

Committee: Statutory Licensing Committee

Date of meeting: 12th September 2022

Report Subject: Statutory Licence Fees 2022/23

Portfolio Holder: Statutory Licensing Committee

Report Submitted by: David Thompson, Service Manager – Public Protection

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Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Statutory Licensing Committee
23.8.22	25.8.22							12.9.22

1. Purpose of the Report

- 1.1 To agree Gambling Licence Fees and Fees for Hypnosis and Films for the year 2022/23 which fall to the Statutory Licensing Committee for consideration in accordance with the Council's Constitution.

2. Scope and Background

- 2.1 Members will be acutely aware of the pressures placed upon businesses during the global pandemic. As services are struggling to recover from this, a cost of living crisis has developed, further hitting the businesses through increased energy costs and inflationary pressures. In these difficult and challenging times for both businesses and the wider public, and having regard to the budget setting cycle, Corporate Leadership Team has been consulted and supported the proposal that fees for Gambling Licences are reduced in line with cost recovery calculation work undertaken in 2022. This proposed reduction is a consequence of procedures which were changed during the COVID pandemic and which can result in a greater impact on gambling licences due to the relatively small number of licences issued. It is worth noting that as Licensing services recover from the effects of the pandemic, costs for these could again increase in future years.

2.2 No changes are proposed for Hypnosis or Film fees and the Authority currently has no licences issued in these categories.

2.3 The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 provides for the following types of fees to be determined by licensing authorities:

- Licence application fee
- First annual fee
- Annual fee
- Notification of change of circumstances fee
- Application to vary a licence fee
- Application to transfer a licence fee
- Fee for a copy of a licence
- Application for re-instatement of a licence fee
- Provisional statement application fee.

These Regulations stipulate a maximum figure that a local authority is permitted to charge for the licensing of premises under the Gambling Act 2005. Local authorities are permitted to charge a fee based on reasonable cost recovery up to this maximum, but not above. Where the costs of the authority exceed the amount they are able to charge, this cost must be borne by the Authority.

The maximum license fees that we are permitted to charge are shown in column 5 of Table 1 in **Appendix 1**.

2.4 The Authority currently licences the following premises under the Gambling Act 2005,

Alcohol Licence Notification of Machines – 66
Alcohol Licence Permit – 4
Club Machine Permit – 14
Betting Office – 9
Adult Gaming Centre – 3

Fees for Alcohol Licence Notifications and Permits, and Club Machine Permits are determined by Government, and do not therefore form part of this report.

The current licence fees are shown in column 6 of Table 1 - **Appendix 1**.

2.5 When calculating new licence fee costs, there is a range of legislation and guidance around fee setting for local authorities that must be taken into account. These include:

1. The Provision of Services Regulations, which states that any charges provided for by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate

to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities.

2. Local Government Association guidance on locally set fees, and the Department for Business, Energy & Industrial Strategy Guidance for Business on the Provision of Services Regulations.

3. Appropriate case law – and in particular to *Hemmings v Westminster*

2.6 Local Authorities incur various direct and indirect costs in the administration and enforcement of licences, including:

- 1 Implementation costs, including the costs of developing policies and setting fees, authorisation of officers, management of the licensing function etc.
- 2 Direct staff costs, including on-costs, travel, staff training etc. and including the costs of any senior managers, licensing committees etc. directly involved in the licensing process.
- 3 Indirect costs that support the licensing function, such as general management functions, Legal, HR, finance, customer call centres etc.
- 4 Specialist equipment costs, particularly the use of specialist IT databases to record and report this work
- 5 Any third party costs used for inspection and enforcement etc.

2.7 A full assessment of licensing costs was undertaken in early 2022 with a view to these being set for the financial year 22/23. In order to update these costs, the following steps have been taken:

- 1 The licence steps and average time taken for each step, including the development of policies etc. have been reviewed for accuracy
- 2 Other costs such as IT costs have been reviewed to ensure they remain relevant, and
- 3 The officer hourly rate and on-costs etc. have been reviewed by the finance team.

2.8 The proposed Gambling fees calculated from the for 2022/23 are shown in **column 7** of Table 1 in **Appendix 1**.

2.9 Members will note the significant reduction proposed in fees which reflect the reduced work carried out during the pandemic and significant changes to procedures. These have a more acute affect upon gambling fees than other areas due to the relatively small number of licences in Blaenau Gwent.

2.10 Despite there being only a small number of licenses, the effect on the Department's income is a reduction of £4,506 as shown in **Appendix 2**.

- 2.11 Following discussion with the Authority's Resources Team, it is intended that the service should attempt to mitigate any cost pressures within the service area however, if this is not possible, it is proposed that the deficit should be funded via a contribution from the Covid reserve.
- 2.12 For comparative purposes, the fees being charged by neighbouring authorities are shown in the columns 1 to 4 of Table 1 in **Appendix 1**.
- 2.13 The maximum fee permitted has been calculated in order to ensure effective cost recovery wherever possible.
- 2.14 As no fees have become payable before this matter has been determined, Members are able to agree fees for the entire financial year 22/23. The new fees will therefore apply to all appropriate fees for this year.
- 2.15 A review of all fees will commence again in Autumn 2022 for the 23/24 financial year, to bring this in line with budget setting cycle for next year.

3. Options for Recommendation

3.1 Members are asked to:

- 1 Agree the proposed fees for Gambling Licences, Hypnosis and Films as per **Appendix 1, (Preferred Option)** or
- 2 Consider an alternative fee structure.

4. Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

- 4.1 Links to the Corporate Plan and the Well-being plan are covered in any reports implementing or varying any area of work delivered by the Licensing Team, and there are therefore no direct links to this report.
- 4.2 These fees relate to businesses, and form just a small part of the overall costs borne by those businesses. There are therefore no well-being implications.

5. Implications Against Each Option

- 5.1 Budgetary implications – See paragraph 2.10. There is a balance to be reached between funding services in order to protect public safety, and supporting businesses and others who depend on licences for their livelihoods.

- 5.2 In times of increasing local authority austerity, fees are an important element of local authority income. Due to fee increases not being agreed in previous years, but the income budgets subject to inflationary increases (in line with the assumptions in the Medium Term Financial Strategy), there is likely to be a net cost pressure on the Licensing Committee's Income of £3,000 based on the forecasts of all income 2022/23. The costings for the Licenses are prepared at a point in time, and we anticipate an increase in direct costs post pandemic, including the pay award for 2022/23. Standards stipulate the authority is permitted to charge a fee based on reasonable cost recovery, as Activity Based Costing has been applied, the reduction in income from gambling licenses is inevitable
- 5.3 Reputational risk – The preferred option reduces the risk of criticism or successful challenge in relation to Gambling Act fee levels.
- 5.4 Legal implications – this report refers to statutory powers and responsibilities of the authority and, providing legislative and statutory processes are followed and evidenced, there should be no significant legal impacts arising.
- 5.5 Resources – The global pandemic has placed the Authority under unprecedented pressures requiring flexibility from staff to help bolster the response to the pandemic while maintaining essential services such as taxi licensing. As the recovery continues during this turbulent economic period, it is recommended that fees are adopted as per Option 1 above.

6. **Supporting Evidence**

- 6.1 Supporting evidence to justify 2020/21 fee levels were considered when this fee was set at March 2020. No new evidence is put forward at this stage as no changes are proposed in this report.

7. **Monitoring Arrangements**

- 7.1 Any licence fees will be subject to annual review, reporting to the Licensing Committee as appropriate.

Background Documents /Electronic Links

- Section 65 of the Local Government (Miscellaneous Provisions) Act 1976
<http://www.legislation.gov.uk/ukpga/1976/57/section/65>