

**Committee: Statutory Licensing Committee**

Date of meeting: 16<sup>th</sup> January 2023

Report Subject: Statutory Licence Fees 2023/24

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
13.12.22	15.12.22							16.1.23

**1. Purpose of the Report**

1.1 To agree Gambling Licence Fees and Fees for Hypnosis and Films for the year 2023/24 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 in recent years. In these difficult and challenging times for both businesses and the wider public and having regard to the budget setting cycle, the Corporate Leadership Team (CLT) have been consulted and propose that the fees for Gambling Licences, as outlined in this report, should remain unchanged at this time.

2.2 Additionally, 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 Autumn 2022 with a view to these being set for the financial year 23/24.

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 Whilst some costs have fluctuated, with some increasing above the previous fee levels and some reducing slightly, if cost recovery calculations were implemented fully, the net effect would see just a relatively small increase in income of approximately £350 to the service which would be borne by the existing 12 licensees affected. Therefore, having regard to all of the above and the overall impact of the cost of living crisis, CLT recommend that the Gambling Fees remain unchanged from 2022/23 as shown in **column 6** of Table 1 in **Appendix 1**.

2.9 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. The cost pressure will therefore be monitored during the financial year and funded from within existing resources where possible.

2.10 For comparative purposes, the fees being charged by neighbouring authorities are shown in the columns 1 to 4 of Table 1 in **Appendix 1**.

2.11 A review of all fees will commence again in Autumn 2023 for the 24/25 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 – 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. The proposed fees were set in March 2020 and were calculated based upon principles of cost recovery at that time. Any negative financial implication arising from this will be monitored during the financial year and funded from within existing resources were possible. Where a surplus arises, this will be factored in to future fee calculations

5.3 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 a net cost pressure on the Licensing Committee's Income of £2,000 (As at 2<sup>nd</sup> Quarter) based on the forecasts of all for income 2022/23. The costings for the Licenses are prepared at a point in time. We anticipate an increase in direct costs post pandemic as services continue to recover to more pre-pandemic levels and this will be assessed in future cost-recovery analyses and considered in the next fee review

- 5.4 Reputational risk – The preferred option could give rise to criticism that fee levels have not fully recovered costs of the service. This needs to be balanced against the unprecedented pressures on the trade and Authority during this global pandemic.
- 5.5 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.
- 5.6 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>

### **APPENDIX 1 - Fees for Gambling, Hypnosis and Film Classification 2023/24**