

1.	Meeting:	Licensing Committee
2.	Date:	15th May, 2007
3.	Title:	Licensing Service – Proposed Fees for applications under the Gambling Act 2005
4.	Programme Area:	Neighbourhood and Adult Services

5. Summary

This report sets out the proposed fees, effective from 21 May 2007, for applications under the Gambling Act 200. It also outlines the consultation undertaken.

6. Recommendations

THAT MEMBERS CONSIDER THE REPORT AND APPROVE THE PROPOSED FEE STRUCTURE FOR IMPLEMENTATION ON 21 MAY 2007.

7. Proposals and Details

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 her the power to devolve to licensing authorities, in England and Wales, 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. The fees published are set-out in Annex A.

All licensing authorities must set their fees upon a cost recovery basis only (Gambling Act Section 212 (2)(d)).

It is recognised that for the first fees setting exercise, costs will be estimates only, based upon the information available at the time. Actual costs may thus vary to some extent.

Fees must be set for all types of premises licences:

- Casinos
- Bingo
- Betting (off-course)
- Tracks (on-course betting)
- Adult Gaming Centres
- Family Entertainment Centres

The following activities are included:

- Dealing with applications
- Dealing with representations
- Mediation
- Holding committee hearings
- Involvement in appeals
- Carrying out reviews
- Inspection
- Compliance
- Enforcement
- Information exchange with the Gambling Commission
- Maintaining registers
- Future reviews of 'Statement of Principles'

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.

All costs of providing the service must be included in the fees so that there is no subsidisation by general tax payers. This will therefore include all direct and indirect costs, including a full proportional share of overhead costs, insurance, depreciation and cost of capital charge. For example, overheads include: accommodation, telephone, furnishing, IT, printing, stationery, postage. Staff costs include: salary, pension, NI contributions, travel & subsistence. There will also be legal and central support services costs such as personnel, press and publications, accountants etc.

Start-up costs must not be included in the calculations for setting premises licence fees.

Provision has been made in the Revenue Support Grant (RSG), as part of the EPCS (Environmental, Protective and Cultural Services) settlement, for the start-up costs related to the Gambling Act 2005.

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 will need to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

A table outlining the proposed fees is attached as document 'A'. This table sets out the proposed fees in bold and the maximum level set by the Department for Culture Media and Sport, is shown in brackets. It is proposed to set the fees at less than the maximum level.

8. Finance

Local Authorities can only set fee levels (where they are non-statutory and not prescribed) which are reasonable and proportionate to the costs incurred in providing the licensing service, in terms of administration processes and enforcement responsibilities. The fees levels set aim to represent fairness and value for money for the Gambling industry.

9. Risks and Uncertainties

Failure to recover an appropriate level of revenue from Gambling Act licensing fees would result in the cost of service provision being greater than the income received for that service and any failure to deliver in budget could lead to a reduction in the levels of services provided.

10. Policy and Performance Agenda Implications

Failure to recover funding sufficient to meet the costs of the service could result in the section failing to deliver its statutory functions. The setting of fees, as part of the budget setting process, forms part of the Councils Service and Financial Planning framework which supports the delivery of cost effective and efficient services.

The setting of fees as part of the budget setting process is consistent with the Corporate Plan's cross cutting themes of sustainable development and fairness as it ensures the deliver of a cost effective licensing service. It also ensures that the Council continues to maintain its statutory functions and undertakes enforcement to support the deliver of safe and sustainable communities in Rotherham.

11. Background Papers and Consultation

As part of the fee setting process extensive consultation was undertaken inviting comments on the proposed fees from a range of stakeholders particularly:

- RMBC Elected Members
- Betting Shops
- Pubs, Clubs restaurants and take-ways
- Amusement Arcades
- Bingo halls
- Gambling Trade Associations
- Gambling support organisations
- Rotherham Chamber of Commerce
- The Federation of Small businesses
- Local MPs
- Parish Councils
- HM Revenue and Customs
- Rotherham PCT

In addition to the above a public notice was displayed in the Howard Building reception. Consultation was also undertaken with LACORS and the following other Local Authorities, Barnsley MBC, Bassetlaw DC, Doncaster MBC, and Liverpool and Sheffield City Council.

Additionally a public notice outlining the proposed fees was advertised in the Rotherham Advertiser on 20th April.

A summary of the responses to the consultation will be provides at the meeting and copies of responses circulated if necessary.

Background papers:

DCMS – Gambling Act 2005 – Fees Setting Guidance
LACORS Guidance – cost recovery only

PROPOSED FEES

DOCUMENT A

Premises Type	Transitional Fast Track Application	Transitional non Fast Track Application	New Application	Annual fee
Existing Casinos	250 (300)	1500 (2000)	n/a	2200 (3000)
New Small Casinos	n/a	n/a		
New Large Casino	n/a	n/a		
Regional Casino	n/a	n/a	11250 (15000)	11250 (15000)
Bingo Club	200 (300)	1300 (1750)	2500 (3500)	750 (1000)
Betting premises (excluding Tracks)	200 (300)	1000 (1500)	2000 (2500)	450 (600)
Tracks	200 (300)	900 (1250)	2000 (2500)	750 (1000)
Family Entertainment Centres	200 (300)	750 (1000)	1500 (2000)	500 (750)
Adult Gaming Centre	200 (300)	750 (1000)	1500 (2000)	750 (1000)

	App. to vary	App. to Transfer	App. for Re-instatement	App. for Provisional Statement	Licence App. (provisional statement holders)	Copy Licence	Notification of change
Existing Casinos	1500 (2000)	1000 (1350)	1000 (1350)	n/a	n/a	25 (25)	50 (50)
New Small Casinos	3000 (4000)	1350 (1800)	1350 (1800)	6000 (8000)	2250 (3000)	25 (25)	50 (50)
New Large Casino	3750 (5000)	1600 (2150)	1600 (2150)	7500 (10000)	3750 (5000)	25 (25)	50 (50)
Bingo Club	1300 (1750)	900 (1200)	900 (1200)	2600 (3500)	900 (1200)	25 (25)	50 (50)
Betting premises (excluding Tracks)	1100 (1500)	900 (1200)	900 (1200)	2250 (3000)	900 (1200)	25 (25)	50 (50)
Tracks	930 (1250)	710 (950)	710 (950)	1860 (2500)	710 (950)	25 (25)	50 (50)
Family Entertainment Centres						25 (25)	50 (50)
Adult Gaming Centre						25 (25)	50 (50)