

Name of Meeting: CABINET
Meeting Date: 9 July 2007
Directorate: Governance & Resources – Licensing
Corporate Manager: Francis Fernandes – Solicitor to the Council
Agenda Status: (Private/Public part of Agenda)

Report Title

The Appointment of an additional Administration Officer for the Gambling Act 2005.

1. Recommendations

That the Cabinet authorises the appointment of a new Administration Officer to deal with additional work arising from the Gambling Act 2005 (additional establishment post).

2. Summary

The report asks approval for the appointment of an additional Administration Officer to cover the introduction of the new Gambling Act 2005 which commenced on 21 May 2007 with full implementation from 1 September 2007.

3. Report Background

The request is to fund a position to enable the NBC Licensing Team to implement the new Gambling Act 2005 which came into force on 21 May 2007 with full implementation from 1 September 2007.

The Council has a duty to implement the new Act.

Unlike the Licensing Act 2003 where the Police are responsible for enforcement, under the Gambling Act 2005 it is the Local Authority who issues the licence and who take the lead in ensuring compliance with the licence and its conditions and any relevant codes of practice.

The Gambling Act 2005 requires the Council to issue Premises Licences, Permits for Gaming Machines, and register and issue small society lotteries, and occasional/temporary use notices.

In Northampton this will involve:

1. Premises Licences for four casinos, one bingo club, thirty two Betting offices, one track betting, nine adult gaming centres (arcades) and innumerable machine permits.

This is a role previously dealt with by the Magistrates Court and is has become the responsibility of the Council under the Gambling Act 2005.

2. The regulation and administration of two hundred and forty nine small society lotteries; this is a new duty which requires the creation of a new register using risk based inspection programme in accordance with the Gambling Commission guidance. There is a new duty to provide returns to the Gambling Commission.

The implementation of the Gambling Act 2005 is high profile and will generate considerable additional work for the existing small team. The team has existing responsibilities under Liquor Licensing, arranging sub-committees to adjudicate applications and also deals with Hackney and Private Hire Operators, Drivers and Vehicles, street and house-to-house collections, Game Licences, Sex Establishments and Car Boot Sales.

This new Act therefore requires a full time member of staff to ensure that the Council complies with its new duties in an effective and efficient manner.

The Government indicate that funds have already been provided through the Revenue Support Grant as start up costs to enable training, recruitment (where necessary), software or hardware and transfer of records from the Courts.

The ongoing costs of this position will be met from the application fees and annual fees for Premises Licences and fees for permits and other permissions. These fees will be reviewed after one year.

This will therefore mean that the post will be self-financing.

The post envisaged will be a Scale 3/4 and the postholder will be responsible for the administration of the process which involves receiving and checking the applications with the appropriate fee and all the necessary correspondence, maintaining the data base and liaising with the other responsible authorities.

4. Impact of taking no action now

If this post is not recruited the Council could fail in its statutory duties to comply with the Gambling Act 2005.

Currently, the team does not have the capacity to absorb the considerable additional work pressures brought about by the Gambling Act 2005 and if the post is not authorised will have an impact on service delivery.

5. Options and Evaluation of Options

1. Not to agree to the additional post:

- (i) that the current team would be unable to maintain the current efficient level of response with its additional duties
- (ii) there is a risk it would fail to demonstrate compliance with the new legislation

2. Agree to the additional post:

This will resolve capacity problems and enable the Unit to continue providing a good level of service to the target community.

3. Contribute to the Central Administration Unit in partnership with other district councils in accordance with PricewaterhouseCoopers' Better Regulation Project Report June 2007.

The NBC Unit accepts that PricewaterhouseCoopers' Report has recommended at page 37 that the Central Administration Unit could be expanded through six scenarios and that it should

"seek legal advice on how to manage delegation of the scope CAU functions into any new governance arrangements so as not to infringe EU procurement protocols" (page 37 paragraph "Next Steps").

These scenarios raise issues as to TUPE for existing staff and require more detailed research. The report suggests that we ...

"draw up a realistic plan, to manage implementation, mitigate risk and realise benefits to maximise opportunities for efficiency and customer centricity within the CAU. This will require decisions by the Partner Councils and any Councils planning to join the CAU on the following:

- Which of the scenarios outlined in this report, or any other option, to go forward with to develop the scope of operation of the CAU. This will require commitment from new Councils wishing to join, and from the Partner Councils and new joiners on any expanded scope of service.

- Whether to move to a more formal governance arrangement.
- Based on the above how the CAU will be hosted, including how staff within the CAU will be employed.
- Harmonisation of fees, charges and licensing policy. Including whether fee levels are going to be adjusted to reflect full cost recovery and the impact of any upward or downward adjustment for individual Councils.
- Commitment to benefits realisation through headcount reduction and forward planning for this; for example through vacancy management.
- Whether there should be a "joining fee" for new Council's within the CAU. This could either be a cash or in-kind contribution which assists in enabling any future development of the CAU for the benefit of all the Partner Councils.
- Internal audit view on income receipting and how it is to be established."

Northampton Borough Council's Licensing Unit continues to process and advise on a greater density of licensing applications. The Council's Licensing Unit recommends that it has the concentration of experience and local knowledge to deal most efficiently with the Town's needs and that the outsourcing of administration to Thrapston would reduce the customer centered approach provided by the Council's Team.

The Unit therefore requests that this option is accepted only after the recommendations and next steps described above are prudently considered with deeper analysis of the functions provided by the internal Council Team, its efficiency and ability to develop and even extend the scope of its work.

6. Resource Implications (including Financial Implications)

On Service

- To enable the regulation of Northampton in line with the three objectives of the Gambling Act ie
 1. Preventing gambling from being the source of crime and disorder, being associated with crime or disorder, or being used to support crime.
 2. Ensuring that gambling is conducted in a fair and open way.
 3. Protecting children and other vulnerable people from being harmed or exploited by gambling.
- Improve service to public.

On Policy

- To implement the adopted Gambling Policy November 2006.
- Partnership working with Gambling Commission, Police, other agencies.
- To maintain the NBC separate from other Districts as result of higher scale of urban licence applications.

On Resources

This is an income producing role since the applicant for premises licences and permits have to pay the fees in accordance with those fees set by this Council May 2007 in line with those recommended by the Government.

On Reputation

This will maintain the high standard of service provided to the town by the existing Licensing team.

7. Risk and Opportunity Issues

- Service reduction if post not filled
- Possibly non-compliance with legislation
- Opportunity to increase the profile of the Northampton Borough Council

8. Consultees (Internal and External)

Internal	Legal
External	Police

9. Compliance Issues

A: How Proposals Deliver Priority Outcomes

Improvement Plan

Customer Service – outward facing

Corporate Plan

Enforcement is an important aspect of the Unit's work and supports the safer aspect of the Council's vision.

B: Other Implications

Other Strategies
None Specific

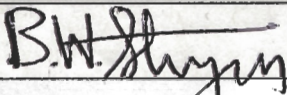
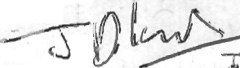
Finance Comments
Finance have confirmed that a permanent budget is needed and has confirmed that it should be at no cost to the authority as the gambling fees have been set on a cost recovery basis.

Legal Comments
The implementation of the Gambling Act 2005 is a legal requirement

10. Background Papers

Title	Description	Source
Gambling Act 2005	Statute	OPSI
Gambling Commission Guidance to Licensing Authorities	Best practice recommendations	Gambling Commission
PricewaterhouseCoopers Better Regulation Project Report June 2007	Partnership Analysis	PricewaterhouseCoopers
Options for Future Service Provision in the CAU	Assessment	NBC Finance Department

[Report Author, title and extension]

Name	Signature	Date	Ext.
Author	B W Sturgess 	5/1/07	8150
Francis Fernandes Monitoring Officer	 Francis Fernandes, 170	5.7.07	7335
Isabell Procter Section 151 Officer			

Options for Future Service Provision in the CAU

Scenario	1	2	3	4
	£	£	£	£
Total cost	259,530	259,530	259,530	259,530
Licensing income	363,201	199,630	33,740	329,461
Surplus (+)/loss(-) of License fee income over cost	103,671	-59,900	-225,790	69,931
Number of licenses processed	3,663	2,936	281	3,382
Number of FTE's	5	5	5	5
Licenses processed per FTE	732.6	587.2	56.2	676.4
Average contribution by council				
Unit cost per license processed	70.85	88.40	923.59	76.74

Unsure of where this information comes from?

Scenario's

1. Licensing Department continues to process licenses at it's current level
2. To transfer the premises/personal licenses (liquor) but keep all other existing functions
3. To transfer premises/personal licenses (liquor), Hackney/private hire, and the new Gambling Act but keep all other existing functions.
4. To transfer all licensing functions apart from premises/personal licenses (liquor), Hackney/private hire and the new Gambling Act

Notes:-

Please note that all working are based on the licensing department being staffed by 5 fte's, the various scenario's may involve TUPE/ redeployment/redundancy of staff. These costs would then need to be included in the workings. In addition to this the figures for FTE's and total cost of the service would also change (information not yet provided).

Scenario one currently shows a surplus income however it does include an estimate for the new Gambling Act income which will result in additional staffing requirements. This will be paid from the estimated surplus income.

The licensing department is currently running at no cost to the authority. Any transfer of staff/functions etc, plus a possible contribution to be paid with the loss of income would not be financially advisable.

Prepared by A Lewis
Finance