

Crawley Borough Council

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Report to Licensing Committee

6th June 2007

Setting of fees under the Gambling Act 2005

1. Summary

- 1.1 The Gambling Act 2005 transfers the full responsibility for licensing premises for the purposes of gambling to local authorities in September 2007. Applications may be received from the 21st May 2007 for which a fee may be charged.
- 1.2 Maximum fees have been set by Central Government by way of The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007.
- 1.3 The fees to be charged by local authorities must reflect the costs incurred and it is not permissible to charge the maximum permitted fee without justification.
- 1.4 The function of fee setting may be delegated to the officers within a local authority.

2. Recommendations

- 2.1 To approve the fees as proposed.
- 2.2 To recommend that Council delegate the power of setting fees to the Head of Environmental Services.

ANGELA TANNER
Head of Environmental Services

3. Background

- 3.1 The Gambling Act 2005 comes into full effect in September 2007 but applications for premises licences may be made to Licensing Authorities from 21st May 2007.
- 3.2 The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 were laid before parliament on 21st February 2007 and these require that local authorities set a range of fees in advance of the start date for the transitional period on 21st May.

4. Determining Fees

- 4.1.1 Under the Act, local authorities must set fees for all types of premises licence, as listed below:
 - i) Casinos
 - ii) Bingo
 - iii) Betting (off-course)
 - iv) Tracks (on-course betting)
 - v) Adult Gaming Centres
 - vi) Family Entertainment Centres

[Note: there are no existing casinos within the Crawley area and no licence has been agreed by the government committee for a new casino. It is not proposed to set a fee for casinos until such time as the Council resolves to make a further application for such a licence.]

- 4.2 Fees must also be set to cover the full range of application types, including transitional applications, and annual fees. The regulations require that fees be reviewed on an annual basis.
- 4.3 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 B. 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 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.
- 4.4 In the case of the annual fee, the regulations specify that this becomes payable within 30 days of a licence being issued. The government has recommended that, in the first year, licensing authorities should discount the annual fee by 25%, in recognition of the fact that most of the authority's work will have been done in considering the initial application. It is proposed to accept this recommendation.
- 4.5 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.

- 4.6 Based upon a consideration of current Gambling Commission fee levels, together with the maximum fees set by government and an assessment of the likely costs within Crawley, a table of proposed fees for 2007/08 is shown at Appendix A. Fees and charges for the grant of machine permits have also been included for information although these fees are prescribed by statute and not subject to variation by Licensing Authorities.

5. Financial and Legal Implications

- 5.1 Within the Crawley Borough Council area, the premises that are currently licensable are betting shops, bingo, adult gaming centres and family entertainment centres, although fees must be set for all categories and types of licence. It is not possible, at this stage, to accurately calculate the amount of time that will be allocated to the processing of these 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 for Crawley 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 that differ from the 2005 Act.
- 5.2 In the case of “fast track” conversion applications it is also proposed to set the fee below the maximum level, in recognition of the reduced work required and the fact that an annual fee will also be payable in the same financial year.
- 5.3 The government expects local authorities to review its fees annually and a more accurate idea of the overall implications of the Act can be assessed later in the year, in time for the annual review of fees and charges.
- 5.4 The application of the principles within the Gambling Act should assist local economic sustainability by applying the right balance between necessary licensing controls and encouraging local businesses.
- 5.5 Licence conditions to be attached to applications made under the Act must be in relation to the Act’s objectives e.g. aimed at the prevention of crime and disorder and the protection of children from harm.
- 5.6 The Gambling Act 2005 has been certified by government to be compliant with the principles of the Human Rights Act 1998.

6. Comparison with Other Sussex Authorities

- 6.1 Discussions have been had with neighbouring local authorities as regards fee setting, the majority of whom have also based their cost on a 75% maximum fee recovery basis.

7. Staffing Impacts

- 7.1 The Government has indicated that fee levels should be established to provide full cost recovery of all licensing functions. At this stage, it is proposed to contain the processing of applications within existing staffing levels and the fees proposed will offset the costs of this provision.

8. Links to the Community Strategy and Corporate Plan

- 8.1 The proposals contained in this report relate to the following key areas of the Community Strategy

| | | | |
|--------------------|---|------------------------|---|
| Local Economy | y | Health and Social Care | y |
| Affordable Housing | | Community Safety | y |
| Lifelong Learning | | Local Environment | |

The following key principles are applicable:-

- | | |
|---|---|
| (i) Working together | y |
| (ii) Dignity, respect and opportunities for all | |
| (iii) Leaving no-one behind | |
| (iv) Making it last | y |

This report achieves the following aims as set out in the Corporate Plan

| | | | |
|--|---|--|---|
| Providing high quality services | y | Giving exemplary customer service and satisfaction | y |
| Being financially efficient and well managed | y | Developing motivated, positive and empowered staff | |

9. Reasons for the Recommendation

- 9.1 To ensure Crawley Borough Council recovers its costs in dealing with the Gambling Act 2005.
- 9.2 To remove the need to approve any future inflationary increases in fees by way of a committee by recommending that Council delegate this power to the Head of Environmental Services.

10. Background Papers

Gambling Act 2005: Guidance to Licensing Authorities on Setting Premises Licence Fees. DCMS 2005

LACoRS Guidance to Chief Executives May 14th 2007

Contact Officer:- Tony Baldock
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Gambling Act 2005 – Premises licence fees

75% Recovery of Maximum Premises Licence Fees published in reg. SI 2007 / 479

| Premises Type | Transitional Fast-Track Application £ | Transitional Non-Fast Track Application £ | New Application £ | Annual Fee £ |
|-------------------------------------|--|--|----------------------|-----------------|
| Existing Casinos | 225 | 1500 | n/a | 2250 |
| New Small Casino | n/a | n/a | 6000 | 3750 |
| New Large Casino | n/a | n/a | 7500 | 7500 |
| Regional Casino | n/a | n/a | 11250 | 11250 |
| Bingo Club | 225 | 1312.50 | 2625 | 750 |
| Betting Premises (excluding Tracks) | 225 | 1125 | 2250 | 450 |
| Tracks | 225 | 1250 | 1875 | 750 |
| Family Entertainment Centres | 225 | 750 | 1500 | 562.50 |
| Adult Gaming Centre | 225 | 750 | 1500 | 750 |

| | Application to Vary £ | Application to Transfer £ | Application for Re-Instatement £ | Application for Provisional Statement £ | Licence Application (provisional Statement holders) £ | Copy Licence £ | Notification of Change £ |
|-------------------------------------|--------------------------|------------------------------|-------------------------------------|--|--|-------------------|-----------------------------|
| Existing Casinos | 1500 | 1012.5 | 1012.5 | n/a | n/a | 25 | 50 |
| New Small Casino | 3000 | 1350 | 1350 | 6000 | 2250 | 25 | 50 |
| New large Casino | 3750 | 1612.5 | 1612.5 | 7500 | 3750 | 25 | 50 |
| Regional Casino | 5625 | 4875 | 4875 | 11250 | 4500 | 25 | 50 |
| Bingo Club | 1312.50 | 900 | 900 | 2625 | 900 | 25 | 50 |
| Betting Premises (excluding Tracks) | 1125 | 900 | 900 | 2250 | 900 | 25 | 50 |
| Tracks | 937.5 | 712.5 | 712.5 | 1875 | 712.5 | 25 | 50 |
| Family Entertainment Centres | 750 | 712.5 | 712.5 | 1500 | 712.5 | 25 | 50 |
| Adult Gaming Centres | 750 | 900 | 900 | 1500 | 900 | 25 | 50 |

Gambling Act 2005 – Premises licence fees

APPENDIX A

Permits – These fees are set by the Secretary of State and the licensing authority has no discretion to change them. SI 2007 / 454 & SI 2007 / 455.

| Fee Type Permit Type | Application fee | Annual fee | Renewal fee | Transitional Application Fee |
|--|-----------------|-------------------------|-------------------------|------------------------------|
| FEC Gaming Machine | 300 | N/A | 300 | 100 |
| Prize Gaming | 300 | N/A | 300 | 100 |
| Alcohol Licences Premises – Notification of 2 or less machines | Draft = £50 | Await draft regulations | Await draft regulations | Await draft regulations |
| Alcohol Licences Premises – More than 2 machines | Draft = 150 | Draft = 50 | N/A | Draft = 100 |
| Club Gaming Permit | Draft = 200 | Draft = 50 | Draft = 200 | Draft = 100 |
| Club Gaming Machine Permit | Draft = 200 | Draft = 50 | Draft = 200 | Draft = 100 |
| Club Fast-track for Gaming Permit or Gaming Machine Permit | Draft = 100 | Draft = 50 | Draft = 200 | N/A |
| Small Society Lottery Registration | | | | |

Permit - Miscellaneous Fees

| | Change of Name | Copy of Permit | Variation | Transfer |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| FEC Permits | 25 | 15 | N/A | N/A |
| Prize Gaming Permits | 25 | 15 | N/A | N/A |
| Alcohol Licences Premises – Notification of 2 or less machines | Await draft regulations | Await draft regulations | Await draft regulations | Await draft regulations |
| Alcohol Licences Premises – More than 2 machines | Draft = 25 | Draft = 15 | Draft = 100 | Draft = 25 |
| Club Gaming Permit | N/A | Draft = 15 | Draft = 100 | N/A |
| Club Gaming Machine Permit | N/A | Draft = 15 | Draft = 100 | N/A |
| Small Society Lottery Registration | | | | |

Gambling Act 2005 – Premises licence fees

APPENDIX B Maximum Fees from SI 2007/479

| Column (1) | Column (2) | Column (3) | Column (4) | Column (5) | Column (6) | Column (7) | Column (8) | Column (9) |
|--|---|---|---|--------------------|---|---|--|---|
| Classes of premises licence | 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 | £2,000 | | | £3,000 | £2,000 | £1,350 | £1,350 | |
| Bingo premises licence | £1,750 | £1,200 | £3,500 | £1,000 | £1,750 | £1,200 | £1,200 | £3,500 |
| Adult gaming centre premises licence | £1,000 | £1,200 | £2,000 | £1,000 | £1,000 | £1,200 | £1,200 | £2,000 |
| Betting premises (track) licence | £1,250 | £950 | £2,500 | £1,000 | £1,250 | £950 | £950 | £2,500 |
| Family entertainment centre premises licence | £1,000 | £950 | £2,000 | £750 | £1,000 | £950 | £950 | £2,000 |
| Betting premises (other) licence | £1,500 | £1,200 | £3,000 | £600 | £1,500 | £1,200 | £1,200 | £3,000 |