



Subject:	Fees Chargeable for the Licensing of Pavement Cafes
Date:	10th November, 2016
Reporting Officer:	Stephen Hewitt, Building Control Manager, ext. 2435
Contact Officer:	Patrick Cunningham, Assistant Building Control Manager, ext. 6446

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report/Summary of main Issues
1.1	To report on the outcome of the public consultation on the proposed fees for a Pavement Café Licence and the period for which a licence should be granted.
1.2	Members will recall that, at your meeting on 15th June 2016, the Committee agreed to initiate the consultation in relation to Pavement Café fees on the basis of the costing estimates presented, and to include within the consultation, options around the cost and duration of a licence and an indication that the Committee favours a five year fee, which would equate to an annual cost of £242.
1.3	The Committee also agreed for Officers to include within the consultation document information on the fees being charged by councils of a similar size to Belfast and whether the fees were being subsidised by those councils.
2.0	Recommendations
2.1	The Committee is requested to consider the contents of the report and, taking into account any representations received, agree: <ol style="list-style-type: none">1. to set the fees for Pavement Café Licences at the level outlined in the public consultation, or2. to set the fees for Pavement Café Licences at a lower level, or3. that there shall be no fees for Pavement Café Licences and that the cost of administering the function shall be rate borne, or4. that further options for fees for Pavement Café Licences arising from your discussions are developed to be presented at your next meeting.
2.2	Members are also required to determine the period for which a licence will be granted.

3.0	Main Report												
<p data-bbox="258 228 1455 295"><u>Key Issues</u></p> <p data-bbox="258 318 1455 452">3.1 Members are reminded that the Licensing of Pavement Cafés Act (NI) 2014 gives the Council the power to set sufficient fees to allow it to recover the full costs of administering the Pavement Cafe Licence Scheme. However, the Council has the discretion to charge a reduced fee or to waive all charges.</p> <p data-bbox="258 474 1455 564">3.2 Consultation on the proposed fees commenced on the 6th September and closed on the 3rd October, after the statutory 28 day period, as required by the Act.</p> <p data-bbox="258 586 1455 698">3.3 Notice of the consultation was published in the three main newspapers and over 1000 letters were sent to businesses across Belfast notifying them of the new Act and the proposed fees consultation.</p> <p data-bbox="258 721 1455 833">3.4 The consultation sought the views from interested parties and a statement outlining how the fees were prepared was published and made available on the Council’s website and at the Building Control offices.</p> <p data-bbox="258 855 1455 922">3.5 Members are reminded that we have engaged extensively with a range of stakeholders throughout the process since the Act was introduced.</p> <p data-bbox="258 945 1455 1124">3.6 The matter has been a regular agenda item for our Licensing Customer Forum panel, we have published articles in City Matters, sent e-mails to existing licensees and attended various trade forum meetings including those of Belfast City Centre Management (BCCM) and Belfast Chamber of Trade and Commerce (BCTC) regarding our plans for the implementation of the Act and the proposed fees.</p> <p data-bbox="258 1146 1455 1258">3.7 As a result of the consultation a total of 19 responses were received which, based solely on the letters that we sent to potential licensees, equates to a response rate of less than 2% and only 1.5% from individual businesses.</p> <p data-bbox="258 1281 1455 1370">3.8 A synopsis of the responses received, which includes a return from Hospitality Ulster, is attached at Appendix 1.</p>	<p data-bbox="258 1393 1455 1438"><u>Summary of responses</u></p> <table border="1" data-bbox="300 1460 1401 1608"> <thead> <tr> <th data-bbox="300 1460 829 1505">Response from</th> <th data-bbox="836 1460 1133 1505">Total</th> <th data-bbox="1139 1460 1401 1505">Percent</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 1505 829 1541">Members of the public</td> <td data-bbox="836 1505 1133 1541">7</td> <td data-bbox="1139 1505 1401 1541">37%</td> </tr> <tr> <td data-bbox="300 1541 829 1576">Business owners</td> <td data-bbox="836 1541 1133 1576">8</td> <td data-bbox="1139 1541 1401 1576">42%</td> </tr> <tr> <td data-bbox="300 1576 829 1608">A group or organisation</td> <td data-bbox="836 1576 1133 1608">4</td> <td data-bbox="1139 1576 1401 1608">21%</td> </tr> </tbody> </table>	Response from	Total	Percent	Members of the public	7	37%	Business owners	8	42%	A group or organisation	4	21%
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3.9	<p data-bbox="258 1617 1455 1684">Of these:</p> <ul data-bbox="300 1684 1455 2000" style="list-style-type: none"> <li data-bbox="300 1684 1455 1751">• All of the business owners indicated that their business would be affected by the proposals. <li data-bbox="300 1751 1455 1818">• 60% of respondents felt that a licence should be for a period of five years or more, with most favouring five years. <li data-bbox="300 1818 1455 1886">• Of the businesses owners who responded, five operated businesses in the city centre whilst three operated in East Belfast. <li data-bbox="300 1886 1455 2000">• Strandtown Traders Association and Hospitality Ulster responded online. 												

3.10	The majority of respondents to the consultation disagreed with the proposed licence fees, with most favouring a zero fee structure. The respondents, who did suggest an alternative fee, recommended an amount significantly lower than the proposed fee.								
3.11	When asked about how the cost of administering the legislation should be met, opinion was mixed. Most respondents thought it should be added to the commercial rates and others were more concerned about the impact this and/or the fees in general would have on businesses.								
3.12	BCCM expressed general concern that a proposed 'one size fits all' approach to pavement cafe licensing fees will not be viewed as proportionate and balanced across the hospitality sector. They disagreed with the fees because they do not consider the contrasting financial resources of the multi-national and independently owned businesses.								
3.13	<p>In its view:</p> <ul style="list-style-type: none"> • Fees should be commensurate to the status of the business i.e. less for independently owned businesses and more for multinationals; or • A payment plan should be introduced for independently-owned businesses to minimise impact on cash flow. • Fees should be based upon the quantities of tables/chairs which would give businesses a degree of control over their outlay and (in general) be proportionate, relative to independent and multi-nationally owned businesses. 								
3.14	<p>It also stated that:</p> <ul style="list-style-type: none"> • The full cost associated with administering the Act should be recovered from the fees, and • Licences should be issued for five years. 								
3.15	A copy of the response from BCCM is attached at Appendix 2.								
3.16	We have also consulted with BCTC and are currently awaiting their response. However, Officers will endeavour to obtain a response from them for your meeting.								
3.17	Whilst the remaining businesses may believe that their views are being represented by trade bodies, such as Hospitality Ulster, the level of return is unexpectedly low given the concerns that some had expressed about the proposed fees.								
3.18	<p>To remind the Committee, below is a summary of the proposed fees you provisionally agreed at your meeting on 15th June 2016:</p> <table border="1" data-bbox="320 1599 1398 1771"> <thead> <tr> <th></th> <th style="text-align: right;">2016 / 2017</th> </tr> </thead> <tbody> <tr> <td>Grant Application Fee – <i>Non refundable</i></td> <td style="text-align: right;">£660</td> </tr> <tr> <td>Renewal Application or Variation Fee – <i>Non refundable</i></td> <td style="text-align: right;">£435</td> </tr> <tr> <td>Licensed Fee (Annual)</td> <td style="text-align: right;">£110</td> </tr> </tbody> </table>		2016 / 2017	Grant Application Fee – <i>Non refundable</i>	£660	Renewal Application or Variation Fee – <i>Non refundable</i>	£435	Licensed Fee (Annual)	£110
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3.19	<p><u>Comparisons</u></p> <p>Research on the cost of a Pavement Café Licence in other larger local authorities across Great Britain and Ireland has been undertaken and a summary of findings is attached at Appendix 3.</p>								

3.20 Northern Ireland is unique in that we are the first region to have specific legislation for the licensing of Pavement Cafés. Other areas use highway permissions and effectively rent the land to the licensee.

3.21 This has made it difficult to give accurate comparisons but the following example may be of assistance. For a Pavement Café Licence, based on 3 tables and 12 chairs, in an area measuring 4m x 2m the annual (or equivalent annual fee) for other Cities is set out below.

Council	Annual (or equivalent annual) fee
Dublin (city centre pedestrian zone)	£880
Edinburgh	£800
Glasgow (city centre)	£450
Liverpool	£283 (equivalent annual)
Manchester	£437
Southwark	£978
Sheffield	£95
Surrey County	£104
Newcastle	£363 (equivalent over 5 years)
Oxford	£700
Birmingham	£750

3.22 As reported at your meeting on 15th June, if Pavement Café Licences were granted for five years the total licensing cost over that period would be £1210, with the greatest expense occurring in the first year due to application processing costs. This would be the equivalent of £242 per year. From the table above, only Sheffield and Surrey County Council have a lower fee.

3.23 The table below is an extract from the report of 15th June which may also assist Members in deciding the period of the licence.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Ave cost
1 Year Lic	£770	£545	£545	£545	£545	£2,950	£590
3 Year Lic	£770	£110	£110	£545	£110	£1,645	£329
5 Year Lic	£770	£110	£110	£110	£110	£1,210	£242

3.24 The other Councils in Northern Ireland are currently setting their fees for Pavement Café Licences and their latest proposed fees and period of licence are set out below.

District	Grant	Renewal	Variation	Licence duration
Antrim and Newtownabbey	Free	Free		3
Ards and North Down	£225	£150	£150	3
Armagh, Banbridge and Craigavon	£213*	£111	£111	3
Belfast	£660	£435	£435	5
Causeway Coast and Glens	£375	£285	£285	3
Derry and Strabane	tbc	tbc	tbc	tbc
Fermanagh and Omagh	£375	£285		3
Lisburn and Castlereagh	£480	£360	£85	tbc
Mid and East Antrim	Free	Free		3
Mid-Ulster	£370	£285	£285	3
Newry, Mourne and Down	£375	£280	£280	3

<p>3.25</p> <p>3.26</p> <p>3.27</p> <p>3.28</p>	<p>*ABC Council fee will be up to a maximum of £831 if planning permission is also required.</p> <p>Whilst all the other councils have opted for, or are considering, three year licences, their equivalent annual licence cost is less than that proposed for Belfast and two councils have decided to waive fees completely.</p> <p><u>Financial & Resource Implications</u></p> <p>There are significant financial and resource implication associated with this report.</p> <p>The proposed Pavement Café Licence fees will ensure the cost of the operational and administration processes are proportionate to the licensing scheme. Details outlining the costings associated with administering Pavement Café Licences are attached at Appendix 4.</p> <p><u>Equality or Good Relations Implications</u></p> <p>The Council's Equality and Diversity Officer has been consulted to ensure there are no issues with regards to the setting of fees.</p>
<p>4.0</p>	<p>Documents Attached</p>
	<p>Appendix 1 – Synopsis of the responses to the consultation</p> <p>Appendix 2 – Copy of the responses from BCCM</p> <p>Appendix 3 – Comparative costs from UK and Irish local authorities</p> <p>Appendix 4 – Costings associated with administering Pavement Café Licences</p>