

**Licensing and Safety Committee - 25<sup>th</sup> April 2007**

**Report of the Director of Law and Property  
and the Director of Finance**

**Purpose of Report**

1. To set the Gambling Premises Licence fees.

**Background**

2. The Gambling Act 2005 creates a new system of licensing and regulation for commercial gambling. It vests in the Council new and extended responsibilities for licensing premises for gambling. It comes into force in September 2007.
3. The Act provides for three categories of licence: -
  - Operating Licence
  - Personal Licence
  - Premises Licence

The Council will be responsible for issuing Premises Licences and the Gambling Commission will be responsible for issuing Operating and Personal Licences.

4. The main functions for the Council under the Gaming Act 2005, are to:
  - Licence premises for gambling activities,
  - Licence premises for gambling and gaming machines in clubs,
  - Grant permits for gambling and gaming machines in clubs,
  - Regulate gaming and gaming machines in alcohol-licensed premises,
  - Grant permits to family entertainments centres for the use of certain low stake gaming machines,
  - Grant permits for prize gaming,
  - Consider notices for the temporary use of premises for gaming,

- Consider occasional use notices for betting tracks,
  - Register small societies lotteries.
5. The Gambling Act enables the Council to attach conditions to Premises Licences. These licences fall into three categories:

**Mandatory conditions** - conditions that the Council have no power to remove and that form the basic minimum requirements to which Premises Licence holders or holders of a particular type of licence should adhere to.

**Default conditions** – conditions that are automatically attached but unlike mandatory conditions can be amended or removed by Licensing Authorities in particular circumstances.

**Individual conditions** – conditions that may also be attached to a Premises Licence by the issuing Council i.e. where there are specific risks or problems associated with a particular locality, or specific premises or class of premises.

6. Under the implementation of the 2005 Act, the Secretary of State has set the first date for the receipt of applications for Premises Licences as 21st May 2007. There are three different means of obtaining a Premises Licence:

- Fast Track
- Non Fast Track
- New

7. For existing operators the type of application made will be either Fast Track or Non Fast Track. Fast Track applications seek a licence establishing its existing use and accept fully both mandatory and default conditions. A Non Fast Track application seeks a licence based on existing use but with a change in one or more of the default conditions. Both of these applications need to have been received by the Council by close of business on the 30<sup>th</sup> July 2007. New applications can also be made from the 21<sup>st</sup> May 2007.

8. Under regulations to the Gambling Act the following types of fees are to be determined by the council and will come into force on the 21<sup>st</sup> May 2007: -

- licence application fee (Fast Track, Non Fast Track and New)
- annual fee,
- notification of change of circumstances fee,
- application to vary a licence fee,
- fee for a copy of licence,
- application for reinstatement of a licence,
- provisional statement application fee.

The application fees for permits and associated fees are set by the Secretary of State and cannot be varied or amended by the Council. A table of prescribed permit fees are attached to this report as Appendix 1

9. Included in the regulations is a schedule showing the maximum fees that can be charged by the council in respect of these licences and the Gambling Act prescribes, 'that when determining the fees, the council must ensure that the income from the fees, equates as nearly as possible to the cost of providing the service'.

10. This is further qualified in the Regulatory Impact Assessment issued by the Government which states as follows:-

"it is difficult to set fees accurately for a new regime, before it comes into force. Fees for the first year will therefore have to be based on informed projections." Licensing Authorities already have experience of setting fees for a number of different licensing regimes which will inform their fee setting for gambling premises licences. The first year of the legislation, 2007/08, will, in any case be atypical.

11. The Act does not come into force until 1<sup>st</sup> September 2007. Existing operators are obliged to apply for new licences, which will generate an unusually high number of application fees. The fees for applications from existing operators also need to reflect the fact these operators have "grandfather" and "continuation" rights which will make these applications more straightforward than new applications. For example, they will not be subject to local representations, and therefore less costly to process and issue."

12. On the 29<sup>th</sup> March, 2007 the Assistant Director Legal and Democratic Services and the Licensing Officer met with the Group and Principal Accountant, Financial Services, to discuss the setting of the fees under the Gambling Act 2005. It was decided at this meeting that the fee structure for the year 2007/2008 should be calculated on the basis of:

- income anticipated from initial fast track applications where the Council's fee has been set at £250 as opposed to the maximum permitted level of £300.

- the anticipated number of premises operating between the 1<sup>st</sup> September 2007 and 31<sup>st</sup> August 2008

- the estimated cost of operating the service as required under the Act.

13. From information gathered from both the Licensing Office records and the Magistrates' Court records, it is estimated that the following numbers of initial applications for Premises Licences will be received and that the majority of these applications will be in accordance with the fast track option:-

Casino Premises x 1

Bingo Premises x 3

Adult Gaming Centres x 11

Betting (Other than Track Betting) Offices x 39

Family Entertainments Centre's x 5

14. A detailed breakdown of the calculated costs of administering the Gambling Act Provisions is attached to this report as Appendix 2.

15. Attached to this report as Appendix 3 is a proposed fee structure for the year 2007/08.
16. The legislation provided that the first Annual Fees for all licences will be due on 1 October 2007. The proposed annual fees are set at 75% of the maximum permitted and will be reviewed prior to the annual fees falling due in 2008.
17. This proposed fee structure provides for the full cost recovery incurred in administering the Act. The anticipated cost of the service provision is £46926.00 in 2007/08 and the total amount of anticipated fees received by the Council is £47093. The details are shown in the following table:

| Premise Licence Type | Anticipated Number of Premises 2007/08 | <u>Anticipated Income – Fast Track Application Fees</u><br>£ | Anticipated Income – Annual Fees<br>£ | Total Anticipated Income<br>£ |
|----------------------|--|--|---------------------------------------|-------------------------------|
| Converted Casino     | 1                                      | 250  | 2200                                  | 2450                          |
| Bingo                | 3                                      | 750  | 1800                                  | 2550                          |
| Adult Gaming         | 11                                     | 2750   | 6600                                  | 9350                          |
| Betting (Other)      | 39                                     | 9750   | 18993                                 | 28743                         |
| Family Ent. Centre   | 5                                      | 1250   | 2750                                  | 4000                          |
| <b>Total</b>         | <b>59</b>                              | <b>14750</b>   | <b>32343</b>                          | <b>47093</b>                  |

18. The Government has advised that costs associated with the first year of the Gambling Act should be closely monitored. It may be found that costs vary from those originally estimated and this will need to be reflected when reviewing fees in future years. Additionally the Government has said it may consider future legislation to further regulate fee maximums if they deem it necessary.

## **Finance**

19. The cost of implementing the Gambling Act 2005 will be covered by the proposed fee schedule.

## **Law**

20. The Gambling Act 2005 Part 8, 212 and The Gambling (Premises Licence Fees (England and Wales) Regulations 2007 make provision for the fees payable to

the Council.

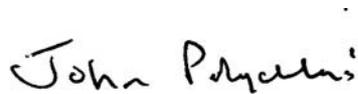
21. The Gambling Act 2005 Part 8, 212 2 (c) provides for the publication of fees from time to time.

### **Equality Impact**

22. This report complies fully with the Council's policy on equal opportunities.
23. The Gambling Act 2005 will impact on children and young people through the licensing of Family Entertainments Centres.
24. There has been no consultation or involvement of children and young people in developing these proposals.

### **Recommendation**

25. That the Committee approve a table of fees in respect of the Gambling Act 2005.



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DIRECTOR OF LAW AND PROPERTY

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DIRECTOR OF FINANCE

Contact Officer: Mrs. J. Elliott 5377  
Telephone: 01384 815377  
Email: [janetelliott@dudley.gov.uk](mailto:janetelliott@dudley.gov.uk)

### **List of Background Papers**

None

**THE GAMBLING ACT 2005 – STATEMENT OF PRESCRIBED PERMIT FEES AND OTHER RELATED FEES**

| Permit or Registration Type                                    | New Application<br>£                            | Annual Fee<br>£ | Renewal Fee<br>£ | Fast Track Application (Clubs)<br>£ | Transitional Application Fee<br>£ | Change of Name<br>£ | Copy of Permit<br>£ | Variation to Permit<br>£ | Transfer of Permit<br>£ |
|--|---|-----------------|------------------|-------------------------------------|-----------------------------------|---------------------|---------------------|--------------------------|-------------------------|
| Family Entertainment Centre                                    | £300  | N/A             | £300             | N/A                                 | £100                              | £25                 | £15                 | N/A                      | N/A                     |
| Small Society Lottery Registration                             | <b>Prescribed fees not yet released by DCMS</b> |                 |                  |                                     |                                   |                     |                     |                          |                         |
| Club Gaming Permit   | £200  | £50             | £200             | £100                                | £100                              | N/A                 | £15                 | £100                     | N/A                     |
| Club Gaming Machine Permit                                     | £200  | £50             | £200             | £100                                | £100                              | N/A                 | £15                 | £100                     | N/A                     |
| Licensed Premises Notification (2 machines or less)            | <b>Prescribed fees not yet released by DCMS</b> |                 |                  |                                     |                                   |                     |                     |                          |                         |
| Licensed Premises Gaming Machine (more than 2 machines) permit | £150  | £50             | £100             | N/A                                 | N/A                               | £25                 | £15                 | £100                     | £25                     |
| Prize Gaming Permit  | £300  | N/A             | £300             | N/A                                 | £100                              | £25                 | £15                 | N/A                      | N/A                     |

