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

***Licensing Committee***

**Date: 1<sup>st</sup> December 2009**

**Subject: Large Casino Update**

**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.

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 Current Situation

3.5.1 Development Department have now appointed a Project Executive to push this project forward. They are looking at the ways in which we can maximize the benefit to the area. Development have identified that there are likely to be resource implications. They are planning to bring a report to Executive Board shortly to discuss these issues.

3.5.2 Work has started on drafting an amendment to the Statement of Licensing Policy. The next steps will be to agree the first draft and to distribute it to responsible authorities for their comments. Preliminary work has also started on the application pack.

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

4.1 The principles will need to be included in the Gambling Act 2005 Statement of Licensing Policy which will have to follow the normal approval process following the Budget and Policy Framework

## **5.0 Legal And Resource Implications**

5.1 The contents of the application pack and the grant of the licence are Part 8 functions of the Act and are 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.

## **6.0 Conclusions**

- 6.1 The project is proceeding, having received new impetus from the Development Department and the green light from Cabinet. The current timescales look realistic with the Policy being developed and consulted upon in the first half of 2010.

## **7.0 Recommendations**

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