

Wards Affected:

All Wards

ITEM 6**LICENSING COMMITTEE****8 JULY 2015****USE OF INCOME FROM THE CASINO (Further report)**

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Executive Summary:

The report to the 18th March 2015 Licensing Committee set out the use of casino income and how the allocation of funding meets the requirements of ensuring that funding is allocated to the areas of greatest benefit.

The Committee requested that further detailed analysis of how funds have been specifically spent to date and the visible outcomes of that expenditure be provided to the next meeting of the Licensing Committee.

1. Recommendation

1.1 That the report be noted.

2. Background

2.1 Licensing Committee on 18 March 2015 received a report on the use of the income from the Casino. The Committee requested that further information be presented to the next meeting of the Committee, specifically:

- (i) Whether the funds allocated to support of vulnerable gamblers was ring fenced,
- (ii) An analysis of what it had specifically been spent on in this category,
- (iii) What demonstrable results there were from the spend,
- (iv) An analysis of what the funds allocated to 'Social Care',
- (v) An analysis of the use of money allocated to 'Housing and Community',
- (vi) Detailed information on the use of funds identified as 'Income used to support the ongoing delivery of Council Services', and,
- (vii) Evidence that all funds had been used to provide 'The Greatest Benefit'

2.2 The casino in Central Milton Keynes was granted a licence in June 2012 and opened in September 2013.

2.3 The casino operator, Aspers, currently pay MKC the following on an annual basis

- (i) A statutory licence fee of £10,000

- (ii) £175,000 (index linked from 2014) for the Council to use in the support of vulnerable gamblers
 - (iii) £500,000 minimum 'guaranteed income revenue' for the use of the Council to the 'greatest benefit'. This is currently used to support the regeneration team and the Neighbourhood Employment Programme (NEP). This is a minimum payment and depending on the gaming revenue the Casino generates supplementary payments are made on an annual basis on a percentage basis (a top up amount)
- 2.4 The licence fee is a statutory fee and is received by Environmental Services (Licensing)
- 2.5 The legislative framework enabled the Council (MKC) to grant the licence to the applicant that would provide the 'greatest benefit' to the Authority on being awarded the licence
- 2.6 Council policy was that 'greatest benefit' was to include financial contributions to the Authority in addition to the statutory licence fee. This has led to a revenue stream for the Council which has been used to fund a gambling support service (£175k), 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 (£150k) and the Regeneration and Housing teams (£157k). 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.
- 2.7 The inclusion of casino funding as part of the Budget process means that there is extensive challenge and scrutiny 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.
- 2.8 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:
 - (i) 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.
 - (ii) Consideration and identification of schemes could only be for a fixed amount, not a contribution to a scheme of greatest benefit.
 - (iii) 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.
 - (iv) There would be limited capacity to investigate options for using funding.
 - (v) The process would not be aligned with the prioritisation in the Budget process, and could therefore be subject to challenge.

2.9 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.

3. Use of the Income from the Casino

- 3.1 The £175k is index linked and is allocated to social care for support of vulnerable gamblers. This fund is not ring fenced but has been used to commission a counselling service which is jointly funded with the NHS and is contracted through MIND. MKC were clear that this route be used as the counselling can be made available to people who may have problems linked to gambling (poly addiction and marital issues etc). A small amount of this fund has also been used to fund MKC test purchase operations at gambling licensed premises across the borough (such as Betting shops and Adult Gaming Centres).
- 3.2 The contract with Mind BLMK provides a counselling and wellbeing service in Milton Keynes. During 2014/15 they provided a service to 1628 people. At present Mind BLMK primarily assesses clients and either refers on to Gamcare or works directly with those whose addiction is a secondary need.
- 3.3 People who require specialist intervention for gambling addiction are referred on to the local branch of Gamcare which can offer 24 weeks of counselling. People who present with a main counselling need such as depression and/or anxiety may have gambling addiction as a secondary need.
- 3.4 Mind BLMK's does not have figures for those presenting with a secondary need in 2014/15 as their reporting system currently only reports on the main counselling need but this will be reported for 2015/16.
- 3.5 Some of Mind BLMK's wellbeing interventions are being extended into the evenings due to a high proportion of clients with gambling addiction (whether seen by Gamcare or by Mind BLMK as a secondary need) are in employment. These wellbeing interventions provide a useful adjunct to counselling sessions.
- 3.6 Of the annual £500k, £157k is utilised to support the management of the Housing and Regeneration Management Team, £150k is utilised for the Regeneration Neighbourhood Employment Programme and the remaining amount of £193k is used as a funding source for general fund services.
- 3.7 The Council's regeneration team leads on the delivery of regeneration across Milton Keynes - RegenerationMK, focusing on People, Place and Prosperity.
- **People:** delivering community development support to target neighbourhoods, helping to build the capacity of community groups and empower individuals to play an active part in the regeneration of their area;
 - **Place:** the council, led and facilitated by the regeneration team, are due to complete the procurement of a commercial partner with whom the council will deliver significant housing led regeneration;

- **Prosperity:** The Neighbourhood Employment Programme (NEP) offers targeted employment and skills support to unemployed individuals who live across MK, targeting twenty two designated areas with the highest levels of unemployment and greatest needs, plus offering specialist support to people who are 50+, 19-24 years old, have children under 5 and who are presenting to the Council in housing need.

3.8 The NEP is delivered in partnership with a range of commissioned providers such as Community Learning MK, MK College, MK MIND, National Careers Service, Bletchley & Fenny Town Council, Connexions and Job Centre Plus. The NEP also works closely with the Council's Children and Families Practice service, Housing and Community, AGEUK and the YMCA to target those who are long term unemployed and/or have complex needs and multiple barriers to employment.

3.9 Since the NEP started in 2012 the service has exceeded expectations by:

- (ii) supporting over 4,500 local residents to attend NEP job clubs
- (iii) supporting over 1,200 people into employment (of which 323 were aged 18-24 years old, helping 1 in 4 people into work)
- (iii) facilitating over 4,000 people to enter employment related training
- (iv) enabling a £2.4m saving to the state by reducing the welfare bill and increasing tax revenue by £559k as a result
- (iv) evidencing that 75% of those supported into work show an improved financial situation as being better off by an average of over £1,500 per year

4.0 Options

- 4.1 As the Council has entered into a legal agreement with the Casino operator there are only limited options for the future increase of income.
- 4.2 The allocation of the income received can be altered but this would have consequences in terms of the counselling service and the regeneration project the council is embarking upon.

5.0 Implications

5.1 Policy

The continued use of the income will progress the following priorities/outcomes within the Corporate Plan 2012-2016:

That as part of the Council's vision, that our residents have access to all the services they need and have the support to access opportunities and enjoy a healthy and good quality of life.

5.2 Resources and Risk

The impact on the Council is varied as the income is used to support a number of initiatives. The income is used to reduce the impact of problems associated with gambling.

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

5.3 Carbon and Energy Management

Carbon reduction and energy management would be affected if the funds are not maintained to the regeneration team and significant reductions in energy costs to the tenants would not be achieved.

5.4 Legal

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

Background Papers:

Licensing Committee Report – 18 March 2015