

**LICENSING ACT 2003
REPORT ON IMPLEMENTATION OF THE ACT**

(Report by Head of Administration)

1. INTRODUCTION

- 1.1 At their meeting in September 2003, the Cabinet considered a report on the implications of the Licensing Act 2003 which implemented the Government's modernisation proposals for alcohol licensing in this country and represents a major transfer of responsibility for licensing functions from the courts to local authorities. At the time of the Cabinet meeting, neither the fee levels for the new licensing regime nor the first date for the submission of applications were known. Similarly many of the detailed regulations implementing the Act had not been issued at that time. Given that uncertainty and the fact that premises licences are granted in perpetuity and personal licences for 10 years, the Cabinet agreed to the employment of two additional members of staff on fixed term contracts for 2 years to assist in the implementation of the Act, with a review in the second year of operation of the new system.

2. PROGRESS

- 2.1 Parliament subsequently determined 7th February 2005 as the first appointed day for applications with automatic conversion rights for existing licences if applications were received prior to 6th August 2005. The second appointed day when the new licences come into effect is 24th November 2005. The Regulations approving fee levels were finally issued in January 2005. The Government assuring local authorities that the income received should be sufficient to cover the cost of administering the new system. The Government has commissioned an independent review of income and expenditure by authorities to ensure that licensing under the Act is not subsidised from elsewhere but equally has warned that if authorities are shown to be making a "profit", fee levels could be reduced.
- 2.2 As at the end of October, a total of 553 applications for premises licences and club premises certificates had been received and 600 for personal licences. Many applicants for premises licences and club premises certificates applied shortly prior to the last day for automatic conversion in August which generated particular problems, especially as many of those attracted representations from responsible authorities and interested parties. Applications are continuing to be received from those operators who missed the conversion deadline. As a result of the representations received, 80 hearings by sub-committees have been arranged of which 25 were cancelled, usually because applicants were prepared to accept conditions imposed by responsible authorities. 52 hearings have taken place with a further 3 currently scheduled.
- 2.3 Computer software problems and the influx of late applications have generated a delay in the preparation of licences and certificates and efforts are being made to ensure that these are issued prior to the second

appointed day. This will also populate the public access website to enable the public to view information on-line relating to individual licensed premises.

- 2.4 In terms of income, as at the end of October a total of £125,000 had been received for premises licences and club premises certificates and £22,000 for personal licences. It is also now possible to estimate the volume of income which is likely to be received from the annual fees from premises licences and certificates which is forecast to exceed £90,000 per annum. Together with income from variations, transfers, temporary events notices etc it is likely that annual income will be approximately £100,000.

3. FUTURE WORKLOAD

- 3.1 The likely future workload arising from the Act can now be estimated with greater accuracy. Applications for a variation of licences and certificates already have commenced and will be a regular occurrence. Requests by local residents for licences to be reviewed necessitating hearings by a sub-committee are also likely to be received on a regular basis. Added to this will be a continuous flow of applications for change of ownership details, designated premises supervisor, change of address etc, all of which attract fee income. Temporary events notices replaced occasional licences with effect from 10th November and although the volume of notices is difficult to predict, the fact that any premise is entitled to hold up to 12 temporary events each year suggests that at least 500 notices will be received per annum.

- 3.2 An enforcement protocol is in the final stage of preparation with the police and other responsible authorities which will require a more proactive role for licensing staff. In addition there will need to be ongoing liaison between licensing staff and responsible authorities (police, fire, weights and measures, social services, environmental health etc.) to ensure consistency of approach and avoid duplication.

4. GAMBLING

- 4.1 The 2003 Act also transfers responsibility for gaming machines in licensed premises from the courts to the Council, involving an estimated 200/300 permits. The Gambling Act 2005 which will be implemented in September 2007 will transfer additional licensing responsibilities to the Council for premises used for gambling in Huntingdonshire. This will include betting offices, race tracks, casinos and gaming machines in clubs. The precise implications of the Act, together with fee income, will be dependent upon regulations and guidance from the recently established Gambling Commission which have yet to be issued.

5. RESOURCES

- 5.1 The two additional members of staff approved by Cabinet commenced in November 2004 with the result that their contracts will end in November 2006. The resources proved insufficient to cope with the late influx of applications and production of licences and temporary staff had to be engaged in the summer and autumn. Based upon the information now available it will not be possible to manage the continuing workload imposed by the 2003 Licensing Act and the new 2005 Gambling Act with fewer resources than are currently available

6. FINANCIAL IMPLICATIONS

- 6.1 Annual fee income under the 2003 Act is forecast to be £100,000. However until the Government's current review of licensing expenditure and fee levels is known, it would be imprudent to budget for an ongoing surplus.
- 6.2 The fee rates for the proposed additional responsibilities under the Gambling Act have not yet been set and the consequent income to the authority cannot be predicted with any certainty at this stage.
- 6.3 The annual cost of making the two temporary posts permanent at their existing grades is £41,300. Other annual running costs for enforcement and Licensing Committee administration arising from the 2003 Act are estimated to be £10,000. This additional expenditure, together with other on costs can be met from forecast fee income.

7. CONCLUSION AND RECOMMENDATION

- 7.1 Generally the Licensing Act 2003 has been implemented successfully to date. This is due, in no small measure, to the enthusiasm and commitment of the staff of the Licensing Section and the support and involvement of the Licensing Committee.
- 7.2 A clearer indication of the future workload is now possible which indicates that the administration and enforcement of the 2003 Act and the implementation of the Gambling Act is unlikely to be achieved with fewer resources than are currently available. A further assessment of the implications of the Gambling Act will be made when additional guidance has been issued.
- 7.3 It is therefore

RECOMMENDED

that the Cabinet note the progress on the implementation of the Licensing Act and approve the necessary funding from licensing income for the retention of posts CN070 and CN076 referred to in recommendation (a) above.

BACKGROUND PAPERS

Licensing Files

Contact Officer: Mr R Reeves
Head of Administration
Tel: (01480) 388003