



City of Westminster

# Licensing Committee Report

<b>Date:</b>	Wednesday 29 <sup>th</sup> November 2017
<b>Classification:</b>	For General Release
<b>Title:</b>	Licensing Service Fee Review (excluding Street Trading regimes) January – July 2018
<b>Report of:</b>	Director of Public Protection and Licensing
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	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 the majority of its costs in administering and ensuring compliance within those licensing regimes.
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## 1. Executive Summary

- 1.1 The report sets out the proposed fees for those licensing regimes where the Council has the power to set its own fees. The proposed fees will enable the Council to recover its costs in managing and administering these licensing regimes for the remainder of this financial year to the next fee review which is planned to be considered in July 2018.

## 2. Recommendation

- 2.1 That the proposed fees attached to this report as Appendix 1 be approved commencing 1<sup>st</sup> January 2018.

## 3. Reasons for Decision

- 3.1 The proposed fees, attached to this report as Appendix 1 will enable to the Council to recover its reasonable costs in processing and determining applications and ensuring compliance with the appropriate legislation and the conditions of the licence.

## **4. Background**

- 4.1 The current licence fees were agreed by the Committee on the 30<sup>th</sup> November 2016. Those fees came into effect on the 1st January 2017.
- 4.2 The Council has undertaken a review of the current fees and charges to which the Council, as Licensing Authority has the power to set.
- 4.3 The fees are estimated by assessing the time it takes for each step in the process from receipt of application to determination. This will include the time taken by internal consultees, such as the Environmental Health Consultation Team and Registrars.
- 4.4 The Council has also identified the estimated cost for the compliance and enforcement function carried out by the City Inspectors. The time has been assigned to different roles and the costs based on hourly rates. There is also a proportion attributed to these fees for management time which will include the costs associated with running the department and services involved with delivering a function associated with one or more licensing regimes. The fees have then been established by calculating the cost associated with each of the licensing functions.
- 4.5 Although the Council has not received any applications or issued any licences for some regimes it still must set a fee to recover the costs of carrying out that function. In the cases where the Council has not processed any applications or issued licences the costs have been estimated based on similar types of application process and licences.

## **5. Fee review**

- 5.1 The fee has been established by calculating the time and the cost for undertaking that specific function. The model takes into account specific internal recharges and the costs associated with contract arrangements.
- 5.2 The fee review has concentrated on licensing regimes that the Council has the power to amend and set. However, the review has not considered any fees and charges associated with any Street Trading regime licensable under the City of Westminster Act 1999. A separate fee review is planned in the future relating to that specific regime and the fees and charges associated with those permissions.

## **6. Alignment to corporate approach to fee setting**

- 6.1 Discussions have taken place between the Licensing Service and Finance about the future approach to carrying out fee reviews. The corporate approach to assessing and amending fees and charges requires all departments to review those charges following the end of the financial year. Any changes to fees and charges are then agreed via the appropriate decision maker in June and July each year.

- 6.2 The licensing fee review has been referred to the Licensing Committee in November of each year since 2014 with the fees coming into effect on the 1<sup>st</sup> January. This approach was adopted following the Hemming case to ratify a process of regular review and also to ensure sufficient time for the review of the services licensing fees.
- 6.3 It has been agreed that all future fee reviews will be aligned to the corporate approach and therefore the 2018/19 fees review will be brought before the Licensing Committee in July 2018 with a view to any changes in fees being implemented on the 1<sup>st</sup> August 2018.

## **7. Financial Implications**

- 7.1 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.
- 7.2 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 not generate income in excess of the cost associated with delivery.
- 7.3 The costs and charges for the Licensing Service have remained reasonably consistent from last year and as a result the majority of the proposed fee levels for this year are within 1% of current fees. The table setting out the current fee, modelled fee, variances and projected income are shown within Appendix 1 to this report.
- 7.4 The projected income level from January 1 2018 – July 31 2018 as a result of the proposed changes is £616,418. Annually this equates to £1,056,699, which is in line with the projected income for 2017/18 of £1,032,734.

## **8. Legal implications**

- 8.1 The Council can set its own fees for the regimes listed in Appendix 1 of this report. The fee must be reasonable and cover the Council's costs in the administration of those application types and further costs to ensure compliance.
- 8.2 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 fees charged in relating to authorisations must be proportionate to the effective cost of the process. The proposed fees must recover the council's costs in relation to the licensing process and cannot be used as an economic deterrent or to raise funds. The fees as proposed should enable to Council to recover its reasonable costs.

8.3 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 1 – Proposed Fees 2018

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

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Background Papers

Licensing Fee Review Excel Spreadsheet