

**AGENDA ITEM: 5**

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Meeting	Licensing Committee
Date	21 May 2008
<b>Subject</b>	<b>Fees and Charges for Gambling Premises</b>
Report of	Director of Corporate Governance
Summary	This report reviews and sets out the proposed fees for 2008/2009 for premises licensed for gambling under the provisions of the Gambling Act 2005.

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Officer Contributors	Emma Phasey, Principal Trading Standards and Licensing Officer
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix 1 – Current and Proposed Fees and Charges
For decision by	Licensing Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not Applicable

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## **1. RECOMMENDATIONS**

- 1.1 That the fees for applications for premises licences under the Gambling Act 2005 as set out in Appendix 1 be approved and come into effect immediately.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Decision by Council on 26 June 2007 to approve the current fees and to delegate the function for setting future fees to the Licensing Committee.
- 2.2 The fees set in the above report had been estimated as no Gambling Act applications had been received. The report stated that once applications had been received and formally processed the fee structure would be reviewed to ensure fees had been set at an accurate cost recovery level. The fees proposed in this document have been set following this review.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Council approved a report of the Licensing Committee on 7 November 2006 which adopted the Gambling Licensing Policy. The decision also included the approval of a resolution not to licence any casinos within the borough in order to protect children and other vulnerable persons from being harmed or exploited by gambling. Fees for casinos have therefore not been included in the proposed fee schedule.
- 3.2 The effective management of the gambling licensing regime directly supports the priorities of "Clean, Green and Safe" and "Supporting the Vulnerable".

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The gambling industry has made it clear it will seek Judicial Review of local authorities it feels are setting fees purely to maximise revenues. A Judicial Review would have a significant financial implication and also impact negatively upon the reputation of the Council.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 Fees have been set on a cost recovery basis whereby the fee payable by businesses is proportionate to the Council's cost in delivering the service.

## **6. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 6.1 Local Authorities can set fees for gambling premises licences, permit fees have been set by central government. The figures below reflect all fees for completeness.
- 6.2 The fees proposed have been set on a cost recovery basis. The income generated offset the costs incurred by the department in administering the regime.

- 6.3 The total revenue collected for 2007/2008 was £51,911 of which £26,900 was collected in annual fees. This is a higher amount than is likely to be collected in future years due to the £15, 660 received in conversion fees.
- 6.4 If the fee proposals contained within this report are approved, in 2008/2009 the income expected to be collected through annual fees will be £31,500. With fees received to process new applications and other variations estimated in the region of £15,000. It is therefore estimated that total fee income will be the region of £46,500.

## **7. LEGAL ISSUES**

- 7.1 Contained in the body of the report

## **8. CONSTITUTIONAL POWERS**

- 8.1 The Council can discharge all non-executive functions (Constitution, Part 3, Section 2). The Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2007 prescribe that the setting of fees under the Gambling Act 2005 is a non-executive function that may be exercised by the Council or delegated by it to the Licensing Committee.

## **9. BACKGROUND INFORMATION**

- 9.1 The new gambling licensing regime is established by the Gambling Act 2005. There are three statutory objectives to be met through licensing:

- Preventing gambling from being a source of crime, being associated with crime or being used to support crime.
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

- 9.2 The second objective is principally a matter for the Gambling Commission, which will issue operator and personal licenses. The Council will be mainly concerned with licensing gambling premises rather than gambling itself.

- 9.3 Under the Gambling Act 2005, local authorities are responsible for licensing the following premises:

- Casinos
- Bingo premises
- Betting shops
- Tracks
- Family entertainment centres (arcades with specific gaming machine entitlements)
- Adult gaming centres (arcades with specific gaming machine entitlements)

- 9.4 Local authorities are responsible for issuing the following permits:
- Alcohol licensed premises gaming machine permits
  - Unlicensed family entertainment centre gaming machine permits
  - Club gaming permits
  - Club gaming machine permits
  - Prize gaming permits
- 9.5 Local authorities are permitted to set their own fees (up to a specified maximum level specified by Regulations) for gambling premises licenses. Those fees must be based upon cost recovery only. The Gambling Act 2005, section 212(2)(d) specifically states that local authorities shall "aim to ensure that the income from fees .... as nearly as possible equates to the costs of providing the service to which the fee relates". Permit fees have been set nationally by central government.
- 9.6 The gambling industry has indicated that it will consider using the judicial review process to challenge fee levels where it believes fees have not been set on a cost recovery basis. Additionally, the Secretary of State retains the ability to remove local flexibility and set fees nationally if local authorities do not set fees responsibly.
- 9.7 Applications for gambling premises licenses and permits are processed by the existing licensing team within the Community Protection Group of the Directorate of Corporate Governance
- 9.8 The fees proposed within this report have been set on a cost recovery basis. The following activities and their costs can be taken into account when setting fees
- Dealing with applications
  - Dealing with representations
  - Mediation
  - Holding committee hearings
  - Involvement in appeals
  - Carrying out reviews
  - Inspections
  - Compliance
  - Enforcement
  - Information exchange
  - Maintaining registers
  - Future reviews of the gambling policy
- 9.9 The current fees were agreed by council on 26 June 2007. These can be found in Appendix 1. These fees were set before any applications had been received by the department. Therefore the costs involved were estimated using the departments experience with the Licensing Act 2003. The report stated that once applications had been received and formally processed then the fee structure should be reviewed to ensure they had been set at an accurate cost recovery level.

- 9.10 The Gambling Act 2005 states the Secretary of State should publish guidance on the frequency that the fees should be reviewed. This guidance has been published and states that fees should be reviewed annually.
- 9.11 All gambling applications received by the Licensing Department have been tracked in accordance with the Local Authority Co-ordination Of Regulatory Services (LACORS) guidance, with information gathered with regard to the time and resources spent in processing each application received. Following this review revised fees are proposed that reflect an actual cost recovery position. These proposed fees are attached as per Appendix 1.
- 9.12 Officers will continue to track new applications received in line with LACORS guidance to ensure that the fees are reviewed regularly and set on a cost recovery basis.

## Appendix 1 – Current and Proposed Licence fees

### New Application Fee

	Max Permitted Fee	Current Fee	Proposed Fee
Bingo Premises	£3500	£1750	£1250
Adult Gaming Centre	£2000	£1750	£1250
Betting Premises Track	£2500	£1750	£1250
Family Entertainment Centre	£2000	£1750	£1250
Betting Premises (Other)	£3000	£1750	£1250

### Annual Fee

	Max Permitted Fee	Current Fee	Proposed Fee
Bingo Premises	£1000	£750	£525
Adult Gaming Centre	£1000	£750	£525
Betting Premises Track	£1000	£750	£525
Family Entertainment Centre	£750	£750	£525
Betting Premises (Other)	£600	£425	£525

### Provisional Statement

	Max Permitted Fee	Current Fee	Proposed Fee
Bingo Premises	£3500	£2500	£1150
Adult Gaming Centre	£2000	£1550	£1150
Betting Premises Track	£2500	£2150	£1150
Family Entertainment Centre	£2000	£1550	£1150
Betting Premises (Other)	£3000	£2325	£1150

### Application Fee – Provisional Statement Holders

	Max Permitted Fee	Current Fee	Proposed Fee
Bingo Premises	£1200	£425	£950
Adult Gaming Centre	£1200	£425	£950
Betting Premises Track	£950	£425	£950
Family Entertainment Centre	£950	£425	£950
Betting Premises (Other)	£1200	£425	£950

**Transfer**

	Max Permitted Fee	Current Fee	Proposed Fee
Bingo Premises	£1200	£625	£625
Adult Gaming Centre	£1200	£625	£625
Betting Premises Track	£950	£625	£625
Family Entertainment Centre	£950	£625	£625
Betting Premises (Other)	£1200	£625	£625

**Variation**

	Max Permitted Fee	Current Fee	Proposed Fee
Bingo Premises	£1750	£1625	£1150
Adult Gaming Centre	£1000	£1000	£1000
Betting Premises Track	£1250	£1250	£1150
Family Entertainment Centre	£1000	£1000	£1000
Betting Premises (Other)	£1500	£1425	£1150

**Reinstatement**

	Max Permitted Fee	Current Fee	Proposed Fee
Bingo Premises	£1200	£625	£625
Adult Gaming Centre	£1200	£625	£625
Betting Premises Track	£950	£625	£625
Family Entertainment Centre	£950	£625	£625
Betting Premises (Other)	£1200	£625	£625

Notification of change of circumstances fee – All Premises	£50	£50	£50
Copy of Licence Fee – All Premises	£25	£25	£25

Permit Fees – set by central government

Type of permit	Conversion fee	New permit fee	Annual fee	Variation fee	Renewal fee	Transfer fee	Name change fee	Copy of permit fee	Notification fee
Licensed premises gaming machine permit	£100	£150	£50	£100		£25		£15	£50
Club gaming permit	£100	£200	£50	£100	£200			£15	
Club machine permit	£100	£200	£50	£100	£200			£15	
Prize Gaming permit	£100	£200			£200		£25	£15	
Unlicensed family entertainment centre permit	£100	£300			£200		£25	£15	