Item no:	6

REPORT VERSION No:	4	
DATE OF DECISION:	19 [™] APRIL 2007	
DECISION-MAKER:	LICENSING COMMITTEE	
SUBJECT:	GAMBLING ACT 2005 – SETTING OF APPLICATION AND ANNUAL FEES FOR PREMISES LICENCES	

FORWARD PLAN No: N/A

KEY DECISION? N/A

STATEMENT OF CONFIDENTIALITY

NONE.

WARDS/COMMUNITIES AFFECTED:

NONE.

SUMMARY

Section 212 Gambling Act 2005 requires the City Council, as Licensing Authority, to adopt a fee structure in relation to first application, conversion and annual fees for premises licences. The fee structure will take effect from 21st May 2007 when the responsibilities under the Act transfer to the City Council.

RECOMMENDATIONS:

- (i) To adopt the fee structure in accordance with the table attached at Appendix 1 from 21st May 2007.
- (ii) That the Solicitor to the Council
 - a. bring a further report to the committee in due course with regard to the fee to be set for a Large Casino application
 - b. review the level of fees annually and report to the committee as appropriate

REASONS FOR REPORT RECOMMENDATIONS

1. The Council has a statutory obligation to adopt a fee structure under the Gambling Act 2005.

BACKGROUND

- 1. The Gambling Act 2005 received Royal Assent on 7th April 2005. The Act introduces a new regulatory system to govern the provision of gambling in Great Britain, other than the National Lottery spread betting.
- 2. The Act removes responsibility from the Licensing Justices (in relation to gaming and betting permissions) and instead provides that all powers previously exercised by the Licensing Justices shall be shared between the Gambling Commission and local Licensing Authorities.
- 3. The Act will come into effect for all practical purposes on the 21st May 2007.

CONSULTATION

4. There has been no specific consultation undertaken in relation to the preparation of this report. The draft Regulations were however subject to a 13 week consultation period by the Government prior to promulgation.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. None, the Council has a legal duty to set fees under the Act.

DETAIL

- 6. On 21st February 2007 the Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 were promulgated and these come into effect on 21st May 2007 when the Council assumes responsibility for licensing matters under the Act. The Regulations provide that the following types of fees are to be determined by Licensing Authorities:
 - Licence application fee
 - First annual fee
 - Annual fee
 - Notification of a change of circumstance fee
 - Application to vary a licence fee
 - Application to transfer a licence fee
 - Fee for a copy of a licence
 - Application for reinstatement of a licence fee
 - Provisional statement application fee
- 7. In each case, the fee determined by the Licensing Authority must not exceed a maximum fee specified in the Regulations or in the Table of Maximum Fees in the schedule to the Regulations, which is appended at Appendix 1. It is open to the committee to set fees at whatever level up to the maxima that it considers appropriate. There is no provision for any automatic annual uplift in the Regulations but they may be reviewed by either the DCMS or the Licensing Authority. If the maximum fees are applied there will be no annual inflationary rise permitted.
- 8. There will be additional resources required within the Licensing Team, new IT etc necessary to administer the provisions of the Gambling Act 2005 in a professional manner and accordingly it is hoped that the fees payable will cover such costs. However, until the full running costs are known, it is impossible to say with any degree of certainty whether the fee structure will in fact do so. An analogy is drawn with the recent implementation of the Licensing Act 2003 where only now, some 18 months after implementation, are the day to day costs able to be properly evaluated.
- 9. The Council is incurring set up costs that the Government has made clear cannot be recovered through the statutory fee structure. The fees can only legally cover the administration, enforcement costs and related matters. An estimate has been made by officers of the volumes of applications that are likely to be received based upon the information available to them, the

additional enforcement that will need to be undertaken and like matters. It is, however, impossible to say how many contested applications there will be that will necessitate committee hearings, how many appeals will follow such determinations and accordingly the level of legal and other officer support that will be required., Therefore, in the first year it is recommended that the Table of Maximum fees as detailed in the Regulations be adopted from 21st May 2007 and thereafter reviewed annually by this committee.

- 10. The table in the schedule specifies a maximum for different types of fee according to the class of premises licence as above to which the fee relates. These maxima were set after wide national consultation on the likely costs of implementation of the Act.
- 11. The Regulations also provide for Licensing Authorities to determine different licence application fees for conversion applications and non-conversion applications and also provides for two types of conversion applications, one being fast-track and the other being non fast-track, dependant upon the conditions to be attached. In relation to the fast track application fee a maxima of £300 is stated in the Regulations. For the reasons stated in paragraph 8 above it is recommended that this fee be adopted.
- 12. In the schedule, Members will see that for the sake of completeness the fees applicable to regional, large and small casino premises are included. Currently the Council has been recommended for a large casino licence but this is subject to review by the DCMS. Accordingly, a further report will be brought to the committee in due course once further details are known.
- 13. In addition, two other fees not included in the Regulations Table need to be resolved by the Licensing Authority. These are identified separately in Table 2 on Annex A. Firstly, the Licensing Authority is entitled to charge a "change of circumstance" fee when a notification is submitted to the Licensing Authority. Under the Regulations, that fee shall not exceed £50 and it is recommended that the fee be set at this sum as it represents a reasonable fee for the administration involved in processing such an application. Secondly, the Licensing Authority is entitled to charge an application fee for persons wanting a copy of a licence and in the Regulations, that fee shall not exceed £25. Again, it is recommended that this fee be set for the reasons given above.

FINANCIAL/RESOURCE IMPLICATIONS

<u>Capital</u>

14. None.

<u>Revenue</u>

- 15. At this stage, it is unknown whether the fees that are likely to be generated from applications under the Act will be sufficient to cover the administrative costs of providing this service, but initial officer indications believe that they may do so.
- 16. The only currently known significant anomaly is in relation to applications for a large casino premises licence. The application process, albeit open to consultation by the Government currently, is very likely to be an open competition run in two stages and will require significant officer and potentially

consultant resources to examine all the applications in very great detail. It is possible that there may be a shortfall between the application fees and the cost of running the competition although at this juncture it is impossible to say what the costs will be. As indicated above a further report will be submitted in due course.

Property

17. None.

Other

18. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

19. Section 212 Gambling Act 2005.

Other Legal Implications:

20. None.

POLICY FRAMEWORK IMPLICATIONS

21. None.

SUPPORTING DOCUMENTATION

Appendices

1.	Table of Maximum Fees
2.	

Documents In Members' Rooms

1.	None.
2.	

Background Documents

Title of	Background Pa	per(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)			
1.	None.					
2.						
Background documents available for inspection at: n/a						
REPORT OF:		ASSISTANT SOLICITOR TO THE COUNCIL				
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File Name:070419 Setting of application & annual fees