

CARLISLE CITY COUNCIL

Report to:- **The Chairman and Members of the Licensing Committee**

Date of Meeting:- **4th April 2007**

Agenda Item No:-

Public		Operational		Delegated Yes	
Accompanying Comments and Statements				Required	Included
Title:-		GAMBLING ACT 2005 - SETTING OF PREMISES LICENCE FEES			
Report of:-		LEGAL & DEMOCRATIC SERVICES			
Report reference:-		LDS 30/07			

Summary:-

1. The Gambling Act 2005 received Royal Assent in April 2005. The legislation provides that the Licensing Authority may determine the amount of fee payable (with a specific maximum) in respect of premise licences.
2. On 6 March 2007 the City Council adopted a resolution from the Licensing Committee, which recommended that the responsibility for setting the premises licence fees under Section 212 of the Gambling Act 2005 be delegated to the Licensing Committee, pursuant to section 154(2)(b) of the Act.
3. Members of the Licensing Committee are requested to set the fees for the forthcoming year.

Recommendation:-

That the Licensing Committee approves the table of fees to be levied in respect of premises licence applications under the Gambling Act 2005 as set out in Appendix 2.

J A Messenger
Licensing Manager

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:- Gambling Act 2005 and subsequent Regulations

To the Chairman and Members of the Licensing Committee on 4th April 2007

1.0 BACKGROUND – The Setting of Fees

- 1.1 The Gambling Act 2005 (The Act) repeals the Betting Gaming and Lotteries Act 1963, the Gaming Act 1968 and the Lotteries and Amusements Act 1976.
- 1.2 The Gambling Act received Royal Assent on 7 April 2005 and as a result, the Council became a Licensing Authority under the legislation. The Act gives new responsibility to Licensing Authorities to undertake a number of licensing and regulatory functions in relation to gambling premises. One of these functions is the setting of fees in relation to premise licences.

2.0 LEGISLATION

- 2.1 In accordance with Regulations, the Government has set maximum fee bands applicable to different size gambling premises (**Appendix 1**). The power to set the appropriate fee in the Council's area is vested in the Council as Licensing Authority.
- 2.2 The Licensing Authority is required to determine the amount of the fee; determine different amounts for different classes of premises as specified in the Regulations; publish the amount of the fee; and 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.
- 2.3 Section 154(2)(b) of the Gambling Act 2005 enables the Licensing Authority to delegate the fee setting function.

3 LICENSING COMMITTEE

- 3.1 At a meeting of the Licensing Committee on 28th February 2007, the committee resolved:
 - 1) That the Council delegates the responsibility for setting the premises licence fees under section 212 of the Gambling Act 2005 to the Licensing Committee, pursuant to section 154(2)(b) of the Act;
 - 2) That the Council approve the scheme of delegation (appendix one of Report LDS.15/07) contained within the Council's Gambling Policy;
 - 3) That the Council authorises the Director of Legal & Democratic Services to make appropriate amendments to the Council's Constitution.

4 CITY COUNCIL

- 4.1 On 6 March 2007, the City Council resolved:

Pursuant to Minute LC.3/07 consideration was given to a report of the Licensing Manager (LDS.15/07) regarding the delegation of the setting of premises Licence fees under the

Gambling Act 2005. A copy of an excerpt of the Minutes of the Licensing Committee held on 28 February 2007 was circulated. It was moved by Councillor Morton and seconded and AGREED:

- (1) That the Council delegates the responsibility for setting the premises Licence Fees under Section 212 of the Gambling Act 2005 to the Licensing Committee, pursuant to Section 154 (2)(b) of the Act.
- (2) That the Council approve the Scheme of Delegation (Appendix 1 of report LDS.15/07), contained within the Council's Gambling Policy.
- (3) That the Council authorises the Director of Legal and Democratic Services to make appropriate amendments to the Council's Constitution.

5 FEE SETTING

- 5.1 It is difficult to estimate the costs that will be involved in dealing with the applications, as at this stage we can only estimate the time it will take to deal with each one. Experience from applications under the Licensing Act 2003 showed that many applicants wish to discuss their application either in person, or by telephone, prior to submission. Even Solicitors representing large companies telephoned to discuss the Council's interpretation of the new legislation. An inordinate amount of Officer time was spent in such discussions and there is no reason to believe that the Gambling Act application process will be any different.
- 5.2 In addition, the new licensing regime arguably provides easier opportunity for members of the public to make representations rather than is currently the case. Over the first few years of operation of the new licensing regime, the authority will build up more information to assist it in accurately setting an appropriate level of fees.
- 5.3 Carlisle has a relatively small number of premises that will require licences. Whilst it is possible that new applications will be submitted, it appears unlikely. This is corroborated by evidence from the Licensing Justices under the current licensing regime. However, systems and procedures need to be in place to deal with any increase in applications, which includes applications for other types of betting premises that are not currently available in this area (e.g. casinos).
- 5.4 In anticipation of the significant increase in work created by the Licensing Act 2003, an additional Licensing Officer was appointed in 2003. More recently a part time Administrative Assistant has also been appointed to assist with the ongoing administration of that Act. In setting the fees for the Gambling Act, due regard has been given to staffing issues. Whilst the number of premises may not be great, inspection and enforcement are the areas that suffer when staff are employed on administrative duties. An element of overtime has therefore been built in to the proposed fees.
- 5.5 It is estimated that around 100 alcohol licensed premises have gaming machines. It appears from the legislation, that some of these will be required to pay a one off

fee on expiry of their existing permit; whilst others will require licensed premises gaming machine permits. The permits will be subject to an annual fee. Government will prescribe these fees, but, at the date of writing, has not yet done so. The income from such fees is likely to be a major factor, which will affect the overall level of the Council's income and expenditure in relation to gambling. Not knowing what those fees will be serves to compound the difficulty in setting the premises licence application fees.

- 5.6 For those types of premises in respect of which applications either cannot be made (such as casino premises) or are not expected, the proposal is to set the maximum fee contained in the regulations. Should any application come forward for any of those licences, it is likely that the Council would incur substantial additional costs and the higher level of fee will offset such costs. As stated, the current Licensing Team is unlikely to have the capacity to deal with such new applications without additional support.
- 5.7 Officers have considered the likely costs of dealing with the expected applications (including associated hearings and appeals), ongoing staff and member training, inspection and enforcement, information exchange with the Gambling Commission, maintenance of the various public registers, and ongoing review of the Licensing Policy Statement.
- 5.8 When making an application for a premise licence, applicants have a choice of two methods. The fast track method is a straightforward conversion where they accept the mandatory and default conditions imposed by the legislation. This is similar to the 'grandfather rights' under the Licensing Act 2003. The non fast track method is where they wish to vary these conditions and therefore must go through a more complex process of application. This type of application would be open to challenge by the public/businesses/authorities and may go to a Licensing sub committee hearing and thereafter to appeal.
- 5.9 It is anticipated that the majority of the applications will be made by the fast track procedure, therefore the proposed fast track fee must cover the Council expenditure.
- 5.10 The first annual fee is due one month after the new Act commences can therefore be incorporated into this years income.
- 5.11 The fee structure will be reviewed each year in line with the legislation and the Council's Charging Policy.
- 5.12 The proposed fee structure is attached **(Appendix 2)**.
- 5.13 The estimate income/expenditure (which indicates both fast track and non fast track) is also attached **(Appendix 3)**.

6 LEGAL IMPLICATIONS

- 6.1 Licence fees should be set on a "cost recovery" basis; the Council should not set licence fees with a view to subsidising other areas of work.

7 FINANCIAL IMPLICATIONS

- 7.1 It is intended that the licensing regime under the 2005 Act should be self financing and should not be subsidised by Council Tax payers. It is therefore important to set the fees at the appropriate level.

8 RECOMMENDATIONS

- 8.1 That the Licensing Committee approves the table of fees to be levied in respect of premises licence applications under the Gambling Act 2005 as set out in Appendix 2.

Prepared by J A Messenger
Licensing Manager

Prescribed Maximum Fees

Classes of Premises Licence	Maximum Conversion Application Fee for Fast Track Application	Maximum Conversion Application Fee for Non-Fast Track Application	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	£300	£2,000			£3,000	£2,000	£1,350	£1,350	
Bingo Premises Licence	£300	£1,750	£1,200	£3,500	£1,000	£1,750	£1,200	£1,200	£3,500
Adult Gaming Centre Premises Licence	£300	£1,000	£1,200	£2,000	£1,000	£1,000	£1,200	£1,200	£2,000

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Betting Premises (Track) Licence	£300	£1,250	£950	£2,500	£1,000	£1,250	£950	£950	£2,500
Family Entertainment Centre Premises Licence	£300	£1,000	£950	£2,000	£750	£1,000	£950	£950	£2,000
Betting Premises (Other) Licence	£300	£1,500	£1,200	£3,000	£600	£1,500	£1,200	£1,200	£3,000

All licences

maximum fee for copy of licence £25

Maximum fee for notification of change of circumstances £50

Carlisle City Council
Proposed Fee Structure

Appendix 2

Type of Premises	Conversion Fast-Track	Conversion Non Fast-Track	Non-Conversion Provisional Statement Premises	Non-Conversion Application All other premises	First Annual	Seasonal First Annual	Variation Application	Provisional Statement Application	Transfer	Re-instatement
Regional Casino			£8,000	£15,000	£15,000	£15,000	£7,500	£15,000	£6,500	£6,500
Large Casino			£5,000	£10,000	£10,000	£10,000	£5,000	£10,000	£2,150	£2,150
Small Casino			£3,000	£8,000	£5,000	£5,000	£4,000	£8,000	£1,800	£1,800
Converted Casino	£300	£2,000			£3,000	£3,000	£2,000		£1,350	£1,350
Bingo	£300	£1,250	£1,000	£2,500	£700	£700 pro-rata* min £300	£1,250	£2,500	£500	£500
Adult Gaming Centre	£300	£800	£600	£1,600	£700	£700 pro-rata* min £300	£800	£1,600	£400	£400
Betting (Track)	£300	£1,250	£950	£2,500	£1,000	£1,000 pro-rata* min £300	£1,250	£2,500	£950	£950
Family Entertainment Centre	£300	£800	£600	£1,600	£400	£400 pro-rata min £200	£800	£1,600	£300	£300
Betting (Other)	£300	£900	£600	£1,800	£500	£500 pro-rata* min £200	£900	£1,800	£300	£300

All premises: Fee for copy of Licence £15
 Fee to accompany notification of change of circumstances £30

Appendix 2

Gambling Act 2005**Estimated Income and Expenditure 2007/08**Projected Expenditure - Based on current licence/permit numbers

£	
1,000	Software Licence
2,000	Staff Training
1,200	Member Training
2,000	Appeals (allowing for two appeals)
1,500	Hearings (allowing for three hearings)
3,000	Application processing
1,500	Other administration/Provision of Information/Guidance etc
5,000	Inspection/Enforcement/Administration/Provision of Information
1,000	Legal Advice
1,000	Review of Licensing Policy Statement
£19,200	

Projected Income - Based on proposed licence fees in Appendix 2

	(If fast-track applications)			(If non-fast track applications)		
		£			£	
Bingo	@300	600	(application)	@1250	2,500	(application)
(2 premises)	@700	1,400	(annual fee)		1,400	(annual fee)
Adult Gaming Centres	@300	1,200	(application)	@800	3,200	(application)
(4 Premises)	@700	2,800	(annual fee)		2,800	(annual fee)
Family Entertainment Centres	@300	600	(application)	@800	1,600	(application)
(2 Premises)	@400	800	(annual fee)		800	(annual fee)
Betting Premises (Other)	@300	4,800	(application)	@900	14,400	(application)
(16 premises)	@500	8,000	(annual fee)		8,000	(annual fee)
Total Income		£19,600			£34,700	