



Committee Report 2020

Date:	23 rd September 2020
Classification:	<i>For general release</i>
Title or report:	Licensing Service Fee Review (<i>excluding Street Trading regimes</i>) November 2020 – October 2021.
From:	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 Council 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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1.0 Executive Summary

- 1.1 Each year the Council undertakes an annual review of licence fees. This report sets out:
- the review that has been undertaken by the Licensing Service for all licensing regimes where the council can set a fee¹
 - the proposed fees to take effect from 1st November 2020 (Appendix 1)
- 1.2 This report is written in line with the corporate guidelines for setting the Council's fees and charges. This is typically carried out in July each year, however this has been postponed to September due to the Council's priority to provide a community response to the Covid-19 pandemic since March 2020.

2.0 Recommendations

- (i) That the Committee approves the Fees (Appendix 1)
- (ii) That the Fees, if approved, will be implemented from **1st November 2020**

¹ market fees have been excluded as they have been agreed by Committee on (28th November 2018)

3.0 Reasons for Decision

- 3.1 The proposed fees, attached at Appendix 1, enable the Council to recover its reasonable costs for administering and enforcing the Council's licensing regimes.

4.0 How Licence Fees are calculated

- 4.1 The Licensing Service undertakes an annual review on the fees charged for licences which it has the power to set.
- 4.2 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.
- 4.3 In compliance with the Supreme Court ruling for the Hemming case², Licensing fees are set in two parts
- Part A: This fee 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.
 - Part B: If the application is successful, a second fee is payable which covers the costs of monitoring and enforcing the licensing regime, over the duration of the licence and would be refunded on a monthly pro rata basis if the licence is surrendered.
- 4.4 The fees for processing the application are estimated by assessing the proportion of Full Time Equivalent (FTE) resources used to assess each licence type in a financial year and then apportioned across the licences. This includes the time taken by internal consultees, such as the Environmental Health Consultation Team and Registrars.
- 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. Where no licences are issued, the Council are unable to review the time spent on the licence in line with current practices. In this case, the licence fee is increased by 2% to account for inflation and increased cost of officer time.
- 4.6 A proportionate cost is also attributed to these fees for management time, which includes the costs associated with running the department and services involved with delivering a function associated with one or more licensing regimes.

5.0 Fee Review & Financial Implications

- 5.1 Fees set by the Licensing Service were last approved in July 2019, and came into effect from the 1st August 2019.
- 5.2 The proposed fees for 2020 have been calculated on a full cost basis considering both direct and indirect costs associated with processing, monitoring and enforcing the licences. It is proposed that the amended fees set out in Appendix 1 of this report will take effect from the 1st November 2020.

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 not generate income in excess of the cost associated with delivery

² Provisions of Services Regulations 2009

- 5.3 For riding establishments, it is proposed that re-charges for veterinary inspections by the City of London (after the initial inspection included in Part A of the fee) will be charged directly to the applicant, and are not included in the fee calculation for Part B. This is due to the fact that the rate of inspection varies between premises, and also mirrors the fee structure of other local authorities.
- 5.4 The current fees charged, and proposed fees for 2020, are attached as Appendix 1 to this report.

6.0 Legal implications

- 6.1 The Council can set its own fees for the regimes listed in Appendix 1 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 for the following financial year.

Appendices

Appendix 1 – Proposed Fees November 2020 – September 2021

An EIA has been completed and is available on request.

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

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