
LICENCE FEES UNDER THE GAMBLING ACT 2005

1 SUMMARY

- 1.1 This report seeks approval of certain fees under the Gambling Act 2005.

2 INTRODUCTION

- 2.1 The Gambling Act overhauls and consolidates existing legislation relating to gambling, and transfers responsibility for the licensing of premises from the Magistrates Court to District Councils.
- 2.2 On the 12 December 2006, Council approved our Statement of Principles under the Act, which detailed how we would administer the new duties. Council also approved a “no casino” resolution.
- 2.3 The Gambling Act is scheduled to come into full effect on 1 September 2007.
- 2.4 Regulations provide for transitional arrangements to have effect from 21 May, from which time holders of existing licenses may make the applications to “convert” licenses issued under the previous legislation into licences under the new Act. The Council therefore needs to determine and publish its schedule of licence fees by that date.
- 2.5 In order to ensure their continuity on 1 September 2007, an application for “conversion” will have to be made in respect of each licence between 21 May and 30 July 2007.

3 DETERMINING FEES

- 3.1 Under the Act, local authorities must set fees for all types of premises licence, as follows:-
- Casinos
 - Bingo
 - Betting Shops
 - Tracks (on-course betting)
 - Adult Gaming Centres
 - Family Entertainment Centres (Amusement Arcades)
- 3.2 These fees must be set to cover the full range of application types, including transitional applications, and for annual fees. Guidance will require that fees should be reviewed on an annual basis.

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- 3.3 Within the regulations, the Government has included a table showing prescribed maximum fee levels that must not be exceeded by Local Authorities, and this is reproduced in Appendix A. However, the basic principle is that fees must be set at a level that merely achieves full cost recovery for the authority. The Local Government Association (LGA) has indicated that authorities are likely to be challenged upon their fee levels, if they are simply set at the maximum level across the board.
- 3.4 A separate maximum fee has been set for all “fast track” transfer applications, i.e. those where the applicant is prepared to accept a converted licence that has all the mandatory and default conditions attached, as set by the Government. This maximum fee is set at a lower level, in recognition of the reduced administrative work to be undertaken by the Local Authority.
- 3.5 Fees for Prize Gaming Permits and Family Entertainment Centre Gaming Machine Permits are set nationally at £300 for a new application, £100 for an application by an existing operator and £300 for a renewal of a permit. Small lottery society application fees are still to be determined, but are likely to be in the region of £40 for a new registration and £20 for a registration renewal.
- 3.6 Within the Council’s area, the only premises that are currently licensable are six betting shops and one Family Entertainment Centre. It is not possible at this stage to accurately calculate the amount of time that will be allocated to the processing of applications, nor to the enforcement of premises to be licensed under the Act, since this is an unknown quantity. Comparisons have been made with the fees currently charged by the Gambling Commission for each class of licence, and the proposals are generally at a lower level than the current fees. However, it must be remembered that the Gambling Commission are issuing licences under current legislation, the requirements for which differ from the 2005 Act.
- 3.7 In order to determine the appropriate level of fees, Officers have considered detailed guidance from the “Local Authorities Co-ordinating Body for Regulatory Services” (LACORS). Officers have calculated the likely activity in respect of the premises for which we have responsibility and applied an hourly rate that reflects all direct and indirect costs. This assessment also includes the potential for hearings, reviews and appeals.
- 3.8 On this basis it is considered that a fee equivalent to 65% of the maximum charge should be imposed. It is proposed to apply this weighting to all other activities/premises.
- 3.9 Appendix B shows a schedule of suggested licence fees, based upon the above methodology. The Government expects Local Authorities to review fees annually and a more accurate idea of the overall implications of the Act will be known later in the year, in time for the annual review of fees and charges.

4 RESOURCE IMPLICATIONS

- 4.1 There are not considered to be any budget or staffing implications as a result of this report.
- 4.2 The Government has indicated that fee levels should be established to provide cost recovery only, for all licensing functions. The Finance, Audit & Performance Management Division have assisted in the calculation of likely services costs, and these will be reviewed on an annual basis.

5 RISK IMPLICATIONS

- 5.1 There is a risk to the Council's reputation if fees are not set by 21 May 2007, in time for implementation of the "transitional arrangements" under the new Act.
- 5.2 There is considered to be a very low risk of being unable to recover service costs. Any loss of revenue encountered in the initial year will be recouped in subsequent years.

6 LEGAL IMPLICATIONS

- 6.1 There is a risk of the Council's schedule of fees being subjected to Judicial Review if they are set unjustifiably high.

7 RECOMMENDATION

It is proposed that the Council **RESOLVES**

To approve the schedule of fees shown at Appendix B.

Richard Evans
Head of Environmental Services

Background Papers: -

None

For further information please contact Kevin Doyland on: -

Tel: - 01702 318036, extension 3323

E-Mail: - kevin.doyland@rochford.gov.uk

If you would like this report in large print, braille or another language please contact 01702 546366.

MAXIMUM FEES PRESCRIBED BY REGULATIONS

APPENDIX A

Premises Type	Maximum conversion application fee (fast track) £	Maximum conversion application fee (non fast track) £	Maximum non-conversion application fee (provisional statement) £	Maximum non-conversion application fee for other premises £	Maximum annual fee £	Maximum licence variation application fee £	Maximum licence transfer application fee £	Maximum licence re-instatement application fee £	Maximum provisional statement application fee £
Regional casino			8000	15000	15000	7500	6500	6500	15000
Large casino			5000	10000	10000	5000	2150	2150	10000
Small casino			3000	8000	5000	4000	1800	1800	8000
Tracks		1250	950	2500	1000	1250	950	950	2500
Bingo club	300	1750	1200	3500	1000	1750	1200	1200	3500
Adult gaming centres*	300	1000	1200	2000	1000	1000	1200	1200	2000
Family entertainment centres	300	1000	950	2000	750	1000	950	950	2000
Betting offices*	300	1500	1200	3000	600	1500	1200	1200	3000

* indicates types of licences currently in force in Rochford; others have been included as being potentially subject of future licence applications.

PROPOSED SCHEDULE OF FEES

APPENDIX B

Premises Type	Maximum conversion application fee (fast track) £	Maximum conversion application fee (non fast track) £	Maximum non-conversion application fee (provisional statement) £	Maximum non-conversion application fee for other premises £	Maximum annual fee £	Maximum licence variation application fee £	Maximum licence transfer application fee £	Maximum licence re-instatement application fee £	Maximum provisional statement application fee £
Regional casino	N/a	N/a	5200	9750	9750	4875	4225	4225	9750
Large casino	N/a	N/a	3250	6500	6500	3250	1397	1397	6500
Small casino	N/a	N/a	1950	5200	3250	2600	1170	1170	5200
Tracks	195	812	617	1625	650	812	617	617	1625
Bingo club	195	1137	780	2275	650	1137	780	780	2275
Adult gaming centres*	195	650	780	1300	650	650	780	780	1300
Family entertainment centres	195	650	617	1300	487	650	617	617	1300
Betting offices*	195	975	780	1950	390	975	780	780	1950

* Existing types of licence in force in Rochford