

LICENSING COMMITTEE: 1 May 2007

Report of the Chief Strategic Planning and Environment Officer

GAMBLING ACT – LICENCE FEES AND CHARGES.

1. Background.

- 1.1 The Gambling Act 2005 is to be implemented in stages and will be brought into effect from March 2006 to September 2007. When implemented licensing authorities will be responsible for issuing Premises Licences and Gambling Permits applications for which are to be submitted from 21 May 2007.
- 1.2 The general functions of the licensing authority in dealing with Gambling Premises Licences are delegated to the Licensing Committee. The government has now issued by way of a statutory instrument, the Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 which enables licensing authorities to determine licence fees and charges.
- 1.3 This report is to provide information to enable the licensing authority to determine fees and charges under the Gambling Act 2005.

2. Background.

- 2.1 Under the Gambling Act 2005 there are functions that can not be delegated to the Licensing Committee and may therefore only be carried out by the full Council acting as the Licensing Authority. In terms of the setting of fees the Licensing Authority's duty under Section 212 to determine the amount of fee, where this is permitted by regulation, is not automatically delegated to the Licensing Committee but may be delegated separately by the licensing authority. It is recommended that the responsibility for setting fees and charges in respect of the Gambling Act should be delegated to the Licensing Committee.
- 2.2 The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 provide for the following types of fees to be determined by licensing authorities:
 - licence application fee (regulations 4 and 5),
 - first annual fee (regulations 6 and 9),
 - annual fee (regulations 8 and 9),
 - notification of a change of circumstance fee (regulation 10),
 - application to vary a licence fee (regulation 11),
 - application to transfer a licence fee (regulation 12),
 - fee for a copy of a licence (regulation 13),

- application for reinstatement of a licence fee (regulation 14), and
- provisional statement application fee (regulation 15).

In each case, the fee determined by a licensing authority must not exceed a maximum fee specified in the Regulation or in the table of maximum fees in the Schedule of the Regulations.

3. The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007.

- 3.1 The Gambling (Premises Licence Fees) (England and Wales) Regulations were made on 21 February 2007 and are to come into force on 21 May 2007. The regulations set out the levels the fee determined by a licensing authority must not exceed but enable authorities to charge at any level under this maximum to meet the anticipated costs of providing the service.
- 3.2 Regulation 3 sets out the different classes of premises licence six of which are identical to those set out in section 150 of the Act and the remainder being defined in regulation 2.
- 3.4 Regulations 4 and 5 provide for licensing authorities to determine different licence application fees for conversion applications and non-conversion applications. The terms “conversion application” and “non-conversion application” are defined in regulation 2 – the former meaning an application to which paragraph 54 of Schedule 4 to the Gambling Act 2005 (Commencement No.6 and Transitional Provisions) Order 2006 (S.I. 2006/3272) (“the Transitional Order”) applies. Regulation 4 provides for two types of conversion application – fast track and non-fast track applications – which are defined in regulation 2 as meaning applications to which paragraphs 57 and 56 of Schedule 4 to the Transitional Order, respectively, apply. Regulation 4 provides for licensing authorities to determine different fees for fast track and non-fast track applications, which must not exceed amounts specified in regulation 4(2)(a) and the table in the Schedule respectively. Regulation 5 provides for licensing authorities to determine different fees for two types of non conversion applications:
- those in respect of provisional statement premises, and
 - those in respect of any other premises.

The term “provisional statement premises” is defined in regulation 5(3).

- 3.5 Regulations 6(2) and (3) provide that the first annual fee for a licence determined by a licensing authority must not exceed the annual fee for the licence, determined as at the date by which the first annual fee is payable as if the annual fee were payable by that date. Regulation 7(1) provides that, where a licence comes into effect on the date on which it is issued (“the issue date”), the first annual fee shall

be paid within 30 days after that date. Regulation 7(2) provides that, where a licence specifies that it is to come into force on a date after the issue date (“the effective date”), the first annual fee shall be paid either within 30 days after the effective date, or within 12 months of the issue date, whichever is sooner. Regulation 7(2) does not apply to licences which were issued before 1st September 2007 – transitional provision as to the payment of first annual fees in respect of such licenses is made in paragraph 36 of Schedule 4 to the Transitional Order. Regulation 9 provides for licensing authorities to determine specific first annual fees and annual fees for licences that are subject to seasonal conditions. The term “seasonal condition” is defined in regulation 9(2). Where a licensing authority does determine a specific first annual fee and annual fee in these circumstances, those fees must be less than the first annual fee and annual fee that would otherwise apply to the licence.

4. Licence Fees and Charges.

- 4.1 The Gambling Act 2005 is to transfer responsibility for issuing gambling premises licences from Magistrates to local authorities and introduce an entirely new and modern approach to dealing with gambling licensing issues. The Act relies on a series of regulations to implement the principles it establishes and the government have left the issue of these regulations to a very late stage in the process. It is difficult therefore to estimate the costs as the processes and requirements of dealing with applications are still under construction.
- 4.2 The proposed licensing system is however similar in some respects to the system put in place by the Licensing Act 2003 in dealing with alcohol and entertainment premises and so some estimates of the likely costs can be made. Because of the much fewer premises involved (estimated at about 80) it will not however be possible to benefit from the economies of scale available during the implementation of alcohol licensing.
- 4.3 A significant cost of implementing the Licensing Act was in providing information to applicants. Gambling legislation is significantly more complex than alcohol licensing legislation and it is likely therefore that a significant proportion of the cost of issuing licences during the transition period will result from the need to guide applicants through the process and this factor has been built into the proposed fees. It is proposed to set the fast track fee at the proposed maximum and the non fast track fee at 70% of the maximum.
- 4.4 A fee costing exercise has been carried out on the likely costs of performing the functions required at current expenditure cost level and this exercise has provided the basis for the proposed fees. No attempt has been made during the exercise to distinguish between different types and sizes of premises as it has been assumed that the government bands have taken these factors into account. It is proposed to set the application fee and the fee for the application for grant to Premises with a Provisional Statement at 60%. The use of a risk based approach to gambling

premises inspection will enable annual costs to be reduced and it is proposed that the annual fees be set at 30% of the maximum level. In respect of miscellaneous fees for change of circumstances and duplicate licences it is proposed to set the level at 50% of the maximum. It is also proposed that transfer, provisional statement, re-instatement and variation applications be set at 30% of the maximum permitted.

- 4.5 Regulation 9 enables the authority to determine the annual fee at a lesser amount in cases where premises wish to operate on a seasonal basis only. It is not anticipated that such applications will be received and no reduced fee has been set. Should such applications be made then the fee could be determined by committee on the individual merits of the application.
- 4.6 It is unlikely that the authority will be required to license any casinos other than existing casinos which wish to convert the licence but the fees for these have also been set. The proposed fees are detailed in Appendix A.

5. Legal Implications

- 5.1 All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

6. Financial Implications

The fees proposed in the report have been established to cover the cost of providing the licensing service functions required by the Gambling Act so that the service is provided at no cost to the authority.

7. Recommendation

It is recommended that subject to the approval of the Council acting as the Licensing Authority, that:

- i. the Licensing Committee be delegated authority to perform the functions of the licensing authority under Section 212 of the Gambling Act 2005 in respect of the determination of licence fees and charges;
- ii. the fees and charges detailed in Appendix A of the report be approved and to have effect from 21 May 2007; and
- iii. the level of fees and charges be reviewed after the first year of operation.

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Chief Strategic Planning and Environment Officer

26 March 2007

This report has been prepared in accordance with procedures approved by Corporate Directors.

Background Papers: Licensing Committee Report of 10 January 2006 entitled "Gambling Act – Committee Delegation and Authorisation."

APPENDIX A - Gambling Act 2005 – Licence Fees and Charges.

Fast Track Application for Premises Licence Conversion		£300.00
Non Fast Track Application for Premises Licence Conversion		
	Converted Casino Premises Licence	£1400.00
	Bingo Premises Licence	£1225.00
	Adult Gaming Centre Premises Licence	£700.00
	Betting Premises (Track) Licence	£875.00
	Family Entertainment Centre Premises Licence	£700.00
	Betting Premises (Other) Licence	£1050.00
Application Fee		
	Regional Casino Premises Licence	£9000.00
	Large Casino Premises Licence	£6000.00
	Small Casino Premises Licence	£4800.00
	Bingo Premises Licence	£2100.00
	Adult Gaming Centre Premises Licence	£1200.00
	Betting Premises (Track) Licence	£1500.00
	Family Entertainment Centre Premises Licence	£1200.00
	Betting Premises (Other) Licence	£1800.00
Application Fee for Premises with a Provisional Statement		
	Regional Casino Premises Licence	£4800.00
	Large Casino Premises Licence	£3000.00
	Small Casino Premises Licence	£1800.00
	Bingo Premises Licence	£720.00
	Adult Gaming Centre Premises Licence	£720.00
	Betting Premises (Track) Licence	£570.00
	Family Entertainment Centre Premises Licence	£570.00
	Betting Premises (Other) Licence	£720.00
Annual Fee		
	Regional Casino Premises Licence	£4500.00
	Large Casino Premises Licence	£3000.00
	Small Casino Premises Licence	£1500.00
	Converted Casino Premises Licence	£900.00
	Bingo Premises Licence	£300.00
	Adult Gaming Centre Premises Licence	£300.00
	Betting Premises (Track) Licence	£300.00
	Family Entertainment Centre Premises Licence	£225.00
	Betting Premises (Other) Licence	£180.00
Transfer Application Fee		
	Regional Casino Premises Licence	£1950.00
	Large Casino Premises Licence	£645.00
	Small Casino Premises Licence	£540.00
	Converted Casino Premises Licence	£405.00
	Bingo Premises Licence	£360.00

	Adult Gaming Centre Premises Licence	£360.00
	Betting Premises (Track) Licence	£285.00
	Family Entertainment Centre Premises Licence	£285.00
	Betting Premises (Other) Licence	£360.00
Variation Application Fee		
	Regional Casino Premises Licence	£2250.00
	Large Casino Premises Licence	£1500.00
	Small Casino Premises Licence	£1200.00
	Converted Casino Premises Licence	£600.00
	Bingo Premises Licence	£525.00
	Adult Gaming Centre Premises Licence	£300.00
	Betting Premises (Track) Licence	£375.00
	Family Entertainment Centre Premises Licence	£300.00
	Betting Premises (Other) Licence	£450.00
Provisional Statement Application Fee		
	Regional Casino Premises Licence	£4500.00
	Large Casino Premises Licence	£3000.00
	Small Casino Premises Licence	£2400.00
	Bingo Premises Licence	£1050.00
	Adult Gaming Centre Premises Licence	£600.00
	Betting Premises (Track) Licence	£750.00
	Family Entertainment Centre Premises Licence	£600.00
	Betting Premises (Other) Licence	£900.00
Application for Reinstatement Fee		
	Regional Casino Premises Licence	£1950.00
	Large Casino Premises Licence	£645.00
	Small Casino Premises Licence	£540.00
	Converted Casino Premises Licence	£405.00
	Bingo Premises Licence	£360.00
	Adult Gaming Centre Premises Licence	£360.00
	Betting Premises (Track) Licence	£285.00
	Family Entertainment Centre Premises Licence	£285.00
	Betting Premises (Other) Licence	£360.00
Change of Circumstances Fee		£25.00
Duplicate Licence Fee		£12.50