

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Licensing Committee/Housing & Environmental services Portfolio Holder 20 June 2007
AUTHOR/S: Leader and Cabinet 9 July 2007
Executive Director / Corporate Manager - Health & Environmental Services / Licensing Officer

GAMBLING ACT 2005 – SETTING OF FEES

Purpose

1. To recommend to Cabinet that:
 - (a) the maximum fees as set out in **Appendix A** to the report are approved for applications and annual licence fees for the first year of the Gambling Act 2005, and
 - (b) fees for subsequent years are reviewed and set by the relevant Portfolio Holder to ensure full cost recovery, subject to any limitations laid out within the Act.

Background

2. The Gambling Act 2005 (the Act) passed responsibility for the licensing and regulation of gambling premises to District and Borough Councils as local Licensing Authorities.
3. The system is intended to be 'cost neutral' and not to place a burden upon local Council Tax payers. Gambling operators through a one-off application fee and annual fees for gambling premises licences will meet the costs of these new responsibilities.
4. The Act gives the Secretary of State the power to make Regulations prescribing the fees payable to the Licensing Authority for gambling premises licences and permits as well as other miscellaneous fees. Ministers decided in 2004 that Licensing Authorities would be able to determine their own gambling premises licence fee levels, limited to cost recovery only, but that the Secretary of State would prescribe the maximum fee payable for each category of licence (Appendix A). Fees for the various types of gambling permits will be set nationally by Central Government.
5. The Department for Culture, Media and Sport will require Licensing Authorities to review their fee structure on an annual basis to ensure that the income from gambling premises licence fees in any full year does not exceed the full costs incurred by Authorities in carrying out their various functions.

Considerations

6. As experience with implementation of the Licensing Act 2003 shows, the costs associated with setting-up and delivery of a new licensing system are difficult to predict with accuracy. It is important that fees are not set too low, as there is no

mechanism for recouping any loss. On the other hand if the fees were set too high then they can be adjusted in the following year.

7. In setting fee levels, Licensing Authorities can take into account various direct and indirect costs factors including the costs of administration (including hearings and appeals), inspection, compliance and enforcement costs associated with the new gambling regime and the setting up a satisfactory method of exchanging information with the Gambling Commission, as required by the Act.
8. Officers have used all information available at this time to formulate a best estimate of gambling premises application numbers (6 bookmakers and 1 Family Entertainment Centre) under the Gambling Act 2005. It is fair to say that at this time there is not a high prevalence of gambling premises in the District. In the short term, most of South Cambridgeshire's Gambling Act 2005 work will revolve around determining permits for AWP'S (amusement with prizes of which there are approximately 160 premises), and issuing Temporary Use Notices. However, the Authority must have full systems in place for dealing with any type of permission that could be sought at any time under the 2005 Act.
9. It is anticipated that most premises will opt for the fast track application where a maximum of £300 can be charged during the transition period.

Options

10. Members may adopt the following options
 - (a) Members may agree the proposed recommendation.
 - (b) Members may amend the recommendation.

Implications

11. Financial	As contained in the body of the report. Approximately £8,000 was included in the 07/08 base estimates for Gambling Act fee income.
Legal	Any fees structure adopted by the Council may be subject to Judicial review. Failure to adopt a set of fees will result in South Cambridgeshire District Council failing in its statutory duty to administer this piece of legislation.
Staffing	There are no staffing implications resulting from this report
Risk Management	Failure to adopt a sensible fee structure places the Authority at the legal risks above.
Equal Opportunities	The licensing regime promotes equal opportunity.

Consultations

12. All of the Cambridgeshire Licensing Authorities are intending to recommend that their own Authority's fees are set at or near to the maximum level permissible across the various categories of premises licence.

Effect on Annual Priorities and Corporate Objectives

13. Affordable Homes	Not applicable
Customer Service	An effective fee structure will provide clarity for applicants
Northstowe and other growth areas	Not applicable

Quality, Accessible Services	Cost neutrality should ensure an effective and transparent service.
Village Life	The objectives of the Act are all aimed at the promotion of Village life i.e. preventing gambling from being a source of crime and disorder, protecting children and other vulnerable persons from being harmed or exploited.
Sustainability	N/A
Partnership	Compliance will require a partnership approach.

Conclusions/Summary

14. Members should give consideration to:
- (a) The clear guidance from Government that any fees should be set in such a way as to be as near as possible to a cost neutral position.
 - (b) It is envisaged that existing licence holders will take advantage of the fast track application procedure during the transition process whereby an application fee will be a maximum of £300.
 - (c) The first set of annual fees will become payable no later than the 30 September 2007 and annually thereafter.
 - (d) The stance being taken by the Licensing Authorities across Cambridgeshire.

Recommendations

15. It is recommended that the Licensing Committee recommends to Cabinet that:
- (a) the maximum fees as set out in appendix A are approved for applications and annual licence fees for the first year of the Gambling Act 2005, and
 - (b) fees for subsequent years are reviewed and set by the relevant Portfolio Holder to ensure full cost recovery, subject to any limitations laid out within the Act.

Background Papers: the following background papers were used in the preparation of this report:

Gambling Act 2005

Government Guidance for Local Authorities on the Gambling Act 2005

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