

Meeting:	Cabinet
Date:	18 December 2008
Subject:	New Fee Structure for Special Treatment Licences – Adjustments to Businesses operating from Homes
Key Decision:	Yes
Responsible Officer:	John Edwards – Divisional Director-Environment
Portfolio Holder:	Cllr David Ashton, Leader and Portfolio Holder for Strategy, Partnership and Finance
Exempt:	No
Enclosures:	Cabinet Report of 19 April 2007; Review of Fees Structure for Special Treatment Licensing

## Section 1 – Summary and Recommendations

This report sets out the reasons for the proposed reductions to the new fee structure for Special Treatment Licences. The reductions were considered further to the consultation and representations by the businesses operating from their homes.

**Recommendations: To agree the reduction in fees for businesses operating from homes.**

**Reason: (For recommendation) to provide a proportionate fee structure to the businesses that provide special treatments in Harrow from their residential dwellings.**

## Section 2 – Report

### Introduction, Current situation, and why a change is needed

On 19 April 2007 the Licensing Service submitted a report to the Cabinet recommending a new fee structure for the Special Treatment Licences issued by this Authority. This report was submitted after consultation with businesses and interested parties. At the time of the submission of this Report no representations were received by the Licensing Service.

However, after the Cabinet approval of the new Fee Structure and the notification of the implementation date, the Licensing Service was contacted by owners/licensees of businesses which operate from their private homes raising concerns that the fee increase was too high and they could not afford to sustain such an increase.

These businesses argued that due to the restrictions imposed by the Planning Department regarding advertising and the number of clients they can treat on any specific days and the restrictions imposed on weekends they should be considered as a different category or class of places and should be considered for a lower tier of fee structure.

### Options considered

#### Option 1:

Keep the fee structure unchanged.

Possible outcomes: unsatisfied businesses and increased number of complaints about the Licensing Service.

Businesses stop operating from homes as they are unable to pay the increased licence fee.

Businesses operating from homes without proper licensing thus posing a risk to the public and increasing the work load of the Licensing team as more under-cover work to investigate such premises will be necessary, hence increasing the cost for the service.

#### Option 2:

To provide a reduced scale of fees. This would enable the businesses to continue to provide treatments under the licensing regime.

Such provision will also show the Service in good light as a service that listens to concerns of the stakeholders. The reduction percentages are based on client numbers and the restrictions placed on these premises by other Council Departments. These new fee levels are now accepted by the businesses.

The reduced fee structure is shown in the table below: as at April 2008

<b>Band</b> According to treatments/risks	<b>No. of Premises</b>	<b>Fee</b>	<b>Proposed Reduction %</b>	<b>New Fee</b>	<b>Reduction</b>	<b>Total Reduction</b>
A	0	£150	25%	£112.50	£37.50	0
B	13	£300	25%	£225	£75	£975
C	17	£450	40%	£270	£180	£3060
D	1	£600	40%	£360	£240	£240
<b>TOTAL COST OF REDUCTION</b>						<b>£4275</b>

## **Financial Implications**

The loss of income identified will be recovered as a result of additional licences being applied for because of the new lower fee levels, as home businesses will be more forthcoming to accept the licensing regime thus saving enforcement activity and providing Officers with more time and resources to target persistent offenders and to improve quality of service.

## **Performance Issues**

Since the new fee structure has been implemented, the Licensing Service has been able to increase the enforcement activity regarding Special Treatment Licensing. Due to this increase 11 premises were identified and licensed since January 2008. The enforcement relating to renewal of licences has also increased along with tighter controls regarding identities of therapists and approval of qualifications.

## **Risk Management Implications**

If the recommendation is not approved, the Licensing Service may face increased level of complaints from businesses and a possibility of closure of many home based businesses, or businesses operating from homes without the appropriate licences.

Further if this proposed adjustment is not approved, the Service may have to go back to the home based operators and require them to pay the balance fee thus creating unnecessary administrative and possible enforcement work to the service. It is also very likely the Council may come under heavy criticism for being unable to manage it's licensing functions in a timely manner and creating unnecessary hardship to home based businesses

Risk included on Directorate risk register? No

Separate risk register in place? No

### **Section 3 - Statutory Officer Clearance**

Name: Sheela Thakrar	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 26.9.2008		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 25 November 2008		

### **Section 4 – Performance Officer Clearance**

Name: Liz Defries.	<input checked="" type="checkbox"/>	on behalf of the* Divisional Director (Strategy and Improvement)
Date: 22.9.2008		

### **Section 5 - Contact Details and Background Papers**

Contact: P Sivashankar, Service Manager, 020 8736 6237

Background Papers: Cabinet Report of 19 April 2007; Review of Fees Structure for Special Treatment Licensing