



department for  
**culture, media  
and sport**

# PROPOSAL TO INTRODUCE A NEW PROCESS FOR ELECTRONIC APPLICATIONS

Licensing Act 2003

1 October 2009

improving  
the quality  
of life for all

Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.

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# Annex A: Impact Assessment

## Summary: Intervention & Options

Department /Agency: Department for Culture, Media and Sport		Title: Impact assessment of proposed extension of electronic application to all licensable activities under the Licensing Act 2003	
Stage: Consultation	Version: 1.5	Date: 23/09/2009	
Related Publications: Impact Assessment of the Implementation of the Services Directive (BIS, 12/5/9)			
Available to view or download at: <a href="http://www.culture.gov.uk">http://www.culture.gov.uk</a>			
Contact for enquiries: Amanda Stevens		Telephone: 020 7211	

**What is the problem under consideration? Why is government intervention necessary?** The EU Services Directive requires that EU Member States put in place a system to allow service providers located in the EU to apply for, vary and pay for licences and permits online via a single point of contact. Government intervention is necessary to amend the Licensing Act 2003 (the 2003 Act) and associated Regulations to achieve compliance with the Directive.

**What are the policy objectives and the intended effects?**

Compliance with the EU Services Directive and the removal of administrative burdens on licence and certificate holders. The intended effects are: to allow applicants to apply electronically via a single point of contact for all licensable activities and most applications and notifications under the 2003 Act.

**What policy options have been considered? Please justify any preferred option.**

The policy options were to restrict electronic application to applications for regulated entertainment (the only licensable activity that is a 'service' as defined by the Directive) or extend it to all regulated activities under the 2003 Act. The Government considers that it would not be cost effective or practical to allow electronic applications for regulated entertainment, but require written applications for other licensable activities. The preferred option is therefore to extend the benefits of electronic application to all licensable activities and most application and notifications processes under the 2003 Act.

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?** If appropriate, after three full financial years of the policy in operation (2013).

**Ministerial Sign-off** For final proposal/implementation stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:

Summary: Analysis & Evidence

Policy: Electronic Application      Description: Extension of EA to most LA2003 Processes

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups'	
	<b>One-off</b> (Transition)	<b>Yrs</b>		
	£0			
	<b>Average Annual Cost</b> (excluding one-off)			
£0		<b>Total Cost (PV)</b>	£0	
<p>Other <b>key non-monetised costs</b> by 'main affected groups': Licensing Authorities (LAs) will have to email copies of certain types of applications and notifications to Responsible Authorities (RAs). However, the set-up costs necessary to deliver this will have been incurred to comply with the Directive in respect of regulated entertainment, and the additional ongoing costs are minimal. There will also be non-monetised benefits from the extension of this across all licensable activities</p>				

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups': Potential annual savings to those submitting applications and notifications, largely derived from the removal of the requirement to send hard copies to RAs.	
	<b>One-off</b>	<b>Yrs</b>		
	£0			
	<b>Average Annual Benefit</b> (excluding one-off)			
£1m (0.5 - £1.5m)		<b>Total Benefit (PV)</b>	£8.3m (£4.2m-£12.5m)	
<p>Other <b>key non-monetised benefits</b> by 'main affected groups': There will be no need for LAs to check that applications and notifications have been copied to the appropriate RAs. However, although we know that this task is sometimes undertaken, we do not know the administrative burden. Additionally, LAs will more easily be able to acknowledge TENs via email instead of hard copy. As described below, paragraph. 9, there may be small savings for applicants in terms of legal fees, and resulting from the new specification on plans.</p>				

Key Assumptions/Sensitivities/Risks:

Price Base Year 2009	Time Period Years 10	<b>Net Benefit Range (NPV)</b> £4.2m-£12.5m	<b>NET BENEFIT (NPV)</b> Best estimate) <b>£8.3m</b>
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What is the geographic coverage of the policy/option?	England and Wales		
On what date will the policy be implemented?	December 2009		
Which organisation(s) will enforce the policy?	Licensing Authorities		
What is the total annual cost of enforcement for these organisations?	£ 0 (fees cover)		
Does enforcement comply with Hampton principles?	Yes		
Will implementation go beyond minimum EU requirements?	Yes		
What is the value of the proposed offsetting measure per year?	£ n/a		
What is the value of changes in greenhouse gas emissions?	£ n/a		
Will the proposal have a significant impact on competition?	No		
Annual cost (£-£) per organisation (excluding one-off)	Micro £0	Small £0	Medium £0
Are any of these organisations exempt?	No	No	No

<b>Impact on Admin Burdens Baseline</b> (2007 Prices)		(Increase - Decrease)	
Increase of      £0	Decrease of      £1m	<b>Net Impact</b>	<b>-£1m</b>

Key:      Annual costs and benefits: Constant Prices      (Net) Present Value



The following processes currently require the applicant to send hard copies to all RAs in addition to the Licensing Authority:

Applications for new premises licences	12, 900
Applications for new club premises certificates	205
Applications to vary premises licences	11,700
Applications to vary club premises certificates	560
Provisional Statements	57
<b><i>subtotal for multiple RA processes</i></b>	<b><i>25,422</i></b>

**b) Processes copied to a single RA**

The following processes currently require the applicant to send hard copies to the police, in addition to the Licensing Authority:

Requests to specify Designated Premises Supervisor	44, 300
Temporary Event Notices	119,100
Transfer of Premises Licences	18,700

We have also estimated the number of interim authority notices, by asking licensing officers in a selection of nine authorities and scaling up this figure across all authorities<sup>3</sup>:

Interim Authority ( <i>estimated</i> )	568
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The number of applications to disapply the mandatory condition requiring a designated premises supervisor was estimated in the Impact Assessment for that process<sup>4</sup>. It was estimated that there would be around 6,000 applications in total, an average of 600 per year over ten years.

Applications to disapply DPS ( <i>estimated</i> )	600
<b><i>subtotal for single RA processes</i></b>	<b><i>183,268<sup>5</sup></i></b>

**c) Other Processes (not requiring copies sent to RAs)**

A surrender of a licence or certificate and a request to be removed as Designated Premises Supervisor (DPS) require notification to be sent to the Licensing Authority only. The benefits per application will be relatively small, given that it does not include the administrative saving arising from the removal of the requirement to copy to other

<sup>3</sup> Nine LAs with a total of 6747 premises licences estimated that they had a total of only 9 IAs in 2007-08. If we use this proportion across the estimated 213,000 licences and certificates, this equates to 284 in total. However, the LAs generally reported considerably more in 2008-09. The figure has been double to 568 to reflect this.

<sup>4</sup> “Legislative reform orders: proposals to: (1) Introduce a simplified process for minor variations to premises licences and club premises certificates and (2) Remove the requirement for a designated premises supervisor and personal licence at community premises.” (DCMS, August 2008).

<sup>5</sup> This assumes that there are no appreciable savings from notifications of change of name and address of DPS; and surrenders of licences.







## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	Yes
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	No
Rural Proofing	No	Yes



**Yes**

justification opposite or on an attached sheet that identifies why the function or policy has no consequences for members of the public or for staff employed by the Department

- If the evidence that you have indicates that there is no impact or likely impact you do not need to conduct an impact assessment but you do need to monitor the implementation of the policy over time to ensure that there continues to be no impact on people. At a minimum this should be every three years
- If you are sure the answer is **NO**, proceed to sections 13 and 14

7. Is there any evidence that tells you how the function or policy is working or is intended to work for the intended stakeholders?

**Yes**

**Feedback from a range of stakeholders suggests that a substantial proportion of stakeholders are likely to take advantage of the proposed electronic application processes. Groups representing licensing and certificate holders consider that the proposal will reduce administrative burdens.**

- If you have no evidence available, then **you will not be able to assess if the policy is relevant to equality**
- You will need to gather evidence about the effects of the policy on stakeholders. (Please refer to section 2 of the guidance notes on gathering evidence)
- You should also consider consulting with stakeholder groups and involving disabled people at this stage (Please refer to section 5 on consulting and involving)
- When you have gathered evidence of the effects of the policy on the intended stakeholders, you can then proceed with the initial screening
- You should ensure that the actions necessary to collect the evidence are identified in an action plan

1. From the available evidence, is there any reason to believe that people are affected differently or are likely to be affected differently according to any of the listed equality strands, for example, because they have different needs or priorities?

	Yes	No	Not Known
Age		X	
Disability		X	
Gender		X	
Race		X	

- If the answer to any of these questions is **Yes** for any of the strands, you will need to proceed to a full impact assessment. In which case, proceed to section 13, though please note that sections 9-12 will help you to conduct a full assessment
- If the answer is **No** and the evidence supports this, proceed to section 9
- If your evidence is not enabling you to identify the impact on different groups,





<p><b>We do not believe that the proposed regulatory change will affect any of the groups under the listed strands in a different way.</b></p>	<p><i>evidence</i></p> <ul style="list-style-type: none"> <li>• <i>If the answer is <b>YES</b> you will need to arrange to carry out a full impact assessment</i></li> <li>• <i>Please note that the information that you have already identified in this initial screening will be valuable to you in carrying out the full impact assessment</i></li> </ul>
<p>14. If a full impact assessment is not required, please indicate the plans to monitor the implementation of this policy over the next three years.</p> <p><b>We will check with key stakeholders whether the statement in section 13 is still correct 12 months after the regulatory change (subject to Parliament) is enacted.</b></p>	
<p>15. Please return a copy of this form to:</p>	
<p>Name: <b>Mandy Stevens</b></p>	
<p>Unit/Directorate: <b>Licensing Team/Industry Directorate</b></p>	
<p>Date: <b>15/09/2009</b></p>	

## Competition Assessment

We do not believe that the proposed policy is likely to raise any competition concerns. It will be for the applicant to decide whether to apply electronically, so to that extent the proposals apply equally to all premises. Therefore, it will not directly or indirectly limit the number or range of suppliers, limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously.

## Small firms impact test

These proposals will make electronic application available to all applicants. It may be that a slightly smaller proportion of small businesses are equipped to make applications and notifications electronically, but this effect will be marginal. In general, the proposal will result in administrative savings for small businesses in common with other applicants and there is no reason why it would have a negative impact on small businesses.

## Rural Proofing

Action with Communities in Rural England (ACRE) is a member of our stakeholder group. It has suggested that, from its research, around 40% of its members are equipped to deal with applications and notifications electronically. This is only slightly smaller than the proportion estimated by Westminster Borough Council (50%). Therefore, although it may be the case that a slightly smaller proportion of rural businesses, clubs and voluntary organisations will be able to take advantage of electronic application, this effect is likely to be marginal.

## Health Impact Assessment Screening

This proposal does not change any element of licensing policy, only the mechanism for making applications and notifications. Therefore, we do not believe that a health impact assessment is required.

**We have considered that the policy will not have:**

- **a significant impact on human health by virtue of its effects on the following wider determinants of health:** Income, Crime, Environment, Transport, Housing, Education, Employment, Agriculture or Social cohesion.
- **a significant impact on any of the following lifestyle related variables:** Physical activity, Diet, Smoking, drugs, or alcohol use, Sexual behaviour, Accidents and stress at home or work.
- **a significant demand on any of the following health and social care services:** Primary care, Community services, Hospital care, Need for medicines, Accident or emergency attendances, Social services, Health protection and preparedness response







- (a) an application of a kind referred to in regulation 27(2) made otherwise than as described in regulation 27(1), or
- (b) an application for a review under section 51 or section 87

the person making the application must give notice of the application to each responsible authority by giving each authority a copy of the application together with its accompanying plan, document or other information on the same day as the day on which the application is given to the relevant licensing authority.”.

**Notice to chief officer of police etc.**

**8.**In regulation 28—

- (a) in paragraph (1) for “In” substitute “Subject to paragraph (1A), in”;
- (b) after paragraph (1) insert—

“(1A) But where an application or notice is given by means of a relevant electronic facility the relevant licensing authority shall give a copy of the application or notice, together with its accompanying documents (if any) to the chief officer of police on the first working day after the day on which the application was given to the authority.”;

- (c) for paragraph (3) substitute—

“(3) In a case falling within paragraph (2)(b) the person making the application must give the designated premises supervisor (if any) a copy of the application together with its accompanying documents (if any) on the same day as the day on which the application is given to relevant licensing authority.”.

Date

*Gerry Sutcliffe*  
Parliamentary Under Secretary of State  
Department for Culture, Media and Sport

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*



















