

(1) Approve the recommended increases to the application and annual fees to the statutory maximum as set out in Appendix 1 attached to the report, with effect from 1st January 2017.

4 Reasons for decision

4.1 It is a requirement that fees are reviewed to ensure that fees are set to cover the full cost recovery to the Licensing Authority. A review of the current cost involved show that full costs are not being recovered. There has been no increase in fees since the introduction of the Act in 2007.

5. Alternative Options Considered

5.1 The fees remaining at the current levels which is less than the statutory maximum was considered. However this option was not considered appropriate as rather than being cost neutral, the administration of this statutory function would create a cost to the Council and would not be in line with the Council income policy.

6 Background information

6.1 The Gambling Act 2005 put in place the reform of gambling control and created a new regulatory system that governs the provision of gambling in England and Wales. Local Authorities share the responsibility with the Gambling Commission in regulating commercial gaming. Local authorities have specific roles, which include the licensing of gambling premises and regulating lower stakes gambling machines in clubs.

6.2 The Act provides the licensing authority with the ability to charge fees for gambling premises licences and permits as well as other miscellaneous fees. Members should note that fees for permits are set centrally by Government. Licensing Authorities have no discretion in regard to fees for permits.

6.3 The Act devolves to licensing authorities the freedom to set fees for premises licence applications subject to the fee maximums given by central Government. The fees are in the form of a one off application fee followed by an annual fee and licensing authorities must set the fees subject to the following principles:

- To ensure that fees are set at a level that enables full cost recovery by the licensing authorities:
- To ensure fairness and value for money for the gaming industry.

6.4 Regulations set by the European Union Services Directive, Provision of Services Regulations 2009, made under Directive 2006/123/EC of the European Parliament came into effect on 27 December 2009. Under these regulations any charges which applicants incur under a licensing scheme must be reasonable and proportionate to the cost of the procedures and formalities

under the scheme, and must not exceed the cost of those procedures and formalities.

The Secretary of State has applied maximum fees for a number of different activities relating to the premises and for payments to the licensing authority in relation to each of the following activities:

- Application for a licence
 - Notification to the licensing authority that a licensee address has changed
 - Application to vary an activity authorised by a licence, a condition attached to a licence, or another detail of a licence.
 - Application to transfer a premises licence from one licensee to another.
 - Application for reinstatement of a licence which has lapsed
 - Application for a provisional statement (a type of provisional authorisation on the basis of which the holder may make a later application for a premises licence proper)
7. It is proposed that fees will increase to a statutory maximum to ensure a full cost recovery. The current fees and proposed increase can be found in Appendix 1
8. **Analysis of possible income & expenditure**
- 8.1 In arriving at these proposed fees, the authority has carried out a costing expenditure exercise and likely income from the proposed annual licence fees. Expenditure takes into account time spent advising applicants, determining applications, hearings and appeals through to enforcement and compliance and review.
- 8.2 The administrative costs include officer salaries, on-costs, support costs that include inspection, legal, finance, IT software and the proportionate costs of undertaking a 3 yearly consultation of the Statement of Gambling Policy required to facilitate the delivery of this function. The total outlay costs have been equally divided between the costs of each annual licence fee as the most appropriate of proportioning expenditure. The costing exercise is set out at Appendix 2.
- 9 **Contribution to strategic outcomes**
- 9.1 Priority 3 - A Clean and safe borough where people are proud to live and work.

10. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

10.1 Comments from Finance

The proposed fees enable cost recovery, without profit, which is clearly demonstrated in Appendix 2 below. The increase in fees is in line with the Council's income policy.

The overall expected increase to income, as a result of the revised fees, is expected to be in the region of £2500 per annum, based on current volumes, therefore there is no significant financial impact.

11 Comments from Legal

The Assistant Director of Corporate Governance has been consulted in the preparation of this report and comments as follows.

Section 212 of The Gambling Act 2005, gives the Secretary of State powers to make Regulations prescribing the license fees payable to the licensing authority.

The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 give the Licensing Authority the freedom to set fees for gambling premises license applications, subject to prescribed maximum fees for each category of license. In setting its fees the Licensing Authority must 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.

In addition, The Provision of Services Regulations 2009, require any charges to be reasonable and proportionate to the cost of the procedures and formalities under the licensing scheme and not to exceed the cost of those procedures and formalities.

The Council may therefore charge the maximum prescribed fees, so long as those fees enable full cost recovery to be made without any profit. Members will need to be satisfied that the fees being approved have been calculated on a cost recovery basis only.

12 Equalities Implications

12.1 It is clearly seen by Government that gambling can impact on the lives of all in society and particularly the young and those people who may be vulnerable to gambling activities. It is a primary objective of both the Act and the local policy statement that such persons are protected. An EQiA was carried out for the revised policy earlier this year.

12.2 In deciding whether or not a full EqiA is needed the screening tool was used

to consider the potential impact on protected groups:

Does the policy/procedure/project etc affect service users, employees or the wider community, and potentially have an affect in terms of equality? No

Is it a major policy/change significantly affecting how functions are delivered? - No.

Does it relate to functions that previous involvement or activities have identified as being important to protected groups? - No

Does it relate to an area where there are known inequalities e.g. disabled peoples access to a service, racist/homophobic bullying - No

Does it relate to a policy/process/project where there is significant potential for reducing inequalities or improving outcomes e.g. increasing take up of services by a protected group. -No

10.1 Equality Impact Assessment (EIA) is not relevant to this decision.

13 Use of Appendices

Appendix 1- Proposed fees (showing existing fees in brackets)

Appendix 2 – Costing exercise

Appendix 1

For ease of reference the maximum fees identified by The Department of Culture Media and Sports (DCMS) that we are now intending to charge are shown below, the existing fees are shown in brackets. The Copy Licence and Notification of Change fees were already set at the maximum level, so no change is proposed.

	New Application	Annual Fee	Application to Vary	Application to Transfer	Application for Re-Instatement	Application for Provisional Statement	Licence Application (provisional Statement holders)	Copy Licence	Notification of Change
	£	£	£	£	£	£	£	£	£
Bingo Club	3500 (3150)	1000 (900)	1750 (1575)	1200 (1080)	1200 (1080)	3500 (3150)	1200 (1080)	25 (25)	50 (50)
Betting Premises (excluding Tracks)	3000 (2700)	600 (580)	1500 (1350)	1200 (1080)	1200 (1200)	3000 (2700)	1200 (1080)	25 (25)	50 (50)
Tracks	2500 (2250)	1000 (900)	1250 (1125)	950 (855)	950 (855)	2500 (2250)	950 (855)	25 (25)	50 (50)
Family Entertainment Centres	2000 (1800)	750 (675)	1000 (900)	950 (855)	950 (855)	2000 (1800)	950 (855)	25 (25)	50 (50)
Adult Gaming Centre	2000 (1800)	1000 (900)	1000 (900)	1200 (1080)	1200 (1080)	2000 (1800)	1200 (1080)	25 (25)	50 (50)

Appendix 2 – Costing exercise

2 Expected Income and Expenditure

Gambling Premises

Expected Income from annual licences

Type of Licence	Number of licences in place	Annual Fee	Estimated income (Annual Fee)
Betting (Premises Licence)	63	£600	£37,800
Adult Gaming Centre Permit	4	£1,000	£4,000
Bingo Premise Licence	1	£1,000	£1,000
Betting (Track)	2	£1,000	£2,000
Applications to Vary	Estimated 3% of total licences available	n/a	£3,082
Applications to Transfer	Estimated 3% of total licences available	n/a	£2,505
Total Income			£50,388 Max

Expected Expenditure

Type of Expenditure	Annual Expenditure
Licensing team costs including site visits and inspections	£23,629
Management support costs	£3,742
Suppliers and Services	£4,210
Committee Services costs	£2,580
Corporate Overhead costs including legal costs	£16,376
Total Expenditure	£50,537

The total expenditure is expected to be £149 more than income. Fees are set at the Statutory Maximum

