

REPORT TO:	COUNCIL 7 DECEMBER 2015
AGENDA ITEM:	15
SUBJECT:	RESOLUTION REGARDING APPOINTED DAY FOR SECTION 75 OF THE LONDON LOCAL AUTHORITIES ACT 2007 - REGISTRATION OF MAIL FORWARDING BUSINESSES
LEAD OFFICER:	JO NEGRINI – EXECUTIVE DIRECTOR OF PLACE
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT:	
FINANCIAL IMPACT There will be no additional expenditure implications as a result of this report	
FORWARD PLAN KEY DECISION REFERENCE NO.: n/a	

For general release

1. RECOMMENDATIONS

The Executive Director – Place recommends that Full Council resolves:

1.1 To adopt the provisions of section 75 of the London Local Authorities Act 2007 to require mail forwarding businesses in the Borough to register with the Council from the appointed day;

1.2 That the appointed day from which the measures will take effect be 12 January 2016;
and

1.3 That the fee for the registration of mail forwarding businesses be set at £99 for the time being

1.4 That the forms of identification approved for these purposes by the Council are as set out in paragraph 3.5 below.

2. EXECUTIVE SUMMARY

- 2.1 At the full Council meeting of 18 April 2004 it was resolved that the Council participate in the promotion of the ninth London Local Authorities Bill.
- 2.2 On 20 September 2004 Council passed a second resolution confirming participation in the Bill. The second resolution was required by statute. It enabled the Council to subsequently use the provisions of the London Local Authorities Act 2007, the majority of which came into force two months from the 19 July 2007 when it received Royal Assent on 19 July 2007.
- 2.3 However the powers under section 75 require the Council to specifically pass a resolution to appoint a day for the commencement of their use.

3. DETAIL

- 3.1 The London Local Authorities Act 2007 (“the Act”) enables the council to introduce legal controls on mail forwarding businesses. A mail forwarding business is one which makes postal addresses available to a person for receipt of their post which is then forwarded on to them. It is not necessarily the address at which the person resides or carries out their business. About 10 serviced office providers in Croydon are also known to provide mail forwarding services to their office users.
- 3.2 Increasingly, the services of mail forwarding businesses are being used to mask fraudulent trading in Croydon – such as where individuals lose money which they sent to the postal address in response to a fraud or a scam.
- 3.3 In the absence of existing legal requirements to keep records, most mail forwarding businesses do not require identification from the person to whom they make the postal address available and many keep insufficient records or, in some cases, none at all. As such, enquiries made of these service providers, as part of any criminal investigation can prove fruitless.
- 3.4 Accordingly it is now considered appropriate for the Council to consider making use of powers within the London Local Authorities Act 2007 to require such businesses to keep certain records pursuant to section 75 and in order to do so the Council is required to designate the Appointed Day for these purposes.
- 3.5 Once in force in Croydon, Section 75 will place a requirement on a mail forwarding business to be registered with the Council, keep records of persons using mail forwarding and holding services including copies of two pieces of identification as approved by the Council for these purposes, to retain the records for one year after the service has expired and make them available for inspection by the police and authorised officers of the Council.
- 3.6 In respect of the approved types of documentation approved by the Council, the Council considers that the following are acceptable types of identification:

One document from each list below is required.

- List One: Photo identification

- a. Passport
 - b. Driving Licence (with photocard)
 - c. National Identity Card
 - d. HM Forces Identity Card
 - e. A current student card
 - f. Connexions card
 - g. Employment identification card
 - h. Freedom travel pass
 - i. Disabled drivers blue pass
- List two: Non photo identification provided both name and address is shown.
 - a. Gas or Electricity bill
 - b. Telephone bill
 - c. Water bill
 - d. Mortgage Statement
 - e. Council Tax bill
 - f. Bank / Building Society statement (includes credit card and store card bill)
 - g. TV licence
 - h. Valid insurance certificate
 - i. Pay slip
 - j. P45/P60 statement
 - k. Financial statement (e.g. pension, endowment)
 - l. Current benefit book
 - m. Letter from Benefits Agency
 - n. HM Revenue and Customs Notice of Coding
 - o. Student hall of residence agreement or other proof of accommodation

3.7 Once adopted the Act creates various criminal offences relating to the registration of business which carry a penalty on summary conviction of a fine not exceeding level 5 on the standard scale, which is currently £5000.

3.8 For the purposes of adoption the Council is required to determine when the appointed day will be and then publicise the passing of the resolution at least one month before the appointed day. Taking these provisions into account, the Council has determined that the Appointed Day will be 12 January 2016.

3.9 A transitional period has been built into the 2007 Act whereby the requirement not to carry on a mail forwarding business without registration and the duty to keep records does not apply to mail forwarding businesses until four weeks after the appointed day set by the Council.

3.10 The Council may charge a reasonable fee for the purposes of registration under section 75 and the fee is required to be calculated by reference to the cost of dealing with applications for such registration. As such the Council has considered the amount of officer time which would be taken to process the applications for registration, including verifying the information included and had regard to the levels of fees set by surrounding boroughs and considers that £99 be set as the fee for registration.

4. CONSULTATION

- 4.1 No direct consultation is required but notice of adoption will be given as detailed in para.3.8 and 3.9.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Revenue Budget available				
Expenditure	0	0	0	0
Income	0	0	0	0
Effect of decision from report				
Expenditure	0	0	0	0
Income	1	0	0	0
Remaining budget	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Budget available				
Expenditure	0	0	0	0
Effect of decision from report				
Expenditure	0	0	0	0
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

2 The effect of the decision

The proposal is that a one off registration fee of £99 is charged per application. This is anticipated to result in £1,000 in additional income based on an estimate that 10 premises will be licensed. There will be no additional expenditure to administer the scheme as any additional work will be absorbed into the existing Trading standards' team workload.

3 Risks

There is no financial risk to the council as a result of this decision and the additional income that will be generated is of a minimal and immaterial amount.

4 Options

The alternative would be the “do nothing” option and not regulate mail forwarding businesses. This would be detrimental to the objective of reduction of fraud in these establishments.

5 Future savings/efficiencies

It is not anticipated that any future savings will be achieved as a result of the decision.

6 Approved by: Dianne Ellender Head of Finance and deputy S151 officer)

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Council is required to follow the statutory process as set out in the body of the report in setting the Appointed Day which will enable the Council to utilise and enforce the provisions of Section 75 of the Act.

(Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor and Monitoring Officer)

7. HUMAN RESOURCES IMPACT

7.1 There are no direct Human Resources Impacts as a result of the recommendations of the report. Staff Training requirements as a result of the enforcement of new legislation will be met from existing budgets.

(Approved by: Approved by Adrian Prescod, HR Business Partner, for and on behalf of Director of HR, Resources department)

8. EQUALITIES IMPACT

None

9. ENVIRONMENTAL IMPACT

None

10. CRIME AND DISORDER REDUCTION IMPACT

There are no additional crime and disorder reduction impacts beyond those set out in the body of the report.

CONTACT OFFICER: *Trish Burls, Principal Officer, Trading Standards, Ext 61309*
BACKGROUND DOCUMENTS: None

Annex 1: Table shows costs of registration:

Staff Member	Time (Hrs)	Cost (inc overheads) £	Total £
Business Support Officer – processing of application	30mins	£49.52	£49.52
Fair Trading Officer - compliance checks	30 mins	£49.52	£49.52
Total			£99.04

Note: Cost based on current cost per officer hour including overheads @ £99.05 p/h