

Notice of Non-key Executive Decision

Subject Heading:	Special Treatment Licence Application Fees & Charges Review 2020/21: options appraisal for fees & charges following the requirement for these businesses to close due to Covid-19
Cabinet Member:	Cllr. Viddy Persaud Cabinet Member for Public Protection and Safety
SLT Lead:	Barry Francis Director of Neighbourhoods
Report Author and contact details:	Kasey Conway, Senior Public Protection Officer Kasey.conway@havering.gov.uk , 01708 432555 Louise Watkinson, Head of Public Protection Louise.watkinson@havering.gov.uk , 01708 432771
Policy context:	Special treatment licence fees are set locally under the London Local Authorities Act 1991.
Financial summary:	Under the 3 proposals put forward within this document, Option 1 has a 0 cost implication, both Options 2 and 3 risk a loss of income of estimated £0.030m and £0.035.
Relevant OSC:	Environment
Is this decision exempt from being called-in?	No

Non-key Executive Decision

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Following a review of the impact of The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020 on businesses that require a Special Treatment Licence it is recommended that there are no adjustments to the current fees and charges for 2020-2021.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3, Section 2.5 The following Functions may be delegated to individual Cabinet members by the Leader. (q) of the Council's Constitution: To agree minor matters and non-urgent and routine policy.

STATEMENT OF THE REASONS FOR THE DECISION

Special treatment licences are licences issued to traders who wish to offer certain treatments such as tattooing, piercing, manicure, pedicure, sunbeds and laser treatments.

Unlike fees under the Licensing Act and Gambling Act which are set by Central Government, our special treatment licence fees are set locally under the London Local Authorities Act 1991. This gives us more flexibility as to what we can do in relation to our licence holders during the current pandemic.

Regarding fees under the Licensing Act to date there has been no announcement from central government as to whether there will be any changes to these fees. Also Local Government Association (LGA) guidance suggests that government will not be directing councils to refund gambling licence fees.

Option 1 RECOMMENDED

No Action – Fees and Charges remain unchanged

Businesses were asked to close by Government on the 23rd March 2020 and were told that they could reopen on the 13th July 2020. This means that all beauty premises were closed for a total of 16 weeks. Havering could take the stance that no refunds will be applied, nor will the licences be extended to cover the loss of use of the licence.

This option may have an impact on Havering's reputation amongst our licence holders leading to a number of complaints. Some people may view this as us not trying to help and support businesses during this difficult time.

By adopting this scenario, it will minimise the loss of revenue to the service. So far, no Government announcement has been made relating to any proposed reduction to any centrally set fees, such as fees set under the Licensing Act 2003.

Non-key Executive Decision

Financial impact is zero, however there is a reputational risk regarding the perception that the council is not supporting local businesses.

Special Treatment Licence fees are set on a cost recovery basis and the considerations when determining fees include the time that is spent on the administration of these licences, for example, the time spent on sending out invoices, assessing and processing renewal applications, issuing of licences, conducting inspection and enforcement visits along with advice that is offered throughout each year.

The majority of special treatment licences were due for renewal on 1st April 2020. The rest are staggered over the year until 31st March 2021. The income from special treatment licences in 2019/20 was approximately £62,000 which accounts for about a fifth of all licensing income. Currently we have an estimated 200 businesses operating under a special treatment licence.

All special treatment premises were required to close when lockdown restrictions came in to force on 23rd March 2020 and were unable to use their licences. Consequently there have been enquiries about whether the Authority will be wavering or reducing these fees for 2020-2021, and further enquiries are expected as businesses have now reopened. Various options, and their impacts, have been assessed together with benchmarking what other Local Authorities are doing.

Three Borough are currently undecided as to what approach they will take regarding their special treatment licence fees. Another three Boroughs are proposing to defer payment of renewal fees until premises can reopen. Of the final two Boroughs we have benchmarked against, the first is proposing to not amend their renewal fees for this financial year and then give all licence holders the additional months that have been lost in the following financial year. The final Borough's renewal fee is split into parts, A and B. The part A must be paid before the renewal date with no reduction, the part B will be charged at pro rata. This means their licence holders will not be charged for the months that have been lost due to closure.

The recommendation for Havering is to not alter the fees and charges for this financial year to give consistency for all licensed premises in the borough.

In order to support local businesses Havering Council has partnered with East London Building Place (ELBP) to deliver a support programme, Building Legacies, to the local business community through offering free 1-2-1 advice, workshops and supply chain opportunities. This programme is funded through ESF, with match funding contributions from Havering Council and five other London Boroughs. Quarterly performance reviews are completed by the Council's Economic Development Team to ensure the support is being targeted at the right sectors, and that delivery is meeting contractual obligations.

In addition, London Growth Hub is providing free support to London-based businesses to manage and mitigate their exposure to COVID-19, which is delivered through a range of reputable partners.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 2

Extend licence expiry date by the amount of time they were closed for coronavirus

The second option would be to move all of our renewal dates from their current position and adjust them to the date they were allowed to reopen. For example, the Government announced that most beauty premises could re-open as of the 13th July, we can then adjust each licence renewal date by 16 weeks. So those who were due on the 1st April will now be due on the 13th July. This method would be applied to all premises.

By following this approach, we would not have to issue any refunds to anyone who has already renewed for the current financial year, nor would we need to pro rata any of our fees.

There is a drawback to this approach as it will affect the income for the current financial year. This will be due to the fact that as renewal dates are moved back, some will fall into the following financial year and income will be lower in 2020/21. Approximately half of the licence renewals are due between February-April and it is this income that will not be paid in this financial year.

Financial Impact is £0.030m with a small administrative pressure to change all expiry dates.

Option 3

Apply pro-rata discount to this year's renewals

The final proposal for consideration would be to base all licence renewals on a pro rata basis.

All businesses were closed for 16 weeks. We can then divide the annual fee over the 12 month period and only charge for 8. This will create a budget pressure, in –year, of £0.020m. However the staff time required for this option is significant due to having to fully review all 200 licences and issue the refund taking on average 1.5 hours per licence. This amounts to an increase in costs of £0.015m.

Financial Impact is £0.035m with greater administrative pressure to review the licences and process refunds for businesses who have already renewed for 2020/21.

PRE-DECISION CONSULTATION

There is no pre-decision consultation.

Non-key Executive Decision

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: **Kasey Conway**

Designation: **Senior Public Protection Officer**

Signature: 

Date: 16/07/2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The London Local Authorities Act 1991 enables Local Authorities to set their own fees for the licensing of special treatments.

By adopting the proposal set out in this document, there is a potential risk to the reputation of Havering Council as it may be deemed the decision to not reduce renewal fees for 20/21 could be portrayed as insensitive and unhelpful.

FINANCIAL IMPLICATIONS AND RISKS

There are no financial implications as per the recommended Option One, however both option 2 and 3 would have a financial implication of £0.030m and £0.035 if selected.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no direct human resources implications arising out of this plan and no additional accommodation implications.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An equalities assessment has been carried out; there is no significant impact on any of the protected characteristics. The assessment is attached as Appendix 2.'

BACKGROUND PAPERS

None

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Proposal NOT agreed because

Details of decision maker

Signed

Name: **Councillor Viddy Persaud**

Cabinet Portfolio held: **Public Protection and Safety**

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____