

Southend-on-Sea Borough Council

Report of Director of Department for Place

to

The Licensing Committee

on

2nd April 2014

Report prepared by Adam Penn,
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Agenda
Item No.

Licensing Act 2003 – Home Office Consultation on Locally Set Fees

Economic and Environmental Scrutiny Committee –

Executive Councillor: Councillor Tony Cox

A Part I Public Agenda Item

1. Purpose of Report

- 1.1 To update Members on the latest Home Office proposal in respect to fee income.
- 1.2 To set out a proposed response on behalf of the Council in its role as The Licensing Authority.

2. Recommendation

- 2.1 **That Committee Members approve the proposed response and provide any comment for inclusion to the final response.**

3. Background

- 3.1 In 2005, upon implementation of the Licensing Act 2003, the Government prescribed statutory application fees by regulation.
- 3.2 These fees have remained unchanged since then.
- 3.3 In 2010 Southend was one of a group of local authorities asked by the Home Office to analyse their costs in relation to processing applications under the Act.
- 3.4 This exercise involved looking at costs for staff, equipment, central charges and hearings but not enforcement. At that time figures indicated the Council was making a loss on every application type.
- 3.5 On 13th February 2014 the Home Office published a consultation proposing to amend the regulations to allow local authorities to set their own fees on a cost recovery basis within capped limits. This consultation document and the proposed response (commencing on page 15), can be found at **Appendix 1**.
- 3.6 The consultation invites views on a number of specific aspects of the regulations that will introduce locally-set fees under the Licensing Act 2003. These are:

- The future of the current variable fee “bands” based on the national non-domestic rateable value of the premises.
- Whether the basis on which fees are determined should include new discretionary mechanisms to apply different fee amounts depending on whether or not premises are:
 - authorised to provide licensable activities until a late terminal hour and/or
 - used exclusively or primarily for the sale of alcohol for consumption on the premises.
- If licensing authorities are able to apply different fee amounts, whether they should have further discretion to exclude certain classes of premises from liability for the higher amount.
- The proposed cap levels that will apply to each fee category.
- What guidance will be needed on setting fees and on efficiency and the avoidance of “gold-plating”
- Whether there should be a single annual fee date.
- The transition process to locally set fees.

3.7 The fee caps proposed in the consultation are believed to be sufficiently high enough to allow the Council to recoup its costs.

3.8 The Consultation closes on 10th April 2014.

4. Other Options

4.1 The only other option is not to respond to the consultation.

5. Reason for Recommendation

5.1 To enable the Council to have a meaningful input in to consultation.

6. Corporate Implications

6.1 Contribution to Council’s Vision & Corporate Priorities

The Licensing of the sale and supply of alcohol is central to the Council's Critical Priority of creating a Safer and Prosperous Southend.

6.2 Financial Implications

The annual licence fees form part of the overall budget for the Council. While the Council cannot make a profit on fee, adoption of the Home Office proposals (if they implement them) will enable the setting of a fee that covers the cost of processing applications.

6.3 Legal Implications

There is no obligation to respond to the consultation and therefore there are no legal implications.

6.4 People Implications

No people implications

6.5 **Property Implications**

No property implications

6.6 **Consultation**

Not applicable

6.7 **Equalities and Diversity Implications**

None

6.8 **Risk Assessment**

The only risk identified is that without responding the Home Office will impose a fees regime without considering the views of the Council

6.9 **Value for Money**

The annual licence fees form part of the overall budget for the Council. While the Council cannot make a profit on fee, adoption of the Home Office proposals (if they implement them) will enable the setting of a fee that covers the cost of processing applications.

6.10 **Community Safety Implications**

The control of crime and disorder and the prevention of public nuisance are key elements in the effective administration of the legislation. The proposed new fees scheme will enable the Council to build in the cost of enforcement inspections where appropriate.

6.11 **Environmental Impact**

None

7. **Background Papers**

7.1 Licensing Act 2003

7.2 Licensing Act 2003 (Fees) Regulations 2005

7.3 Impact assessment produced by the Home Office to accompany the consultation.

8. **Appendices**

8.1 Appendix 1: Home Office Publication "A consultation on fees under the Licensing Act 2003" edited to include proposed response.