

Report of	Meeting	Date
Director of Customer, Democratic and Legal Services	Licensing and Safety Committee	25/04/07

PROPOSED FEES – GAMBLING ACT 2005

PURPOSE OF REPORT

- The Gambling Act 2005 gives the Secretary of State power to make regulations prescribing the fees payable to the licensing authority. It also gives her the power to devolve to licensing authorities the freedom to set fees for premises licence applications, subject to any constraints she 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. Permit fees will be determined by the Secretary of State.

CORPORATE PRIORITIES

- This report is not relevant to the key corporate priorities of the Council.

RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation		Regulatory/Legal	4
Financial	4	Operational	
People		Other	

- Fees must be set upon a cost recover basis only and there may be a prejudicial review if the fees are considered to have been set too high. It is important to ensure that all costs are recovered so as not to plan any additional burden upon Council Tax payers.

BACKGROUND

- Applications for licences can be submitted to Local Authorities from 21 May 2007 and the Act will come into effect on 1 September 2007.
- Existing operators may receive continuation rights provided their application is received by 30 July 2007, and applications received after this date will still be processed but will not receive continuation rights.
- After 31 July 2007 only Gambling Act 2005 permissions will be granted, which means new operators would not be able to commence operating until 1 September 2007.

8. The transitional period ends on 31 August 2007 and from 1 September 2007 the Act comes into effect along with new licences and permits granted under that Act. Those operators with continuation rights may continue to operate, subject to the mandatory and default conditions, those who do not have continuation rights and have yet to receive their permissions under the new legislation must cease operation.
9. Fees must be set for the following types of premises licences:

Casinos, bingo, betting (off course), tracks (on-course betting), adult gaming centres, family entertainment centres.
10. When setting fees the following activities have been considered:

Dealing with applications, dealing with representations, mediation, holding committee hearings, involvement in appeals, carrying out reviews, inspection, compliance, enforcement, information exchange with Gambling Commission, maintaining registers, future reviews of Statement of Principles. Local publicity and answering local queries have also been taken into account.
11. An attempt has been made to assess all costs of providing the service including direct and indirect costs which includes a full proportionate share of overhead costs, insurance, depreciation and cost of capital charge eg accommodation, telephone, furnishing, IT, printing, stationary, postage, salaries, pension, NI contributions, travel and subsistence. There will also be legal and central support services such as human resources, press, publications, accountants etc. *In addition as the Licensing Authority is a responsible authority under the Act there is likely to be additional enforcement costs.*
12. During the years 2004/5 and 2005/6 monies were provided by central government for training of existing licensing officers, councillors and administration staff, staff/recruitment costs (where additional staff are required to fulfil gambling premises licence responsibilities), additional software/hardware requirements, transfer of records from Magistrates to authorities and producing and consulting on the three year licensing policy statement. These costs cannot be considered when setting fees.
13. Careful consideration has been given to setting the fees based upon the information available and as the Council has no working knowledge of how much work will be involved in processing applications and other associated costs it is considered impossible at this stage to set fee levels with any certainty that they would cover the costs of administering the service.
14. Because of the lack of information available to make an informed decision the prudent course of action is to set the fees at the recommended maximum with a full review of costs being undertaken after 12 months from the full implementation of the Act when all the costs will be available.
15. The maximum fees that have been set by the Secretary of State are attached to this report.
16. A check with the Magistrates Court and licensing records reveal that there are 12 existing betting offices, 1 bingo hall, 6 adult gaming centres, 2 family entertainment centres and there are 88 gaming permits (there will be more gaming permits that have been issued by the Magistrates that we will need to renew as and when they fall due) It is possible that all of these will adopt the fast track licensing process but this cannot be assumed as some premises may wish to take this opportunity to vary their existing conditions.

17. Permits may be issued to unlicensed family entertainment centres, alcohol licensed premises, clubs both commercial and non – commercial, and premises wishing to offer commercial prize gaming. It is impossible at this stage to anticipate the number of such applications but as previously stated the fees for permits will be set by the Secretary of State.

COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES

18. N/A

COMMENTS OF THE DIRECTOR OF FINANCE

19. To be forwarded

RECOMMENDATION

20. That the proposed fees are implemented for applications under the Gambling Act 2005 by adopting the maximum prescribed by the Secretary of State with a full review of the fees after 12 months when the actual costs can be assessed and the fees adjusted to take full account of the costs involved.

ANDREW DOCHERTY
DIRECTOR OF CUSTOMER, DEMOCRATIC AND LEGAL SERVICES

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Keith Ogden	5726	11 April 2007	LEGREP/1104LM1

Table of Maximum Fees

Classes of premises licence	Maximum conversion application fee for non-fast track applications	Maximum non-conversion application fee in respect of provisional statement premises	Maximum non-conversion application fee in respect of other premises	Maximum annual fee	Maximum fee for application to vary licence	Maximum fee for application to transfer a licence	Maximum fee for application for reinstatement of a licence	Maximum fee for application for provisional statement
Regional casino premises licence		£8,000	£15,000	£15,000	£7,500	£6,500	£6,500	£15,000
Large casino premises licence		£5,000	£10,000	£10,000	£5,000	£2,150	£2,150	£10,000
Small casino premises licence		£3,000	£8,000	£5,000	£4,000	£1,800	£1,800	£8,000
Converted casino premises licence	£2,000			£3,000	£2,000	£1,350	£1,350	
Bingo premises licence	£1,750	£1,200	£3,500	£1,000	£1,750	£1,200	£1,200	£3,500
Adult gaming centre premises licence	£1,000	£1,200	£2,000	£1,000	£1,000	£1,200	£1,200	£2,000
Betting premises (track) licence	£1,250	£950	£2,500	£1,000	£1,250	£950	£950	£2,500
Family entertainment centre premises licence	£1,000	£950	£2,000	£750	£1,000	£950	£950	£2,000
Betting premises (other) licence	£1,500	£1,200	£3,000	£600	£1,500	£1,200	£1,200	£3,000

The maximum application fee for a conversion via a fast track application is £300.