EXPLANATORY MEMORANDUM TO

THE GAMBLING (LICENCE FEES) (MISCELLANEOUS AMENDMENTS) REGULATIONS 2012

2012 No. 1851

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

2.1 These Regulations make amendments to:

- the Gambling (Personal Licence Fees) Regulations 2006 (S.I. 2006/3285) as amended ("the Personal Licence Fees Regulations"); and
- the Gambling (Operating Licence and Single-Machine Permit Fees) Regulations 2006 (S.I. 2006/3284) as amended ("the Operating Licence Fees Regulations").

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 Each of the various changes made by these Regulations to fees payable by virtue of the Personal Licence Fees Regulations and the Operating Licence Fees Regulations have the effect of reducing the existing fee burden, ensuring that they accurately reflect the regulatory costs associated with each licensable activity. These Regulations do not impose any fee increase.

3.2 The Department recognises that these Regulations are the seventh occasion on which the Operating Licence Fees Regulations have been amended, and has again considered the need for consolidation. While the Department recognises the need to consolidate at the next suitable opportunity, to have done so by way of these Regulations would have been likely to delay the reduction in the maintenance fee that is payable in respect of a personal functional licence. Businesses with an interest in these Regulations are in practice guided

by information published by the Gambling Commission ("the Commission") under these Regulations, rather than by the substance of these Regulations themselves.

4. Legislative context

4.1 These Regulations amend the Personal Licence Fees Regulations so as to reduce the maintenance fee payable in respect of a personal functional licence from £185 to £145.

4.2 These Regulations also amend the Operating Licence Fees Regulations so as to:

- expand the circumstances in which no fee is payable in respect of an application for or amendment to a remote general betting (standard) (remote platform) licence, because the Commission incurs no additional cost; and
- correct a number of drafting errors.

5. Territorial extent and application

5.1 This instrument applies to England, Wales and Scotland.

6. European Convention on Human Rights

6.1 The Secretary of State for Culture, Olympics, Media and Sport has made the following statement regarding Human Rights:

"In my view the provisions of the Gambling (Licence Fees) (Miscellaneous Amendments) Regulations 2012 are compatible with Convention rights."

7. Policy background

7.1 The Department sets fees, in accordance with the Gambling Act 2005 and HM Treasury's rules and guidance on fees, levies and charges set out in Managing Public Money, at a level that enables the Commission to recover the full costs of delivering its responsibilities, with no cross-subsidies, ensuring fairness and value for money for the gambling industry.

7.2 The Department is proposing a reduction in the maintenance fees for a Personal Functional Licence from £185 to £145 to reflect the regulatory costs.

7.3 The Department is also proposing further changes to the Operating Licence Fees Regulations to ensure that existing holders of, or new applicants for, certain operating licences are not subject to additional fees (including subsequent administration fees) for the remote general betting (standard) (remote platform) operating licence which was introduced earlier this year by S.I. 2012/829.

7.4 We are also clarifying provisions relating to the identity of applicants who wish to continue a business carried on by a deceased person in reliance on an operating licence, and have corrected some drafting errors in Schedules 1 and 4.

8. Consultation outcome

8.1 The Gambling Commission conducted a consultation on the "The Maintenance of Personal Licences: October 2011" in consideration of the responses to this the Commission has further reviewed its assessment of workload and costs with regards to the maintenance of personal licences and has identified scope to make some limited changes to the maintenance fee levels for personal functional licences. The Department believes that as this reduction in regulatory costs has been identified we should make that change so that those that were licenced when the Act was originally implemented and are now due to pay a maintenance fee in September benefit from it.

9. Guidance

9.1 Guidance to gambling operators on fee categories and payment will be provided by the Commission.

10. Impact

10.1 The package reduces the fee burden on industry by £130,000, which equals the reduction in the Commission's costs.

10.2 An Impact Assessment is attached to this memorandum and will be published alongside the Explanatory Memorandum at www.legislation.gov.uk.

11. Regulating small business

11.1 These Regulations apply to small business as all businesses have to pay for the full cost of their regulation. The amendments introduced by these Regulations will ensure that small business (specifically small betting businesses) will not have to pay fees for the general betting (standard) (remote platform) operating licences in circumstances where another general betting operating licence is applied for or held in conjunction. These fees are commensurate with costs incurred by the Commission. Failure to introduce these amendments by way of regulation may conversely lead to operators being charged up to £315 for the remote platform category, which would represent an over-recovery of Commission costs.

12. Monitoring & review

The Commission will continue to monitor and gather evidence about their regulatory costs and the industry they regulate on an annual basis.

13. Contact

Andy Birleson at the Department for Culture, Media and Sport can answer any queries regarding the instrument (020 7211 6528 or andy.birleson@culture.gsi.gov.uk).