

Regulatory Committee report



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Regulatory Fees and Charges 2023

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Exempt / confidential / not for publication	No
Council Plan reference	Not in Council Plan
Wards affected	All wards

Executive summary

This report applies to the discretionary fee setting ability of Milton Keynes City Council for certain permissions, licences, and registrations etc that we administer. The report sets out the proposed level of these fees with effect from April 2023.

1. Recommendations

- 1.1 That the proposed fees be endorsed and recommended they be adopted by due process for implementation in the next financial year.
- 1.2 That a review of the fees be taken in September 2024.

2. Why is the decision needed?

- 2.1 Local Authorities are responsible for a number of business permissions under various legislation.
- 2.2 The legislation allows us to charge fees for some of these permissions at our discretion. This report refers to the fees we propose for next financial year but also lists certain permissions for which we cannot charge a fee.

- 2.3 There are potentially two types of fees. One for processing applications and then a second 'grant' fee. The cost of compliance and enforcement can be considered in respect of grant fees, the application fee refers to the cost of deciding applications.
- 2.4 The current fees were last reviewed in 2020 and implemented for the financial year 2021/2 as part of annual budget setting. A review date of September 2022 was set at Committee to periodically review whether they were still reasonable based on the work concerned in terms of time spent and accounting for any increased organisational costs (such as inflation). This review enables our fees to either be reduced or increased where necessary. Reviewing fee levels enables us to work towards an objective of cost neutrality. We can assess fees levels by considering time recording data we have for specific applications and applying an organisational rate per hour in terms of time.
- 2.5 Based on the review there is a limited increase of fees to account for inflationary pressures but also the cost of work undertaken. The overall impact of the changes will be a predicted increase in fee income of £4723 spread across the 5 regulatory regimes for which fees may be levied. This is spread across several hundred applications a year. A flat rate inflationary increase has not been applied across all fees because in some cases we believe existing fee levels remain adequate for cost recovery purposes.

How Fees Are Calculated

- 2.6 For each type of process the time spent on applications received within the last financial year is reviewed. The amount of time spent by administrative staff, officers, senior officers, and management have been totalled and averaged by the number of specific applications received. Armed with this information together with an organisational cost for staff per hour and historical information on process times we can calculate on average how long particular types of application have and should cost in the future together with the compliance cost per premises sector.
- 2.7 The revised fees and charges include on costs for staff plus Head of Service, Legal and Democratic Services (committees). They also include costs for the writing and review of policies, including this review project.
- 2.8 Costs of inspections and regulatory work have also been included as a factor in setting the grant fee levels.
- 2.9 Guidance on fee setting has been considered.

3. Implications of the decision

Financial	Y	Human rights, equalities, diversity	N
Legal	Y	Policies or Council Plan	Y
Communication	N	Procurement	N
Energy Efficiency	N	Workforce	N

a) Financial implications

There will be increase to revenue received overall but this is to off set increases in organisational costs and to reflect how long it takes to administer various processes.

b) Legal implications

The implications of not reviewing the fees now would go against a Committee resolution. The implications of not adopting the fees would make the fees below cost recovery.

c) Other implications

Our Existing policy recognises fee setting ability

Any change in charges is open to challenge and needs to be seen to be reasonable and attributable to the associated costs through administration and enforcement. If charges are not found to be justifiable then the result can be that charges paid to the council are returned to those who have paid for the licences.

4. Alternatives

- 4.1 The Council could choose to retain the fees as they currently are, reduce them, or instruct officers to carry out such work on revisions as may be considered necessary.

5. Timetable for implementation

- 5.1 If endorsed by Committee the revised fees would go forward for budgeting setting process in October with a view for adoption via the budget in March 2023

List of annexes

Annex A: Spreadsheet of proposed fees for financial year 2023 to 2024

List of background papers

None