

Report to: **District of Easington**  
Date: **7 June 2007**  
Report of: **Executive Member for Liveability**  
Subject; **Setting the level of fees for applications for licenses under the  
Gambling Act 2005**  
Ward: **All**

## **1. Purpose of Report**

- 1.1 To seek approval of the level of fees to be charged by the Council as Licensing Authority in respect of applications for premises licences under the Gambling Act 2005.

## **2. Consultation**

- 2.1 In preparing this report consultation has been undertaken with Executive Member for Liveability, the Director of Finance and Corporate Services, the Director of Community Services and the Monitoring Officer.

## **3. Background**

- 3.1 The Gambling Act 2005 introduces a new duty to the Council for the administration and enforcement of a new licensing regime for various gambling premises in the district.
- 3.2 Applications for licenses under the new regime may be submitted to the Council from May 21<sup>st</sup> 2007 and the Act comes fully into operation in September 2007. Each Licensing Authority must set the level of fees to be charged for applications made in it's area for the various types of premises licenses. The level of fee may not exceed the maximum prescribed by the Government in regulations.
- 3.3 The Government has now published the Gambling (Premises Licence Fees) (England and Wales) Regulations 2007, which lay down the maximum level at which fees can be levied by a Licensing Authority in relation to applications for premises licences. The Regulations stipulate that each individual authority to set their own level of fees. Guidance states that Councils should not simply opt to set the fees at the maximum, and that they must be transparent about the assumptions they have made in setting their fees.

3.4 This authority will be responsible for the issuing of licenses in respect of

- 23 betting offices
- 2 dog tracks
- 4 adult gaming centres (adult amusement arcades)
- 1 Family entertainment centre (amusement arcade)
- 3 bingo halls

#### **4. Position Statement and Option Appraisal**

4.1 The cost of determining and issuing premises licences will be met through a one off application fee. The cost will include the cost of administration associated with the licence application, including initial liaison with the applicant, receiving and responding to representations from responsible authorities and interested parties, hearings and appeals. Once issued the licence will be of indefinite duration although licenses can be revoked for non-payment of the annual fee.

4.2 An annual fee must be paid by licence holders to cover the cost of on-going administration, inspection and enforcement activities, including a full proportional share of overhead costs and support services. The annual fee for premises licenses under the Gambling Act will be due 30 days after the issue of the licence. This is unlike the Licensing Act where the annual fee is payable one year after the grant of the licence.

4.3 Transitional arrangements are in place for existing license holders who may either apply for a ;

- Fast track transitional application, where the licence details remain unchanged, or
- A non-fast track transitional application, where the applicant wishes to extend the terms of the license.

We are likely to receive transitional applications from the 33 existing licensed gambling premises detailed in 3.4 above. Applications for new gambling premises are not common in this District and none are anticipated at present.

- 4.4 The suggested level of fees to be charged have been calculated so that the total cost of the service is balanced with the income received so that the service is cost neutral. The suggested level of fees to be charged for gambling act licenses in the District of Easington are detailed in appendix 2. This gives details of the range of premises categories and application types. At the level of fees proposed the estimated income to the end of this financial year is approximately £21,000.
- 4.5 Government guidance acknowledges that it is difficult for a Licensing Authority to develop an accurate scheme of charges before the new regime is enacted and indicates that the fee regime will be kept under review and will later consider whether the maximum fee should be raised or lowered in 2008/09. Licensing Authorities are required to review their fees annually to ensure that the income from the premises licence fees does not exceed the costs incurred by the authority in carrying out the relevant functions. A table of the maximum permissible fees is attached at appendix 1.
- 4.6 The average application fee in respect of a premises licence under the Licensing Act regime was £180 in this District. The level was set by the Government and linked to the rateable value of the premises. The Gambling Act system of setting charges gives more flexibility to the Council and it should be noted that the proposed fee of £200 for a fast track transitional application is similar level to the Licensing Act application charge and that this is two thirds of the permitted maximum of £300. All other charges proposed in appendix 2 are approximately two thirds of the maximum level for the licence type. In comparison Sedgfield Borough Council has set fees at three quarters of the maximum and for both initial applications and annual fees and Durham City Council has set fees at the maximum level for initial applications and at three quarters of the maximum level for annual fees.
- 4.7 The higher cost transitional non-fast track applications would only be received if existing license holders were wishing to vary their current licence or have any default conditions removed. The higher fees would also be applicable for premises wishing to extend their hours or activities or for new premises. New gaming premises are very infrequent in this area and usually betting offices.
- 4.8 It is proposed to monitor the cost of delivering the service during the 12 months following receipt of the first applications and this will enable a more accurate level of fees to be developed for year 2008/09. A further report will be brought following the review of the charges during the first year.

## **5. Implications**

### *5.1 Financial*

There will be additional costs in delivering this service including administration, publicity, development and implementation of an enforcement regime, legal costs, computer software and reporting systems and additional management functions. Assumptions have been made in the calculation of the level of the fees and it is anticipated that there will be an income of around £21,000 which will be approximately equal to the estimated additional cost involved in implementing the Gambling Act licensing regime.

### *5.2 Legal*

This is a statutory function and the Council must implement the provisions of the Gambling Act and associated legislation.

### *5.3 Policy*

There are no implications. The Council has adopted its Statement of Principles under the Gambling Act which will determine how applications are dealt with.

### *5.4 Risk*

The authority could be open to challenge if its fee are not seen to be set at a realistic level. For this reason a detailed examination has been carried out to estimate the costs are likely to be involved in delivering the service and setting the level of charge accordingly.

### *5.5 Communications*

Potential applicants will be informed of the fees to be levied on application.

## **6. Corporate**

### *6.1 Corporate Plan*

Accords with the objective of making the district safe.

### *6.4 Service Plan*

The implementation of the Gambling Act has been identified in the Environmental Health and Licensing Unit Service Plan.

## **7. Recommendation**

- 7.1 That the level of fees to be charged in respect of the Gambling Act 2005 be as set out in appendix 2.
- 7.2 That the fee levels be reviewed in 12 months and reassessed in light of information and experience of the new gambling regime. That a further report be brought at the end of the review to consider the future level of charge.

### **Background Papers/Documents referred to:**

- i) Gambling Act 2005
- ii) Guidance from the Gambling Commission
- iii) Regulations made under the Gambling Act 2005

## Appendix 1

Table of Government set maximum permitted fees in respect of premises licence applications under the Gambling Act 2005

Type of fee	Bingo premises	Adult Gaming Centre	Betting premises	Track betting premises	Family Entertainment Centres
Transitional fast track application	£300	£300	£300	£300	£300
Transitional non-fast track application	£1750	£1000	£1500	£1250	£1000
New application	£3500	£2000	£3000	£2500	£2000
Annual fee	£1000	£1000	£600	£1000	£750
Application to vary	£1750	£1000	£1500	£1250	£1000
Application to transfer	£1200	£1200	£1200	£950	£950
Application for reinstatement	£1200	£1200	£1200	£950	£950
Application for provisional statement	£3500	£2000	£3000	£2500	£2000
Licence application (Provisional Statement holders)	£1200	£1200	£1200	£950	£950
Copy Licence	£25	£25	£25	£25	£25
Notification of change	£50	£50	£50	£50	£50

## Appendix 2

### Proposed application fees in respect of the Gambling Act 2005 within the District of Easington

Type of fee	Bingo premises	Adult Gaming Centre	Betting premises	Track betting premises	Family Entertainment Centres
Transitional fast track application	£200	£200	£200	£200	£200
Transitional non-fast track application	£1200	£650	£1000	£820	£650
New application	£2400	£1300	£2000	£1600	£1300
Annual fee	£650	£650	£400	£650	£500
Application to vary	£1200	£650	£1000	£820	£650
Application to transfer	£800	£800	£800	£620	£620
Application for reinstatement	£800	£800	£800	£620	£620
Application for provisional statement	£2400	£1300	£2000	£1600	£1300
Licence application (Provisional Statement holders)	£800	£800	£800	£620	£620
Copy Licence	£10.50	£10.50	£10.50	£10.50	£10.50
Notification of change	£10.50	£10.50	£10.50	£10.50	£10.50