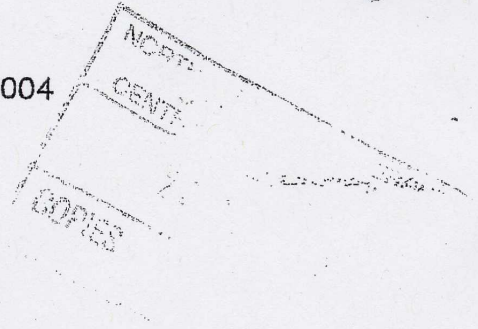


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Your Ref

Our Ref

21 October 2004



Dear Colleague

The Gambling Bill: Local authorities responsibilities

I am writing to inform you of the new responsibilities which will fall to local authorities as a result of the Gambling Bill and give you the opportunity to voice any concerns you may have. The Gambling Bill will place the responsibility for the licensing of gambling premises and the issuing of permits onto local authorities, with the associated responsibility of ensuring that the conditions on these licences are upheld. It will allow local authorities far more input into how gambling establishments operate in their area.

As you may be aware, the Gambling Bill was introduced into the House of Commons on 18th October. It is hoped that the Bill will achieve Royal Assent in the spring of 2005. This Bill will modernise the UK's outdated gambling laws, providing legislation to deal with the rapid advancements in gambling technology and allowing gambling to take its place as an acceptable leisure pursuit. Most of all though it will ensure that there are stringent protections to prevent gambling becoming a danger to those at risk of harm.

Core to the Gambling Bill are the licensing objectives. These are;

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- Ensuring that gambling is conducted in a fair and open manner; and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

To enforce this new regime the bill will establish a new gambling regulator, the Gambling Commission. The Gambling Commission will be responsible for awarding licences to persons who wish to provide facilities for gambling (operating licence)



and those who will either be involved in the running of a gambling company or may be able to directly influence the result of gambling e.g. croupier (personal licence). As well as issuing these licences, the Commission will be responsible for ensuring that the conditions on these licences are adhered to and the prevention of illegal gambling. The Commission will have powers to mount a prosecution where an offence under the Gambling Bill has been committed.

Currently a person wishing to open a gambling establishment must obtain a licence from a local magistrate, with no requirement for input from local authorities. The Government believes that these decisions should be in the hands of those that the local population have elected to run their affairs. The Gambling Bill will therefore give local authorities responsibility for the licensing of gambling premises.

Local authorities responsibilities, under the Gambling Bill, will include the licensing of premises, the issuing of permits, the addition of conditions to these licences or permits and any subsequent inspection to ensure that the conditions on the licence are adhered to. Local authorities will have to agree a licensing policy within which they will be permitted to resolve to not allow any more casinos in their area. The Bill will also create information gateways which will allow a local authority to obtain information relevant to an application from the Gambling Commission and other bodies which have functions under the act e.g. Police Forces, Customs and Excise.

A fee will be payable to licensing authorities for premises licenses and permit applications. These fees will allow for cost recovery of the licensing process and any associated monitoring and enforcement of the conditions imposed by the licensing authority. There will not be a set fee for a premises licence. Instead, the Secretary of State will set bands of fees that will allow the licensing authority to set the precise fee.

The Gambling Bill will also include a provision allowing the Secretary of State to devolve the power to set fees to a prescribed list of local authorities. This is in line with Government policy that high performing local authorities should have additional freedoms for local services. The basis for this will be the Comprehensive Performance Assessments (CPA), which the Audit Commission will undertake for authorities in England. This is used to grade them as excellent, good, fair, weak or poor. Accordingly, councils who achieve an "excellent" rating would be afforded the additional flexibility of setting their own fees for premises licenses. The cost recovery proviso applies in all cases, whether fees are set within the central bands or by a local authority designated to set their own. The power to designate individual excellent authorities for the ability to set their own premises license fees would also be used to bring the same authority back within the central regime should they lose their "excellent" CPA status. In the first instance, this flexibility will apply only to local authorities in England, since the CPA system does not extend to Wales. However, the Bill will provide scope for similar provision to be made in Wales should circumstances relating to assessment of Welsh local authorities change. Separate arrangements will continue to apply in Scotland.

Fees for gambling premises licences will be set to recoup the costs of the service provided. Start up costs for the transition to the new regime, will not however, be recoverable through these fees. Money for start-up costs has been included in the

EPCS settlement through the revenue support grant for 2004/05 and 2005/06.
Start-up costs should include the following

- Training of existing licensing officers, councillors and administrative staff
- Staff/recruitment costs (where additional staff are required to fulfil gambling premises licence responsibilities.)
- Additional software/hardware requirements
- Transfer of records from Magistrates to authorities
- Producing and consulting on the three year licensing policy statement

It is up to each local authority to decide how to best spend this money but it is important that you should be aware that this money is available.

We are working closely with representatives from the Local Government Association (LGA), Local Authority Co-ordinators of Regulatory Services (LACORS), The Institute of Licensing (IoL) and Association of London Government (ALG), Welsh Local Government Association (WLGA) among others on all aspects of premises licensing. This includes fees, funding and the transition to the new regime. We are though interested in the views of authorities that will be implementing the new system so if you have any concerns or suggestions we would be pleased to receive them. We would also be grateful if you would indicate if your authority would be interested in becoming involved in the governments work on premises license fees. We hope to issue a questionnaire to local authorities shortly regarding the estimated costs of the premises licensing process. Please let us know if you would like to be part of this process.

You can find out more about the Premises Licensing process at its own webpage, which can be found at

http://dcms-content/www.culture.gov.uk/gambling_and_racing/pemises+_licensing.htm

You can also e-mail your enquiries to premiseslicensing@culture.gsi.gov.uk or telephone on the number below.



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