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**Report of the Assistant Chief Executive (Corporate Governance)**

***Licensing Committee***

**Date: 4<sup>th</sup> August 2009**

**Subject: Large Casino Licence Project**

**Electoral Wards Affected:**

**Specific Implications For:**

Ethnic minorities

Women

Disabled people

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**Executive Summary**

The Gambling Act 2005 provided Leeds City Council with the opportunity to grant a Large Casino Premises Licence under a two stage process which will determine a licence on the greatest benefit to the City.

Officers are now starting the preliminary stages for this competition and are reporting to Licensing Committee on the next steps in the process.

## **1.0 Purpose Of This Report**

- 1.1 This report is to inform the Licensing Committee of the next steps in the Large Casino process and their delegated responsibilities during this process.

## **2.0 Background Information**

- 2.1 The Gambling Act 2005 (the Act) changed the legislation governing the licensing of casinos significantly. Under the Act seventeen new casino licences will be granted, each of which will be significantly larger than existing casinos. The licences are broken down as follows: one regional casino, eight large casinos, and eight small casinos. The DCMS formed a special Casino Advisory Panel, (CAP) to recommend where the new casinos should be located.
- 2.2 In April 2008 Parliament dropped the regional casino and approved the eight small and eight large casinos. In line with the CAPs original recommendations. Leeds was awarded a large casino licence.
- 2.3 This means the council can now begin preparations for inviting applications for its large casino licence subject to certain statutory obligations and other internal preparations.

## **3.0 Main Issues**

### **3.1 Statement of Licensing Policy**

- 3.1.1 The Act requires that the principles that the authority will apply to determine which application will deliver the greatest benefit to the city must be included in the council's Statement of Licensing Policy.
- 3.1.2 Although the Statement of Licensing Policy is currently under review it was not possible to include the detail required by the Act regarding the Large Casino Application Process. As a consequence it is likely that this part of the policy will be reviewed and consulted upon separately in the early part of next year. The amended policy will follow the normal process including public consultation. Review of the policy also requires input from Executive Board and Scrutiny Board. Approval of the Council's Statement of Licensing Policy is a matter reserved for Full Council in line with Budget and Policy Framework.

### **3.2 The Application Process**

- 3.2.1 The Act assumes that these licences will be highly sought after and that authorities will receive multiple applications. For this reason the Act sets out a detailed two stage selection process.
- 3.2.2 Stage 1 is a routine licence application, similar to the process every gambling premises licence is subjected to. It is expected that most operators will pass through this stage. Each operator may object to other operators and this will result in sub-committee hearings in the normal manner. Adverse decisions can be appealed to the Magistrates Court. This process will take a minimum of four months but any appeals lodged will extend this process. The current waiting time for appeals in the Magistrates Courts is around six months.
- 3.2.3 Stage 2 will be operated like a competitive tender where each operator will be asked to demonstrate how their bid would result in the greatest benefit to the city. Schedule 9 paragraph 5(3) allows the authority to enter into a written agreement with the winning applicant to attach conditions to the licence to secure the proffered benefits.

3.2.4 Benefits might include a one off cash payment, a profit share scheme, commitment to local supplier agreements, or a targeted employment campaign in a given area. As the determination of the application and the grant of the licence is a Part 8 function of the Act, it is expressly a matter for the Council's Licensing Committee, although the principles that the committee will use to inform its decision on greatest benefit will be contained within the Council's Statement of Licensing Policy subject to Full Council approval. Challenges to decisions made at stage 2 are by way of judicial review.

### 3.3 Advisory Panel

3.3.1 The manner in which Licensing Committee will assess the competing bids and the scoring methodology needs to be developed and approved by the Licensing Committee. Although this need not be part of the policy, it is recommended by Counsel that this is included to avoid legal challenge later.

3.3.2 Formulating a specialist advisory panel will offer independent advice and scrutiny to Licensing Committee on both the scoring methodology and the quality of the competing bids. It should include specialists in the following areas:

- Social responsibility
- Sustainable development
- Transport implications
- Crime and disorder impact
- Environmental health impact
- Jobs & skills proposals
- Economic impact
- Financial management
- Procurement
- Regeneration

3.3.3 It is expected that the Advisory Panel will first advise on the content of the Policy and when the time comes, assess each competing bid and provide a detailed assessment of each bid to Licensing Committee to assist them in making their determination.

### 3.4 Training

3.4.1 In order to further assist the Licensing Committee in making the determination full training will be given, which will aim to provide not just the basic knowledge of gambling and casino premises but also an understanding of the trade and its requirements.

### 3.5 Updates

3.5.1 Officers intend to provide updates to Licensing Committee at all key stages in this project.

## **4.0 Implications For Council Policy And Governance**

4.1 This report is to update Licensing Committee therefore any implications for Council Policy and Governance will be identified and addressed during project planning. Any implications determined through this process will be reported to Licensing Committee in due course.

## **5.0 Legal And Resource Implications**

### **5.1 Legal Implications**

- 5.1.1 The determination of the application and the grant of the licence is a Part 8 function of the Act, it is expressly a matter for the Council's Licensing Committee, although the principles that the committee will use to inform its decision on greatest benefit will be contained within the Council's Statement of Licensing Policy subject to Full Council approval.
- 5.1.2 Regarding the Statement of Licensing Policy, the Policy lays down the council's main principles for exercising its functions under the Gambling Act 2005 and can be challenged by both the trade and public. Therefore, it is necessary to ensure that the Policy is legally watertight and any departures from the guidance issued by the Government or the Gambling Commission can be fully and comprehensively justified.
- 5.1.3 The consultation procedure is laid out in the Gambling Act 2005, and the Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006. The consultation process will have regard to the Department for Business, Innovation and Skills' Code of Practice on Consultation.

### **5.2 Resource Implications**

- 5.2.1 There are expected to be resource issues at the start of the process. It is expected that the Advisory Panel should include at least one consultant conversant in the gambling trade. The project management of the process is to be undertaken by the City Development who will provide a Project Manager. The costs for running the competitive process have been estimated at around £100k. However it is expected that these costs will be recouped at the end of the project, either by funding streams such as Yorkshire Forward, or if this is not possible, the funding will come from any financial lump sum provided by the successful applicant.

## **6.0 Conclusions**

- 6.1 The purpose of this report is to advise the Licensing Committee on the forthcoming competition process for the Large Casino Premises Licence.

## **7.0 Recommendations**

- 7.1 That Licensing Committee note the contents of this report.