



Licensing Committee Report

Date	6 th September 2019
Classification	For general release
Title or report	Licensing Service Fee Review (excluding Street Trading regimes) August 2019 - July 2020.
Report of	Director of Public Protection and Licensing
Decision maker	Licensing Committee
Wards involved	All
Financial summary	This report sets out the fee strategy for the licensing regimes where the authority can set a fee to attempt to recover its own costs. The proposed fees will enable the authority to recover its own costs in administering and ensuring compliance within those licensing regimes.
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1. Executive Summary

- 1.1 This report sets out the fee review that has been undertaken by the Licensing Service for all licensing regimes where the council can set a fee. However, street trading fees have been excluded from this report as they have been previously agreed by the Committee. It is proposed that the amended fees set out with Appendix one of this report will take effect from the 1st October 2019.
- 1.2 In April 2019 the annual inflation rate in the United Kingdom increased to 2.1 percent. This was the rate of Consumer Price Inflation (CPI) as of December 2018 and since CPI relates to consumer goods it is the most appropriate measure of inflation to apply in this circumstance.
- 1.3 This report is written in line with the corporate timeframe for setting the council's fees and charges, which is carried out in July each year. By aligning the fee review with the corporate approach to setting fees and charges it enables a standardised approach across the council.

2 Recommendations

- 2.1 The Committee is requested to:
- 2.2 Approve the proposed fees attached to this report as Appendix one so that they commence on the 1st October 2019.

3 Reasons for Decision

- 3.1 The proposed fees, as attached at Appendix one, will enable the Council to recover its reasonable costs for administering and enforcing the council's licensing regimes.

4 Background

- 4.1 Fees set by the Licensing Service were last approved in July 2018 and came into effect from the 1st August 2018.
- 4.2 The Licensing Service undertakes a review annually on the fees which it has the power to set.
- 4.3 The fees for processing the application are estimated by assessing the time it takes for each step in the process from receipt of application to determination. This includes the time taken by internal consultees, such as the Environmental Health Consultation Team and Registrars.
- 4.4 In the last annual fee review the Licensing Service estimated the cost for the compliance and enforcement function carried out by the council's City Inspectors. The time was assigned to different roles and the costs based on hourly rates. There was also a proportion attributed to these fees for management time, which included the costs associated with running the department and services involved with delivering a function associated with one or more licensing regimes. The fees were then established by calculating the cost associated with each of the licensing functions.
- 4.5 Although the Council does not receive any applications or issue any licences for some regimes it still must set a fee to recover the costs of carrying out that function. In this instance the costs are estimated based on similar types of application process and licences.
- 4.6 In April 2019 the annual inflation rate in the United Kingdom increased to 2.1 percent.

5 Fee review and financial implications

- 5.1 The proposed fees have been calculated on a full cost basis which considers both the direct and indirect costs associated with processing, monitoring and enforcing the licences plus a 2% inflation increase.

- 5.2 When setting fees there is a statutory requirement to consider the income received for a licensing scheme compared to the overall cost of delivering the scheme. The fee level must be set to recover the actual costs incurred by the Council in running the regime but not to make a profit.
- 5.3 The table setting out the current fee and proposed fee are shown within Appendix one to this report.
- 5.4 Licensing fees are set in two parts. Part A is payable with the application and is a non-refundable administration fee for processing the application and carrying out any consultation and determining whether the licence should or should not be granted. If the application is successful, a second fee is payable (called a Part B fee) which covers the costs of monitoring and enforcing the licensing regime.
- 5.5 The fee for Part B covers 12 months of enforcement cost and would be refunded on a monthly pro rata basis if the licence is surrendered.
- 5.6 The splitting of the fees into two parts has been established following the ruling by the Supreme Court for the Hemming case. This approach is in compliance with the Provisions of Services Regulations 2009.
- 5.7 The 2% inflation increase has been added to Part A of the Licensing fees only. Part B (relating to enforcement costs) remains the same.

6 Legal implications

- 6.1 The Council can set its own fees for the regimes listed in Appendix one of this report.
- 6.2 All of the regimes (excluding Gambling) are covered by the European Union Services Directive. Regulation 18 of the Provision of Services Regulations 2009 which implements the EU Services Directive into UK law requires that any licensing fees charged in relation to “authorisations” must be reasonable and proportionate to the costs of processing applications. As stated above, the Hemmings case confirmed that when setting licence fees, authorities can recover the costs of processing the application and where applications are successful, the costs of monitoring and enforcing the licensing regime as a whole, provided such costs are charged in two parts (part A and part B). The proposed fees must not be used to make a profit.
- 6.3 If the proposed fee structure results in a surplus or loss for the financial year there will be an appropriate reduction or increase in fees as the case may be for the following financial year.

Appendices

Appendix one – Proposed Fees August 2019 – July 2020

If you have any queries about this report or wish to inspect any of the background papers, please contact:

Mr Steve Rowe, Licensing Manager Team 1

Background Papers

Licensing Fee Review Excel Spreadsheet