

Falkirk Council Licensing Board

Subject: Licensing (Scotland) Act 2005
The Licensing (Fees) (Scotland) Regulations 2007
Premises Licences – Annual Fees
Meeting: Licensing Board
Date: 15 November 2017
Author: Consumer Protection Manager

1. Purpose of Report

- 1.1 The purpose of this report is to provide Members with details of the collection of the annual retention fee for 2017/18.

2. Recommendation

Members are requested to note the contents of the report;

3. Background

- 3.1 As Members are aware, the Board is required to set an annual fee for payment by holders of premises licences. Payment then requires to be made by licence holders not later than 1 October in that year. In accordance with the Licensing (Fees) (Scotland) Regulations 2007, the premises licenceholders are given written notice no later than 30 days before the date on which the fee is due.
- 3.2 At the meeting of the Board on 21 June 2017, members set the fee levels at the maximum prescribed level as has been the case since the commencement of the 2005 Act.

4. Fee Collection Process

- 4.1 The first annual fees were paid in October 2010. The Licensing Section notified all premises licenceholders and collected the fees. This was also the case in 2011. The process of collecting the fees was extremely time-consuming and therefore a pilot scheme was undertaken in 2012 with the task being undertaken by Falkirk Council's Sundry Accounts Team. The annual fees have been collected by Sundry Accounts ever since. In previous years an invoice, a reminder and a final notice have been issued. This was changed in 2017 so the licenceholders received the invoice and a final notice
- 4.2 The process undertaken by the Licensing Section and Sundry Accounts is detailed in the table below:

Date	Action	Comments
Mid June	Licensing Board set the fee levels	
End of June to mid July	Licensing Section update the previous year's list of licenceholders with up to date data from the Northgate system.	The Northgate system does not interface with the system used by Sundry Accounts and therefore a manual update of data is required by Sundry Accounts. Licences that no longer exist are removed and any new licenceholders details added. New Customer Reference Numbers are created for new licenceholders where applicable. Updates are also required for changes of names, address and transfers.
Start of July	Updated data is sent to Sundry Accounts in the form of a spreadsheet.	
	Sundry Accounts update their system and send data back to Licensing Section for checking.	
	Licensing Section check the updated data and make any further changes that have occurred since the data was sent to Sundry Accounts.	As applications are being received and processed continually, there will be further updates to be made.
Mid to late August	Sundry Accounts issue invoices	On average, there are 365 premises licences in force. Invoices are issued at least 30 days prior to the 1 October. In 2017, they were issued mid August.
Late August onwards	Payments are made by licenceholders	Cheques are sometimes still sent to the Licensing Section. These are sent to Sundry Accounts in Internal mail.
1 October	Sundry Accounts send the Licensing Section a list of licenceholders that have not paid the fee by the 1 October.	
1 st week in October	Sundry Accounts send out a final notice for payment.	
Until final payments is received	Sundry Accounts sends regular lists of non payers to the Licensing Section.	The Licensing Section deal with direct enquires for licenceholders in relation to fees. The LSO contacts non payers.

5. Payment Methods

5.1 All payments are made to Sundry Accounts and not the Licensing Section directly. There are 7 ways for the licenceholder to pay their invoice.

Payment Method	Description	Comments
Direct Debit	A online form is available to allow a Direct Debit to be set up for payment of regular invoices.	The Board permits the annual fee to be made quarterly. This is normally done by setting up a Direct Debit. There is a very low uptake of this and in the past, Direct Debits have been cancelled following the first payment.
Online	Payment can be made 7 days a week, 24 hours a day by credit and debit card.	Licenceholders do not need to set up a My Falkirk account to do this. They need the invoice details.
By telephone	Payment can be made between 8am and 9pm Monday to Friday by credit and debit card.	Licenceholders need the invoice number.
One Stop Shop	Payment can be made in cash, cheque postal order or card.	Licenceholders need the invoice number.
PayPoint Outlet or Post Office	Payment in cash at any branch.	Licenceholders need the invoice number. Although there is a £200 limit per transaction, the fee can be paid over a number of transactions. A number of off sales premises have this facility in their shop and have used this as a convenient method to pay.
Post	Send a cheque to Sundry Accounts	Licenceholders need the invoice number, name and address on the back of the cheque.
BACS, CHAPS or faster payment	Pay direct to Falkirk Council bank account	A number of national retailers use this method.

6. Payments Received after 1 October 2017

- 6.1 **362** invoices were issued in respect of the fee due on 1 October 2017. Appendix 1 is a copy of the invoice sent to JD Wetherspoon (Scot) Limited in relation to The Carron Works. The Licensing Section was sent a list on Monday 2 October from Sundry Accounts which showed that **109 (30.1%)** premises licenceholders had not paid their annual fee by the required date. This list is attached as Appendix 2.
- 6.2 **83** final notices were issued to non payers on 4 October 2017. This is **22.9%** of premises licenceholders. A list is attached as Appendix 3.
- 6.3 Payments continued to be received during October and regular updates were made to the Licensing Section. On the **6** October there were **59** fees unpaid, **30** by the **16** October and **18** by the **20** October.
- 6.4 By the **27** October only **10** licenceholders had not paid. This is **2.8%** of premises licenceholders. A list is attached as Appendix 4.
- 6.5 Sundry Accounts advised that the final fee was paid on 6 November 2017.
- 6.6 A total of £131,340 was received as annual fee income for 2017/18. This is a slight increase on previous years of approximately £7k. One reason for this increase is due to a re-evaluation of business rates which has impacted on the banding that some premises are in. Although a few premises licences have had their annual fee reduced due to a decrease in business rates, there are a number who have had their business rates increased and this, in turn, has increased their licence fee. We have been advised by two premises (North Star and The Orchard Hotel) that they have appealed the decision to increase their business rates. The impact would be to increase their annual fee from £280 to £700 and £280 to £500 respectively. We have accepted payment of the lower amount and will monitor the situation.

7. Conclusions

- 7.1 There are costs and benefits to the current process. Over the years, the speed at which the fees have been paid has improved and this year was the quickest yet.
- 7.2 Following the introduction of the 2005 Act, the annual fees were collected by the Licensing Section. The statutory notification was printed directly from the Northgate system which contains the most up to date information on the all licences. In the first two years, the Licensing Section was still chasing fees in the April of the following year.
- 7.3 It could be argued that this was due to the change in the legislation and that premises licenceholders were unfamiliar with the new licensing regime and the requirement to pay an annual fee.

- 7.4 When the payment of annual fees moved to Sundry Accounts, there was confusion in the local trade and many sent the fees to the Licensing Section or came in person to pay. Over the years that Sundry Accounts have been issuing invoices, the time taken to collect the fees had reduced drastically - although just over 30% fail to pay by the due date and, as members are aware, this is a breach of a mandatory condition.

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Consumer Protection Manager

Date: 9 November 2017

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Appendices

Appendix 1 - copy of the invoice sent to JD Wetherspoon (Scot) Limited in relation to The Carron Works.

Appendix 2 – List on non-payers at 2 October 2017

Appendix 3 – List on non-payers issued a final notice on 4 October 2017

Appendix 4 – List on non-payers at 27 October 2017

LIST OF BACKGROUND PAPERS

Nil