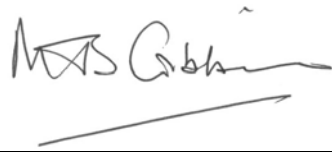
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Licensing Act 2003 – Fees Regulations	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	31/01/2013	
RPC Opinion date and reference	25/02/2013	RPC12-HO-1705
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA outlines the proposed options that are being considered, and sets out the likely impacts of these options.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Deterrent effect of higher fees.</i> The IA says “An increase in some fee levels may lead to some businesses being deterred from applying for or continuing to hold a licence” the consultation process should be used to test the potential impact on the demand for licences, and Temporary Event Notices in particular, and revenue resulting from the curtailment of licensed activities. The consultation should be used to test the potential impact of these effects on civil society organisations.</p> <p><i>Impact in different local authority areas.</i> The IA sets out the intention to enable full cost recovery for licensing functions, including ‘general costs’ associated with the relevant functions. The consultation should be used to test the impacts of the changes in local authorities with different volumes of licensed premises, for example rural and urban authorities, where fee increases may rise more significantly than in other areas.</p> <p><i>Net present value of proposal.</i> The IA records the preferred option as producing a net cost to the UK. The IA could explain more clearly why an option that has a net cost is the preferred one.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the increased administrative costs of the proposal will impose a net cost to business (an ‘IN’). The final stage assessment of the OIOO status of the proposal will depend on whether or not it is captured within the definition of changes to the level of regulatory activity within the OIOO Methodology. If following consultation the additional costs are considered to be associated with an expansion or contraction in the level of regulatory activity that leads to an increase in the administrative burden on firms, this would be consistent with the current One-in, One-out methodology. As such, the OIOO assessment and the evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so they can be validated at final stage.</p>		

The elements of the proposal relating to the uplift in fees levels which are not as a result of a change in the level of regulated activity are out of scope of One-in, One-out.

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the letter 'i' in "Gibbons".

Michael Gibbons, Chairman