

Wards Affected:

All Wards

ITEM 8**LICENSING COMMITTEE****23 SEPTEMBER 2015****Use of Income from the Casino****Corporate Director Place: Duncan Sharkey Tel: (01908) 253411**

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Executive Summary

The Council derives a financial benefit from the licence granted to Aspers casino in Xscape, Central Milton Keynes. This report provides further detail than previously provided on the benefits received and how these are currently allocated and used to the greatest benefit of Milton Keynes.

1. Recommendation(s)

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 principal 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. This was decided through budget decisions from 13/14 onwards.

2.3 In July 2015 the Committee identified four matters in respect of the casino requiring further detail, three of which became resolutions (minute LC 06 refers). In short these were:

a) Actual income figures to the Council from the casino

b) Details of what use has been made of that income

c) The specific benefits enjoyed by parishes and residents directly affected by the casino

d) Parking and nuisance issues to Fishermead from patrons of the casino (a Parish Council representation via Cllr Fraser)

2.4. Previous reports to Committee in March and July 2015 have not provided sufficient detail in respect of a); b); and c) above.

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 a table at Annex A but in summary are:

- a) An annual licence fee as specified under the Gambling Act 2005 and set at level decided by Parliament. The Council charges the maximum amount allowed of £10k per annum and this is received into the Licensing budget of Environmental 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 Officer time in dealing with matters arising at the Casino including committee work and programmed inspections etc.
- b) A £500k minimum income revenue for each year the Casino operates payable in arrears. Due to a contractual requirement a 3 year upfront payment of £1.5M was made in 2012 to cover the first three years of operation. The next payment of £0.5m will be due in September 2017.
- c) A top up payment in addition to the annual amount is made if the Gross Gambling Revenue at the Casino exceeds £500k. The only payment due so far was last year (after the first years trading) and it is not possible to forecast year to year what future payments may or may not be. This payment was £61,702.
- d) An annual contribution towards support of vulnerable gamblers is made with an initial start-up amount of £250k in 2012 and an annual amount of £175k payable from 2013 and index linked from thereon in.
- e) 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.

4.0 Details on how monies received have been spent

4.1 There is no breakdown of the £10k annual licence fee and how it has been spent as it is consumed into the general licensing budget as detailed in 3.1a) above in line with other licensing fees.

4.2. The annual £500k contribution has been used to

- a) Provide £150k annual funding to the Neighbourhood Employment Programme. Information on the outcomes this has contributed to are detailed at Annex 2.
- b) Provide £260k annual funding to support the management and delivery of the RegenerationMK strategy by part funding the Councils RMK service. This service provides the borough wide lead on the development and delivery the RegenerationMK strategy, leading on community development (for regeneration) and tenant involvement, economic regeneration including

the delivery of employment support to tackle worklessness (as detailed at Annex 2) and housing led regeneration, including the procurement of a strategic partner.

- c) £90k has been used to contribute to general funds of the Council as part of the budget setting process. It is not possible to provide a breakdown of what this has been used for specifically.
- 4.3 The additional top up payment of £61,702 received in November 2014 was included as part of the budget process following the original cabinet decision in February 2013. The monies have been used to contribute to general funds of the Council as part of the budget setting process. It is not possible to provide a breakdown of what this has been used for specifically.
- 4.4 The annual payment for support of vulnerable gamblers is overseen by Adult Social Care and is used for two things. The main use is the commissioning of a counselling service dealing with a number of issues including those with gambling problems. The cost of the Counselling and Wellbeing Contract with Mind BLMK counselling contract is £213,307 for 2015/16, £58,338 of which is funded by Milton Keynes Clinical Commissioning Group and £154,969 is funded from the annual payment. There is thus an underspend on monies received this year but available to support the commissioning and management of this contract.
- 4.5 The counselling service aims to promote and support mental health and wellbeing, through the provision of a range of effective counselling and wellbeing interventions including accredited counselling services for people with a range of difficulties including addictive behaviours. During Quarter1 2015/16 Mind BLMK provided a service to 360 people of whom 328 were new to the service. Of these 208 people received 687 hours of face-to face counselling with the remaining 120 attending one of a range of support groups and activities provides as part of the contract. During Quarter 1 one primary referral was recorded for gambling addiction and none as a secondary issue e.g. referred for relationship counselling but gambling identified as an issue post-referral.
- 4.6 The second use of vulnerable gamblers monies was a one of payment of £30k at £7.5k a year over four years to fund test purchase operations at Gambling Premises by Environmental Services. Six such operations have been undertaken since October 2012 with a cost of £13,920. These monies are on course to be used in full by Autumn 2016. The costs of the operations are provided to Adult Social Care in March each year and the due amounts are credited to the Environmental Services team. Test purchase operations were carried out in 2012 (1); 2013 (3); 2014 (1) and once so far in 2015.
- 4.7 The test purchase operations have produced the following results. In total 'underage' volunteers have entered betting shops on 62 occasions and there have been 5 occasions when bets have been placed (8%). There have also been 20 occasions when the volunteers have been able to enter the shops without being approached and only asked to leave when attempting to either use a gambling machine or place a bet. This is regarded as a failure as you must be 18 to enter the shop (32%). There have been 15 warning letters

sent (24%) and two members of staff have been moved and demoted as result. Two other members of staff have been dismissed. Every shop that failed a test has been retested resulting in improved compliance, other than failures relating to entry to the shop, the last full failure resulting in a bet being placed was 10th September 2013. The test purchases carried out at Ladbrokes Betting shops have assisted in MKC forming a Primary Authority agreement with Ladbrokes which ensures compliance standards are kept updated and to a high standard nationally.

5.0 The specific benefits enjoyed by Parishes and Residents directly affected by the Casino

- 5.1 Annex B confirms that the Neighbourhood Employment Programme for the four parishes closest to the Casino (Fishermead; Conniburrow; CMK and Oldbrook) has yielded a combined total of 685 persons for training and 155 jobs.
- 5.2 Information from Aspers is that 152 staff have been employed from Milton Keynes, 29 of which are from Fishermead. In total the Casino employs 189 individuals. There remains an ongoing commitment to recruit locally as vacancies arise. In the 12 months to June 2015, 171 employment positions were available to MK residents and 144 of these were taken up by MK residents. 23 of the new employees were registered with Job Centre Plus.
- 5.3 There has been no study/calculation of economic benefit to local areas as a result of the Casino opening.
- 5.4 An indirect benefit is that Aspers have contracts with 33 local businesses covering a number of services including marketing and promotions, taxis, facilities management and entertainment.

6.0 Parking and Nuisance issues to Fishermead Residents

- 6.1 Following the last committee, Campbell Park Council has been contacted for further information. None has been provided.
- 6.2 Community Safety have confirmed that the Police have not raised any issues in this regard.
- 6.3 The Councils Environmental Services arm has no record of nuisance issues or any licensing concerns.
- 6.4 The Council representative that sits on CARG (Community Action for Responsible Gaming) confirms no issues have been raised regarding noise or disturbance from the venue
- 6.5 A meeting has been held with Aspers. They actively monitor dispersal from their premises and do not feel their customers are the likely source of nuisance issues in Fishermead. A number of their customers do live in Fishermead and will walk home from the premises but the position of the casino is by one of two pedestrian bridges that lead to the estate from CMK. This means the routes serve not just Aspers customers but anyone walking to and from the centre. Given that there is

free evening parking outside of the casino it is unlikely that many customers would choose to park their car in Fishermead unless of course they live there.

7. Options

7.1 To note the content of the report.

8. Implications

8.1 Resource and Risk

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

8.2 Carbon and Energy Management

None

8.3 Legal

Other Implications

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

Background Papers:

Licensing Committee Reports March 2015 and July 2015

Corporate Leadership report August 2012