotteries	120			
	Carol Singing	6			
	Licences	15			
	Pet Shops				
	Dangerous Wild Animals	1			
	Animal Boarding	14			
Animal Breeding	22				
Riding Establishments	8				
Motor Salvage Operators	20				
Huntingdon District Council	Taxis/Private Hire	Drivers	394	4.5 FTE (Consideration being given for an additional 1.0 FTE due to implementation of Gambling Act.	466 per FTE
		Vehicles	332		
		Operators	62		
	Licensing Act 2003	Premises	486		
		Personal	643		
	Street Trading	say			
Street Collections	180				
Small Lotteries					
House to House Collections					
Sex Establishments					

Cambridge City	Taxis/Private Hire Licensing Act 2003	Drivers Vehicles Operators Premises Personal	795 448 37 535 404	7FTE (Consideration being given for an additional 1.0 FTE due to implementation of Gambling Act.	317 per FTE
Uttlesford District Council	Taxis/Private Hire Licensing Act 2003 House to House Collections	Drivers Vehicles Operators Premises Personal	580 370 72 315 352 say 10	2.5 FTE	680 per FTE
East Cambs	Taxis/Private Hire Licensing Act 2003	Drivers Vehicles Operators Premises Personal	155 128 25 240 400	1.65 FTE plus access to 4 FTE administrators. (say 0.35 FTE)	474 per FTE
St Edmundsbury B C	Taxis/Private Hire Licensing Act 2003	Drivers Vehicles Operators Premises Personal	241 313 30 537 400	3 FTE 4 FTEs Total staffing 7 FTE's	217 per FTE

Financial Implications

20. Members should be made aware that the deletion of the fixed term contracts of these two posts were not proposed as a saving within the recent cost cutting exercise following the Governments decision on capping. As such, no the updated financial strategy statement (option 3) already accounts for the proposed staffing presented.
21. The Appendix 2 demonstrates the net costs to the Authority of retaining staffing at existing levels as opposed to reducing to 2 FTE's. The net increase in revenue resources required to implement the proposed establishment changes is estimated at circa £4,000 in 2006/07 and £12,000 in 2007/08.
22. Over the 4-year period between 2003/03 and 2005/06, it is predicted that the total income generated through the combined licence fees for taxis and entertainment/liquor has increased exponentially by approximately £132,000 (from £49,920 to £181,650) or over 260%. By recommending the proposed changes to the establishment, it is envisaged that this level of income can be maintained.
23. The licence fee, set by Government, for the new Gambling Act are not currently known and will not come into force until the earliest of 31st January 2007. As such, no

provision has been made in the 2006/07 estimates for income that will accrue from administering the Act.

24. What is known is that the fee will be based on the property's rateable value in a similar way to the premises licence within the current Licensing Act 2003. At this early stage in the process and in recognition of the fact that income will be generated in 2007/08 a figure of £12,000 has been included in the table for income associated with the Gambling Act. This figure is based on an estimated 150 licenses at similar costs to the minimum fees permitted under the Licensing Act 2003 for premises and personal licence holders.

Legal Implications

25. Any decision by this Authority in respect of a licensing decision is subject to appeal via a Magistrates Court. Failure of the Authority to fulfil its statutory duty under Licensing legislation may also result in the Authority being subject to Judicial Review.

Staffing Implications

26. As detailed in the main body. If the staffing levels are reduced this will lead to severe difficulties in retaining the remaining two highly experienced and qualified staff.

Risk Management Implications

27. The consequences of failing to fully implement the new licensing regime and maintain a minimum service to other areas of licensing could be extensive and could result in legal action including litigation and claims for damages, Order of Mandamus to enforce and/or comply with duties, adverse publicity, loss of reputation, and Ombudsman findings against the Council.

Conclusion

28. The Council currently provides a very efficient and lean licensing service when compared to neighbouring authorities. The anticipated workload is expected to be maintained at current levels and does not warrant a reduction in the level of staff resources currently engaged on licensing activities. Indeed if Members choose to do so the Chief Environmental Health Officer is of the firm opinion that failures in the service would soon result and the Council would not be able to satisfy its statutory obligations. The case for maintaining the current level of staffing in the unit is in his view compelling.

Recommendations

29. It is therefore recommended that:
 - (a) Post numbers G3.2.9 and G3.2.10 are made permanent positions, and
 - (b) That the cost of so doing in 2006/07 of £3,850 is found by appropriate virement within the Environmental Health Portfolio, if this is unable to be achieved then the budget be amended accordingly at the revised stage.

Background Papers: the following background papers were used in the preparation of this report: None.

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