

Regulatory Committee report



3 November 2021

REVIEW OF LOCALLY SET FEES FOR VARIOUS REGULATORY REGIMES

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1. Purpose

- 1.1 This report applies to the discretionary fee setting ability of Milton Keynes Council for the granting of animal licences under The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 (AW Regulations).
- 1.2 The AW Regulations introduced an updated licensing system for five activities involving animals:
 - (a) selling animals as pets;
 - (b) providing for or arranging for the provision of boarding for cats or dogs;
 - (c) hiring out horses;
 - (d) dog breeding; and
 - (d) keeping or training animals for exhibition.
- 1.3 The AW Regulations is in place to ensure minimum animal welfare standards are met. In Milton Keynes, the AW Regulations are administered and enforced by the Trading Standards team of the Council.
- 1.4 The report also reviews the 'Dangerous Wild Animals Licence' fee, for which the Council has discretionary fee setting ability under the Dangerous Wild Animals Act 1976.

1.5 The report sets out the proposed level of these fees with effect from April 2022.

2. Recommendations

2.1 That the proposed fees be endorsed and recommended they be adopted by due process for implementation in the next financial year.

2.2 That a review of the fees be taken in September 2023.

3. Actions and Options

3.1 The options are:

(a) to endorse the proposed fees and recommend that they are adopted by due process (**recommended**); or

(b) not endorse the proposed fees and charges and instruct officers to carry out such work on revisions as may be considered necessary.

3.2 The fees concerned are outlined in the **Annex** attached to the report.

4. Issues and Choices

4.1 The Council administers several regulatory regimes for which there are no fees set by Parliament, but which fees can be charged.

4.2 There is a need to periodically review whether the fees we are charging are still correct based on the work concerned and for them to either be reduced or increased where necessary. Such a review also enables us to work towards our service objective of cost neutrality and apportion costs correctly, such that local taxpayers do not subsidise the licensing scheme.

4.3 The Council is not permitted to generate profit from licence fees but can charge such fees as reasonable to cover the work undertaken in overseeing the regime concerned.

4.4 The current animal licence fees are based on a 'best estimate' set back in 2018. This was at a time when Trading Standards were just starting to enforce the new AW Regulations and when it was difficult to foresee the true cost of administering the licensing regime.

4.5 A detailed review, based on three years' worth of data, has now been completed, enabling accurate figures to be established regarding the time taken to administer each of the different licences. The availability of accurate data has also facilitated the calculation of separate fees for new applications and renewal applications. This was previously not possible, and the new/renewal fee were charged at the same rate.

- 4.6 The review has established that the majority of fees had been previously set too low.
- 4.7 Under the AW Regulations, if a business is able to meet the higher welfare standards, they are issued a two or three year licence (depending on circumstances) rather than previously, a standard one year licence.
- 4.8 There are currently 45 'animal activity licences' in Milton Keynes. Only five of the businesses have been issued a 1 year licence. Therefore, whilst the fees have largely increased, the majority of businesses will now benefit from a two or three year licence for the charges listed in the attached **Annex**.

How Fees Are Calculated

- 4.9 For each type of application the time spent on processing applications received in 2019, 2020 and 2021 has been recorded. The amount of time spent by administrative staff, officers, senior officers and management have been totalled and averaged out.
- 4.10 The revised fees and charges include on costs for staff. They also include training costs for Animal Licensing Officers and the cost of this review project.
- 4.11 Guidance on fee setting has been taken into account.

5. Implications

5.1 Policy

No change required. Existing policies recognises fee setting ability.

5.2 Resources and Risk

Any change in charges is open to challenge and needs to be seen to be reasonable and attributable to the associated costs. If charges are not found to be justifiable then the result can be that charges paid to the Council are returned to those who have paid for the licences.

5.3 Legal

The implications of not adopting the fees as proposed would make the fees charged at the present time more open to challenge.

List of Annexes

Annex Spreadsheet of Proposed Fees for Financial Year 2022/2023

List of Background Papers

Open for Business LGA Guidance on locally set licence fees - Local Government Association (June 2017) (<https://local.gov.uk/publications/open-business-lga-guidance-locally-set-licence-fees>)

Animal Welfare Licence Fees - A Practical Guide to Fee Setting (Non Statutory Guidance) - National Companion Animals focus Group (on behalf of DEFRA) (<https://www.local.gov.uk/animal-welfare-licence-fees-practical-guide-fee-setting-non-statutory-guidance>)

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 (<https://www.legislation.gov.uk/ukdsi/2018/9780111165485>)

Dangerous Wild Animals Act 1976

(<https://www.legislation.gov.uk/ukpga/1976/38#:~:text=1976%20CHAPTER%2038%201%20Licences%20E%2BW%2BS.%20%281%29%20Subject,Penalties.%20...%207%20Interpretation.%20...%20More%20items...%20>)