

Committee(s)	Dated:
Port Health and Environmental Services	20 /01/ 2021
Subject: Massage & Special Treatment Licence Fees 2020/21 (Reduction for COVID-19 restrictions)	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,4,5
Does this proposal require extra revenue and/or capital spending?	Y
If so, how much?	£17k
What is the source of Funding?	Existing local risk budget
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Director of Markets & Consumer Protection	For Decision
Report author: Peter Davenport - Licensing	

Summary

The City of London Corporation may set annual fees for those premises requiring a licence for Massage and Special Treatments.

Since the end of March 2020 those premises that have a massage and special treatment licence have not been permitted to trade at various times due to restrictions placed on them by the Government in order to prevent the spread of coronavirus (COVID-19). They are currently in a position where they are not permitted to trade for the foreseeable future.

In order to assist businesses as much as possible whilst staying within legislative requirements, it is intended to reduce fees for 2020/21 in order to compensate them for the 'unused' period of their licence.

The proposed fees will result in an estimated loss of income against budget of £24K assuming businesses only trade for a total of 13 weeks during 2020/21, an increase of £17k in the estimated loss compared to the previous report on this matter.

Recommendation(s)

Members are asked to:

- Agree the proposed reduction of fees for 2020/21 as set out in Appendix 2 (column two).

Main Report

Background

1. Part IV of the London County Council (General Powers) Act 1920 permits the City Corporation to set a fee for the administration and inspection costs associated with granting or renewing a licence to permit an establishment to carry on massage or special treatments (MSTs). Examples of the different types of massage and special treatments which require a licence can be seen as Appendix 1.
2. Licences are valid for twelve months from the date of grant unless revoked. The licence fee is due for payment at the time of application or prior to renewal. All licences are valid for a period of up to 12 months and expire on 31 March each year.
3. Fees for 2020/21 were agreed by this Committee on 3 March 2020 and can be seen in column three of the table in Appendix 2. The fees took account of High Court case decisions and the processes undertaken in order to administer any licence application and the cost of investigating compliance with any licence conditions.
4. On 21 July 2020 this Committee agreed that these fees could be reduced for each month that businesses with an MST licence were unable to trade due to Government restrictions placed on them in order to prevent the spread of coronavirus. The full fees agreed on 3 March 2020 were reduced for each month businesses were unable to trade on a pro rata basis.
5. The financial implications of the decision to reduce the fees was based on premises being able to re-open during August 2020. Since this decision was made, premises that have a massage and special treatment licence have not been permitted to trade continuously and are currently not permitted to trade for the foreseeable future.
6. When these restrictions are eventually lifted, MST premises would have been unable to use their licence for several months thus altering the financial implications of the July 2020 report.
7. The forecast number of applications for the different type of licences for 2020/21 can be seen in the table below along with the number of licences/registrations that were actually granted during 2019/20.

	2019/20	2020/21
	Actual	Forecast
New MSTs with lasers	4	4
Renewal of MSTs with lasers	13	13
New MSTs	7	7
Renewal of MSTs	67	65

Proposals/Options

8. In order to assist MST premises, once they are eventually permitted to trade, it is proposed that from April 2020 for each week that they were/are unable to open due to Government restrictions, their licence fee will be reduced by approximately one 52nd of their annual fee.
9. Your Committee previously approved a reduction in fees by one 12th of their annual fee for each month unable to open. This report proposes changing that reduction to a weekly basis which is considered more reflective of the current situation. The proposed reduction of fees can be seen as column two of the table in Appendix 2.

Implications

10. The cost of administering the forecast number of licences in 2020/21 is estimated at £59,000 and, based on the fees set in March 2020, this would have been met by a combination of £50,000 from current year fees and £9,000 from prior year over-recovery of costs.
11. Following the proposal in paragraph eight and nine, estimated income from current year fees will reduce by one 52nd for each complete/part week that the licence is unable to be utilised due to the COVID-19 restrictions. This will result in a loss of income of approximately £960 per week whilst current Government restrictions are in place.
12. If businesses are only permitted to trade for say three months during 2020/21, the estimated amount of income from current year fees would be approximately £12k: a loss of £38k against estimated income prior to Government restrictions being in place.
13. A further £14,000 of prior year over-recovery of costs is available to offset the reduction in income from current year fees, and the overall loss for 2020/21 would then be £24k against the budgeted income of £59k (if trading for three months during 2020/21).

14. The overall loss for 2020/21 was estimated at £7k in the 21 July 2020 report. The new estimated overall loss of £24k for the year is therefore an additional loss of £17k. this can be met from existing local risk resources.

Conclusion

15. Due to businesses with an MST licence being unable to trade due to Government restrictions placed on them in order to prevent the spread of coronavirus, Members are asked to consider the proposed reduction of fees for 2020/21 as set out in this report.

Appendices

- Appendix 1 – Examples of Massage and Special Treatments
- Appendix 2 – Proposed Reduction of Fees for 2020/21

Background Papers

Port Health Committee Report of the 3 March 2020 – ‘Massage & Special Treatment Licence Fees 2020/21’

Port Heath Committee Report of the 21 July 2020 – ‘Massage & Special Treatment Licence Fees 2020/21 (Reduction for COVID-19 restrictions)’

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London County Council (General Powers) Act 1920

Licensing of establishments for massage or special treatment

Examples of Massage and Special Treatment

a. Massage including but not limited to acupressure, aromatherapy, ayurveda, body massage, bowen technique, champissage (Indian head massage), facial massage, Grinberg method, holistic massage, manual lymphatic drainage, marma therapy, metamorphic technique, reflexology, rolfing, shiatsu, sports massage, stone therapy, thai massage or tui-na.

b. Manicure including but not limited to all forms of manicures, nail extensions or pedicures.

c. Chiropody

d. Light including but not limited to colour therapy, infra-red, lasers /intense pulse light (IPL), lumi-lift / lumi-facial or ultra-violet tanning (sunbeds).

e. Electric including but not limited to endermologie, faradism, foot detox, galvanism, high frequency, lumi-lift / lumi-facial, micro current therapy, scenar therapy or ultra sound.

f. Vapour including but not limited to facial steamers, halo therapy or steam room.

g. Baths including but not limited to fish pedicures, floatation tank, foot detox, hydrotherapy, sauna, spa or thalassotherapy.

Appendix 2

Special Treatment Licence Fees Reduction Element For 2020/21

This document sets out the reduction element against the current 2020/21 fees payable for the licensing of premises providing massage or special treatments. The reduction element is applicable for each month, or part month, the licence has not been used due to Government COVID-19 restrictions.

Application Type	Reduction of Current Agreed Fee for Each Week Unable To Trade Due To Government Restrictions	Current Agreed Fees For 2020/21
New massage and special treatment licence <u>to include laser treatment</u>	£15	£760
Renewal of a massage and special treatment licence <u>to include laser treatment</u>	£11	£570
New massage and special treatment licence <u>No laser treatment</u>	£13	£660
Renewal of a massage and special treatment licence (<u>No laser treatment</u>)	£10	£500