

Committee: **Statutory Licensing Committee**

Date of meeting: **30th January 2024**

Report Subject: **Statutory Licence Fees 2024/25, 25/26 and 26/27**

Portfolio Holder: **Statutory Licensing Committee**

Report Submitted by: **Team Manager- Trading Standards & Licensing**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
9th Jan 2024	11th Jan 2024							Statutory Licensing Cttee 30 th Jan 2024

1. Purpose of the Report

- 1.1 To agree Gambling Licence Fees and Fees for Hypnosis and Film Classifications for the year 2024/25, 2025/26 and 2026/27, 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 aware of the pressures placed upon businesses during the global pandemic and that the Authority has provided some support for licensed trade by not increasing fees since 2019/20. In fact, some Gambling Licence fees were significantly reduced in 23/24 following extensive process reviews which reflected the effects of the pandemic on some processes involved.

- 2.2 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
- Application to vary a licence fee
- Application to transfer a licence fee
- Application for re-instatement of a licence fee
- Provisional statement application fee.

- 2.3 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.
- 2.4 The current licence fees of the main income generating fees are shown **Appendix 1** and indicative income is shown for 24/25 based upon the proposal shown below in Option 1.
- 2.5 The maximum licence fees that the Authority is permitted to charge are shown in column 5 of Table 1 in **Appendix 2**.
- 2.6 The Authority currently licences the following premises under the Gambling Act 2005:
- Alcohol Licence Notification of Machines – 65
 - Alcohol Licence Permit – 4
 - Club Machine Permit – 11
 - Betting Office – 8
 - Adult Gaming Centre – 3
- 2.7 Fees for Alcohol Licence Notifications and Permits, and Club Machine Permits are determined by Government, and do not therefore form part of this report.
- 2.8 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 *Hemmings v Westminster*
- 2.9 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.

2.10 A full assessment of licensing costs has been undertaken with a view to these being set for the financial year 24/25.

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.

2.11 The result of this year's review of cost recovery calculations reflect that processes have largely recovered since the pandemic and if the Authority were to propose fees in line with full-cost recovery calculations this year, an increase of up to 115% would be seen on some of the licences.

2.12 The Regeneration and Community Services Senior Leadership Team have been consulted and propose that gambling fees are instead placed on a 3-year path towards full-cost recovery. This alleviates the potential 115% increase this year and instead proposes a 33% increase for each of the next 3 years as shown in Option 1 below.

2.13 It should be noted that although this represents an above inflation increase on some fees, the resultant fees remain lower than pre-covid levels and balances support for the trade whilst moving towards full-cost recovery in a managed and planned manner over 3 years.

2.14 Some fees as calculated would be subject to slight reduction following process changes but these have little to no bearing on annual income as they reflect fees for rarely used applications. These specific fees, for transfers, variations and reinstatements, are therefore proposed to remain at calculated levels for full cost recovery.

- 2.15 The preferred Option below would provide some certainty for the licensed trade and the Authority in respect of fees for the next 3 years and a full review would be undertaken in 2027/28. All fees are reported to Council each year for adoption in the Fees and Charges Register.
- 2.16 The proposed Gambling fees calculated for 2024/25 are shown in column 7 of Table 1 in **Appendix 2**. Fees for Film Classifications and Hypnosis are shown in Tables 2 and 3 respectively.
- 2.17 For comparative purposes, the fees being charged by neighbouring authorities are shown in the columns 1 to 4 of Table 1 in **Appendix 2**.
- 2.18 Officers will continue to monitor costs each year to ensure that fees do not exceed calculated costs for that licence and in the unlikely event that this should occur, the fee will be set as calculated cost figure for the year in question to ensure that fees do not exceed the full-cost recovery calculations over the 3-year period.
- 2.19 It is recommended that the fees are implemented with effect from 1st April 2024.

3. **Options for Recommendation**

3.1 **Option 1 (Preferred Option)**

To revise the statutory licence fees with increases of 33% in each of the next 3 financial years for Gambling Licence Fees (Appendix 2 - Table 1) and all others (shown in Tables 2 and 3) based upon MTFS assumptions **or**, the full-cost recovery calculated fee - **whichever is the lower**.

3.2 **Option 2**

To propose a different fee than the proposal in Option 1.

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 ***Impact on Budget (short and long term impact)***

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.

In times of increasing local authority austerity, fees are an important element of local authority income. The fees were calculated based upon principles of cost recovery at that time of being set. The financial implications will need to be supported by the budget pressures process and where a surplus arises, this will be factored in to future fee calculations.

The Licensing income budget for the current financial year is £106,330 with an estimated outcome of £92,280. The income budget for 2024/2025 is estimated at £108,306, after applying an assumed 5% increase.

5.2 ***Risk including Mitigating Actions***

Appendix 1 illustrates the general effect of this review on licence fees if fully implemented in 24/25 and estimates subsequent income based upon current volumes at those increased fee levels. A bottom-line income increase of circa £1014 could result if the fees are set as proposed in Option 1. However increases are not guaranteed as licence holders may choose not to renew. The financial implications of the preferred Option will need to be supported by the budget pressures process and where a surplus arises, this will be factored into future fee calculations.

5.2 Reputational risk – Members will be mindful of the balance to be struck between cost recovery of fees against the unprecedented pressures on the trade and the Authority - post global pandemic and during the cost of living crisis.

5.3 ***Legal***

This report refers to statutory powers and responsibilities of the authority and, providing legislative and statutory principles are followed and evidenced, there should be no significant legal impacts arising.

5.4 ***Human Resources***

There are no known Human resources implications arising from the proposal.

5.5 ***Health and Safety***

There are no known Health and Safety implications arising from the proposal.

6. Supporting Evidence

6.1

Performance Information and Data

Supporting evidence is illustrated in the Appendices to this report detailing calculated costs in respect of these licences.

6.2

Expected outcome for the public

The Public will expect the Authority to set fees in accordance with all relevant legislation and having regard to local circumstances as appropriate.

6.3

Involvement (consultation, engagement, participation)

Consultation has not been necessary with respect to these fees but licence holders will be informed at the appropriate time.

6.4

Thinking for the Long term (forward planning)

This report proposes fee setting for the next 3 years to provide some certainty for the trade and the Authority over the period.

6.5

Preventative focus

Appropriate fee setting seeks to adequately recover costs for the Authority to enable an efficient and effective licensing service.

6.6

Collaboration/partnership working

Whilst the Licensing Team works in partnership with many regulatory partners, including Police, Trading Standards and Environmental Health, the proposal in this report is a matter for the Licensing Authority, in accordance with the Constitution.

6.7

Integration (across service areas)

Licensing is fully integrated within the Public Protection Service of the Regeneration and Community Services Directorate and works in partnership with other services as appropriate.

6.8

Decarbonisation and Reducing Carbon Emissions

No implications arising from this report.

6.9

Integrated Impact Assessment (IIA) (All decisions, policy reviews or policy implementation will now require a completed Integrated Impact Assessment) *To note a screening template no longer needs to be completed*

IIA attached as **Appendix 3**.

7. **Monitoring Arrangements**

All licence fees will be subject to annual review by Officers, reporting to the Licensing Committee as appropriate and subject to full review by Members in 3 years as outlined above.

Background Documents /Electronic Links

The Gambling Act 2005 [Gambling Act 2005 \(legislation.gov.uk\)](http://legislation.gov.uk)

The Gambling (Premises Licence Fees) (England and Wales) Regulations 2007 [The Gambling \(Premises Licence Fees\) \(England and Wales\) Regulations 2007 \(legislation.gov.uk\)](http://legislation.gov.uk)

APPENDIX 1 Potential Income differences for 24/25 based upon Option 1.

APPENDIX 2 Gambling Licence, Film Classification and Hypnosis Fees

APPENDIX 3 Integrated Impact Assessment