

Wards Affected:*All Wards***USE OF INCOME FROM THE CASINO**

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Executive Summary:

This report sets out the use of casino income and how the allocation of funding through the Council's Budget process meets the requirements of ensuring that funding is allocated to the areas of greatest benefit.

1 Recommendation(s)

1.1 The committee is recommended to note the report

2 Purpose

2.1 This briefing note explains the use of casino income and the link to the Council's budget setting process which determines the service delivery requirements which have the greatest benefit for the Council.

3 Use of Casino Income

3.1 The table below shows the use of casino income in 2014/15 and the proposed use of casino income in the 2015/16 Budget.

Item	2014/15 Actual	2015/16 Budget	Note
Specific resource	(£175,000)	(£175,000)	For the Council to use in the support of vulnerable gamblers
Non-specific resource	(£500,000)	(£500,000)	Guaranteed income revenue' for the use of the Council to the 'greatest benefit'
Additional revenue share *forecast	(£61,700)*	(£55,000)	An additional revenue share payable for the MK casino for the first year of operation. Estimate included in 2015/16 budget as dependent on uncertain casino revenues.
Total Income	(£736,700)	(£730,000)	

Item	2014/15 Actual	2015/16 Budget	Utilisation
Social Care	£175,000	£175,000	Used to commission a counselling service available to people who may have problems linked to gambling. A small amount of this fund has also been used to fund MKC test purchase operations at gambling licensed premises across the borough.
Housing & Community	£157,000	£157,000	Utilised to support the management of the Housing and Regeneration Management Team.
Housing & Community	£150,000	£150,000	Utilised for the Regeneration Neighbourhood Employment Programme
Housing & Community	£254,700	£248,000	Income used to support the ongoing delivery of Council services
Total Utilisation	£736,700	£730,000	

4 Determination of Greatest Benefit

- 4.1 The income from the casino specifically defined the need to provide a gambling support service, which has been commissioned, the remainder of the income supports the delivery of the Council's priorities. Some of the income has been allocated to support the Neighbourhood Employment Programme and the Regeneration and Housing teams. However, the remainder is allocated through the Council's Budget process. Utilising funding as part of the Budget means that income is not allocated to individual service spend, but used to fund the overall service delivery of the Council.
- 4.2 The inclusion of casino funding as part of the Budget process means that there is extensive challenge about all the spending in the Budget, which ensures that expenditure is only committed to the highest priorities, with the greatest benefit for the whole Council.
- 4.3 Using the casino income as part of the Budget means that the spending priorities for the Council (and therefore the use of this funding) are subject to the following challenge and scrutiny:
- Internal officer challenge on expenditure priorities; needs and opportunities for savings
 - Cabinet member challenge on spending needs; relative priorities and options for savings
 - Budget Review Group Scrutiny of all proposed additional expenditure and savings
 - Public consultation
 - Full Council decisions on spending priorities and use of funding

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- 4.4 The funding allocated to the Neighbourhood Employment Programme is also subject to the same challenge as part of the Budget process, but the decision has been taken to retain the contribution to the programme, hence no change was proposed in the 2015/16 Budget.
- 4.5 It would not be possible in an individual allocation process for casino income to ensure that use of funding is for the greatest benefit for the Council. This is for a number of reasons:
- It would not be cost effective when designing a process to allocate £250k to have the extensive scrutiny and consideration which surrounds the Council's budget process.
 - Consideration and identification of schemes could only be for a fixed amount, not a contribution to a scheme of greatest benefit.
 - It is likely decision makers would be a subset of full Council, and therefore not reflect the views of the whole Council when determining the allocation.
 - There would be limited capacity to investigate options for using funding.
 - The process would not be aligned with the prioritisation in the Budget process, and could therefore be subject to challenge.
- 4.6 For these reasons, the process of using casino income to support the Council's Budget, which reflects the highest spending priorities of Full Council and supports services which have the greatest benefit, as determined by Full Council, following extensive scrutiny and challenge is more robust in terms of the legislation than the alternative approach of earmarking funding through a ring-fenced allocation process.