



# BRIEFING

## LICENSING ACT 2003 - FEE STRUCTURE AND LEVELS

- The Government has confirmed the fee structure to be applied during transition and in the initial period following the 2<sup>nd</sup> Appointed Day. These cover not only initial application fees for premises and personal licences, but also fees for temporary events, variations and minor changes to licence details.
- The fee levels announced on Friday 21 January are as a result of an earlier public consultation and, following intense lobbying from local authorities, the premises licence fees for the largest outlets have been significantly increased. The underlining principle behind the fee levels is that they should allow for full recovery of the administrative, inspection and enforcement costs falling on any licensing authority. These fee levels will also be subject to an independent review immediately following the 2<sup>nd</sup> Appointed Day.
- This note summarises the main aspects of the Government’s announcement and full details of all fees and their application will be posted on the website in due course.

### Proposed Premises Licence Fees

- There are two types of fee for premises licence applications. The first is a one-off fee paid at the time of application. The second is an annual inspection charge, paid on the anniversary of grant or, in the case of applications made during transition, the anniversary of the 2<sup>nd</sup> Appointed Day. This charge is designed to cover enforcement costs and administration.
- For premises licences, the fees will be set in bands according to the non-domestic rateable value of the premises. The question of appeals against rateable value has been raised with the Government but they have suggested that the fee will be payable on the rateable value as known at the time. Whilst this means that a premises may pay a lower fee in subsequent years if its rateable value is successfully challenged, there will be no rebate on past fees paid.
- Following the public consultation, all of the proposed fees have been increased by an average of 20% and a new multiplier has been introduced for city centre businesses with rateable values in bands D and E whose primary business is the sale of alcohol. These businesses will face fees 2 or 3 times the level of non-alcohol related businesses. In addition, for the first time varying a condition relating to alcohol sales during transition will attract a nominal fee.

	A	B	C	D	E
<b>NDRV</b>	0-4300	4301-33000	33001-87000	87001-125000	125000 +
<b>Application Fee</b>	£100	£190	£315	£450	£635
<b>Application Fee City Centre Pub</b>				£900	£1905
<b>Annual Charge</b>	£70	£180	£295	£320	£350
<b>Annual Charge City Centre Pub</b>				£640	£1050
<b>Variation Fee – Transition only</b>	£20	£60	£80	£100	£120

- The majority of pubs and bars (80%) will fall into bands B and C. Only companies turning over more than £30,000 a week would be liable to the highest charges.
- There will be an additional charge for exceptionally large venues or events with a capacity of more than £5,000. The additional fee will be based on the capacity and will start at £1,000



## BRIEFING

Capacity	Additional Fee Payable
5,000 – 9,999	£1,000
10,000 – 14,999	£2,000
15,000 – 19,999	£4,000
20,000 – 29,999	£8,000

Above that, capacity will run in bands of 10,000 each band attracting an additional £8,000 fee.

### **Other Fee Levels**

- The proposed fee for a personal licence will be set initially at **£37**. This is slightly higher than the figure of £30 originally floated in the April 2000 White Paper but is unchanged from the public consultation in November. It excludes the cost of qualifications and CRB checks.
- There are other occasions when an administrative fee will be payable and details of these are set out in the table below:

Occasion on which fee may be payable	Fee
Application for Provisional Statement	£195
Application to vary the DPS Application to transfer premise licence Interim Authority Notice	£23
Temporary Event Notices Notice of interest in a premises (payable annually)	£21
Application for copy of licence, certificate, notice or summary following theft or loss Notification of change of name or address Notification of change of club rules	£10.50
Supply of copies of information contained in the register	Set by relevant local authority

- Whilst relatively low, these essentially administrative charges will nevertheless substantially increase the cost of operation. In particular the charge for changing the DPS and Temporary Event Notices will be a recurring cost throughout the year.

### **Costing Assumptions**

- The initial fee levels were based on assumptions of the number of contested application likely to be heard during transition, the number of administrative variations to be processed and likely application levels after the 2<sup>nd</sup> Appointed Day. It was widely felt that these assumptions were somewhat low and it is therefore not surprising that these have been revised resulting in increased fee levels.
- The ongoing public and media debate about the impact of licensing reform and the likely increased costs of alcohol related disorder have also resulted in a political announcement of substantially increased charges. This may serve to dissuade some companies from applying for variation.
- The proposed changes will deliver substantially more income for licensing authorities during transition (£63 million as opposed to the projected £41 million) and beyond (£55 million as opposed to the original £34 million). This may be helpful in resisting calls for an early and extensive review of fee levels.