

## LICENSING COMMITTEE – 26 JANUARY 2010

### GAMBLING ACT 2005 – FEES AND CHARGES FOR 2010 /11

Report of the: Community and Planning Services Director

Status: For Decision

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**Executive Summary:** This report sets out details of the proposed fees the Gambling Act 2005 for the year 1 April 2010 until 31 March 2011 (Appendix).

The Gambling Act fees were first set at the Licensing Committee on 30 May 2007, (with the same fee model being used to work out the proposed fee for the forthcoming year using a 2% inflation factor).

The District currently has eight Betting Premises that will be affected by the proposed fee increases.

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**This report supports the Key Aim of safe communities**

**Portfolio Holder** Cllr. Mrs Bracken

**Head of Service** Head of Environmental and Operational Services – Mr Richard Wilson

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**Recommendation:** It is RESOLVED that the Gambling Act 2005 fees for 2010/11 as set out in the Appendix of the report be approved.

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### Background

- 1 The Gambling Act 2005 Section 212 gives the Secretary of State power to make regulations prescribing the fees payable to the Licensing Authority. It also gives the power to devolve to Licensing Authorities in England and Wales the freedom to set fees for premises licence applications, subject to any constraints the Secretary of State may prescribe. The government has decided that for England and Wales, Licensing Authorities will determine their own fees for gambling premises licences but that the Secretary of State will prescribe the maximum fee payable for each category of licence.
- 2 After consulting widely and obtaining and considering information from licensing authorities and the gambling industry, the Department for Culture, Media and Sport (DCMS) has prescribed maximum fees for each type of premises and each type of application for which a fee is payable. The maximum levels have been included in the Appendix in brackets for comparison purposes.
- 3 There will be an initial fee to cover the cost of application and an annual “maintenance” fee.

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- 4 The DCMS has asked Licensing Authorities to set fees to ensure full cost recovery and that the fee levels represent fairness and value for money for the gambling industry. All Licensing Authorities must set their fees upon a cost recovery basis only (Gambling Act Section 212 (2)(d)) and will be required to review their fee levels on an annual basis to ensure this.
- 5 The DCMS believe this approach will ensure fairness and value for money, while also allowing Licensing Authorities to fully recover the costs associated with premises licensing.

**Introduction**

- 6 The Local Authorities Coordinators of Regulatory Services (LACORS) has published a fees toolkit to assist local authorities in compiling the fees levels and has advised authorities that it believes trade bodies of gambling premises will be undertaking judicial review proceedings against authorities which it believes are not setting their fees on the basis of cost-recovery.
- 7 Fees must be set for all types of premises licences and Temporary Use Notices (TUN's).

**Premises type**

- Casinos
  - Bingo
  - Betting (off-course)
  - Tracks (on-course betting)
  - Adult Gaming Centres
  - Family Entertainment Centres
- 8 The fees must be determined for the different classes of premises as set-out in the fees regulations (see Gambling Act 2005 Section 212(2)(b) and SI 2007 / 479 paragraph 3) and cannot be based, for example, upon premises size, rateable value etc.
  - 9 Fees must be set by each Licensing Authority for the following:
    - Application for (new) premises licence
    - Application to vary a premises licence
    - Application to transfer the licence (Sections 188 and 189)
    - Application for re-instatement of the premises licence (Sections 195 & 196)
    - Application for a provisional statement

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- Application for a premises licence for a premises which already has a provisional statement
- Fee to accompany a request for a copy of the premises licence (Sections 190)
- Fee to accompany a notification of change of circumstances (only relevant change is that of address - Section 186)
- Fee to accompany a temporary use notice (Section 219)

**Fees and Income**

- 10 The fees have been calculated by examining the 'time' it takes to carry out the various tasks and who in the authority is likely to carry them out. The hourly rates of staff, including on costs for various members of staff, were provided by Finance. Then these hourly rates are fed in to a spreadsheet produced by the DCMS to calculate costs for each type of activity. For each application the processes involved are identified and the costs of each process are calculated and entered in to the spreadsheet provided by LACORS, which produces an average cost for each type of application and an annual fee.
- 11 The type of tasks involved in premises application for example, include, assistance to applicant (pre-application stage, including telephone advice, sending forms, etc), the checking of an application for completeness when received, checking all required documents are attached, processing the application fee, check, process, bank and reconcile payments, entering the information into our computer system (including scanning), contacting the applicant to clarify application or chase missing information if required, assess representations for relevance, undertake informal mediation, undertaking site visits where necessary, checking operating licence (this is issued by the Gambling Commission for individuals and companies who intend to provide facilities for certain types of gambling, in general these licences cover the principal commercial forms of gambling operations, s65 of the Gambling Act 2005 sets out the types of licences that may be issued). Once issued, determining the licence or arranging a hearing, holding a hearing, notification of the decision, prepare and issue the licence, update the records/register (including the notification to the Gambling Commission), appeal preparation and holding an appeal hearing.
- 12 The costs associated with appeals and hearings have been estimated and an estimation has been made as to the likelihood of these events occurring is entered into the final calculations. The risk of appeals and hearings occurring has been based on assumptions gathered through training on the Gambling Act 2005 and from the authority's experience of the frequency of hearings and appeals under the Licensing Act 2003.

## Key Implications

### Financial

- 15 The current number of premises that will be subject to Gambling Act 2005 fees is eight betting shops, whose annual fees will generate £3,600 (8 x £450).

### Legal, Human Rights etc.

- 16 Should parts of industry believe the authority's fees are at a level which is greater than the costs of the statutory functions then it would be open to them to undertake judicial review proceedings. Should this arise, the authority would need to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

### Equality

- 17 Equality is not effected by the setting of the Gambling Act 2005 fees.

## Risk Assessment Statement

- 18 The process of setting the proposed fees for premises licence fees for premises used for gambling is essential to ensure that operational costs are recovered and if no decision is taken, the Council budgetary objectives are unlikely to be met.

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Case law relating to fee levels in various licensing areas has agreed a general principle that licensing fees should not be used as a method of creating revenue and so setting a fee level that would result in an excess of revenue would leave the authority open to legal challenge.

### **Sources of Information:**

Licensing Committee minutes from 30 May 2007 and 22 January 2009 – (Setting of fees for Gambling Act 2005)

<http://www.culture.gov.uk>

<http://www.gamblingcommission.gov.uk>

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