

CONTRIBUTIONS RECEIVED FROM THE CASINO 2018/19

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Executive Summary:

The report sets out the position regarding the financial contributions received from the Aspers casino.

Future reporting on these financial matters will be through annual Budget and Outturn reports to Cabinet.

1. Recommendation

1.1 That the content of the report be noted.

2. Background

2.1 A casino licence was awarded to Aspers in March 2012 following a competitive process. One of the aims of the process was to secure a financial benefit to the council from the award of the licence.

2.2 Following award of the licence Corporate Leadership Team considered a report in August 2012 on how to allocate the monies received, which has been through budgetary approval by Cabinet since February 2013.

2.3 Though allocation of the funds is an Executive function, the Licensing Committee has previously received reports in [March](#), [July](#), and [September 2015](#), [December 2016](#) and [December 2017](#).

2.4 As an Executive matter, reporting on the financial contributions will henceforth be included in Budget and Outturn reports to Cabinet, and subject to scrutiny through the Budget & Resources Scrutiny Committee, other relevant Scrutiny committees, and the Audit Committee.

3. Income Received from the Casino

3.1 As detailed in previous reports there are a number of income streams from the Casino as a result of the licence granted and the contractual arrangement in place as a result. These are shown in the following table, and described in the following paragraphs.

Financial Year	Annual License Fee	Minimum Guaranteed Income	Top Up on Minimum	Vulnerable Gamblers Contribution	One-Off Job Creation	Total for year
2012/13	£0	£1,500,000	£0	£250,000	£0	£1,750,000
2013/14	£0	£0	£0	£175,000	£50,000	£225,000
2014/15	£10,000	£0	£61,702	£179,375	£0	£251,077
2015/16	£10,000	£0	£235,656	£181,528	£0	£427,184
2016/17	£10,000	£0	£336,050	£184,977	£0	£531,027
2017/18	£10,000	£500,000	£297,252	£192,600	£0	£999,852
2018/19	£10,000	£500,000	£325,181	£199,109	£0	£1,034,290
Total	£50,000	£2,500,000	£1,255,842	£1,362,589	£50,000	£5,218,430

3.2 The annual licence fee is as specified under the Gambling Act 2005 and set at level decided by Parliament within specified parameters. The Council has previously charged the maximum amount allowed under the legislation of £10,000 per annum and this is received into the Licensing budget of Regulatory Services. The overall Licensing budget is ring fenced but the fee from the casino is not then ring fenced within it. The licence fee is used to support the licensing service in general and funds staff time in dealing with matters arising at the Casino, including committee work and programmed inspections etc.

3.3 The £500k minimum income revenue is for each year the Casino operates, payable in arrears. An advance sum was paid in 2012/13 covering the first three years' operation commencing in 2014/15.

3.4 The top up payment is in addition to the annual minimum £500k amount, if a set percentage of the gross gambling revenue at the Casino exceeds £500k. It is not possible to forecast what future payments will be, since this depends on the casino's turnover.

3.5 An annual "vulnerable gamblers contribution" with an initial start-up amount of £250k in 2012 and an annual amount of £175k payable from 2013 and index linked from then.

3.6 A one off payment of £50k prior to September 2013 towards job creation. This was to be paid to Job Centre Plus but was agreed to be received by the Council at the time with agreement of all parties as part of Neighbourhood Employment Programme.

4. **How the income received has been spent**

4.1 There is no specific breakdown of the £10k annual licence fee and how it has been spent but in the last 12 months the casino has been subject to a compliance visit by Licensing; and Regulatory services has participated in the Aspers initiative known as Community Action for Responsible Gaming (CARG). In the previous 12 months Licensing have also finalised the latest statutory revision to our Gambling Policy statement which includes reference to the Casino.

4.2 The annual £500k contribution, and additional top up payments, has been applied through the budget process to:

- (a) provide funding to the Neighbourhood Employment Programme;
- (b) provide funding to support the management and delivery of the RegenerationMK Strategy; and
- (c) contribute to the overall general fund of the Council. It is not possible to provide a breakdown of what this has been used for specifically.

4.3 Support of vulnerable gamblers is overseen by Adult Social Care, through a contract with MIND which expires on 31 March 2019, and the use of the annual Vulnerable Gamblers Contribution has recently been covered in a report to the Health and Adult Social Care Scrutiny Committee.

5. Other benefits provided by the Casino

5.1 Information from Aspers is that in the 12 months to 31 December 2018, 186 employment positions were available to MK residents. 75 of these were recruited to, with 62 taken up by MK residents. There remains an ongoing commitment to recruit locally as vacancies arise.

5.2 A further benefit is that Aspers have contracts with 17 local businesses covering a number of services including marketing and promotions, taxis, facilities management and entertainment, spending in excess of £105k in the 2018 calendar year.

6. Implications

6.1 Policy

None.

6.2 Resources and Risk

None other than as above

N	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

6.3 Carbon and Energy Management

None.

6.4 Legal

The money received by the Casino for its annual license fee must be paid into the Licensing budget in order for the Council to fund its statutory licensing functions. There are no statutory requirements in the Gambling Act 2005 that restrict how the other payments are allocated.

6.5 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background papers:

Licensing Committee Reports [March](#), [July](#), and [September 2015](#), [December 2016](#) and [December 2017](#).

Health and Adult Social Care Scrutiny Committee briefing note [February 2019](#).