

Council – 2nd July 2007

The Gambling Act 2005 – Premises Licence Fees and Charges

Service Area: Public Protection

Wards: All

Summary of Report

This report outlines the provisions of the Gambling 2005 regarding the fees to be charged by Licensing Authorities.

Regulations provide for Licensing Authorities to determine fees, subject to prescribed maximums.

Fees must be determined on a cost recovery basis only.

Recommendations

That the Council be recommended to:

- (1) Determine the proposed fees to be charged in respect of the Gambling Act 2005.
- (2) Delegate the authority to determine future fees in respect of the Gambling Act 2005 to the Licensing and Safety Committee.

Background

The Gambling (Premise Licence Fees) (England and Wales) Regulations came into force on 21st May 2007. These regulations provide for licensing authorities to determine fees, subject to prescribed maximum limits. Separate fees can be set for different types of activities associated with licences (e.g. grant, variation, transfer etc). Also the regulations allow separate fees for different classes of premise (e.g. casinos, bingo halls, betting shops etc).

In determining fees, licensing authorities should set fees that recover the full costs of carrying out functions under the Act. This includes costs of administration, inspection, enforcement and all related overheads but not start up costs for which authorities have already received funding in the revenue support grant for 2004/5 and 2005/6.

The Act requires licensing authorities to set fees on a cost recovery basis only. Therefore, the fees set are subject to challenge and authorities must be able to quantify their fees. The fees proposed, which are detailed at Appendix A, comply with this requirement. The maximum fees set by the Department for Culture, Media and Sport (DCMS) are indicated in brackets.

DCMS has warned Councils not to simply set fees at the maximum and “based on extensive work carried out over the last two years does not expect that many councils will need to set fees at or near the maximum”.

DCMS recognises that it may be difficult to determine accurate costs before the Act comes into force and therefore the fee regime will remain under review. The fees set by each authority in the first year will be collated and published. DCMS will then carry out a series of case studies to determine whether the maximum fees, effective from April 2008, need to be adjusted.

Permit fees and a number of incidental fees have been set by the Secretary of State and licensing authorities cannot vary these fees. The fees are detailed at Appendix B.

Current Position

In order to process applications the Authority needs to determine fees that will be payable in respect of each category of licence and activity.

Regulations prescribing the procedures required for each licence activity have been considered and a number of factors have been identified.

There are approximately 55 existing premises that will be required to make application for a new premises licence:

Tracks	1
Casinos	3
Bingo Halls	3
Betting Premises	43
Amusement Centres	5

There are approximately 250 existing alcohol licensed premises (including 70 club premises) holding permits for gaming machines. The existing permits remain valid until 31 August 2010 or until they fall due for renewal if that is sooner.

The Act provides for a fast track application which allows existing operators to apply for a straight conversion of their existing permission into the equivalent licence/permit under the new regime. This will be an administrative process that will not involve representations or hearings

It is anticipated that in the first instance existing operators will opt for the fast track conversion.

To ensure compliance with the Act It is proposed that each licensed premise will receive an enforcement visit in the first year and also each existing licensed premise for which no application has been received.

Proposed Fees

The proposed fees have been set at a level to ensure that the costs of carrying out the functions under the Act are recovered. The cost of determining an application and issuing a licence is met through a one-off application fee. This fee will cover the cost of administration including processing, representations, hearings and appeals. Once issued a licence is without time limit.

The cost of ongoing administration, inspection and enforcement activity is met through an annual fee.

The first annual fee becomes payable within 30 days of a licence coming into effect. The level of the first annual fee must not exceed the amount determined to be payable in respect of the standard annual fee but may be set at a lower level to take account of any savings gained through the application process

Resource and Legal Implications

The implementation of the Gambling Act 2005 is a statutory function imposed on the Council by central government.

The fees proposed are set at a level to ensure that full costs of carrying out the administrative, inspection and enforcement functions under the Act are recovered.

The proposed fees have been calculated on the basis of estimated costs to be incurred and on assumed volumes and ranges of activity. These assumptions will be kept under review. The estimated annual cost of carrying out the functions under the Gambling Act is detailed at Appendix C. The anticipated annual income for the first year is detailed at Appendix D.

The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended by the Local Authorities (Functions and Responsibilities) (England) Amendment Regulations 2007 authorises a local authority to delegate its power to set fees under the Gambling Act , 2005 to a committee or officer of the council.

Equality Implications

None arising from this report

Citizen Impact

None arising from this report

Environmental Impact

None arising from this report

Vision 2008

The fees have been set at a level to provide adequate enforcement; also to allow partnership working with local crime prevention and enforcement bodies, the gambling industry and other stakeholders to maintain the security of local people and benefit the economy.

Background papers

1. Gambling Act, 2005
2. Gambling (Premises Licence Fees) (England and Wales) Regulations 2007
3. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000
4. Local Authorities (Functions and Responsibilities) (England) Amendment Regulations 2007
5. LACORS guidance



Signed:

Executive Director:

Date: 22 June 2007

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APPENDIX A

PROPOSED FEES WITH PRESCRIBED MAXIMUM FEES SHOWN IN BRACKETS

Premise	Transitionl Fast Track	Transitional NonF/Track	New Licence	Annual Fee 1 st year	Variation	Transfer	Re - instatement	Provisional Statement	Provisional Application	Notification of change	Copy Licence
New Small Casino	N/A	N/A	£6400 (£8000)	£4000 (£5000)	£3200 (£4000)	£1440 (£1800)	£1440 (£1800)	£6400 (£8000)	£6400 (£8000)	£50 (£50)	£25 (£25)
Existing Casino	£300 (£300)	£1280 (£2000)	N/A	£2492 (£3000)	£1280 (£2000)	£810 (£1350)	£810 (£1350)	N/A	N/A	£50 (£50)	£25 (£25)
Bingo Premise	£300 (£300)	£1320 (£1750)	£2200 (£3500)	£837 (£1000)	£1320 (£1750)	£960 (£1200)	£960 (£1200)	£2200 (£3500)	£960 (£1200)	£50 (£50)	£25 (£25)
Adult Gaming Centre	£300 (£300)	£792 (£1000)	£1280 (£2000)	£797 (£1000)	£792 (£1000)	£960 (£1200)	£960 £1200	£1280 (£2000)	£960 £1200	£50 (£50)	£25 (£25)
Family Entertainm ent Centre	£300 (£300)	£792 (£1000)	£1280 (£2000)	£615 (£750)	£792 (£1000)	£760 (£950)	£760 (£950)	£1280 (£2000)	£760 (£950)	£50 (£50)	£25 (£25)
Betting Premise (Track)	£300 (£300)	£960 (£1250)	£1480 (£2500)	£815 (£1000)	£960 (£1250)	£760 (£950)	£760 (£950)	£1480 (£2500)	£760 (£950)	£50 (£50)	£25 (£25)
Betting Premise (Other)	£300 (£300)	£980 (£1500)	£2200 (£3000)	£418 (£600)	£980 (£1500)	£960 (£1200)	£960 (£1200)	£2200 (£3000)	£960 (£1200)	£50 (£50)	£25 (£25)

APPENDIX B**GAMBLING ACT 2005 – PRESCRIBED PERMIT AND OTHER RELATED FEES**

Type	New Application	Annual Fee	Renewal Fee	Fast Track Clubs	Transitional Application	Name Change	Copy Permit	Permit Variation	Permit Transfer
Family Entertainment Centre	£300	N/A	£300	N/A	£100	£25	£15	N/a	N/A
Small Society Lottery Registration	NOT	YET	RELEASED						
Club Gaming Permit	£200	£50	£200	£100	£100	N/A	£15	£100	N/A
Club Gaming Machine Permit	£200	£50	£200	£100	£100	N/A	£15	£100	N/A
Alcohol Licensed Premises no more than 2 machines	NOT	YET	RELEASED						
Alcohol Licensed Premises more than 2 machines	£150	£50	£100	N/A	N/A	£25	£15	£100	£25
Prize Gaming Permit	£300	N/A	£300	N/A	£100	£25	£15	N/A	N/A

APPENDIX C

GAMBLING ACT 2005 – ESTIMATED ANNUAL COST OF SERVICE

TYPE OF EXPENDITURE	£
EMPLOYEE COSTS	44,979
MANAGEMENT COSTS	8,780
INTERNAL COSTS/SUPPORT SERVICES	3,702
TOTAL	57,461

APPENDIX D

GAMBLING ACT 2005 – FIRST YEAR ANTICIPATED ANNUAL INCOME

PREMISE	NUMBER	APPLICATION	1st ANNUAL	TOTAL
Race Track	1	£300	£815	£1,115
Betting Premise	43	£300	£418	£29,074
Bingo	3	£300	£837	£3,411
Casinos	3	£300	£2,492	£8,376
Adult Gaming Centre	5	£300	£797	£5,485
Club Gaming M/cs	50	£100	£50	£7,500
Alcohol Premises Gaming M/cs	50			£2,500
			TOTAL	£57461